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**Testimony before the U.S. Committee on Foreign Relations  
Subcommittee on Africa, Global Health, Global Human Rights and International  
Organizations**

**Wednesday, June 3, 2015**

**THE FUTURE OF U.S.-ZIMBABWE RELATIONS**

**Chairman Smith, Ranking Member Bass and Members of the Subcommittee:**

On behalf of the Solidarity Center, thank you for the invitation to testify at this hearing: *The Future of U.S.-Zimbabwe Relations*. The Solidarity Center is an international non-governmental organization (NGO) that promotes and protects worker rights globally, with programs in more than 60 countries. In Africa we work with a broad cross section of unions, worker associations, research organizations and community groups in 15 sub-Saharan countries, including Zimbabwe. The Solidarity Center has a more than 15-year partnership with the Zimbabwe Congress of Trade Unions (ZCTU) and its allied research and worker associations.

We appreciate the Subcommittee's continued concern about U.S. policy toward Zimbabwe, particularly in light of the deleterious governance, economic and humanitarian situation in the country. The forward focus of this hearing is particularly timely.

Zimbabwe's economy is in deep decline, making it harder for average Zimbabweans to work and live, and leaving them less and less confident in their future. The government consistently fails to address the basic needs of its people. According to economists with the Labour and Economic Development Research Institute of Zimbabwe (LEDRIZ), Zimbabwe's fragile economy is characterized by "high external debt, policy discontent, massive and increasing deindustrialization and informalization." Most workers earn salaries far below the poverty level, and many workers—even in the formal sector—go for months without receiving their wages. Drought in many parts of the country has resulted in severe crop loss, and the 2015 harvest is

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expected to be the worst in five years, exacerbating the struggle to survive in this “food poor” country where nearly three-quarters of the population lives below the poverty line<sup>i</sup>.

Dr. Godfrey Kanyaze, LEDRIZ’s director, has identified troubling parallels between conditions today and those that existed in the chaotic period following disputed 2008 elections, including “profound similarities in the distressing economic performance and dysfunction” of both years<sup>ii</sup>.

### **Economic Parallels in the Zimbabwe Economy<sup>iii</sup>**

<b>2008</b>	<b>2015</b>
Receding Zimbabwe dollar era	Multi-currency period
Hyperinflation last measured at 341 million in July	Disinflation / deflation
De-industrialization and informalization	De-industrialization and informalization
Emergence of non-communicable diseases, including cholera	Emergence of non-communicable diseases
Bank closures	Bank closures and rising non-performing loans at 16%
Collapsing Zimbabwean dollar	Liquidity crunch
Violent elections and repression	Factional fights within the ruling party

While economists raise concerns about the direction of the national economy, a recent AfroBarometer survey of 2,400 randomly selected participants shows that the majority of Zimbabweans believe their lives are worse off today than three years ago and that the country is going in the wrong direction.<sup>iv</sup> In the poll, selected participants were asked a series of questions to measure “the incidence of lived poverty.”<sup>v</sup> The responses paint a sobering picture of what the economic decline means at the individual level. The survey reports that in urban areas, 33 percent had gone without food at least once this year, 52 percent had gone without medical care and 59 percent had gone without water. Rural residents report similar difficulties: 56 percent had gone without food at least once, 59 percent without medical care and 42 percent without water. Close to two-thirds say “unemployment is the biggest problem government should address.”<sup>vi</sup>

According to the latest data from the Zimbabwe Statistical Agency (ZimStat), the number of people in informal jobs—unstable, poor-paying and low-quality work—has risen from 80 percent in 2004 to 84.2 percent in 2011 and 94.5 percent in 2014. Especially troubling is the 2014 Labor Force Survey finding that more than 96 percent of Zimbabwean youth ages 15–24 are in informal employment.<sup>vii</sup> Essentially, this means that Zimbabwe’s army of informal economy workers comprises the main engine of economic activity in the country. The government has responded to this reality with steady attempts to raise taxes on informal workers, particularly market vendors and commercial traders.

In Zimbabwe, many workers in the informal economy are organized and members of the Zimbabwe Chamber of Informal Economy Associations (ZCIEA), which was formed in 2002 to respond to job losses in manufacturing and agriculture. ZCIEA’s membership includes 150 associations and has formal ties to the Zimbabwe Congress of Trade Unions (ZCTU). In response to government attempts to raise taxes, with no increase in social protection or public services, ZCIEA began a campaign to highlight official harassment of informal workers and to note that most laws enabling violations of civil and worker rights date back to the colonial era. As part of its efforts, ZCIEA is demanding that those laws be replaced, and that informal workers

be included in national-level labor relations dialogue and negotiations, and collective bargaining at the municipal level. ZCIEA and its affiliates are frontline activists, as they work with municipalities to negotiate services, advocate for social protections and economic opportunities.

While many workers have been thrust into the informal economy as the country's economy decays, others leave Zimbabwe and become economic migrants in South Africa, another fraught option for working men and women. The recent spate of xenophobic attacks in South Africa is but one indication of the complex challenges these migrants face. In addition to the threat of violence, Zimbabwean migrants also face low pay, high levels of informal work and poor working conditions. A 2013 Working Paper for the World Migration Report found that migrants in South Africa do not trust authorities and feel that the state does not guarantee their safety, with women feeling vulnerable, particularly to HIV/AIDS and gender-based violence.

Labor unions and pro-worker economists in Zimbabwe tell the Solidarity Center that, to prevent a full-fledged economic collapse and begin the process of rebuilding, the Zimbabwean economy requires serious reforms. Forward-looking U.S. policy should seek creative ways to support government and civil society actors—both in the country and the sub-region—who can advocate for and help implement the “structural reforms to leverage decent work-rich, inclusive and pro-poor growth.”<sup>viii</sup> Such an approach is key to the country's ability to arrest the economic decline and to establish a new social contract where stakeholders place “sectarian interests” aside and focus on the immediate crisis. Key stakeholders include government, labor and business.

Also on the economic front, Zimbabwe needs to strengthen its banking sector, improve management of natural resources, clarify its indigenization policy and take serious steps against entrenched corruption. The United States can play a positive role by encouraging the government of Zimbabwe, key stakeholders and Southern African Development Community (SADC) members to address these critical issues.

At the same time, informal workers, both in Zimbabwe and migrants throughout the region, would benefit from programs designed to assist with their struggle for economic well-being and dignity, as well as their organizing and advocacy activities.

## **DEMOCRACY PROGRAMS, HUMANITARIAN NEEDS AND HEALTH**

In addition to increased U.S. attention to key stakeholders in Zimbabwe's economic reform process, it is essential that the United States ramp up support for rule of law and democracy programs, including human rights, worker rights and constitutionally based electoral reform. According to the Zimbabwe Congress of Trade Unions, “most human rights defenders, like trade unions and civic organisations have been severely weakened due to economic decline as well as brain drain.”<sup>ix</sup> Moreover, it is not too early to begin the process of identifying appropriate support in advance of the 2018 elections in order to ensure that members of the country's community-based, mass organizations are fully prepared to engage as informed voters, election monitors and civic educators able to “promote inclusiveness, transparency and accountability.”<sup>x</sup>

It is significant to note here that U.S. funding for democracy, human rights and governance (DRG) programs in Africa through the U.S. Agency for International Development (USAID) has been declining despite extraordinary need, down 40 percent since 2008. Entire missions in Africa have no DRG funding. Funding for Zimbabwe is inadequate to the challenge.

Another important component of U.S. foreign policy toward Zimbabwe has been support for communities struck by natural disaster, disease and hunger. For more than a decade the United States has been a leader in humanitarian support, and that should continue. Zimbabwe does not have the capacity to feed its people. With the threat of serious food shortages on the horizon and in consideration of Zimbabwe's fragile health system, international assistance remains critical.

American support for HIV/AIDS programming has been particularly significant. HIV/AIDS continues to affect more than 15 percent of the population, and the virus has orphaned nearly 1 million children. The combination of poverty and HIV/AIDS has a particular impact on women who care for the sick, and see their household economies collapse and their health weakened as a result of the virus. With international support, Zimbabwe does have a strong HIV/AIDS response that provides free screening, counseling and medicines for those living with the virus. U.S. support should continue and, if possible, expand.

## **THE AFRICAN CONTEXT**

Moving forward, that above-mentioned mix of policy approaches remains important. However, it is timely to begin to explore and put in place policies that are more directly framed not only by Zimbabwe's special circumstances, but also by strategies required by Africa as a whole. While Zimbabwe faces a unique set of governance challenges, the country, like the rest of Africa, requires coherent and comprehensive policies that will ultimately lead to inclusive and sustainable economic development, respect for human rights and gender equality.

On the economic front, as was noted during the 2014 U.S./Africa Leaders Summit Civil Society Forum, trade and investment strategies designed to promote industrialization and structural transformation that advance decent work with fundamental worker rights, social protection floors and gender equality should be an essential component of U.S. policy toward Africa.<sup>xi</sup> Across the continent, nations have at least rhetorical consensus on the criticality of industrialization and the need to create coherent national, regional and continental industrial policy frameworks.<sup>xii</sup> The Southern Africa Development Community (SADC), of which Zimbabwe is a member, adopted a new framework on industrialization in 2014. Governments have agreed that accountable and transparent management of the continent's vast mining resources should establish the financial foundation for these reforms. The first challenge of U.S. policy is to ensure that it is working in concert with these broader frameworks, which are geared toward creating economic development that is inclusive, sustainable and a generator of decent jobs. In a country that seems to be on the brink of economic collapse, this recommendation may seem premature. However, through targeted assistance and diplomacy, it may be possible to forge a new social contract with actors willing to put aside partisan politics.

## CONCLUSION

As Zimbabwe's economic crisis continues, Regional economists and Zimbabwe labor unions and workers are looking for U.S. policy that includes strong support for:

- Those actors able and willing to put aside partisan concerns and forge a new social contract that can focus much needed attention to the crisis
- Human rights defenders
- Community-based, mass organizations that are working to educate and organize citizens around a rights-based culture
- Organizations operating within the dominant portion of the economy—informal actors. Stronger protection for informal economy workers can have a positive impact on the flow of economic migrants
- Ongoing and exacerbating humanitarian needs and the country's health systems

Lastly, while the international community was deeply disappointed in the SADC's unwillingness to be guided by its own internal policies during the 2013 elections, it remains an important regional body and should be viewed as a central partner of the U.S. as it formulates policy toward Zimbabwe. Continued diplomatic efforts, along with support for regional advocates can exert bottom-up pressures on governments, particularly on 'issues pertaining to elections, governance and democratic practice.'<sup>xiii</sup>

Thank you for this opportunity.

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## NOTES

<sup>i</sup> World Food Program, "Zimbabwe Overview." Accessed June 1, 2015.  
<https://www.wfp.org/countries/zimbabwe/overview>

<sup>ii</sup> Godfrey Kanyaze, "The Zimbabwean Economy: Are We Going Back To 2008?" (paper presented at a Public Seminar of the Mass Public Opinion Institute, Harare, Zimbabwe, March 25, 2015).

<sup>iii</sup> Kanyaze, "The Zimbabwean Economy: Are We Going Back to 2008?."

<sup>iv</sup> Afrobarometer survey. Findings from Round Six Survey in Zimbabwe. May 18, 2015.  
<http://www.slideshare.net/Afrobarometer/zim-r6-presentation1>

<sup>v</sup> Charles Mangongera, "Findings Influenced by 'Margin of Terror'," *Zimbabwe Guardian*, May 15, 2015,  
<http://www.theindependent.co.zw/2015/05/15/findings-influenced-by-margin-of-terror/>, Accessed May 31, 2015.

<sup>vi</sup> Mangongera, "Findings Influenced by 'Margin of Terror'".

<sup>vii</sup> Godfrey Kanyaze, email message to author, May 29, 2015.

<sup>viii</sup> Mangongera, "Findings Influenced by 'Margin of Terror'".

<sup>ix</sup> Japhet Moyo, email message to author, May 29, 2015.

<sup>x</sup> Godfrey Kanyaze, email message to author, May 29, 2015.

<sup>xi</sup> "Promoting Decent Work: Priorities for U.S. and African Leaders, Civil Society and Private Sector Stakeholders," (Discussion Note for the U.S./African Leaders' Summit Civil Society Forum Promoting Decent Work Discussion, Washington, D.C.), August 4, 2014.

<sup>xii</sup> SADC doc section 2.1.2.

<sup>xiii</sup> Japhet Moyo, email message to author, May 29, 2015.