

# Zimbabwe government and opposition compete for imperialist backing

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Political life in Zimbabwe, since November's military coup deposed President Robert Mugabe, has been dominated by the efforts of the Zanu-PF government to woo the major powers and international investors.

President Emmerson Mnangagwa has done so while consolidating his grip on power, using the same generals that installed him in office.

Mnangagwa's cabinet is led by army personnel, who made themselves millionaires under Mugabe. It includes coup leader Constantino Chiwenga as one of his deputies, alongside Kembo Mohadi, state security minister under Mugabe. General Sibusiso Moyo, who announced Mugabe's detention on state television, is Foreign Minister and Chief Air Marshal Perence Shiri is Minister of Agriculture, Lands and Rural Resettlement. War Veterans leader Chris Mutsvangwa, who led protests to force Mugabe out, is Information Minister.

To underscore Mnangagwa's commitment to free market economic reform, Finance Minister Patrick Antony Chinamasa's first budget was framed as an appeal for investment, matched with pledges to curtail government spending.

Chinamasa's "new economic order" is centred on a revision of the indigenisation law introduced by Mugabe, which formally required 51/49 percent black Zimbabwean ownership of companies worth more than \$500,000. From April 2018, indigenisation will now be restricted to the diamond and platinum extractive industries.

Corporate income tax exemption for five years was announced for the energy sector, to be followed by a permanent rate of just 15 percent. This was accompanied by a tax amnesty on debts acquired prior to December 1, building on an existing amnesty window for the repatriation of public funds taken out of the country through illegal means.

More than 3,000 jobs in the youth service will be eliminated as the centrepiece of measures aimed at cutting

public sector employment, accounting for 90 percent of the budget—US\$5.1 billion in 2018.

The measures announced point to the extent of corruption within the regime. Headlined is a plan to enforce retirement at 65 from January. Like the attack on youth services, this is a move that will in fact benefit the new military-based faction by eliminating Mugabe loyalists. Bribes will be paid to ensure acquiescence. Staff retiring will be "assisted with access to capital, to facilitate their meaningful contribution towards economic development, including taking advantage of allocated land..."

Other measures include reducing the wage bill by continuing and enforcing the existing freeze on recruitment.

In a clampdown on perks, there will be cuts to free government cars (with a limit of one per person!), fuel benefit, business class travel, the excessive size of overseas delegations, bloated foreign service missions and to local staff bills averaging US\$355,000 per mission per month!

(It should be noted that the salary bill for various Constitutional Commissions, which are supposed to provide for improved governance, is around US\$11.6 million, inclusive of US\$3.8 million for Commissioners, while the cars requested by these VIP's cost US\$10 million.)

The bulk of these cuts will fall on opposition faction representatives or those lower down the bureaucratic pecking order. But, as always, the real target of austerity will be the working class. The cap on recruitment, for example, has left 3,500 graduate nurses unemployed. The jobs that will be lost will continue to be those of doctors, nurses, teachers and other essential professions.

Mnangagwa spoke December 20 to a joint sitting of the country's two houses of parliament, pledging, "We are determined to remove any policy inconsistencies of the

past to make Zimbabwe an attractive destination for capital.” His government would soon unveil “a robust engagement and re-engagement programme with the international community in our continued bid to rejoin the community of nations.”

The government’s pledges were, like the coup that brought it to power, broadly welcomed in the imperialist capitals. Interviewed by *Al Jazeera*, Piers Pigou, senior consultant for southern Africa for the International Crisis Group (ICG), was asked whether “the military’s role in Zimbabwe’s post-Mugabe transition” would be “a help or hindrance to Mnangagwa’s inaugural promises of ‘a new democratic era’?”

Pigou replied that “the military can bring command management and discipline into a corrupt and venal political and economic environment,” even though there were “unresolved allegations” about “the involvement of senior military and other security sector figures in corruption, self-enrichment and other violations.”

The complaints by the pro-Mugabe G40 faction, designed “to delegitimise” the new order—“arguing it is the product of a coup, rightly or wrongly—are struggling to gain traction. The African Union (AU) and South African Development Community (SADC) have accepted the new order, as have the international community.”

This leaves the alliance of seven opposition parties, led by the Movement for Democratic Change of Morgan Tsvangirai (MDC-T) insisting that the pro-business reforms and austerity measures do not go far enough. They are appealing for support from the United States and other imperialist powers to ensure they have a role in government alongside ZANU-PF, to push Mnangagwa’s agenda further to the right.

Former Finance Minister Tendai Biti of the People’s Democratic Party said that the government’s 4.5 percent growth prediction was wildly optimistic and called for more severe cuts to government expenditure. His alternative to the “modicum of economic reform” by the government is a no deficit budget, and job cuts that will make the 3,700 youth officers retrenched seem “just but a drop in an ocean considering the fact that the government employs around 550,000 workers.”

He called for the size of the civil service to be cut by half “in a phased period of three years.” The attracting of Foreign Direct Investment also required “the total repealing of the Indigenisation and Empowerment Act,” including in the extraction industries.

The opposition pitch has been made directly to Washington. In mid-December, MDC Alliance

presidential candidate Tsvangirai dispatched a three-member international delegation made up of MDC-T vice-president Nelson Chamisa, MDC president Welshman Ncube and Biti, to Europe and to visit President Donald Trump’s offices.

In a Senate Debate December 12, Biti urged the US to maintain sanctions and other punitive measures on ZANU PF until after the 2018 general elections have been proved “free and fair”. Then the “international community” could “assist us” in engaging with “the World Bank, the IMF and the Paris Club of lenders.”

This conflict between rival bourgeois factions is being played out at the expense of the working class, in a country where 70 percent of the population live on less than \$5 per day, and many earn substantially less.

Tsvangirai began his career as leader of the Zimbabwe Congress of Trade Unions (ZCTU), which is pro-MDC. Current ZCTU president, Peter Mutasa, warned in the *Financial Gazette* that only five percent of workers are in the formal economy. (The overwhelming majority work in the informal economy and are either underemployed, self-employed or unemployed and reliant on subsistence farming.)

“Some 120,000 people are working without pay and the few that are earning salaries are getting a fraction of their salaries, in most cases a third. Those who are earning salaries are earning a fraction of the poverty datum line; maybe a third,” he said.

The ZCTU “was staunchly against any International Monetary Fund (IMF) or World Bank imposed reforms,” he added. But his only concrete demand was for a role in governmental structures for the trade unions in imposing the economic measures required. He urged everyone “to sit down as Zimbabweans and agree on a planned economic development,” which meant empowering “trade unions who play a major redistributive role of getting the much-needed resources even for the government from successful businesses...”



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