

A discussion of aid and development in zimbabwe essay



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Zimbabwe is located in Southern Africa between South Africa and Zambia and also borders with Botswana and Mozambique. The country has many resources available for exploitation, such as coal, gold, iron ore and copper.

However, this is a country that is frequently plagued with devastating droughts. This has a huge effect on its 11, 000, 000 population, of which 8, 000, 000 are dying of starvation (www. news. bbc. co.

uk). Zimbabwe was initially a British Colony and in 1961 there was a constitution that favoured the control of Zimbabwe to whites, by 1965 Zimbabwe had declared itself independent from Britain, however this was not recognised by the UK. In 1979 there was a UN sanction and an uprising by guerrilla groups leading to free elections and finally true independence in 1980. Since then, Zimbabwe has had many problems within its economy, government and society. The nations first and still reigning prime minister is Robert Mugabe, a man that has control of the so-called democratic political systems present in Zimbabwe since it gained independence. The economy in Zimbabwe is one in crisis.

Its involvement in the Congo war drained many millions of dollars from the already desperate economy. Aid from the IMF was later suspended as a result of budgetary goals not being met. This led to a huge rise in inflation. Mugabe's land reform regime has caused huge economic upheaval as produce and therefore exports fell. This reform resulted in brutal murders and violence towards the white farmers for the land to be redistributed to blacks.

During this turmoil, the economy has suffered as production of wheat and maize has greatly decreased. Food shortages mean that the produce from such farms are being used as food rather than for selling. During 2002, supplies from South Africa stopped and there was a severe shortage of fuel, maize meal, salt, cooking oil, bread, milk and sugar. Into 2003 there are severe shortages of cool drinks, chicken, beef and eggs. The government blames the food shortages on drought, however it must not be ignored that they have refused food aid offered by the US, under claims that it cannot be guaranteed to be GM free. They have also been blocking other imports of food by refusing import licenses.

Is this really a sensible thing to do when there are 8 million people starving to death? Such food supplies remain in warehouses while people starve. Mugabe's time in power has been described as reign of terror and he has become famous for his violation of basic human rights as he continues to manipulate the future of the country. He has strict controls over not only the press, but also past and future elections that keep him in power. During the elections in 2002, there was a huge amount of corruption, including torturing those planning to vote Mugabe out of power.

Peaceful human rights protestors in Zimbabwe were arrested and often brutally killed for speaking up against Mugabe. Is this a democratic society? In looking at Aid and Development in Zimbabwe, it is not only important to look at the unfortunate events that have led to the country being in such crisis, but also to look at the actions of such influential people within the political system. This is key to the survival of the 8 million Zimbabweans. The

World Bank One form of aid, which has been given to Zimbabwe, is through <https://assignbuster.com/a-discussion-of-aid-and-development-in-zimbabwe-essay/>

the World Bank. The World Bank was established in 1945 at the ' Bretton Woods Conference' in New Hampshire, USA.

Here America, Canada and the UK created the International Monetary Fund (IMF) and the International Fund for Reconstruction and Development (IFRD), the IFRD became more popularly known as the World Bank. Since then more groups have joined the World Bank, as well as most of the Western world and the five associations are:* The International Bank for Reconstruction and Development* The International Development Association* The International Finance Association* The Multilateral Investment Guarantee Agency* The International Centre for Settlement of Investment Dispersal Today the bank deals mainly with the developing world, although its original aims was focused on the reconstruction of Europe after the war. The World Bank has provided a service where money is lent to a country to be used to improve an economic situation, deal with a disaster (both man-made and natural), or to use the funding where it is needed. However, it is not as simple as it sounds, as there are many impacts and consequences of being involved with the World Bank as well as its obvious benefits. The World Bank has aided 46 projects in Zimbabwe since it began giving aid. They include Structural Adjustment Credit projects, conservation work, and social work, and therefore supply aid to a diverse range of people.

Due to a range of factors including poor governmental policies and unforeseen circumstances, such as the continuous bouts of devastating droughts since 1992, Zimbabwe has been in a state of desperate poverty.

Many officials have had debates as to whether improving countries economic status does actually wipe out poverty. " Sustained economic growth is not by <https://assignbuster.com/a-discussion-of-aid-and-development-in-zimbabwe-essay/>

itself a guarantee of poverty reduction” (P. Cloke et al, 1999). This aside when a country is in a state of poverty it is impossible for it to work its way into prosperity without some changes and form of investment. The World Bank has, along with other forms of aid, been of great use to Zimbabwe.

As well as lending money there have been many projects and programmes established by the World Bank which have invested money directly into the economy, the society and the environment. Since 1980 there have been 29 operations in Zimbabwe, which are a mixture of concessional and non-concessional loans and credits. The total amount, which has been given to Zimbabwe through these projects, has been \$1, 540. 9 million. This has allowed Zimbabwe to improve many areas of its economy, especially agriculture, which it would not have otherwise been able to do.

The World Bank has also supported Zimbabwe with a selection of Structural Adjustment Programmes (SAPs), which has amounted to over \$300 million. Two components that make up the SAPs are:* Stabilization (often short term, linked to IMF)* Structural Reform (reforms to change the economy, linked to World Bank)These projects are formed so that they have an impact on all areas of poverty: these are schemes to improve agriculture, health, poverty, transport, energy, the private sector, urban areas and the environment. Not only has the bank lent money to Zimbabwe but it has also completed economic reports every three years which evaluate the changes occurring in the economy, and help Zimbabwe to learn how to improve their strategies and schemes in order to make the most of the aid they were receiving. In June 1996 the Bank completed the countries first fiscal Management review, which is a clear example of how the Bank is encouraging Zimbabwe to

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understand their situation so that they can make improvements in the future. The aid which the Bank offers Zimbabwe is continuous and constant, and is not simply just given to the government, but actually planned and monitored so that it is used to make necessary changes within all areas of society.

Although it is clear that the World Bank has helped Zimbabwe when it was in need of financial support there are also many negative results from their actions. One of the more prominent examples was in 2001 in which the World Bank suspended funding to Zimbabwe due to a sixty-day period in which Zimbabwe failed to make a repayment to the bank. Although the suspension was lifted fairly rapidly when Zimbabwe paid their instalment the episode raised many issues. It firstly illustrated the complete dependence that Zimbabwe has on the World Bank, which triggers frightening questions as to the government's capability to run the country. Although the World Bank was paid, Zimbabwe cannot draw down more money until other debt arrears have been paid off.

This again shows that the World Bank is in control of Zimbabwean activities. In order for the Zimbabwean government to make their repayment they had to rely upon 'band-aid', a term used to describe an extremely short-term solution to a crisis. In Zimbabwe's case they earmarked and sold forward future productions of their gold and tobacco. This will also have serious long-term consequences, " especially due to the fact that the value of tobacco and gold has been depressed by the governments refusal to devalue to Zimbabwe dollar" ([www. buyminerals. net/WorldBank&Zimbabwe](http://www.buyminerals.net/WorldBank&Zimbabwe)).

htm). Although aid is given to Zimbabwe it is impossible to be completely confident that the money is being put to a good use. One project, which is still active, is the ' Theatre for Africa Community Outreach programme for Conservation'. It is possible to question if the money would not be more useful in a family health centre or in an agricultural management scheme. Another problem with the aid given by the World Bank is based on the corruption that exists in Zimbabwe. The World Bank has four evaluation groups who monitor the projects and strategies: * OED (operations evaluation department) * OEG (operations evaluation group) * QAG (quality assurance group) * Inspection Panel The groups all monitor and assess the schemes making sure that the aims are focused.

However, it is impossible for all corruption to be prevented. The World Bank runs the QAG, and although the other groups are independent from the bank they have very few meetings, and the inspection panel is merely set up for citizens to complain about the effects of the projects once they have been established. It is not critiques alone that are finding fault with the Banks policies and schemes. Roger Van Den Brink (a World Bank official) admitted that some policies attempted in Zimbabwe had failed.

Even though he stresses that the reason for the failures was a result of the Government not implementing strategies effectively, he said: " I have been asked by ministers, ordinary people and business people whether our policies have worked and I really have to admit that they have failed" (www.allafrica.com/stories/200104110253.htm) This shows that the World Bank are willing to admit that some schemes are unsuccessful, which is not expected considering the number of evaluation groups who supposedly

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monitor the whole transformation of each project. Looking at World Banks statistics, that record projects they are currently undertaking, strengthens this idea.

Only two projects that were planned in 1999 are still active, and five are in the pipeline. Selections of projects, such as the ' multi-sectoral AIDS project' have even been dropped. Another concern, as it is taking too long for the schemes to be activated. The agricultural management programme was agreed upon in September 1999 and has only recently been implemented. The majority of the projects that actually were implemented were only short term, and so their benefits limited.

This factor again questions whether the World Banks aid is being used effectively enough for Zimbabwe to see a sufficient move away from poverty. The World Bank, as with many other donors are reducing their support in Zimbabwe. " Overall donor assistance to Zimbabwe was \$219 million in 1999 compared to the estimated \$37. 5 million in 2001" (www. allafrica. com/stories/200301090017. html). Another more obvious negative factor of the World Bank in comparison with other forms of aid is that the money has to be paid back. It is possible to argue that this is positive as it forces Zimbabwe to learn how to manage its finances, however it has also led to many long term problems as the government has to find desperate ways to pay off their debts.

Therefore is giving Zimbabwe aid just creating a vicious circle? It is clear that the World Bank has a very important role to play in Zimbabwe. Although there appear to be more negative consequences than positive results of the <https://assignbuster.com/a-discussion-of-aid-and-development-in-zimbabwe-essay/>

aid given it does not mean that the World Bank is not essential for the survival of Zimbabwe. Zimbabwe was in a state of desperation when it received loans from the Bank, and without the support of the Bank how would Zimbabwe have coped? Even though the World Bank is monitoring the money which it gives it is the Zimbabwe government and authorities, which are in control of their country. So therefore the negative results of the bank are mainly due to the fact that Zimbabwe has many other issues, such as serious political violence and corruption, and general discontentment throughout its people. So it is possible to question, who is responsible for the running of Zimbabwe, and should the World Bank be blamed for creating some negative long-term consequences when it is the fault of the government.