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ESSAY REVIEW

**THE ZIMBABWE ECONOMY:
PROGNOSTICATIONS AND REALITIES AFTER SIX YEARS**

THE STRUGGLE FOR independence for Zimbabwe was always supported by a small group of academics. In the 1960s and 1970s, much of their attention was devoted to providing a critique of the colonial society and to rediscovering and asserting the African, as opposed to the settler, history of the country. Towards the end of the struggle, however, as the certainty of victory moved from the distant to the near future, the attention of some of these sympathizers shifted to a consideration of the post-independence possibilities. Perhaps the most notable example of this shift was the series of pamphlets, 'From Rhodesia to Zimbabwe', produced between 1977 and 1979 by the Catholic Institute for International Relations (CIIR) jointly with the Catholic Commission for Justice and Peace in Zimbabwe.¹ As the preface of the series explicitly stated, 'Each paper will take as its starting point the question: how can the new government of Zimbabwe provide for the basic needs of the poorest sectors of society?' The series was deliberately conceived to influence the thinking of those involved in the struggle. The extent of its immediate impact might perhaps be gauged by the fact that R. C. Riddell, a key contributor, was subsequently asked to chair the Commission of Inquiry into Incomes, Prices and Conditions of Service by the new Government of Zimbabwe.²

Of course, within the liberation movement itself there had been concern about what the independent nation would look like. Liberation struggles are usually motivated not simply by an antagonism to the present but also by a perception of how the future could be. Initially, these perceptions were expressed in speeches and in manifestos. As the end of the struggle drew near, ZANU and

¹ This series, published in London by the CIIR and in Rhodesia by Mambo Press, had close links with the latter's Mambo Occasional Papers — Socio-Economic Series which began in 1974. Not only were both series sponsored by the Catholic Church, but a number of the key contributors were the same and they carried over the same intellectual approach. However, whereas the Socio-Economic Series was essentially concerned with analysis of the problems in colonial Zimbabwe, the From Rhodesia to Zimbabwe Series consisted of, as described in the series preface, 'a collection of papers which address the social, economic, administrative and legal problems to be faced by an independent government of Zimbabwe'. Although authors' emphases varied, the From Rhodesia to Zimbabwe Series tended to be written from a radical 'basic-needs' approach, assuming that the independent government would be primarily concerned with addressing the problems of alleviating poverty. It is difficult to gauge the impact of these two series. Certainly, in academic terms, the Socio-Economic Series contributed significantly to our analysis of colonial Zimbabwe. D. G. Clarke's writings, in particular, were *de rigueur* for other researchers, particularly Zimbabwean scholars working outside the country, as the many references to them in theses and articles demonstrate. [For references to reviews of these two series in *Zambezia*, see *ante* (1982), X, 147, fn. 20.]

² See Zimbabwe, *Report of the Commission of Inquiry into Incomes, Prices and Conditions of Service* (Salisbury, Govt. Printer, 1981).

ZAPU began to address themselves more concretely to post-independent Zimbabwe. The manpower study of the Patriotic Front (1978)³ and the UNCTAD study, *Zimbabwe: Towards a New Order: An Economic and Social Survey* (conceived and executed in 1978 and 1979, although published only in 1980),⁴ were meant to provide support for the first government of independence. The Patriotic Front made a significant input into both the conception and actual writing of these studies. Nevertheless, the amount of detailed political programme and policy work was fairly limited.

All of the books under review come from the early academic supporters. As early as 1974, Sprack's *Rhodesia: South Africa's Sixth Province* had emphasized those South African links supporting the continued survival of the Smith regime.⁵ It assumes a new interest in light of the current South African sanctions debate, for, ironically, it was international sanctions against Rhodesia which added to the degree of dependence on South Africa which makes Zimbabwe so vulnerable today. The German Development Institute had long supported the struggle in Zimbabwe and published a number of studies of the settler economy, one of which is the *Perspectives of Independent Development in Southern Africa: The Cases of Zimbabwe and Namibia*. Although primarily analyses of the existing economy and society, the essays were written with an eye to the independent future.⁶

Morris-Jones's edited collection, *From Rhodesia To Zimbabwe: Behind and beyond Lancaster House*, contains important essays concerned specifically with independent Zimbabwe just on the eve of independence, as its title suggests.⁷ It brings together a number of academics who had long been associated with Zimbabwe. Of these, D. G. Clarke was a most prolific writer on the economy of colonial Zimbabwe through the mid-1970s. His *Foreign Companies and International Investment in Zimbabwe* is perhaps his best-known contribution,⁸ but his essay in Morris-Jones's collection, 'Zimbabwe's international economic position and aspects of sanctions removal' (pp. 28-54), was his last major work on the eve of independence. J. Day who contributed an article entitled 'The insignificance of tribe in the African politics of Zimbabwe Rhodesia' (pp. 85-

³ *Zimbabwe Manpower Survey: Report* [Patriotic Front Seminar, Dar es Salaam, 5-9 Nov. 1978] (Geneva, International University Exchange Fund, 3 vols, 1979).

⁴ United Nations Conference on Trade and Development, *Zimbabwe: Towards a New Order: An Economic and Social Survey* (n.p., United Nations, UNDP/UNCTAD Project PAF/78/010, 1980).

⁵ J. Sprack, *Rhodesia: South Africa's Sixth Province: An Analysis of the Links between South Africa and Rhodesia* (London, International Defence and Aid Fund, 1974), 87 pp., £0.35.

⁶ German Development Institute, *Perspectives of Independent Development in Southern Africa: The Cases of Zimbabwe and Namibia* (Berlin, The Institute, Occasional Papers 62, 1980), 183 pp., price not reported.

⁷ W. H. Morris-Jones (ed.), *From Rhodesia to Zimbabwe: Behind and beyond Lancaster House* (London, Cass, 1980), xi, 123 pp., £12.00.

⁸ D. G. Clarke, *Foreign Companies and International Investment in Zimbabwe* (Gwelo, Mambo Press; London, CIIR, 1980), 275 pp., Z\$9.09, £4.00. After independence, Clarke wrote two lengthy reports for the Whitsun Foundation: Whitsun Foundation, *Money and Finance in Zimbabwe* (Harare, The Foundation, Project 1.09, 1983); and Whitsun Foundation, *Trade and Investment in Zimbabwe: Volume II: Investment* (Harare, The Foundation, Project 1.07, 1982).

109), had studied the nationalist movements since the 1960s.⁹ A. R. Wilkinson, who specialized in the military aspects of the struggle,¹⁰ added an essay, 'The impact of the war' (pp. 110-23). R. Hodder-Williams looks at 'Political scenarios and their economic implications' (pp. 55-68), which connects to his earlier work dating back to the 1960s.¹¹ J. Barber, in 'Zimbabwe's Southern African setting' (pp. 69-84), touches on aspects of Zimbabwe's regional position which are prominent issues in the 1980s. C. Stoneman, writing on 'Zimbabwe's prospects as an industrial power' (pp. 14-27), had already published a number of articles about capital in Rhodesia.¹² Finally, there is an important contribution by Riddell, 'Zimbabwe's land problem: The central issue' (pp. 1-13). This book can therefore be regarded as the final pre-Independence statement from this significant group of academics who sympathized with the struggle.

Reviewing these essays some six years after publication allows one the benefit of hindsight. This review will focus primarily on the contributions by Hodder-Williams, Riddell, Clarke, and Stoneman which were initially lectures delivered while the Lancaster House talks were going on.¹³ Prospects for independence were stronger than ever before, but the form it would take was uncertain. Each writer was concerned to highlight what he saw to be the major problems which would face the future government, not knowing either the exact nature of that government or the context in which it would be operating. Therefore, the authors were forced, more or less, to have some alternative scenarios in mind. Also, the arguments put forward by Waller, in the German Development Institute collection, on the manufacturing sector will be considered.

Hodder-Williams's essay is the only one explicitly concerned with the nature of the new regime rather than the economic reforms it might undertake. On the basis of stated fundamental assumptions, he offered four scenarios, which make interesting reading after the passage of time. His preferred scenario, assuming successful Lancaster House talks followed by a Patriotic Front election victory, contained two variations. In the first, this victory would be followed by a 'period of radical reforms and major structural change to the Zimbabwean economy'; in the second, the transfer of power would be 'merely a prelude to an essentially reformist administration' (p. 57). Hodder-Williams's overall prognostication was that 'in many ways [the] scenarios are dispiriting' (p. 65). His reasoning was based on an analysis of the interaction between six interest groups — leaders, middlemen, followers, gunmen, Whites, outsiders — which, coupled with the problems created by institutional inertia ('drag factors'), made a reformist outcome most likely. He anticipated that the new government would be

⁹ J. Day, *International Nationalism: The Extra-territorial Relations of Southern Rhodesian African Nationalists* (London, Routledge, 1967).

¹⁰ See B. Davidson, J. Slovo and A. R. Wilkinson, *Southern Africa: The New Politics of the Revolution* (Harmondsworth, Penguin, 1976).

¹¹ See R. Hodder-Williams, *White Farmers in Rhodesia: A History of the Marandellas District* (London, Macmillan, 1983).

¹² See, for example, 'Foreign capital and the prospects for Zimbabwe', *World Development* (1976), IV, 25-58, and 'Foreign capital and the reconstruction of Zimbabwe', *Review of African Political Economy* (1978), XI, 62-83.

¹³ The articles by Riddell, Stoneman, Clarke, and Hodder-Williams were first presented as the 1979-80 Noel Buxton Lectures on 'The Economic Future of Zimbabwe Rhodesia' delivered at the University of London during October and November 1979 under the joint auspices of the Institute of Commonwealth Studies and the Noel Buxton Trust.

concerned initially with keeping the economy afloat and secondarily with the aggrandizement and enrichment of its new middle and upper echelons:

On balance, the likelihood of a strong government emerging which unifies the various peoples and ideological strands in Zimbabwe is not, alas, very high. So the dominant forces in the new Zimbabwe, as I see it, will be nationalist, statist, partially elitist, internally divided and committed to a traditional notion of what development is and to traditional paths to reach it. From the point of view of Zimbabwe, reformism will predominate; from the imperial power's [?] point of view, the so-called neo-colonial route to development will be chosen (p. 66).

While Hodder-Williams's political analysis gives some insights, which seven years later will appear to some to have been percipient, it does suffer from being concerned almost solely with the political dimensions of the situation. At the start of his article, he states that 'though economics and politics are analytically separable, they are inextricably intertwined in the real world, each feeding on the other, and each influencing the other' (p. 55). However, he does not seem to follow this position through, and economic issues are very much in the background. On the other hand, Stoneman and Clarke in the Morris-Jones collection, and Waller in the GDI book, are more concerned with these economic issues — to the extent that they perhaps err too far in the opposite direction. Riddell, in his contribution on land, probably comes closest to meeting Hodder-Williams's goal of integrating the political, social and economic aspects of a question.

In 'Zimbabwe's land problem: The central issue', Riddell sketches the history of unequal land distribution in Rhodesia, drawing on Palmer's seminal work.¹⁴ His analysis of existing land pressures, of population projections and of the relative use being made of the land led to his conclusion that 'if the development problems of an independent Zimbabwe are to be addressed comprehensively, then marginal changes in the distribution of land will not be sufficient' (p. 9). To Riddell, the land question is crucial both for rural development and, more importantly, for the whole economy, which needs to be shifted away from an externally-oriented growth path. 'Unless a more internally and self-reliant development path is taken, economic growth is likely, as at present, to be characterised by growing unemployment and widening income differentials' (p. 9).

Two conditions were seen to be necessary to achieve serious land redistribution: a government committed to achieving these goals, and a constitution which would allow a substantial restructuring of land. While Riddell is silent on the first of these conditions, he contended that the proposed Lancaster House constitution seemed to indicate that the second condition would not be satisfied. The cost to the new government of acquiring 75 per cent of the European land would be R\$733 million, a burden far too heavy financially for the regime (p. 11). This, and other factors, led Riddell to conclude that the proposed constitution would make it 'well nigh impossible' to carry out a comprehensive land resettlement programme (p. 12).

¹⁴ R. Palmer, *Land and Racial Domination in Rhodesia* (London, Heinemann, 1977), and 'The agricultural history of Rhodesia', in R. Palmer and N. Parsons, *The Roots of Rural Poverty in Central and Southern African* (London, Heinemann, 1977), 221-54.

What has happened to land in Zimbabwe since Independence? In the *Transitional National Development Plan 1982/83-1984/85* (TNDP), Government stated its intention, 'subject to practical financial and economic constraints', to resettle 162,000 peasant families over the three-year period of the Plan.¹⁵ This figure is less than the number implied by Riddell, but still would have gone a long way towards a major resettlement programme. By early 1987, only about 36,000 families had been resettled.¹⁶ Government has blamed the two features identified by Riddell (the clauses in the constitution and the availability of finance) for this considerable shortfall.

Perhaps more importantly, Riddell had argued that the economy as a whole would not develop without this fundamental reallocation of land. Unemployment has grown substantially since Independence; the evidence on income distribution is not as clear, but there is no real sign of any significant narrowing of income differentials. Although we do not argue that fundamentally restructuring the land would automatically have overcome these problems, the government's policies have neither lessened unemployment nor narrowed the income gap. Instead, the government seems to have focused on the 'modern sector', primarily commercial agriculture, mining and manufacturing. What did the sympathetic observers have to suggest for policies on the industrial sector?

The overall picture of the economy drawn by Clarke and Stoneman in the Morris-Jones collection, and by Waller in the GDI book, as well as by Clarke's earlier book which documented the full extent of foreign investment, must have been a sobering one for the newly independent government. These authors revealed the strategic importance of a few monopolistic firms in the central sectors of mining and manufacturing. Their analyses of this foreign involvement and the constraints that it would continue to impose on independent Zimbabwe are as relevant today as they were then.

In 'Zimbabwe's international economic position and aspects of sanctions removal', Clarke argued that sanctions had not been neutral, that the long-term effects were bad and that one could measure the net negative impact. If sanctions were removed as international recognition was achieved and the war ended, then the economy stood to gain. Using the technique of net discount on gross trade flows, Clarke marshals impressive amounts of information to combat what he called 'conventional wisdom' which suggested that the Zimbabwean economy would not gain substantially from the removal of sanctions, as well as the 'official wisdom' which argued that there would be large gains. For those who want to examine present-day effects of sanctions on South Africa and the Frontline States, this technique could be quite useful. To Clarke, the gain for Zimbabwe rested on political and diplomatic factors, 'the nature of the external removal process itself — its comprehensiveness, speed, timing, associated "linkage effects" in the domestic economy, and internal policy readjustments' (p. 42, emphasis in original).

Starting with very optimistic assumptions (such as no droughts for the first three years of independence, 'optimal' regional conditions, effective exchange control, no capital flight, etc.), Clarke sketched the possible aftermath of

¹⁵ Zimbabwe, Ministry of Finance, Economic Planning and Development, *Transitional National Development Plan 1982/83-1984/85* (Harare, Govt. Printer, 2 vols, 1982), I, 66.

¹⁶ M. Mahachi, 'The land question — 7 years on', *Zimbabwe News* (1987), XVIII, iii, 4.

sanctions. He saw the problem in the race between growth of the economy and population growth. If the economy grew at 3 per cent of GDP each year, living standards would stagnate or even decline, while a 5 per cent growth rate would lead to a slow increase in living standards. Approximately R\$500 to R\$565 million of gross fixed capital formation in the first year would be necessary to maintain a steady 3-5 per cent growth path, and more would be required thereafter (pp. 49-50). If growth rates were to be lifted above 5 per cent, considerably more investment would be needed and this would have to be matched by high capacity utilization and general efficiency. Clarke realistically pointed out that chronic unemployment, landlessness, urban and rural poverty, inequality, and the high level of external influence in the economy would not dissolve merely through the removal of sanctions. But the vital element in even trying to deal with these social and economic problems, so far as Clarke was concerned, was investment from domestic and foreign sources.

At the time, this investment appeared possible. If very optimistic conditions prevailed, transnational corporations might invest their blocked funds in Zimbabwe or even bring in fresh money. Clarke also foresaw considerable amounts of concessionary aid. Increased productivity by the manufacturing sector could engender more capital and eventually more jobs, but that productivity would depend on technological change and the replacement of outdated capital stock, requiring yet more investment. If positive conditions obtained, Clarke argued, the Zimbabwean economy would then be 'in a position to finance increased imports, absorb new capital inflows, and build up foreign currency reserves' (p. 47). The most important sector is manufacturing and the most important factor is more investment.

Stoneman, in 'Zimbabwe's prospects as an industrial power', agrees with Clarke's analysis of the pivotal importance of Zimbabwe's manufacturing sector. Stoneman also saw a desperate need for capital refurbishing but, less optimistic than Clarke, felt that it was not likely to come through foreign investment. The new government was certain to join the Frontline States, an action which would chase away direct foreign investment. The pre-eminence of foreign-owned companies in the productive sectors of the country meant that the new government would have to move cautiously in lessening this influence for fear of weakening mining, manufacturing and commercial agriculture.¹⁷ The new government would find its freedom of action constrained by the power of foreign capital and its desperate needs for new machinery, technology, and even raw materials. Under such pressures, suggested Stoneman, the government might take a cosmetic approach to social changes, masking the continued foreign-capital dominance through joint ventures and partial takeovers. Extensive nationalization was unlikely because the government lacked the money. On the other

¹⁷ The Unido manufacturing study estimated in 1985 that 48 per cent of manufacturing was owned by foreign enterprises or individuals: United Nations Industrial Development Organization, *Study of the Manufacturing Sector in Zimbabwe* (Vienna, Unido, DP/ID/SER.A/631, 3 vols, 1985), I, 4. This foreign dominance is more extensive in mining where it is estimated that 90 per cent of the capital stock is owned by foreign multinationals: Economist Intelligence Unit, *Zimbabwe's First Five Years: Economic Prospects Following Independence* (London, The Unit, Special Report 11, 1981), 87.

hand, outright expropriation could bring a military invasion by South Africa or at least trade and technology sanctions. The dilemma was already clear on the eve of Independence.

A third analyst, P. P. Waller, put his finger on another time bomb in 'The structure of the Rhodesian manufacturing industry and its development potential'.¹⁸ In addition to the acknowledged dependence on foreign capital, a form of 'internal dependence' would exist in the new state with the African majority government dependent on White businessmen and technicians who own or staff many factories and most commercial farms. Such individuals and companies would have to be handled gently as they had both substantial capital for reinvestment and also, perhaps more importantly, vital skills and experience. Key strata within the White population would be alienated from the new African-majority government by the years of war. Yet they could also be pivotal to investment from within the country and could possibly avoid the intensification of external dominance through more foreign direct investment.

Some of the optimistic projections of Stoneman, Clarke, Riddell, and Hodder-Williams materialized: sanctions were removed; South Africa did not directly attack the new state; and the first agricultural season (1980/1) and the 1985/6 one were very good. Although some of the White population fled, a substantial number of those with money and skills stayed on under the policies of reconciliation. But unforeseen negative factors have undermined the 'growth with equity' plans of the new regime. As Stoneman foresaw, the new government's stance on foreign capital has been quite restrained. Little nationalization has occurred and, when it has, the former owners have either been compensated or have become partners in a joint venture. Government planners anticipated that such limited government participation in the economy might attract new investors from abroad. They projected a very optimistic 8 per cent annual growth rate (in real terms) for the period of the Transitional National Development Plan (1982/3-1984/5), based on economic achievements before 1975 and especially on an inflow of external capital, totalling Z\$2,279 million from 1982 through 1985, out of an overall investment programme totalling Z\$6,096 million.¹⁹

Foreign inflows did not materialize at the level expected by Government. As Stoneman anticipated, international companies have shied away from independent Zimbabwe. Utilizing the relaxation of foreign exchange controls in 1980, the multinational corporations drained as much of their dividends and profits from the new nation as legally possible, until the Minister of Finance, Economic Planning and Development put a halt to this in March 1984. External financing rose from Z\$157 million in 1980 to Z\$533 million in 1982 and was Z\$457 million in 1983, but these amounts were still far below planned levels.²⁰ The private sector, both domestic and foreign, simply was not reinvesting in Zimbabwe. By 1985, according to X. M. Kadhani, the volume of investment in

¹⁸ P. Waller, 'The structure of the Rhodesian manufacturing industry and its development potential', in German Development Institute, *Perspectives of Independent Development in Southern Africa*, 54-74.

¹⁹ Zimbabwe, *Transitional National Development Plan*, 1, 34.

²⁰ Zimbabwe, Ministry of Finance, Economic Planning and Development, *Socio-Economic Review of Zimbabwe 1980-1985* (Harare, The Ministry, 1986), 28.

fixed assets was one-fifth below its 1982 level, and the share of productive sectors in total investment had fallen below 40 per cent.²¹ Some foreign capital did come via loans and grants (at the ZIMCORD conference, Z\$1,286 million was promised).²² Overall, however, aid funds have been only slowly disbursed and have been inadequate to retool and provide raw materials for the industrial sector. Although the first years of Independence saw high positive growth rates, overall GDP registered a negative or very slow growth rate.²³ Government has attributed this poor performance to the lack of investment, especially from foreign sources, as well as to the drought and the world recession.

Thus, these early analysts had accurately pointed out the central dilemma for an independent Zimbabwe *vis-à-vis* its relationship with foreign capital. If foreign capital is too strong, then the socialist or humanitarian commitments of the new regime will be undermined. But too little new capital, technology and knowhow would starve the economy, especially manufacturing and mining, and make it impossible to retool plants, expand the economy, export more and earn more foreign exchange, and employ the growing population of school-leavers.

A politically sensitive factor is the continued economic entanglement with South Africa. All the authors under review argued that continued economic reliance on South Africa for the nationalist or socialist government would not be tenable. They struck a common theme that ties had to be loosened in order to ensure real independence based on economic sovereignty. Sprack pointed out that the ties between South Africa and Rhodesia were deep, extending beyond the economic to the cultural and familial. Three South African corporations, Anglo American, Hulett's, and Barlow Rand, controlled large parts of all three productive sectors of Rhodesia. Thus he argued that independence for Zimbabwe is inextricably linked to majority rule for South Africa. Political independence for Zimbabwe in April 1980 made Sprack appear to be wrong. But today's issue of how sanctions and counter-sanctions might seriously harm Zimbabwe throws a more positive light on his argument about true independence. In a deeper sense, the prospects for ending dependence rest on a changed social and economic structure.

Clarke's book offers important data which distinguish South African capital from British, American and Canadian capital — a difficult task given the complex and convoluted subsidiary-parent patterns. Stoneman emphasized that the centrality of the South African investment in Zimbabwe has meant that the negotiations with Anglo American and others are all that more crucial and have to be handled delicately. UDI sanctions drove Rhodesia into the arms of South

²¹ X. M. Kadhani, 'The economy: Issues, problems and prospects', in I. Mandaza (ed.), *Zimbabwe: The Political Economy of Transition 1980-1986* (Dakar, CODESRIA, 1986), 101.

²² T. Chimombe, 'Foreign capital', in *ibid.*, 134.

²³ Estimates of GDP vary widely, but a recent *National Accounts Update* shows these figures:

GDP GROWTH AT FACTOR COST (CONSTANT 1980 PRICES)

1980	1981	1982	1983	1984	1985	1986
+11.0	+10.7	+1.4	-4.2	+2.6	+9.3	+0.2

Africa, so an economic boycott today would require a painful divorce for independent Zimbabwe. Delinking from South Africa could be made slightly less painful by intensifying economic relations with Botswana, Zambia, Tanzania, Mozambique and Malawi, the other major regional trading partners. In this way Stoneman anticipated the PTA and SADCC.

As of 1986 the government had made some headway in delinking, but South Africa was still the single major source of imports and a major export market. Non-South African regional trade, as a whole, accounted for only 12.1 per cent of Zimbabwe's exports in 1984, while South Africa alone took 18.3 per cent. At the same time, Zimbabwe imported almost three times the value of goods from South Africa (18.8 per cent) as from all the other regional trading partners (6.5 per cent of imports).²⁴ In the first ten months of 1986, South Africa supplied 20.9 per cent of imports and took 10.5 per cent of Zimbabwe's exports.²⁵ Whatever the rhetoric or political desires of the government, these realities circumscribe action; and South Africa continues to have an overweening presence through its corporate actors such as Anglo American.

Because of its land-locked position and the continued South African-inspired wars in Angola and Mozambique, Zimbabwe is hostage to South Africa's ports and transportation network. Clarke, Waller, and Stoneman knew the stranglehold that South Africa would have over independent Zimbabwe, yet they argued that a phased delinking from South Africa would eventually pay off with a more regionally self-reliant economy. The current efforts to rehabilitate and expand the Beira corridor and port are widely known in Zimbabwe. It could be argued, however, that the Zimbabwe government did not assign enough importance immediately after independence to the delinking, as evidenced by its allowing Zimbabwe's trade through Beira to actually decline. Perhaps if more attention had been paid to the arguments raised in these articles, the current programmes would not be so expensive and painful.

In general, what is lacking in Zimbabwe is a careful industrial strategy based on extricating the economy from South Africa and integrating it with the rest of the region. If the character and speed of the land reform is the linchpin of political support for the regime and a factor in lessening unemployment, then government policies on industry underscore the economic vitality of the nation. Stoneman, Clarke, and Waller all based their predictions of future prosperity on the hope that industry would expand if sufficient investment came into manufacturing, mining, construction, electricity, etc. The Zimbabwe economy's strength stems from its capital goods sector as well as from its diversified intermediate and consumer goods production. As D. Ndelela pointed out in his 1986 essay, 'As the hub of the engineering industry, capital goods provides a base for self-sustaining industrialisation, and provides opportunities for training and development of skills, especially engineering and technical skills.'²⁶ Within that sector, the subsectors of metal and metal products and chemical products are sufficiently developed to be the base for future technological innovation as well as important

²⁴ Zimbabwe, *Socio-Economic Review 1980-1985*, 52-3.

²⁵ *The Herald*, 19 Mar. 1987, 7 (from Central Statistical Office report).

²⁶ D. B. Ndelela, 'Problems of industrialisation: Structural and policy issues', in Mandaza, *Zimbabwe: The Political Economy of Transition*, 150.

linkages to the rest of the economy. As Clarke and Stoneman emphasized, the industrial sector is the one most capable of absorbing skilled and managerial manpower and providing more on-the-job training. All the analysts felt that the state should play a key role, not so much as the owner of production but as the pace-setter, key investor and supporter of technology in the important phase of the transition to socialism.

The TNDP targeted the production of goods to rise faster than that of services, and for a 3 per cent annual growth in wage employment.²⁷ Unfortunately, as Kadhani has pointed out, production in the non-material sectors (mostly government-related) grew at 4.2 per cent per year and material production registered a growth of only 1.4 per cent per year from 1982 to 1984.²⁸ The government has been unable to carry out its own plans partially because of the need to respond to political pressures to provide welfare for the population, especially education and health, so neglected in the long period of colonial and settler government. These political imperatives and unfortunate economic conditions overwhelmed the TNDP planning goals. This is crucial in the realm of industry, for private industry seems to be taking a 'wait and see' stance as far as new investment and expansion of research and development are concerned.

The government's takeover programme could lay the groundwork for a later transition to socialism. Clarke and Stoneman expected a rather slow policy of nationalization given the degree and character of foreign and domestic private ownership in the economy. Their perceptions have, by and large, been borne out, for most of Government's share-taking has been conducted on a willing seller/willing buyer basis (for example, CAPS, Wankie, Astra, Olivine-Heinz, Messina Transvaal, Kamativi Tin). But the State's actions seem motivated more by the desire to rescue 'lame ducks' than to lay the groundwork for a socialist future. If one looks at mining, the takeover of Messina Transvaal in 1984 occurred during a period in which the experts projected very depressed markets for copper. The Kamativi Tin takeover (announced in 1986) came as the collapse of the international tin cartel had severely depressed prices for tin. More positive actions by the State in the mineral sector include establishing its own mineral marketing corporation to handle the sales of all minerals except gold and silver (traditionally the preserve of the Reserve Bank). It also created the Zimbabwe Mining Development Corporation in 1982 to invest on behalf of Government, to operate with partners in joint ventures and to encourage mining co-operatives. The most important gesture in the manufacturing sector has been the continued investment in the Zimbabwe Iron and Steel Company (ZISCO). Although ZISCO has been plagued with serious management problems,²⁹ Government's continued attention to this vital company reveals its understanding that an integrated iron and steel unit can be pivotal not simply to Zimbabwe but (potentially) for the whole Southern African region during an era of sanctions and counter-sanctions.

The predictions of these early academic writers about the likely behaviour of the new government towards the industrial sector have been generally accurate.

²⁷ Kadhani, 'The economy: Issues, problems and prospects', 100.

²⁸ *Ibid.*

²⁹ See Zimbabwe, ZISCO: *Report of the Committee of Inquiry into Parastatals under the Chairmanship of Mr Justice L. G. Smith* (Harare, Govt. Printer, 1986, mimeo.).

But their suggestions for a thoughtful and phased industrial plan built around the capital goods sector and linkages to mining and agriculture have not been followed. Fortunately, several Zimbabwean academics (Ndlela and Kadhani, for example) have picked up these threads and are providing the analytical groundwork for the regime to take the steps necessary to begin a transition towards socialist industrialization. Whether the regime will listen to these voices is as yet unclear.

Some romantics about revolution may be disappointed with the activities of Zimbabwe's leaders since Independence. But some moves towards self-reliance have been taken and some serious pitfalls were quickly avoided through reconciliation between White and Black (less so between ZANU(PF) and ZAPU). At the moment, the regime seems to be trying to construct a regional base with external support before taking direct actions against South Africa. Hodder-Williams's scenario of a reformist regime has been borne out as the government's moves have not upset too many applecarts so far, nor have they altered, in any fundamental way, the nature of the economy. It remains to be seen whether the new government, already demonstrating signs of personal accumulation for those in power, will be side-tracked into extensive corruption and disorganization. The negative economic conditions from 1982 through 1986 have greatly lessened room to manoeuvre. One could also argue that, with rapid inflation, the basic needs of the poorest sectors will not be met in the near future. Will the government take up some of the suggestions of their early sympathetic supporters and the current generation of academics. Will the leaders engage in serious land reform, lessen foreign involvement through careful state planning and industrial integration while under pressure from South Africa and internal classes clamouring for access into a capitalist economy? Can they?

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