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Innocenti Occasional Papers

Spedale degli Innocenti
Florence, Italy

INNOCENTI OCCASIONAL PAPERS

NUMBER 16

SPECIAL SUBSERIES

STRUCTURAL ADJUSTMENT IN SUB-SAHARAN AFRICA

LIBERALISATION FOR DEVELOPMENT: ZIMBABWE'S ADJUSTMENT WITHOUT THE FUND a/

by

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May 1991

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a/ This paper is part of the background documentation for a study on "Adjustment, Stagnant Economic Structures and Human Development in Africa South of the Sahara: Policy Conflicts and Alternatives", edited by Giovanni Andrea Cornia, Rolph van der Hoeven and Thandika Mkandawire and forthcoming in 1991.

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The authors wish to thank Rolph van der Hoeven for the editing of the original version of this paper and Robert Zimmermann, UNICEF International Child Development Centre, for the copy editing and preparation of the text.

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in the inherited infrastructure?

From 1981 onward, macroeconomic imbalance in the economy was manifested mainly through the deficits in the Government's budget and the balance of payments. Inflation, which had been kept low throughout the period of the Unilateral Declaration of Independence, also began to accelerate (Table 3). From 1982 on, the budget deficit and the foreign exchange shortages became overarching preoccupations not only for the Minister of Finance and Government policy makers, but, particularly in the case of foreign exchange shortages, for the man on the street.

TABLE 3: MACROECONOMIC PERFORMANCE INDICATORS (1976-1989)

	Real GDP at factor cost		Real GDP Per Capita		Inflation Rate		Current Account Balance	Budget Deficit As
	Z$M	% Change	Z$	% Change	% GDP Deflator	Low Income CPI %	As % of GNDI	% of GDP
1976	3,110	-0.8	492	-3.6	9.4	11.0	0.3	--
1977	2,886	-7.2	444	-9.9	8.0	10.3	-0.4	--
1978	2,864	-0.8	428	-3.6	9.8	9.7	1.1	--
1979	2,913	1.7	423	-1.2	15.5	13.8	-2.7	-13.4
1980	3,224	10.7	454	7.5	9.9	5.4	-4.6	-8.2
1981	3,537	9.7	484	6.6	14.5	13.1	-10.2	-7.5
1982	3,589	1.5	477	-1.4	13.3	10.7	-10.7	-9.4
1983	3,461	-3.6	448	-6.2	21.0	23.1	-7.5	-11.3
1984	3,540	2.3	445	-0.5	1.7	20.2	-1.6	-12.2
1985	3,798	7.3	465	4.3	2.7	8.5	-2.4	-10.6
1986	3,882	2.2	462	-0.6	15.5	14.3	0.2	-13.3
1987	3,838	-1.1	444	-3.8	8.9	12.5	0.9	-10.8
1988	4,089	6.5	460	3.7	11.9	7.4	--	-11.6
1989	4,290	4.9	470	2.1	12.4	15.9	--	--

Source: CSO (1989), National Income and Expenditure Report, 1988.

As a share of GDP, the budget deficit was a high 13.4 percent before Independence. This was primarily due to war expenditures by the settler regime. The reduction of these immediately after Independence allowed the rising social expenditures to be absorbed without increasing the deficit, which had thus fallen to 7.5 percent of GDP by 1981. However, the deficit grew thereafter, reaching 12.2 percent in 1984. Despite attempts by the Government to curtail it, the deficit has remained between 10.6 and 13.3 percent of GDP since then.

The approximate balance on the current account of the balance of payments that was obtained up to 1978 moved rapidly into a deficit over the period 1979 to 1981, reaching 10.2 percent of GNDI by that year. The Government introduced a series of measures to correct this, beginning with a devaluation in December 1982. The deficit was thereby reduced in 1983, and the current account balance has been kept in approximate equilibrium since then. There were thus growing imbalances on these two accounts up to 1982, followed by the introduction of measures to correct them, with some success on the current account but no appreciable impact on the budget deficit.

Of course, these two indicators are the standard indices for orthodox structural adjustment. They do not reflect any of the structural imbalances - such as unemployment, wealth and income inequalities or inequitable and inadequate access to social services - which might be considered of more basic importance from a development perspective. However, they do show the same general periodization of the post-Independence economy. Some progress was made up to 1982-83 in ameliorating the gross inequalities inherited from the settler regime, but there has subsequently been at best a slowdown in the rate of improvement if not regression. Unemployment does not fit the pattern, however; it has been rising since 1975, and the Independence boom did little to reduce it.

Although it might seem desirable to concentrate on fundamentals, the orthodox indicators are important since they have been used by Government policy makers to determine which measures are urgent. Many of the policy instruments applied by the Government in an attempt to achieve a balance have had a direct and negative effect on welfare indicators.

The relevance of this periodization is that the boom conditions of 1980 and 1981 coincided with the coming to power of the ZANU Government, whose ambitious (and necessary) programme of social reconstruction was facilitated by the boom; the inherent constraints and limitations on the programme did not really become manifest until the recession had set in. In 1982-83, there seemed to be a *de facto* change in the policy concerns of the Government that moved away from economic and social redistribution toward an increasingly overriding preoccupation with economic balance. The rate of progress in many social programmes thus levelled off, and some, such as the land resettlement programme, were shelved outright.

Because the structural constraints on the economy have not been addressed, Government will find itself increasingly constrained in its attempts to maintain and improve social welfare programmes. Zimbabwe thus entered the 1990s with the structural limitations to further development even more apparent: insufficient foreign exchange for industrial, mining and transport infrastructures, rapidly growing unemployment and underemployment, insufficient savings and inadequate investment, and continued inequalities in the distribution of income and land. In short, the national agenda at the start of the 1990s was more complex and problematic than it had been a decade earlier at the start of the 1980s, and there was also less political commitment and optimism ten years after Independence.

Social Performance

The Government of independent Zimbabwe was committed to addressing the problem of entrenched inequality in the economy it had inherited. In the period after Independence, it introduced a wide range of measures designed to tackle different aspects of this problem. These included:

- Improved access to education.
- Improved access to health care.
- National minimum wage legislation.
- A land resettlement programme.
- Improved agricultural infrastructure for small producers, especially credit and marketing support.

Education. Before Independence, successive settler governments had pursued a racially-discriminatory education system which fully catered for all whites but denied most blacks access to even rudimentary schooling. Education for blacks was largely left to missions until 1966, when full responsibility was transferred to district councils. These were hampered by inadequate financial resources and administrative capacity. Moreover, the autonomy of these councils was "severely limited in the sense that they could not determine educational policy and programmes, neither could they implement new plans without written permission of the provincial officer" (Zvobgo 1986, page 329).

As a result, only 75 percent of eligible black children enrolled at the beginning of primary school, and numbers were drastically reduced at every subsequent stage of the school system. Less than 8 percent of those who started primary school ever reached the secondary level, and only 4.5 percent reached Form IV. The schools they attended suffered from primitive physical infrastructure, lack of materials and shortages of both qualified and unqualified staff. By contrast, only 5 percent of white children enrolling in primary school did not reach Form IV (Stoneman 1989, page 61). Their schools were well endowed with modern equipment and facilities. The average student-teacher ratio for white schools was 1:23, compared to 1:42 for black schools. Within the general black population, particular groups such as the poor, girls and the handicapped were even more disadvantaged.

In its 1980 election manifesto, ZANU proclaimed education a basic human right and stated that the objectives of its education policy were to abolish racial and gender discrimination, establish free and compulsory primary and secondary education, institute adult education, and use the education system in nation-building and the transformation of society. These goals entailed not only eliminating racial barriers but also ensuring that the poorest and most disadvantaged groups could benefit from the extension and improvement of educational services.

The 1980s saw a rapid expansion at all levels of education (Table 4). Primary school enrolments jumped from 819,000 to almost 2,300,000, an annual average increase of 10.7 percent. The number of primary schools rose from 3,510, the greatest number before the war, to 4,504. Secondary school enrolments grew even more dramatically over the same period, from only 73,500 in 1979 to over 695,600 in 1989, or an average of 25.2 percent per year. Over 1,000 new secondary schools were built and staffed, mainly in rural areas. Tertiary enrolments climbed from 8,400 in 1979 to 49,400 in 1988, an average of 21.8 percent per year.

TABLE 4: ENROLMENTS IN EDUCATIONAL ESTABLISHMENTS (1977-1989)

	Total Enrolments ('000s)			Annual Growth Rate (%)		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
1977	892.6	73.3	8.6	--	--	--
1978	829.0	73.0	8.6	-7.1	-0.4	0.0
1979	819.1	73.5	8.4	-1.2	0.7	-2.3
1980	1,236.0	75.1	8.5	50.9	2.1	1.2
1981	1,770.1	145.4	12.4	43.2	93.7	45.9
1982	1,934.6	224.9	15.4	9.3	54.7	24.2
1983	2,046.0	316.4	18.4	5.8	40.7	19.5
1984	2,155.9	422.6	22.6	5.4	33.5	22.8
1985	2,229.4	496.9	24.1	3.4	17.6	6.6
1986	2,260.4	545.8	30.0	1.4	9.9	24.5
1987	2,264.7	615.8	38.4	0.2	12.8	28.0
1988	2,221.0	653.4	49.4	-1.9	6.1	28.6
1989	2,267.3	695.6	--	2.1	6.5	--
Average	--	--	--	10.7	25.2	21.8

Source: Annual Reports of the Secretary for Education (Harare, various years).

The quantitative improvements in education have therefore been dramatic. In qualitative terms, although there has been a commitment to the creation of more relevant curriculums oriented toward Africa and emphasizing science and technology and "education with production", actual reform has been modest. Curriculums continue to be tied to British O and A level examination boards, although efforts are being made to localize parts of the curriculums and a local examination branch is under construction in Harare. Similarly, curriculums have not been modified to encourage a greater participation of girls in society. Traditional subject divisions such as Fashion and Fabrics and Food and Nutrition for girls and Woodwork, Building and Metalwork for boys are still prevalent in primary school. In higher education, women usually choose traditionally "female" programmes such as teacher training and nursing, although agriculture has recently begun to attract them. Similarly, curriculum changes which address the particular needs of rural children have been slow to materialize. Although the Zimbabwe Foundation for Education with Production has been developing an exemplary curriculum emphasizing education with production since the early 1980s, and a task force was established in 1987 to produce relevant syllabuses for technical education, these efforts have remained peripheral to the central system.

Health. In pre-Independence Zimbabwe, the greatest burden of death and disease was borne by under-1-year-olds, young children and women of childbearing age. Furthermore, mortality varied substantially according to geographical location, race and social class. In 1980, there was a 1:4:10 ratio among the infant mortality rates (IMR) of whites, urban blacks and rural blacks, corresponding to a 39:5:1 ratio in incomes. While the IMR of the white population, 17 per 1,000 live births, approximated that in the industrialized countries, the IMR in a majority of the black population was estimated at 120 per 1,000 live births. The disease pattern among the wealthier segments of society was similar to that in the industrialized countries, while the majority of the population was commonly subject to nutritional deficiencies, communicable diseases and problems associated with pregnancy. Maternal undernutrition contributed to low birthweight in 10 to 20 percent of all births. Low birthweight and protein-energy malnutrition were the most common forms of childhood malnutrition, rendering the victims susceptible to more severe, often fatal infections.

This disease pattern among the majority was rooted in the system of production that had prevailed in Rhodesia, and its spread had been reinforced by the structures of racial discrimination. Undernutrition was particularly prevalent in the Tribal Trust Lands (TTLs) and among the children of workers on commercial farms. Although the TTLs were termed the "subsistence sector", small producers were unable to subsist on agriculture alone because of rising land alienation and the degradation resulting from the lack of input. Families were increasingly forced to supplement unreliable farm incomes with cash remitted from the plantation or urban industrial sectors, and the supply of landless wage labour grew. Airborne infections spread easily in the cramped, often smoky housing, and inadequate water supplies predisposed people to common and debilitating intestinal, skin and eye infections. In the "white" farming areas, where nearly 20 percent of the black population lived, conditions were even worse.

These environmental factors undermined much of the impact of the health care system. Besides the inequalities of racial discrimination, the system had all the features typical of an inadequate, poorly distributed developing country service. For example, in 1980-81, the average annual per capita expenditure for private sector medical aid society members (then largely white, now multiracial middle and upper class) was Z$144, compared to Z$31 for city-dwellers relying on public services and Z$4 for the rural population. The last figure masks further disparities, since only districts surrounding urban areas were relatively well served. In 1980-81, 44 percent of public medical service funds went to services located in sophisticated urban hospitals and provided for the needs of only about 15 percent of the population, while just 24 percent of these funds went to primary and secondary rural health services benefiting the majority of the population.

Likewise, all categories of health personnel, but especially professionals, were concentrated in urban areas. In 1980, there were 1,148 doctors, 4,652 nurses, 2,897 medical assistants and 393 health assistants. In 1981, 42 percent of the 900 active doctors were wholly engaged in private practice, almost all (80-90 percent) in Harare or Bulawayo. In 1982-83, there were 370 doctors in central and general hospitals, 28 in district hospitals and 42 in mission hospitals; thus, only about 70, or 5 percent, of those registered to practise were working in rural areas. Even the distribution of the "auxiliaries", i.e. medical assistants, was strongly biased toward cities, although they and health assistants formed the core of the teams at the district level and below.

Health services, especially those in the TTLs (which were mainly provided by the missions), were severely disrupted during the last few years of the struggle for liberation but particularly in 1979; many were forced to curtail operations. Meanwhile, the liberation forces were training their own health cadres and introduced popular-based health care into the camps and liberated areas of the country. In contrast to the settler infrastructure, community mobilization, participation and discussion were built into this health care delivery system, which was mobile and accessible and in which the main infrastructure was the people. The challenge at Independence was to transform the deliberately fragmented, inaccessible and oppressive settler system into one which would serve the needs of all and respond to changing social and economic requirements.

The post-Independence health policy, as expressed in the policy paper, "Planning for Equity in Health", recognized that the cause of ill-health lay in the conditions of people's lives and in the context of an urban, racially and curatively biased health care system. In 1980, the Government issued guarantees that health care would be reorganized so that all citizens would have access to a comprehensive national health service. This health care system was to be integrally linked to other development programmes, such as education, housing, food production and the organization of rural infrastructures. The adoption of the primary health care approach demanded that new resources be directed toward previously deprived areas in the improvement of nutrition and the control of preventable diseases. This policy stressed the conscious and active participation of communities.

The Government recognized the existence of multiple, uncoordinated providers of health care and the poor distribution of personnel among urban and rural areas and social classes. Because this threatened the creation of a unified national health service, various measures were proposed:

- The abolition of racially discriminatory laws.
- Restrictions on the expansion of private facilities.
- Post-training "bonding" of health care workers to public service.
- The barring of immigrants from private practice.
- The incorporation of the traditional health sector.
- The standardization of therapeutic procedures through the establishment of a list of essential drugs.
- The institution of a universally applied national health insurance

scheme.

The Minimum Wage. The Government introduced minimum wage legislation in 1980 shortly after Independence. Previously, a series of minimum rates had been set for individual industries and sectors by the Industrial Councils and Boards. In general, these rates protected workers in jobs requiring more skills and in better organized sectors, but unskilled workers, such as those in domestic services and agriculture, were little affected. The new legislation brought all workers under some form of minimum wage, although it differentiated among industrial, domestic and agricultural workers. It was viewed as an immediate way of tackling the problem of a pay scale based on racial criteria. In 1981, the Government also introduced ceilings on increases for the highly paid in an attempt to reduce the wide disparities in the wage and salary structure.

It is difficult to quantify the initial impact of the national minimum on average wages, although it seems clear that they were raised (Davies and Sanders 1987a). However, after 1982, the legislation was used to control rather than promote wage increases. It became the practice for Government to announce in July of each year a set of percentage increases for a range of wages. Initially, these were intended as minimum required increases for the low paid and maximum allowed increases for the high paid. However, in the latter case, they eventually came to be considered instructions for actual increases rather than guidelines. In 1983-84 and 1987-88, the Government used the legislation to prevent a general wage increase. Of course, the efficacy of these freezes varied inversely with incomes, since wage drift is easier among salaried employees than it is among waged employees.

Along with minimum wages, the Government also introduced "no firing" legislation in an attempt to reduce the negative impact of increasing wages on employment. This is one of the areas which is being addressed in the debate on liberalization. Employers have argued that, by making the labour market rigid, this legislation is responsible for the slow growth in employment. Trade unions have also tended to oppose the legislation on the grounds that it has reduced their role in the process of determining pay and work conditions and has therefore made labour organization more difficult.

Land Resettlement and Support for Agriculture. Ownership of and access to land were among the main issues over which the War of Independence was fought. Nonetheless, the Government did not introduce a land reform programme until

1991, when the controversial Land Act was passed by the National Assembly. The Act prevented appeals to the courts over compensation for land acquired by the state. The Government waited so long, it argued, because it had been constrained by the terms of the Lancaster House Agreement, the Constitution, which forbade the acquisition of land by the Government except in transactions involving a willing buyer and a willing seller. The "pragmatists" in Government had also argued that there was a danger of alienating white farmers, who are important both in the production of exports and for food security. The old pattern of land ownership and the existence of a dual land tenure system, part commercial and "white" and part communal (the TTLs), has thus continued. Moreover, because the new black political elite has tended to acquire commercial farms, land redistribution is likely to be toward rich rather than poor Africans.

However, although it had not moved on land reform, the Government did have a land resettlement policy. The policy was aimed at returning war refugees and at alleviating the most serious overcrowding in communal areas. The resettlement programme received considerable attention in the first few years of Independence, when it was seen as a way of introducing new forms of landholding, specifically cooperatives and collectives, as part of the transition to socialism, but it was always restricted by a lack of finances. When the first "austerity" budget was introduced in 1983, the ministry responsible for the programme was subject to the largest cuts, and, for all intents and purposes, there was no progress on the programme from the mid-1980s until 1991. The resettlement schemes which were undertaken tended to be constrained by poor infrastructure: Because resettlement was focused on formerly "white" areas, the infrastructural development problems were enormous. The schemes have therefore generally been unsuccessful at generating a further commitment to land reform.

Meanwhile, the Government has improved infrastructural support for low-level farming. Agricultural extension services have been integrated so that the expertise previously available to white farmers is now more widely accessible. A credit scheme for small farmers has been introduced through the Agricultural Finance Corporation, which had previously dealt only with commercial farmers, and the Grain Marketing Board has been encouraged to decentralize its buying depots to put them within reach of small producers who might otherwise face transport problems.

III. IMBALANCES AND MACROECONOMIC POLICY RESPONSES

As already mentioned, 1982-83 was a turning point for Government policy. The growth of economic instability compelled the Government to concentrate on stabilization rather than social transformation.

Since Independence, economic policy making has operated in the context of important internal, regional and global influences. Internally, a series of severe droughts and the expansion of the mainly endogenous demand for goods and services have been the most important conditioning factors. In the region, political and economic destabilization from South Africa has imposed an additional and dominating constraint on policy options. The regional response has been to promote cooperation, joining another dimension to the policy framework of Zimbabwe. Finally, global shifts in production have complicated export management and changing global policy fashions have increased pressures for policy "reform".

Internal Imbalances

Several interrelated reasons underlay the rise in the Government deficit and the current account balance between 1980 and 1983. First, domestic demand swelled rapidly. Second, this growth in demand was coupled with a relaxation in a number of the controls which the Government had been applying. Third, a series of droughts from 1981 to 1984 caused serious dislocations.

The expansion in aggregate domestic demand is evident in the ratio of domestic expenditure to GDP (Table 5). Already high before Independence due to the war, domestic absorption had jumped to 107 percent of GDP by 1981. Several factors contributed to this growth. Gross fixed capital formation (GFCF) rose sharply between 1979 and 1980, partly crowding out private consumption. In 1981, all three major components of expenditure advanced more quickly than did domestic production, representing a general increase in demand. The immediate post-Independence boom was primarily demand led and investment demand paved the way.

The climb in demand was fueled by a number of contingent factors. Investment demand was high after 15 years of sanctions. Firms were keen to refurbish plants and equipment. There was a natural lag in the response of investment to the removal of sanctions as firms worked out plans, and the continued bureaucratic administration of imports and foreign exchange

TABLE 5: DOMESTIC EXPENDITURE AND PRODUCTION (1976-1987)

	1976	1979	1980	1981	1982	1983	1984	1985	1986	1987
Expenditure (Z$M)	2,082	2,827	3,544	4,758	5,506	6,503	6,369	6,933	7,938	8,562
GDP (Z$M)	2,166	2,822	3,441	4,433	5,197	6,306	6,404	7,019	8,295	8,928
Expenditure/GDP Ratio (%)	0.96	1.00	1.03	1.07	1.06	1.03	0.99	0.99	0.96	0.96
Real Growth Rates (%)										
Consumption	--	12.4	-0.9	17.2	-1.7	16.6	-24.4	-7.0	3.5	-13.9
Government	--	2.7	10.1	16.8	12.3	5.6	8.3	3.7	8.2	24.6
GFCF	--	0.2	19.2	36.7	9.1	-2.9	-19.2	-18.3	2.6	-3.9
GDP	--	3.8	10.6	12.5	2.6	1.6	-1.9	6.8	2.6	-1.5
% Share in Expenditure										
Consumption	65.0	68.4	62.6	62.4	61.4	66.8	59.5	56.2	57.0	51.2
Government Spending	15.3	19.0	19.1	16.1	18.7	17.8	21.4	22.5	22.7	28.8
Investment	19.7	12.6	18.3	21.5	19.9	15.4	19.1	23.3	20.3	20.0

Source: CSO (1990), National Accounts, Early Release.

allocations added further delays. Thus, the real growth in investment did not occur until 1981. At that time, consumption was beginning to respond to the stimulus of increased minimum wages, and the social programmes which had been introduced in 1980 were starting to have an impact on Government expenditures. Both of these components would probably have expanded even more rapidly, except that offsetting factors were also in play. The emigration of whites, who were higher income earners than their black replacements, probably somewhat dampened the consumption boom, while the reduction in defence spending offered the Government leeway for raising social expenditures without adding to overall expenditure.

Substantial promises of aid for reconstruction were forthcoming at the Zimbabwe Conference on Reconstruction and Development, and the euphoria of Independence fostered buoyant expectations. As a result, and because of the perceived need for more capital goods, the Government felt confident enough to relax import controls. Thus, the jump in demand spilled over into foreign trade, and the situation in the current account worsened. While the level of capital flight that occurred at the time is difficult to gauge, it is clear that dividend expatriation and some excessive payments on "invisibles" also contributed to the rising deficit.

The budget deficit clearly contributed to the spiral in demand. The deficit had been caused by growing social expenditures, coupled with an inelastic tax base. Income tax revenues could be raised only with difficulty, and the Government came to rely more on indirect taxes, particularly sales taxes and import duties.

While the exceptionally good harvest year of 1980-81 boosted incomes and contributed further to demand, it was followed by a severe drought which continued over the next three seasons. Because of the central role of agriculture in the economy, this had a substantial impact on macroeconomic imbalances. The decline in domestic economic activity as measured both directly and through the multiplier placed further constraints on the efforts of the Government to finance social programmes. The loss of agricultural production led not only to reduced exports but also to some imports of maize and wheat. Although many of the imbalances which surfaced at this time were structural, it is clear that the drought had an important impact on triggering and accelerating the onset of problems in stabilization.

Regional Destabilization

Ever since Independence, Zimbabwe has been on the frontline of the struggle against apartheid. Although it has not suffered the same degree of direct military intervention as Angola or Mozambique, it has been particularly vulnerable to economic destabilization because it is landlocked and must rely on South Africa for trade routes. In the early 1980s, South Africa took a number of steps to demonstrate its power. Besides sabotage and efforts to foment trouble in Matabeleland, the steps included bureaucratic barriers to the flow of trade to Zimbabwe through South Africa and the use of RENAMO, antigovernment forces in Mozambique, to cut trade routes through that country. These measures led to shortages of essential goods such as oil.

In the latter part of the 1980s, Zimbabwe began to maintain an army in Mozambique in order to protect trade routes, primarily the Beira Corridor to the coast but also the route through Tete to Malawi. This was effective in reducing the ability of RENAMO to inflict major damage, and the shortages of the early 1980s slackened. However, the direct costs of the South African efforts at destabilization were merely transformed into the still substantial but more indirect costs of maintaining a protective shield abroad.

One estimate has put the cost of war and destabilization to the nine member states of the Southern African Development Coordination Conference at US$27.9 billion between 1980 and 1986 (UNICEF 1987, page 32). In any case, it is clear that, without this regional unrest, military spending and thus the budget deficits and economic difficulties of Zimbabwe could have been reduced and policy makers could have focused their attention on national development.

Global Shocks

Despite sanctions which lasted 15 years and the protectionism of the import quota system, the economy of Zimbabwe was still relatively open at Independence. In 1980, imports and exports represented 23.5 and 26.4 percent of GDP, respectively. However, from 1980 to 1982, the current account deficit shot up from 4.6 to 10.7 percent of GNDI. Indeed, it was concern over this rapid deterioration that motivated the Government to place an increasingly greater emphasis on stabilization.

Davies (1990) has attempted to analyse the extent to which the deterioration in the current account was due to external or internal forces. He finds that the deterioration in the balance of trade in 1980 and 1981 was caused primarily by the rapid expansion in the volume of imports that resulted initially from the rise in the propensity to import but was then buoyed by growing national income. An improvement in export prices following the lifting of sanctions actually offset the deterioration somewhat.

There were two reasons for the progress registered after 1983. First, tighter foreign exchange allocations led to a sharp reduction in the propensity to import. Second, a depreciation of the Zimbabwe dollar had enhanced the current account balance <u>relative</u> to the Zimbabwe dollar. Although this was essentially a statistical artifact since changes in the exchange rate affect the prices of both imports and exports measured in domestic currency by the same proportion, it nevertheless had an apparent effect on the absolute size of the balance of trade, which had already been in imbalance.

The terms of trade have tended to rise in the post-Independence period (Table 6). From this point of view, it cannot be argued that the country has faced a severe external trade shock. It should be noted that the trade indices for Zimbabwe published by the World Bank (1990) differ substantially from those published by the Government.

During the immediate post-Independence years, inflows on the capital account were insufficient to offset the current account deficit (Table 7). Most of these inflows took the form of official loans, and, while pledges of donor support for reconstruction were substantial, the country had a limited capacity to absorb and disburse these pledges. The inflows thus reached a high level only in 1982. The balance of payments was therefore in overall deficit until 1983. Subsequently, the declining current account deficit, combined with significant official capital inflows, produced a balance-of-payments surplus.

TABLE 6: ANNUAL INDICES OF EXTERNAL TRADE
(1970-1987, 1980 = 100)

	Volume Index		Unit Value Index		Terms of Trade	
	Imports	Exports	Imports	Exports	Net Barter	Income
1970	99.6	81.5	29.4	39.4	134.0	109.2
1971	112.4	89.9	31.3	37.0	118.2	106.3
1972	111.6	107.7	30.6	37.2	121.6	130.9
1973	120.4	110.0	31.9	40.6	127.3	140.0
1974	125.4	114.6	43.5	53.2	122.3	140.2
1975	119.6	107.3	48.0	56.8	118.3	127.0
1976	87.4	107.8	54.4	59.3	109.0	117.5
1977	80.5	102.4	60.0	61.7	102.8	105.3
1978	73.6	106.5	68.2	65.7	96.3	102.6
1979	72.6	105.0	93.3	75.5	80.9	85.0
1980	100.0	100.0	100.0	100.0	100.0	100.0
1981	123.5	95.2	99.5	110.6	111.2	105.8
1982	133.0	98.0	99.1	107.3	108.3	106.1
1983	111.5	101.5	116.4	121.3	104.2	105.8
1984	111.1	100.2	131.2	158.3	120.7	120.9
1985	97.3	95.6	152.7	188.5	123.4	118.0
1986	117.7	119.4	159.7	192.0	120.2	143.5
1987	122.2	127.6	183.0	194.0	106.0	135.3

Source: CSO (1989), Quarterly Digest of Statistics, December.

TABLE 7: THE BALANCE OF PAYMENTS
(In Millions of Zimbabwe Dollars, 1980-87)

	Net Balance on Current Account	Net Long-Term Capital		Net Short-Term Capital	Errors & Omissions	Balance on Capital and Current Accounts
		Official	Private			
1980	-156.7	-67.6	1.0	22.8	120.3	-80.2
1981	-439.6	68.1	-6.1	71.6	85.9	-220.1
1982	-532.9	237.6	44.3	60.7	66.0	-124.3
1983	-454.2	294.5	17.2	-25.8	10.0	-158.3
1984	-101.6	235.0	-20.9	18.5	33.6	164.3
1985	-159.2	174.6	-16.4	121.5	83.0	203.5
1986	12.6	105.4	17.5	14.6	-77.1	73.0
1987	129.9	156.4	-44.7	3.6	-11.5	233.7

Source: Reserve Bank of Zimbabwe (1989), Quarterly Economic and Statistical Review, Vol. 10, No. 4, December.

Unlike other Third World countries, Zimbabwe did not accumulate a large international debt in the 1970s because sanctions hampered its ability to borrow. After Independence, borrowing immediately swelled, so much so that, by 1983, the Government became concerned and began to limit external borrowing. The debt service profile thus rose rapidly in the mid-1980s but then fell toward the end of the decade and was less affected by growing international interest rates. Zimbabwe was therefore better able to maintain a strict repayment schedule. At the peak of the servicing burden, the Government also cut back on foreign exchange allocations for other uses in order to avoid rescheduling; this probably had an impact on domestic production, but the effects were not sustained. Zimbabwe has not had to undergo the massive restructuring and austerity programmes which other African countries have had to face in order to deal with their accumulated debts. Thus, external shocks do not appear to have led to deterioration, and policy reforms have not been motivated by a need to rescue a ravaged economy but rather by a concern to boost growth and to make the economy respond better to changing international conditions. Whether the reforms will succeed may be debated, but that this is the goal is reasonably clear.

Toward the end of the decade, the profound and interrelated reform movements in Eastern Europe and the shifts in Southern Africa further transformed the policy environment. Although the united ZANU-PF leadership continued to proclaim its commitment to Marxism-Leninism after the removal of the constraints of the Lancaster House Agreement and the landslide electoral victory of early 1990, the demise of state communism in Eastern Europe further eroded confidence in this commitment. The apparent effectiveness of civil society in Eastern Europe and the Soviet Union, but also in South Africa, is bound to have implications for the policy debate in Zimbabwe in the 1990s.

The Policy Response

The Government turned to the IMF in the early 1980s. Although some attempt had been made to raise funds elsewhere, there was a feeling in the new state that the economic problems were due to temporary setbacks, such as the drought and a slump in international commodity markets, and that the arrangement with the IMF would therefore be short-term, a "quick fix" with reasonable conditionalities.

Under the impetus of the Fund, the Zimbabwe dollar was devalued 20 percent in December 1982, followed by a depreciation of another 10 percent. A standby credit agreement was signed in March 1983 and was to run to September 1984; the conditions were not made public but included a ceiling on the expansion of domestic credit, the reduction or removal of subsidies on many foodstuffs and a wage freeze. The Government imposed the wage freeze and subsidy cuts but had difficulty cutting the overall budget deficit. The agreement was suspended in April 1984, in part due to the budget deficit and in part because of the dissatisfaction of the Fund with the tight controls on the balance of payments introduced in February 1984. Despite further pressures, the Government has not negotiated a subsequent loan with the Fund, although there have been regular contacts.

The failure of the agreement with the Fund did not lead the Government to renounce all efforts at stabilization. In fact, it made use of a wide range of orthodox stabilization instruments throughout the second half of the 1980s to try to keep the imbalances in check. These instruments included attempts to rein in the fiscal deficit, regular depreciation of the Zimbabwe dollar, controls on the growth of money supply and a wage freeze. The Government also used less orthodox instruments which may have had a negative impact on the long-term situation. In particular, import compression remained the central tool for short-term management of the balance of payments.

The Government also took a number of *ad hoc* steps to resolve what were perceived as special problems. Indeed, these steps began in 1984 with the introduction of controls on the invisible and capital accounts of the balance of payments that are believed to have contributed to the suspension of the IMF standby agreement. Intended as temporary, these measures were aimed at the invisible account, the controlling dividend and other outflows. They also involved an attempt to release blocked funds which remained from the days of the Unilateral Declaration of Independence. They were lifted in May 1985.

The *ad hoc* measures can be seen as an effort by the Government to obtain breathing space without tackling the structural problems underlying the deficits. It can be argued that the measures actually exacerbated the problems in the long run, since they probably had a negative impact on foreign investment. On the other hand, the macroeconomic instruments were used essentially to deflate the economy. From 1982 on, according to estimates of the Government, there was a fairly severe compression of both private consumption and investment during most of the years. However, private consumption figures in the national accounts are estimated as a residual. Given that they ignore the parallel and informal markets, it is likely that they overestimate the extent of compression and fail to fully capture the adjustment strategies of private agents. In any case, if the compression was indeed severe, this was, in part, an effect of the drought, but Government policy also seems to have played a major role. The operation of orthodox demand management policies will have tended to deflate the aggregate economy. This will have been compounded by the impact of cuts in import allocations that particularly affected the level of investment by constraining it on the supply side. In addition to this overall deflationary trend, the Government used several instruments to ensure that the compression fell mainly on the private sector. For example, it controlled the allocation of a large proportion of savings by requiring pension funds and insurance companies to hold 60 percent of their assets in the form of Government bonds. The import allocation system gave it controls over private activities. The wage freeze directly cut private consumption. Thus, not only was deflation a main factor in stabilizing the economy as it is in orthodox packages, but also much of the burden of this stabilization was shifted onto the private sector.

Besides these orthodox policies, the Government did introduce measures aimed at structural adjustment. In particular, a series of export incentive programmes were undertaken from 1985 on. An export incentive bonus to manufacturers had been inherited from the previous regime. In 1985, an Export Revolving Fund was established with support from the World Bank to ensure that export manufacturers had access to the imported inputs they required. This was eventually supplemented by the Export Promotion Programme, which allowed export manufacturers to retain 25 percent of incremental export earnings for the purchase of imported inputs for production for the domestic market. In 1988, this initiative was extended to the agricultural and mining sectors. The available data are not adequate to gauge the impact of these steps, but casual evidence indicates that the impact has been positive and substantial.

The export incentive policy can be seen as a partial liberalization of trade in order to offset some of the negative effects of import controls. Nonetheless, the basic system of quantitative import restrictions and administered foreign exchange allocations remained in force. The authorities continued to respond to perceived balance of payments difficulties by cutting the foreign exchange available for imports and by increasing allocations when the situation improved. Thus, allocations were raised by 30 percent in the second quota period of 1985, cut by 40 percent in the first, raised by 30 percent in the second period of 1987 and cut again in 1988. This meant that external fluctuations were transmitted very quickly into the domestic economy and that the adjustment was essentially through domestic deflation induced by production cutbacks.

A similar policy aimed at structural concerns is the revision of the Investment Code governing foreign investment. The new strategy was announced in early 1989. It does not differ greatly from the previous policy in detail, but it has sent the signal that the Government is prepared to accommodate foreign investment. It is too early to access its impact, but most observers remain skeptical of the significance of this step.

Although there have been no dealings with the IMF since the early 1980s, the link with the World Bank has been relatively good. The money for the establishment of the Export Revolving Fund (ERF) came from the Bank. Relations soured somewhat when Government attempts to borrow further in order to increase the ERF were met by greater Bank conditionality, including insistence on more trade liberalization. In the end, the Government raised the money from private foreign banks at a higher financial cost but perhaps strengthening the image of independence. Subsequently, the Bank played a major role in opening the debate on liberalization. The Government continues to insist that any liberalization policy it follows will be "homegrown"; the Bank accepts this but has been exerting pressure to get the Government to act with more speed.

IV. HUMAN RESOURCES POLICY RESPONSES

Evaluating the policy responses to internal and external shocks has become a tricky affair. Now it is commonplace to argue that such an evaluation should be based on a comparison with a counterfactual. Often there are raging debates as to what would constitute a "right" counterfactual.

This study wants to avoid such pitfalls and attempts to describe developments as they took place, distilling from such a discussion the possible impact of stabilisation policies on the education sector, the health sector and on the position of certain vulnerable groups: mainly, but not all, women, children and the elderly, especially in the rural areas. The definition of such groups is dynamic, changing in part in response to the incidence and intensity of external and internal shocks.

Education

Financing. The Government's commitment to free universal primary schooling and to improved access to other levels of education and its relative success in fulfilling this commitment have meant that education has been the most significant expenditure item in the Government budget since 1981-82. In that budget year, the Ministries of Primary and Secondary Education and of Higher Education replaced the Ministry of Defence as the largest item in the Government budget account. Their budget share, plus the allocation in the Ministry of Labour for vocational training, amounted to 16.6 percent in 1982 (as was discussed in Table 2). It fluctuated around this level until 1989, when it reached an estimated 17.5 percent. These expenditures have been rising as a proportion of GDP, as has the size of the whole education sector relative to GDP. While total expenditure in current prices at all levels has increased substantially, the spending on primary education plateaued in real terms in 1984 and on tertiary education in about 1986; although expenditure on secondary education in real terms continues to grow, it is slowing down (Table 8). Real per capita expenditure for primary school students swelled in the first four years of Independence from Z$66 in 1980 to Z$112 in 1983, but has remained static since then. Per capita expenditure for secondary school students declined in the early years of Independence, reflecting the transition from an exclusively "white" system. It has been roughly constant since 1985. In higher education, there was an increase toward the middle of the period but a subsequent decline to approximately the same level as that immediately after Independence.

Recurrent expenditure, which includes teacher salaries, administrative costs, books and materials, consumed the largest share of the total educational budget, averaging more than 80 percent. The expansion demanded a huge jump in the number of teachers; thus, between 1980 and 1989, the number of primary school teachers rose from 28,455 to 58,160, and that of secondary school teachers from 3,730 to 24,856. These increases were made possible by employing untrained and underqualified teachers. This was especially the case at the secondary level, where such teachers generally constitute more than 60 percent of the teaching force (SFE 1989). In the last few years, the Government, with the help of funding supplied by nongovernmental organizations, has initiated some innovative training programmes to alleviate this critical shortage. While training is an urgent and necessary priority,

TABLE 8: GOVERNMENT FINANCING OF EDUCATION
(1980-1990)

	Total Expenditure															
	Current Prices (Z$M)			Constant 1982 Prices (Z$M)			Real Annual Growth (%)			Per Student (Z$)			Share of Total Expenditure (%)		
	Pri-mary	Secon-dary	Ter-tiary	Pri-mary	Secon-dary	Ter-tiary	Pri-mary	Secon-dary	Ter-tiary	Pri-mary	Secon-dary	Ter-tiary	Pri-mary	Secon-ary	Ter-tiary
1980	72.2	34.9	4.7	81.5	39.4	5.4	--	--	--	58.9	28.5	3.9	66	526	632
1981	144.9	46.7	15.7	151.7	48.9	16.5	86.0	24.0	207.4	65.2	21.0	7.1	86	336	1,328
1982	198.2	71.4	27.9	198.3	71.4	27.9	30.7	46.1	69.7	62.8	22.6	8.8	103	318	1,816
1983	250.8	95.4	35.6	228.6	86.9	32.5	15.3	21.6	16.4	62.3	23.7	8.8	112	275	1,766
1984	282.0	116.6	50.4	240.2	99.3	42.9	5.1	14.2	32.1	59.1	24.4	10.6	111	235	1,903
1985	305.6	132.4	52.7	226.9	98.3	39.1	-5.6	-1.0	-8.8	58.6	25.4	10.1	102	198	1,625
1986	363.3	180.9	69.7	236.0	117.5	45.3	4.0	19.5	15.7	55.5	27.6	10.6	104	215	1,508
1987	421.2	204.4	78.2	255.2	123.8	47.4	8.2	5.4	4.7	55.9	27.1	10.4	113	201	1,234
1988	435.5	236.5	106.2	238.6	130.1	58.2	-6.5	4.6	22.7	49.7	27.0	12.1	107	198	1,178
1989	550.5	309.6	106.9	255.5	143.7	49.6	7.1	10.9	-14.7	50.4	28.3	9.8	113	207	--
1990	623.4	342.9	124.6	245.1	134.8	49.0	-4.1	-6.2	-1.2	51.3	28.2	10.3	--	--	--

Source: GOZ (various), Estimates of Expenditure.

the salary increases accompanying qualification will put an additional strain on recurrent expenditures.

Overall, Government financial support for education climbed rapidly after Independence but then slowed down. Although the slowdown coincided with the shift in general policy from development and equity concerns to stabilization, the importance of any causal link is not clear. In due course, some slowdown could be expected as more and more children are offered access to school and the growth rate of financing levels off relative to the birth rate. Per capita expenditure figures are therefore more revealing; they suggest that there was little reduction in the impact of allocated resources.

The Government is now concerned with maintaining the financial footing of education. Shortly after Independence it lightened some of its financial load by encouraging self-help projects and direct community participation. These schemes require parents to pay something or to donate time. This shift in the burden of education to parents will likely increase in the future. In his 1989-90 budget statement, the Minister of Finance, Economic Planning and Development gave notice that this might indeed be the case.

Although self-help projects are a practical way of mobilizing additional resources, they can saddle the poorest communities with an unfair load. If the Government relies on these schemes as a substitute for nationally-financed services, many poorer communities, especially those which are more scattered and less organized, may remain without adequate facilities.

While direct user fees are already required for secondary education, the Government has so far resisted pressure to introduce them for primary schooling because it is committed to a policy of free and universal primary education. However, it has indirectly increased private contributions. In rural areas, district and rural councils collect development levies of between Z$2 and Z$10 a month per household, a proportion of which goes toward the costs of education. In urban areas, education levies, often over Z$100 a term, are paid directly to schools. In effect, this amounts to an education tax. Although the sum appears negligible, it is significant when added to the other expenses incurred by parents of school-age children for uniforms, which can cost up to Z$50, books, materials, building fees, sports fees, and the purchase of supplementary auxiliary services. Because the costs of education consume a greater proportion of the budget of a low-income household, escalating user fees can have a negative income effect. Moreover, the quality of services in rural areas may get progressively worse as government funds are replaced with sparse private and community contributions.

To provide education, the Government also seems to be placing an increasing reliance on private institutions, including elite, mission, district council, farm and mine schools. Between 1985 and 1987, the number of "private" primary and secondary schools grew by 388. During the same period, the number of state schools decreased from 453 to 448. Except for the "elite" schools, which remain the preserve of a privileged, mainly white, minority, most private primary schools offer free tuition. The state subsidizes their operation by paying teacher salaries and other recurrent expenditures. On the other hand, private secondary schools impose substantially higher fees than do state secondary schools, making it difficult for the majority of students to gain admission.

By paying teacher salaries in all schools, the state is effectively subsidizing elite private schools. In fact, evidence is emerging that the subsidy per child is higher for these elite schools than for any other group of schools, including Government ones. There is thus scope for a realignment of the education budget that would improve equity in the system.

The distribution of the education budget has tended to be stable. However, toward the end of the period, the share of primary education fell, while that of secondary education increased. Although this may be regressive, it probably reflects the fact that the older students among the growing numbers which have been receiving an education are now in secondary school.

Meanwhile, the share of financing going to tertiary education has been relatively constant. Given the acute shortage of skilled manpower in science and technology, as well as the urgent need to fill posts in the expanding social service sector, tertiary education, especially vocational and technical training, has not benefited sufficiently from the resource base. Although the diversion of already scarce budgetary resources from the primary and secondary level to the tertiary level raises problems of equity and efficiency, it is evident that the demands of students for admission to higher education and the economic need for skilled manpower must be satisfied. The most direct response of the Government has been the opening of a state university of science and technology in Bulawayo in early 1991. But with further budget restrictions impending, the response in the future will no doubt be growing privatization. Partial or full cost recovery should be investigated as a way of transferring the costs of tertiary education to the beneficiaries. A careful targeting of grants and subsidies will be essential in ensuring that higher education does not become the preserve of a privileged and affluent minority.

Since 1980, the Government has made a concerted effort to lessen and reverse the urban-rural bias which existed prior to Independence. On the other hand, rapid enrolment in urban and high population density areas, such as the Harare region, has created a shortage of classrooms since 1986, when double-sessions or "hot-seating" became commonplace.

Urban areas still tend to attract more and better teachers. In a 1986 survey, regions with a large proportion of rural primary schools reported that 50 percent or more of their teachers were untrained, and, in some remote districts, the proportion was nearly 90 percent. In rural secondary schools, a diverse range of expatriates somewhat compensates for the shortage. Moreover, some of the new teacher training programmes expect students to teach in rural areas as part of their degree requirements.

While the teacher-pupil ratio in primary education is 1:40 and that in the first four forms of secondary education is 1:30, these ratios mask a small differential between urban and rural areas. In the two largest urban centres, Harare and Bulawayo, the primary school ratio is 7:38 and 3:37, respectively. In the high density suburbs and rural areas surrounding these cities, the ratios are all higher: between 1:40 and 1:44. One reason for the continued failure to equalize the distribution of teachers has been the policy whereby parents, through a simple majority vote at parent-teacher associations, have been given the opportunity to raise the school fees they must pay. The higher fees are typically used to employ more and better-qualified teachers. The increasing reliance on user fees is likely to aggravate the existing rural/urban inequalities in primary and secondary education.

Access. Although new regulations require that a secondary school be available within 11 kilometres of any student, the critical problem of transportation still deters many rural students from attending school regularly. In high density urban areas, many secondary schools cannot accommodate all the eligible students within their districts; the unlucky student must rely on public transportation to attend an out-of-district school at an extra cost or, alternatively, look for a boarding school. Another important factor in access to secondary education is admission, which is based solely on examinations administered in Grade VII. Although it would seem fair to offer admission on the basis of ability, this practice tends to discriminate against certain groups. Poor study environments, less study time and minimal access to books and private tutors may all disadvantage the poor, rural, or female student.

Enrolment Rates. Between 1979 and 1989, primary school enrolments rose from 819,128 to 2,267,269 (see Table 4, page 8). The highest growth rates occurred in the two years immediately following Independence, when they hovered around 50 percent. In 1985, the growth rates seem to have stabilized, and, in 1988, they showed a slight decline for the first time. There were wide disparities among regions, as well as large year-to-year variations, indicating that primary school enrolments are still very sensitive to prevailing socioeconomic conditions (SFE 1987). While Harare experienced rapidly escalating enrolments, enrolments in small-scale farming areas, as well as in drought-stricken areas and areas with security problems, were much lower.

Secondary school enrolments rose appreciably each year following Independence. The growth rates surpassed those in primary education by an annual average of around 23 percentage points from 1981 to 1989. The increases immediately following Independence were particularly sharp. By 1985, they had become more modest. The rate was 17.6 percent that year, whereas it had been 33.5 percent the previous year. The growth rates seem to have stabilized beginning in the late 1980s.

The increases in tertiary enrolments were the least dramatic in nominal terms but, at a yearly average of 25 percent between 1981 and 1988, the greatest in terms of growth rates. Whereas only 8,466 students were enrolled in institutions of higher learning in 1980, the number reached 49,387 by 1988. Technical college enrolments rose the most quickly, followed by those in teacher training colleges, the University of Zimbabwe and agricultural colleges. This seems consistent with the Government's emphasis on expansion in technical and vocational training. Nonetheless, the virtual stagnation in the budget share of these two items and the decline in real expenditure per student suggest a gap between policy and practice.

The record of independent Zimbabwe in the enrolment of girls in the primary and secondary school system is impressive. Almost as many girls are enrolled as boys. Female enrolment accounts for nearly one-half of primary school enrolments and approximately 40 percent of secondary school enrolments.

A careful analysis of the data reveals that decreased enrolments can be expected in the future. Of the 376,392 pupils enrolled in Grade 1 in 1980, 287,914, or 77 percent, completed the full seven years of primary schooling, assuming continuous enrolment and no repetition of grades. Alternatively, 86,678, or 23 percent, dropped out. Of the total 289,714 pupils, only 207,072 (71 percent) continued on to secondary school and only 159,238 (76 percent) completed Forms 1 and 2. This means that only 41 percent of the 1980 Grade 1 class had completed the first two years of secondary school in 1987 and 1988.

After Independence, the dropout rate declined steadily at the primary school level, where only 3.1 percent of the pupils who were eligible to advance to the next grade dropped out in 1989, as compared to 17 percent in 1978. On the other hand, the statistics reveal disturbing trends elsewhere in the education system. The dropout rates at the end of primary school, during secondary school and at the end of Form IV increased from 1982 to 1984, and they have recently begun to approximate the rates of the pre-Independence years. These persistent dropout rates can be attributed to two factors: the rising real costs of education and the climbing opportunity costs incurred by children and their families. The latter likely affects girls more than boys because of the value of female labour to the home.

The statistics show that the dropout rate for girls was higher than that for boys each year between 1979 and 1987. The difference was particularly marked in the last two grades of primary school. Furthermore, the transition rate from Grade VII to Form I was much lower for girls. In 1986, 73 percent of the boys graduating from primary school enrolled in secondary school, as compared to 67 percent of the girls. The female dropout rate was the highest in secondary school. Between 1982 and 1986, anywhere from 60 to 75 percent of the female students dropped out during the first four years. As a result, girls are underrepresented at the "A" level (Form VI) and are significantly underrepresented at the tertiary level.

Conclusions. Zimbabwe has succeeded in abolishing a racially segregated education system, although access to better educational services and opportunities is now largely determined by class and economic status. Private schools are generally better than state schools, which are classified into two categories: Group A (high fee paying) schools correspond to the former European government schools and Group B (low fee paying) schools correspond to the former African government schools.

The major achievement in education has been the rapid and unprecedented expansion in the number of primary and secondary schools, technical, vocational and teacher-training colleges, and university education. Education has become accessible to the majority of young Zimbabweans, and enrolment at the primary and secondary levels has more than doubled, rising from around 1,311,100 in 1980 to over 2,950,000 in 1989. Total tertiary level enrolments increased from 8,466 in 1980 to 49,387 in 1988.

The Government expenditure on education has risen in nominal terms every year since Independence. However, after 1983, the expenditure growth rates in real terms were invariably moderate, averaging 4 percent per year. In both 1985 and 1990, the real rates were even negative. The share of education in the Government budget has been stable, averaging 16 percent. Education has not been constrained by dwindling financial resources because the Government has made it a national priority since 1981. However, the continuing support of trade liberalization and of a more comprehensive structural adjustment programme will likely have an impact on the resources available for education.

The minimal growth in Government expenditure means that gaps could take root in the education system. The increasing reliance on community financing, self-help schemes and user fees will probably aggravate existing inequalities among state, private, urban and rural schools. The burgeoning cost of primary and secondary education, the persistent decline in real wages and the growth in the proportion of households below the poverty line will certainly add to the direct costs of school attendance and may change the opportunity costs. This is especially relevant for the more vulnerable groups, such as those pupils who live in remote rural areas or on communal lands.

Stagnating recurrent expenditure may also have a negative impact on the teaching force. Because the real salaries of teachers are generally lower than those for most equivalent private sector jobs, which often also include car, travel, housing, vacation and other fringe benefits, the risk of a brain-drain from the public to the private sector is very real. The better and more experienced teachers will also be inclined to cross over to private schools, where incomes are augmented by supplementary allowances and where more educational resources and materials are available. State schools and schools in remote rural districts will be staffed with a higher number of unqualified and inexperienced teachers and administrators. A high-quality teaching force can be secured in two ways. The first is to increase wages, salaries and allowances, as the Government has done recently only for graduates with the result that less qualified staff have gone on strike for improved conditions. Unfortunately, this step would put an additional strain on recurrent expenditures and limit the money available for books and other important educational resources. The second is to mobilize communities, encouraging them to improve the working and living conditions of teachers.

Health Care

Immediately after Independence, the Government allocation for the Ministry of Health (MOH) was expanded by 44.7 percent in current Zimbabwean dollars and 27.5 percent in real terms, and the MOH budget share rose to 5.1 percent. This growth continued into the next budget year. Thus, by 1981-82, the expenditure of the Ministry had almost doubled in real terms. However, because of the general restraint on Government spending, real expenditure dropped 9 percent in 1982-83, the year in which the IMF standby credits came into effect. This restraint continued at least into 1984-85, so that the real expenditure of the MOH only marginally increased after 1981-82. Nonetheless, the Ministry has been able to maintain its budget share, and the real per capita allocation for health care has been rising at a reasonably steady rate.

The main shift within the health care budget was the reduction of the share of medical care services from 89.5 to 82 percent and the increase for preventive services from 6.7 to 14 percent; the shares of these two items have tended to remain stable at the new levels. However, the figures understate the shift, since some of the costs of preventive care, particularly those associated with immunization, are effectively masked because of an integration of curative and preventive services. It should be added that commercial enterprises, foreign donors and volunteer and church agencies also have health care programmes.

Health Care Facilities. In 1983, Matabeleland South was the most poorly served province in terms of the total number of health care facilities and population-per-clinic ratios, while the Midlands had the most clinics and the best overall population-per-clinic ratio (Table 9). Despite a vigorous rural health centre building programme, the construction of many new rural health centres by January 1987 and the clear improvement in access especially in rural areas, the distribution of clinics is still very uneven. According to a 1987 MOH report, Matabeleland South had only 20 new clinics, while the already well-served Midlands had 32. The construction of new clinics appears to have been based on geographical criteria rather than need. Thus, each province was allocated a certain number of new clinics without reference to the existing provincial infrastructures, so that the gap between under- and better-served provinces has remained.

Health policy both internationally and nationally has focused on the district and the district hospital as the pivot of health care activities. In the mid-1980s, the Ministry of Health concluded an agreement with the World Bank to establish a family health project. During the first phase of this project, eight district hospitals were selected to be expanded, upgraded and equipped with additional human and material resources. While the benefits to the eight districts will be significant, the approach is contradictory. The selection of disadvantaged or populous districts such as Gokwe (the Midlands), Tsholotsho (Matabeleland North), Beitbridge (Matabeleland South) and Hurungwe (Mashonaland West) is appropriate, but the choice of the other four districts, which are already relatively well endowed, will almost certainly aggravate existing inequities. Thus, while progress in the direction advocated in "Planning for Equity in Health" has been achieved, albeit with some exceptions (see later), the obsession with the apportionment of resources according to strict geographical criteria and the approach adopted in some large projects, notably the World Bank project, may be undermining this progress.

The distribution of doctors has also not changed significantly since Independence. Mission hospitals, which provide 64 percent of the hospital beds in rural areas, continue to be poorly staffed and are forced to rely on expatriate doctors. While doctors in these hospitals rose in number from 42 to 53 between 1983 and 1988, their relative proportion is still about one-tenth of the medical practitioners in Government and mission service. Meanwhile, the increase among SCN nurses in "frontline" primary care centres and at rural and district hospitals has been substantial, but fewer (29 percent) SCN nurses are found at urban facilities, where SRN nurses predominate (67 percent).

TABLE 9: STATIC HEALTH CLINIC DISTRIBUTION
(By Province, 1983 And 1987)

		1983		1987	
	Population	Static Clinics	Population Per Clinic	New Clinics	Clinics under Construction
Manicaland					
Buhera	167,543	9	18,616		
Chimanimani	76,924	2	38,462		
Chipinge	202,297	14	14,450		
Inyanga	91,752	4	22,938		
Mutare	282,675	17	16,628		
Mutasa	282,675	17	16,628		
Rusape	185,721	11	16,884		
Total	1,289,587	74	17,427	42	2
Mashonaland Central					
Bindura	89,178	7	12,740		
Centenary	29,713	3	9,904		
Darwin	109,029	8	13,629		
Guruve	109,168	13	8,398		
Mazowe	137,231	5	27,446		
Rushinga	47,129	2	23,565		
Shamva	63,675	3	21,225		
Total	585,123	41	14,271	23	4
Mashonaland East					
Goromonzi	80,395	9	8,933		
Marondera	120,806	8	15,101		
Mudzi	67,782	0	--		
Murewa	173,558	17	10,209		
Mutoko	94,999	1	94,999		
Seke	201,056	2	100,528		
Wedza	49,628	3	16,543		
Total	788,224	40	19,706	26	2
Mashonaland West					
Chegutu	145,741	9	16,193		
Hurungwe	163,912	9	18,212		
Kadoma	174,981	7	24,997		
Kariba	24,094	3	8,031		
Lomagundi	257,717	16	16,107		
Total	766,445	44	17,419	21	2

TABLE 9 (continued)

	1983 Population	1983 Static Clinics	1983 Population Per Clinic	1987 New Clinics	1987 Clinics under Construction
Matabeleland North					
Binga	49,873	2	24,937		
Bubi	45,482	3	15,161		
Hwange	89,622	9	9,958		
Lupane	82,923	4	20,731		
Nkayi	88,998	5	17,800		
Tsholotsho	109,039	5	21,808		
Total	465,937	28	16,641	24	2
Matabeleland South					
Beitbridge	70,237	5	14,047		
Bulalima Mangwe	133,302	8	16,663		
Esigodini	36,878	6	6,146		
Filabusi	58,404	1	58,404		
Gwanda	100,773	5	20,155		
Kezi	80,613	3	26,871		
Total	480,207	28	17,150	20	2
Midlands					
Chivu	137,980	18	7,666		
Gokwe	228,467	9	25,385		
Gweru	143,325	8	17,916		
Kwekwe	200,082	13	15,391		
Mberengwa	165,007	14	11,786		
Mvuma	42,144	2	21,072		
Shurugwe	70,752	8	8,844		
Zvishavane	82,832	7	11,833		
Total	1,070,589	79	13,552	32	2
Masvingo					
Bikita	139,496	8	17,437		
Chibi	137,708	3	45,903		
Chiredzi	173,466	11	15,770		
Gutu	184,238	12	15,353		
Masvingo	188,646	10	18,865		
Mwenezi	74,106	4	18,527		
Zaka	137,891	8	17,236		
Total	1,035,551	56	18,492	24	2

Source: MOH.(1987).

Services. Health care has been provided free of charge since September 1980 to those earning less than Z$150 per month; at that time, when the minimum wage for industrial workers was Z$85 per month, this policy covered the vast majority of the population. Since July 1, 1986, the minimum industrial wage has exceeded Z$150 and is currently Z$200 per month. This means that all industrial workers are now excluded from the free service, despite the fact that, in real terms, their wages buy less than they did in 1980. Although, in theory, there is a sliding scale of fees for those with incomes above Z$150 per month, discussions with health service administrators at all levels reveal that this scale is seldom if ever implemented.

Because health centres and clinics, including those in urban areas, are frequently unable to provide even commonly prescribed drugs, patients are often referred to private pharmacies. Unlike richer patients, who are covered by private medical insurance schemes, the poorer users of the public system are not reimbursed for the cost of drugs purchased privately. This is unfair.

Current hospital services reflect the divided nature of the society in which they were developed. Before Independence, two parallel hospital systems existed. Thus, occupancy rates were far greater in the "closed" (public and "black") than in the "open" (private and mainly "white") wards at Parirenyatwa Hospital. After Independence, with the repeal of the Medical Services Act, the distinction between "open" and "closed" facilities was abolished. Nonetheless, Harare Hospital in the high population density suburbs is still busier and relatively less well staffed, particularly in terms of qualified nurses, than Parirenyatwa Hospital in the low-density area. In 1988, the paediatric wards at Harare Hospital registered 4,538 discharges or deaths and a mean bed occupancy rate of 111.7 percent, compared to Parirenyatwa's 2,837 discharges or deaths and 93 percent occupancy. The mean length of hospital stay for children in Harare Hospital was 9 days, compared to just under 11 for Parirenyatwa. The total number of patients discharged or dying was 58,766 for Harare in 1988 with a mean duration of stay of 6.4 days, compared with 39,663 and 8 days for Parirenyatwa. Although the corresponding differentials between these two hospitals were probably far greater before Independence, Harare thus remains a "poor sister" with a much heavier workload and fewer facilities than Parirenyatwa, which, because of its location, is not very accessible to high density suburb residents, most of whom rely on public transport.

Despite the Government's enthusiastic primary health care drive and its stated commitment to equity in health, the referral system still appears to function poorly. A study carried out in early 1986 at one district (Karoyi), one provincial (Chinhoyi) and two central (Harare and Parirenyatwa) hospitals found that the referral system functioned less well the higher the level of the hospital. Thus, the central hospitals were not being used primarily as "referral" hospitals to deal with more complex or uncommon cases. Indeed, the majority of patients at all the hospitals displayed a similar range and severity of illness, although patient care is more complex and costly at the central level. The average cost per day for an in-patient at the hospitals in the study was Z$13.69 for Karoyi, Z$33.06 for Chinhoyi, Z$38.67 for Harare and Z$92.26 for Parirenyatwa.

Special Programmes. An expanded programme on immunization (EPI) against the six major infectious diseases among children and against tetanus among pregnant women was initiated in 1981. Studies show that the percentage of children between 12 and 23 months of age fully vaccinated in rural Zimbabwe rose from 25 to 42 percent between 1982 and 1984. The progress achieved by 1986 was remarkable, with coverage rates ranging from 49 percent in Matabeleland North to 71 percent in Matabeleland South (Table 10). The 1986 vaccination coverage in the main urban centres was even higher, with measle vaccination coverage reaching 80 percent in Harare, 85 percent in Chitungwisa and 93 percent in Bulawayo (MOH 1986). However, a survey undertaken in October 1988 (MOH 1988a) showed that, while coverage had increased significantly in Matabeleland North and the Midlands, it remained the same or changed only slightly in the remaining provinces. A significant improvement occurred in the Large Scale Commercial Farming (LSCF) areas, where 63.2 percent of 12-to-23-month-olds were fully immunized, although it is not clear whether the clusters surveyed included the usually more poorly covered transient workers. In a 1986 survey, coverage was found to be as low as 38 percent in some LSCF areas in Masvingo Province (Loewenson 1989).

Diarrhoeal disease control was declared a priority by the Government in February 1982. Emphasis has been placed on enhanced case management, mainly through oral rehydration therapy (ORT), epidemic control, better nutrition, prolonged breastfeeding and environmental hygiene through improvements in water supply and sanitation. Although hard data are unavailable, questionnaire responses and interviews conducted in October and November 1984 suggest that the number of diarrhoea cases at health care facilities declined. The rise in the percentage of rural mothers able to prepare a correct ORT solution has been significant, so that home-based management of the problem is increasingly practised. By October 1988, more than 90 percent of mothers in all provinces had heard about sugar-salt solution (SSS). However, a lower percentage knew the correct recipe, ranging from 38 percent in Mashonaland Central to 68 percent in Matabeleland South. More than 70 percent said that they had given their children SSS during the last episode of diarrhoea, and about 90 percent

TABLE 10: IMMUNIZATION COVERAGE
(By Province, In Percentages, 1986-1988)

	Mashonaland East	Mashonaland West	Mashonaland Central	Masvingo	Midlands	Manicaland	Matabeleland North	Matabeleland South
1986 Survey								
BCG Record a/	89	93	83	86	98	90	90	93
DPT1 b/	87	90	81	86	89	86	92	94
DPT3	79	74	74	72	74	74	70	83
DPT Drop	8	17	8	16	17	24	24	11
Measles	76	71	74	76	70	74	72	80
Full	68	64	63	64	58	64	49	71
1986 HIS c/								
BCG	55	98	42	107	84	128	48	71
DPT3	57	82	43	74	85	99	37	54
Measles	59	85	33	74	83	103	41	60
1987 HIS								
BCG Record	65	77	75	84	76	88	91	52
DPT1	85	84	79	91	73	98	98	59
DPT3	75	76	63	72	72	79	84	47
DPT Drop	10	8	19	18	2	19	13	12
Measles	74	71	80	69	61	80	72	47
Full	56	71	48	47	59	48	49	35
1988 Survey								
Full	67	68	56	63	71	63	66	66

Sources: MOH (1986), (1988a), (1988b).
a/ BCG = Anti-tuberculosis vaccine.
b/ DPT = Combined diphtheria, pertussis and tetanus vaccine.
c/ HIS = Health Information System.

said they would teach their children about SSS.

The rural-urban differential in antenatal care (ANC) was also reduced considerably, with 96 percent coverage in urban areas, 90 percent in communal areas and 94 percent in LSCF areas (MOH 1988a). However, about 15 percent of mothers seek ANC only in the last three months of pregnancy, thus limiting the opportunity to correct any complications. Some studies indicate that these women may come mainly from lower socioeconomic groups. While 92 percent of women in urban areas delivered at health care facilities, only 64 percent of communal area women and 56 percent of LSCF area women did so. The lowest rate was found in Mashonaland Central.

Zimbabwe has the highest rate of contraceptive use in sub-Saharan Africa, with 36 percent of the women of fertile age now using modern methods. On the other hand, this level of contraceptive use has not changed in the past few years, despite family-spacing programmes and the appearance of AIDS.

After Independence, a nutrition unit was established whose activities include nutrition education (with particular attention to breastfeeding and weaning practices), growth monitoring and nutrition surveillance using child health cards and supervision of the Children's Supplementary Feeding Programme

(CSFP) and Supplementary Food Production Programme (SFPP). By 1986, a "growth" card had been issued for over 90 percent of 1-year-olds, as opposed to 71 percent in 1982 and 80 percent in 1984 (MOH 1986).

The CSFP was initiated in November 1980 by a number of nongovernmental organizations and taken over by the MOH a year later. Originally involving the distribution of daily energy-rich supplementary meals to undernourished young children in communal areas in response to immediate postwar food needs, the programme lasted from 1981 to 1986, including the severest period of drought. At its peak, over 250,000 children were receiving meals at more than 8,000 communal area food stations. Together with the Drought Relief Programme, the CSFP undoubtedly mitigated nutritional deterioration among the poorest.

Initially hampered by the protracted drought, the SFPP has been expanded dramatically in the past few years. Between 2,000 and 3,000 plots of land have now been set aside in all eight provinces for supplementary food production. These collectively worked plots are located near preschool centres, to which the harvests accrue. In some of the areas where the density of SFPP plots is the highest, the prevalence of child undernutrition has declined markedly.

Trends in Health Status. Relating morbidity and mortality patterns to health sector inputs alone is usually not possible because of the role of "external" inputs, such as incomes, prices and other social services. Thus, while the prevalence of diseases such as measles, whooping cough and tetanus may be reduced by programmes like EPI, it is also affected by nutrition, overcrowding and sanitation, and, while curative services may affect mortality, they do not affect the incidence of disease, which is more strongly influenced by living conditions and their socioeconomic determinants.

Moreover, in Zimbabwe, no longitudinal data exist which examine outcomes and measure non-health sector inputs in order to identify the impact of the health sector alone. The best data available are from a few repeated cross sectional surveys on the same populations in a mining area where health sector inputs have not changed (e.g. Uprichard and Loewenson 1985) and in a farming area where a primary health care programme was implemented (Loewenson et al. 1983). Based on weight-age criteria, these studies found a clear improvement in the prevalence of undernutrition between 1981 and 1983 and, between 1983 and 1985, a relative "plateauing" of nutritional status. Occurring in the absence of significant changes in health care, these observed changes tend to confirm what has been more fully described elsewhere (cf. Davies and Sanders

1987a), namely, that increases in real wages, subsidies and other social inputs had their own positive impact on health up to 1983, when nutritional improvements began to plateau or even deteriorate as a result of a drop in real incomes, the removal of food subsidies, growing unemployment, drought, and so on, i.e. as part of the social costs of informal adjustment.

Aggregate infant mortality appears to have fallen from about 100-150 per 1,000 live births in 1980 to 73-79 in 1987. According to Government data, survival among under-5-year-olds also rose, from 76 percent in 1982 to 90 percent in 1988, although it is not clear whether the latter figure includes the LSCF areas, where survival may be lower. Rural-urban differentials stood at two to one in 1984. In 1986, an overall IMR of 44 per 1,000 live births (45 per 1,000 in high density areas) was reported for Bulawayo (MOH 1986), while 1987 provincial (primarily rural areas) surveys indicated IMRs of 64 to 80 per 1,000 (MOH 1987). A 1987 survey of child mortality found that rates in high density urban areas in Harare were as great as those in rural areas (Arrow et al. 1987), and it appears that rural-urban differentials in child and infant mortality narrowed, primarily due to improvements in rural areas. However, it is apparent that variations within urban areas persisted. Bulawayo's 1986 IMR of 44 contrasts sharply with the 1980 IMR of 17 per 1,000 among the white, high-income population and suggests that the IMR of poorer urban socioeconomic groups is probably at least three times that of the high-income groups.

Changes in morbidity are extremely difficult to determine because of the problems in coverage, bias in the health information system (HIS) and lack of longitudinal information on the same study populations. According to MOH surveys, disease patterns with respect to the major illnesses have remained stable. Respiratory infections, diarrhoea and malaria continue to be major causes of ill health, while the incidence of diseases such as polio, tetanus, measles and whooping cough has dropped. The incidence of tuberculosis per 100,000 population fell from 71 to 59 between 1984 and 1985, and the TB child fatality rate also fell from 3.5 to 2.9. However, more recent information indicates that TB rates have begun to rise again, probably due to HIV (cf. Harare in MOH 1988a). Another important change was the dramatic rise in the number of cases of sexually transmitted diseases (STD) from 559,500 in 1986 to 973,097 in 1987. In the Bulawayo urban area alone, the MOH reported an increase in STD cases from 21,580 to 54,536 between 1980 and 1986. AIDS/HIV has also had a major impact on mortality, morbidity and nutrition and will have a profound effect on health service provision and expenditures.

Undernutrition appears to have declined significantly from 1980 to 1984, although the evidence of any decline thereafter is less clear. In 1980, levels of undernutrition ranged from 50 percent on LSCFs to 22 percent in mining areas and 6-10 percent in urban areas. The 1982 MOH nutrition survey reported the level of undernutrition (weight-age ratio less than 80 percent of the standard) among under-3-year-olds at 17.7 percent. By 1984, the national nutrition survey found undernutrition among 1-to-5-year-olds at 16.4 percent in rural small farming areas and 14.5 percent countrywide (MOH 1984). While a comparison of these last two sets of data is difficult due to differences in the sampling frames and age groups surveyed, it does appear that overall levels of undernutrition fell, especially because the later survey excluded under-1-year-olds, who are generally less at risk. Moreover, confirmation is offered by similar declines found in surveys in LSCF, mine and urban areas (Table 11). A comparison of the results of a 1988 demographic health survey with the earlier surveys suggests that the situation improved with respect to wasting, but levels of stunting remained relatively high. However, here again, the comparison is not precise due to differences in anthropometric cutoffs and age groups. Cross sectional surveys in other areas seem to confirm a slower pace of improvement or a plateau in nutritional status after 1983 (cf. Uprichard and Loewenson 1985). Communal area data from 1986 (MOH 1986) and 1987 indicate increases in the levels of undernutrition after 1983, although, once more, the results are not strictly comparable.

Thus, it appears that nutritional status did not improve after 1983 and that undernutrition at levels ranging from 10-30 percent continued to underlie the incidence, severity and case fatality of morbidity, particularly among the 1-to-5-year age group. A further disaggregation reveals a similar picture. Routine HIS surveys indicate that 11-22 percent of under-5-year-olds were below the undernutrition cutoff in rural areas, compared to 2-6 percent in urban areas. This differential seems to have been maintained until 1988. Hence, the rural-urban differential in undernutrition continued. Finally, there is little direct evidence of nutritional trends by income group, but surveys of different economic sectors show a relatively constant pattern of rising undernutrition among urban, mining, communal and LSCF communities.

TABLE 11: NUTRITION DATA: URBAN AND COMMUNAL AREAS, 1981-88

Year	Coverage a/	Data b/	Sample c/ Age	Total	Wt/Age d/ Std	% Blw	Ht/Age e/ Std	% Blw	Wt/Ht f/ Std	% Blw
Urban Areas										
1981	Bindura	S	0- 96	744	75	6	90	7	80	7
1982	National	S	0- 6	255	80	6	90	12	85	20
			6- 12	172	80	8	90	16	85	11
			12- 24	276	80	9	90	18	85	11
			24- 36	194	80	23	90	19	85	10
			0- 36	797	80	11	90	16	85	14
1985	Bindura	S	72-121	488	75	13	90	3	80	14
	Chitungwisa	S	0- 60	277	80	16-18	90	11-13	80	2-6
1988	Harare	HIS	0- 5	108,171	3rd	4				
			6- 11	109,965	3rd	3				
			12- 23	137,368	3rd	6				
			24- 59	175,020	3rd	4				
			0- 60	530,524	3rd	5				
	Byo	HIS	0- 60	94,702	3rd	6				
	Chitungwisa	HIS	0- 60	103,436	3rd	2				
Communal Areas										
1982	National	S	0- 6	182	80	4	90	20	85	12
			6- 12	145	80	19	90	31	85	12
			12- 24	289	80	22	90	37	85	10
			24- 36	263	80	22	90	47	85	5
			0- 36	--	80	18	90	36	85	9
	Chikwaka	S	0- 60	687	80	--	90	26	80	3
1984	Chiweshe	S	0- 60	148	80	24	90	28	80	11
	Ziyambe	S	0- 60	87	80	14	90	17	80	6
	National	S	12- 60	--	80	16				
1986	Nyanga	S	12- 35	403	3rd	23				
	Mt Darwin	S	12- 35	430	3rd	25				
	Mutoko	S	12- 35	492	3rd	18				
	Karoi	S	12- 35	345	3rd	17				
	Tsholotsho	S	12- 35	449	3rd	37				
	Beitbridge	S	12- 35	490	3rd	28				
	Gokwe	S	12- 35	476	3rd	18				
	Zaka	S	12- 35	454	3rd	16				
	Goromonzi	HIS	0- 60	5,608	3rd	10				
	Harava	HIS	0- 60	13,214	3rd	3				
	Mudzi	HIS	0- 60	6,202	3rd	22				
	Murewa	HIS	0- 60	11,855	3rd	8				
	Mutoko	HIS	0- 60	7,726	3rd	13				
	Rudaka	HIS	0- 60	13,299	3rd	9				
	UMP	HIS	0- 60	3,459	3rd	10				
	Wedza	HIS	0- 60	2,026	3rd	14				

Source: Compiled by the Dept. of Community Medicine, University of Zimbabwe. a/ The geographical coverage of the data; b/ S = survey, HIS = Health Information System; c/ the age in months and the total number of the children surveyed; d/ Std = standard: 75% ("75") or 80% ("80") or the third centile ("3rd") of the normal weight for age in a reference population is the cutoff point; % Blw = the percent of the sample population below the standard; e/ height for age: as above, except that 90% ("90") is the cutoff point; f/ weight for height: as above, except that 80% or 85% is the cutoff point.

Vulnerable Groups

While economic stagnation and the related policy responses in Zimbabwe since the early 1980s have affected some segments of society more than others, the composition of the most vulnerable groups and the seriousness of the impact on any single group have tended to change as economic conditions and Government policies have evolved. Nonetheless, the "vulnerable", those whose basic needs are met least readily, has always included the unemployed or underemployed of both genders and some, but by no means all, elderly citizens, women and children.

A primary reason for the struggle for independence was the highly uneven distribution of resources between whites and blacks. Thus, when the war was won, exclusive facilities were gradually opened up to all the people so that previously "white" schools, hospitals and other institutions became nonracial. However, once this symbolic yet substantive integration had occurred, further progress, especially in the controversial area of land redistribution, was more difficult. Moreover, as public facilities, notably schools and hospitals, desegregated, private facilities appeared or were enhanced that were formally nonracial and open to any family sufficiently affluent to afford them.

The changing composition of the most vulnerable groups is thus probably best illustrated by the factor of race. Before Independence, most blacks were vulnerable by definition because of their exclusion from legal ownership of land and other means of production and the paucity of the agricultural, educational and health infrastructures and other services available to them. Indeed, much of the "adjustment" of the Rhodesian economy during the period of sanctions in the 1960s was really a process of ensuring that the economic costs of sanctions would be borne by Africans, while the standards of living for Europeans were maintained. However, after the redistribution of political power and property that followed Independence, fewer Africans could be classified as quite so "vulnerable". The racial hierarchy of the settler regime - White, Asian, "coloured", Black - had been largely dismantled, and access to services and opportunities was no longer overtly determined by race. By contrast, social class, income and other factors became more important, and, because these factors frequently coincide with race, whites still remain a privileged group. Nonetheless, the main determinant of this "privilege" is not colour, but the fact that whites continue to retain much economic power.

Women and under-5-year-olds, who represent 50 and 23 percent of the population, respectively, are particularly vulnerable in the present period of economic contraction and adjustment. As access to social services becomes more difficult and expensive because of budgetary cuts, female benefits are tending to decline more rapidly than are those of males. Conversely, female labour to sustain family production and consumption tends to increase. In short, women and children, especially female children, who have only just begun to receive the fruits of Independence, are the first to lose access to the newly available resources.

The elderly are suffering because of the diversion of resources to the new generation. This is especially true of older women. Moreover, the initial post-Independence generation had more opportunities than its successors as it was able to take advantage of the short-lived economic boom. Now, new jobs and promotions are growing scarce and wealth is not as easily accumulated.

As resources contract, remote communities become more vulnerable. Vulnerability is thus, in part, a function of physical location. Despite attempts to spread resources beyond urban areas through rural development, social services remain superior in the cities. Although unemployment and underemployment may be more apparent in urban areas, their incidence is higher in the countryside. In particular, small farming communities and families without access to land have become more vulnerable because they are dependent on the central markets for food and work. Nonetheless, the redistribution of land to unskilled farmers will not solve any problems unless it is accompanied by sufficient inputs of technical training and basic facilities.

With the demise of race as the salient factor, vulnerability has become especially associated with social class, ethnicity and religious affiliation. The less bourgeois are more vulnerable, particularly if they are female and live in rural areas. Shona ethnic communities progressed more rapidly than others, at least until the Ndebele came to a peace agreement with the Zimbabwe African National Union in the late 1980s. Likewise, communities in the heart of Mashonaland have generally benefited more than have more remote populations. Some religious groups, especially the Catholics and Anglicans, have been more upwardly mobile than have those of other faiths.

Incomes and Poverty

No comprehensive data exist on income distribution in Zimbabwe and how it has changed over time, so to identify any strong links between it and the level and structure of poverty during the period is not feasible. However, the poverty datum line (PDL) provides a yardstick against which the adequacy of incomes can be judged. The only serious PDL study for Zimbabwe was carried out in 1974 and updated in 1978. Assuming that the composition of the basic basket of consumption goods is still the same and using the relevant price indices from the consumer price index for lower income households, the PDL for an (approximately) average Harare family of four children was Z$129.06 per month (Z$1,548 per year) in 1980 and Z$337 per month (Z$4,053 per year) in 1988. Although these figures are for Harare, they give a rough idea of the situation in other urban centres. It is more difficult to apply them to rural incomes. Some argue that the extensive production for personal consumption in rural areas means that the PDL should be lower. On the other hand, there is evidence that the purchase price of commodities is higher in rural areas.

Excluding agriculture, average annual real earnings in the formal sector rose from Z$2,213 in 1979 to a peak of Z$2,758 in 1982. However, they have tended to decline since then, so that, in 1987, the last year for which data are available, they amounted to Z$2,091, or about 75 percent of the 1982 peak and somewhat below the pre-Independence level. Judged against the PDL, the gains of the early post-Independence period were significant, but, by 1988, these gains had been completely eroded in all sectors other than mining. In the context of declining formal sector employment, this means that there must have been a reduction in the ability of formal earnings to satisfy the basic survival needs of households.

In 1982, 39 percent of wage earners were below the PDL. The figure fell to 35 percent in 1983, rose to 41 percent in 1984 and 45 percent in 1985, and then dropped to 44 percent in 1986 and 42 percent in 1987, the last year for which data are available. Despite the questionable accuracy of this type of data, it is probably reasonable to conclude that there has been no improvement since Independence and that poverty among formal sector wage earners, excluding those in agriculture and domestic service, has worsened since 1983. Moreover, between 1987 and 1989, the Government imposed a wage freeze, and it is therefore likely that real incomes declined even further.

The distribution of earnings in the formal sector is very skewed. Unfortunately, the income categories which the Central Statistical Office employs in its wage distribution report have not been adjusted for inflation over the years, so that they are increasingly less useful for measuring income distribution. However, it does seem that the gap between high- and low-paid workers in terms of after-tax income has narrowed, mainly because inflation has elevated taxpayers into higher marginal tax brackets at relatively low real income levels.

According to the 1982 census, 4,276,000 people were living in District Council Areas, and there were a total of 1,038,000 communal farmers. The National Household Survey estimated that there were 800,655 households in communal areas in 1985. The incomes of communal farmers are notoriously difficult to measure. The household survey estimated that the average annual household income in the communal areas was Z$1,494 in 1985. However, the calculation includes the incomes of non-farmers and income from remittances. In any case, the differences between the incomes of formal sector employees and communal farmers are clearly wide. There are also wide income differences among communal area farmers. Although the share of marketed output of communal farmers has increased significantly since Independence, evidence is growing that this rise is due to a limited number of farmers. One study of Mutoko Communal Lands found that just over 50 percent of income went to the richest 20 percent of the households, while the bottom 20 percent of the households received only 3.2 percent of income.

Reliable estimates do not exist on either the number or the incomes of informal sector workers. Although there is evidence that a sizeable proportion of them actually earn more than the minimum industrial wage, their number probably rises and their earnings fall (or they work longer hours for the same pay) during periods of economic stagnation and static formal employment.

Likewise, reliable estimates do not exist on the number of unemployed. Indeed, given the quantity of casual informal sector jobs, the notion of unemployment is problematic. The 1982 census put the total unemployed at 268,000, or 10.8 percent of the labour force (18.4 percent if communal farmers are excluded). However, these figures are probably an underestimate. Formal sector employment was stagnant over the period, rising an average of just over 1 percent per year. Since the population has been growing at about 2.9 percent, an increasing number of people must work outside the formal sector. However, informal sector opportunities are limited either because the demand for the sector's services expands slowly under conditions of economic stagnation or because of the lack of communal farmland. Thus, unemployment and underemployment must have risen, probably in both relative and absolute terms.

Conclusions

The Government has introduced cautious and incremental policy measures to induce macroeconomic stability and prepare the foundation for a nationally defined structural adjustment programme.

The tight budget will undoubtedly slow the momentum of expansion in education and may have a particularly strong impact on the poor and on vulnerable groups, effectively reversing previous gains. Because further increases in the resources devoted to education do not appear feasible, meeting the challenge of giving a human face to education policy will depend on the following:

- Investment in the expansion of schools in rural and remote areas.
- Elimination or reduction of fees and auxiliary costs for primary schools, and, at the secondary and tertiary level, improved targeting of subsidies to those students in greatest need.
- Quality improvements through education which is more responsive to the needs of rural communities and the special needs of girls and young women.
- Institutional enhancements for disabled children and children with learning disabilities, who represent a significant share of the school-age population, and, as much as possible, assistance in the integration of these children into the regular school system.
- The provision to vulnerable groups of practical and marketable skills so that the benefits of education outweigh the personal costs.
- Higher education subsidies for the poorest and most disadvantaged and the creation of a procedure to ensure that the selection process does not discriminate against these groups.

In short, it is essential that policy ensure that educational resources are distributed in an equitable and efficient manner and that the education system is responsive to the socioeconomic needs of the most disadvantaged.

While improvements have occurred in health care, they appear to be restricted to those outcomes directly responsive to health sector inputs. The reduction in mortality rates due to better access to curative care and the success of the vaccination programmes in controlling the spread of certain diseases are examples. On the other hand, there is much less evidence for progress in limiting the incidence and morbidity levels of ailments, such as undernutrition, respiratory infections and sexually transmitted diseases, which are generally more directly related to socioeconomic and environmental factors. This has been especially true since 1983, when real wages stagnated and food subsidies and other social and economic inputs declined.

The changing pattern of health since Independence thus appears to be linked to economic development. Indeed, health and economic well being seem to be tied together in a gradient of risk from LSCF to communal areas, resettlement areas and urban areas. Meanwhile, the rise in unemployment and reduction in formal sector jobs have increased the dependency ratio of wage earners. There are thus links among these various sectors and vulnerable groups within each.

Most wage earners appear to have experienced falling real incomes through the second half of the 1980s. Although this reduction was partly due to general economic stagnation, it was also partly due to the attempts of the Government to follow the path of orthodox stabilization. Subsidies were one of the prime targets in the effort to control the budget deficit, and the prices of the foodstuffs in the basic consumer basket rose. Moreover, the attempts at stabilization caused the Government to cut the social wage.

The review of these issues carried out by Davies and Sanders (1987a) gave some cause for optimism, suggesting not only that gains in equity had been made, but also that they had been sustained in the early-to-mid-1980s. This no longer seems to be the case. It is now more apparent that the Government has not been able to maintain the earlier progress. Indeed, this regression is one of the factors behind the growing awareness that an alternative economic development policy must be found. Thus, liberalization and, more generally, structural adjustment are now on the agenda. The reelection of the Zimbabwe African National Union and the Zimbabwe African Peoples Union, combined with clear opposition during and after the election process, has facilitated, indeed necessitated, this incremental reorientation.

V. LONG-TERM POLICIES FOR EQUITABLE GROWTH

The Lessons of the First Decade of Independence

The debate over an appropriate development policy for Zimbabwe in the 1990s is taking place against the backdrop not only of a half-century of settler rule, 15 years of isolation and sanctions and a decade of independence, but also of economic liberalization in Africa and political liberalization in Eastern Europe. Moreover, the country's distinctive, relatively industrialized and integrated economy cannot be treated with the same medicine as its more agricultural or dual-economy neighbours. This unique and relatively developed civil society of independent institutions, churches, cooperatives, media, professional groups, university students and unions will not easily permit inappropriate policies to be considered or implemented. Hence, the continuing resistance to an orthodox one-party political structure, as well as the division over the scope and rate of structural adjustment.

The Mugabe Administration was able to balance nationalist demands and financial realities in the 1980s because of the existence of relatively developed infrastructures, both physical and institutional, despite the destruction and difficulty of the War of Independence. Although it was increasingly concerned with maintaining economic stability from 1983 onward, the Government resisted a formal and orthodox adjustment package because of a mixture of socialist rhetoric and protectionist interests. However, toward the end of the decade, it began to implement structural adjustment measures piecemeal and discussed more comprehensive economic reforms.

In 1990, the discussions culminated in the adoption of an economic policy reform programme which contains many elements of orthodox and "acceptable" structural adjustment packages: trade liberalization, fiscal adjustment, the commercialization of parastatals, the reduction or removal of subsidies, less intervention in the labour market and price deregulation. The major difference between this "national" programme and the standard World Bank package is the fact that it is being phased in and completed over a five-year period and is being implemented through the existing bureaucratic machinery. For example, trade is being liberalized by gradually shifting specific import items out of the foreign exchange quota system and into a system of open general import licences (OGIL); the new procedure is being monitored by the foreign exchange allocation authorities, who will apparently step in to prevent the foreign exchange used for OGIL items from rising beyond a certain level. Furthermore, the national programme does not involve the drastic devaluations applied in other countries, mainly because the Government has been following a policy of depreciating the Zimbabwe dollar since 1983, and it is generally agreed that the current rate is reasonable.

Such differences notwithstanding, the programme is sufficiently orthodox to begin to convince most bilateral and multilateral donors that, despite lingering Marxist-Leninist rhetoric, the Government is committed to a policy of "development through adjustment". Supporting loans from the International Finance Corporation (IFC) and the African Development Bank were negotiated before the announcement of the reforms, and a donor conference has been scheduled for the first half of 1991 to solicit further external assistance. Although the World Bank has not given a formal "seal of approval", it has been active behind the scenes in preparations for the conference.

The Global Context

The World Bank approach to structural adjustment came to dominate African development programmes in both policy and practice in the 1980s. This is reflected in the latest Bank report Sub-Saharan Africa: From Crisis to Sustainable Growth (1989). Despite its distinctive political economy and relatively modest debt, Zimbabwe has had little choice but to accept and effect some adjustment, primarily because of cross conditionalities. These medium-term external pressures for economic liberalization, mainly emanating from Washington and the West, have now been combined with short-term pressures for political liberalization, with increasingly internal resonances in favour of a continued multiparty system. In short, this is a remarkable period of "revisionism" in Zimbabwean affairs: How can a newly-reelected Government simultaneously advance economic liberalization and political concentration?

Zimbabwe's cautious stance toward standard adjustment agendas was reinforced by an unfortunate early experience with the IMF. Stabilization in the early 1980s was not a success, and the new Mugabe Administration abandoned Fund financing. It received World Bank loans but resisted a formal adjustment package partially because it was unwilling to meet the conditions, notably reduced educational and military spending. It engaged in sophisticated, indirect and protracted negotiations with the Bank. When Bank terms became somewhat more flexible and after the "united" ZANU won a large majority, more formal conditions were accepted.

Zimbabwe needs foreign aid, investment, technology and trade, and these may flow more readily with a liberalization-adjustment agreement in place. The country has been moving in stages in the "right" direction, still cautious about the promise of the struggle for liberation and the position of the now-united ruling party. Yet the gains of any economic agreement may be eroded by the costs of perpetual political piety; the outdated and superfluous rhetoric of a one-party "Marxist-Leninist" state in the 1990s. Moreover, past economic achievements were further weakened by the rapid rise in international oil prices in late 1990 and early 1991.

Long-term Policies

Zimbabwe's experience with stabilization and liberalization over most of its first decade of Independence may be instructive for other African countries. Likewise, Zimbabwe can learn from the successes and failures of orthodox adjustment programmes elsewhere. Indeed, for a number of reasons, the country's delay in defining a national liberalization package may be fortunate since conditionalities have now become less extensive. In any case, the political economy of Zimbabwe has always been recognized as rather unique. It is more industrialized and integrated than "typical" developing African countries. Zimbabwe can now take advantage of its distinctive features and, along with less onerous debt conditionalities, move toward an understanding with the Bank without jeopardizing its relative industrial, institutional and social development. In short, the country may have some prospect of protecting its development goals in the 1990s while coming to terms with external financial agencies, donors and foreign investors.

At the end of the 1980s, the international policy debate evolved to a new permissiveness toward "human" and "sustainable" development. Not only did Bank terms ease somewhat, but the Economic Commission for Africa, the South Commission, UNICEF and the UNDP all advocated programmes focused on the human element. Nevertheless, although the stridency and confidence of the advocates of adjustment were moderated, the underlying principles still held sway to devaluation, privatization, trade liberalization, deficit reduction and cost recovery. Notwithstanding contrary ideological predispositions, the Mugabe Administration moved inevitably toward compliance with many of these conditionalities, if for no other reason than to ensure the continued flow of bilateral and multilateral official development assistance. The need for an agreement became more apparent at the end of the decade as the alternative "socialist" project became less viable with the transformations in Eastern Europe. Moreover, with South Africa engaged in its own form of economic adjustment because of external debts and involved in political negotiation toward a post-apartheid dispensation, both the public and private sectors came to appreciate the necessity of reform. The contrasts among social stability in prosperous Botswana, instability in decaying Zambia and dramatic economic and strategic shifts in Mozambique were also instructive.

Echoing the findings of an earlier study (Davies and Sanders 1987b), the UNDP, in Human Development Report, 1990, calls Zimbabwe a case of "disrupted" rather than "sustained" or "missed" human development. Indeed, the report contains a box on "adjustment with a human face in Zimbabwe" and suggests that the country has performed less well economically than it might have done, but that social improvements since Independence are evident.

Zimbabwe's experience since Independence shows the difficulty of sustaining human development in the face of poor economic growth. On the other hand, it also shows that, while reliance on meso policies alone may not be possible, such policies, if well structured, can forestall major reversals at least for a short time. The challenge before the country now is to implement an alternative long-term human development strategy without suffocating the economy. The pressure for political liberalization that has resulted in part from economic liberalization is already intense, as the President's belated and reluctant abandonment of ambitions for a one-party political system revealed in mid-1990, and economic recovery is threatened by change in South Africa, oil shocks and global transition. The popular goals of the liberation struggle were education, health and land reform, yet the gains which have been achieved in all of these areas are in jeopardy because of orthodox adjustment policies, from user fees to market mechanisms, but particularly the reduction of subsidies. Growing unemployment, underemployment and declining real incomes as basic commodities are desubsidized and clearly leading to dissatisfaction with political leadership and more dependence on informal sector jobs, indigenous religions and basic survival strategies.

The set of "liberalization" policies discussed over the last several years and somewhat formalized in mid-1990 represents a step toward an indigenous adjustment programme. At their most positive, these policies would lead to changes not only in the domestic terms of trade, but also in the internal division of labour in agriculture and industry, especially that between black and white farmers and industrialists - black ownership and management at the most important levels without partial nationalization. At their least positive, these policies would lead only to some redistribution in the control of large-scale farms and major companies without affecting smaller farmers and manufacturers. From the macroeconomic perspective, it is crucial that, in any case, the relatively high level of integration and compatibility among agriculture, industry, mining and services, the major legacy of the 15 years of sanctions, be preserved.

In Zimbabwe, the small-scale and rural bias is already something of a reality in development policy and political economy. The inherited settler state consisted of an unequal mix of highly and poorly developed rural infrastructures - large "white" farms and towns and small "black" plots and rural communities. These are in the process of being integrated and balanced through land redistribution and "growth centres", but, because resources are scarce and subsidies are no longer so available, progress is slow. A tendency is emerging among black farmers to concentrate on more basic crops like maize, tobacco and beef, while white farmers specialize in the sophisticated areas of agribusiness such as wheat, horticulture and dairy farming. Although this trend has yet to be confirmed, it would meet the recommendations of the advocates of both orthodox and alternative adjustment policies since it fulfils basic domestic needs and supplies nontraditional exports. Policy makers and interest groups are apprehensive lest any such "liberalization" will lead to deindustrialization or the loss of regional competitiveness. The reform of the protectionist regime is clearly long overdue and the informal sector would benefit from less regulation, but any diminution of the post-settler state has to be gradual and careful if the gains of independence are to be sustained. This is especially true if Zimbabwe is to achieve economic growth and also redefine and revive civil society.

I. INTRODUCTION

Zimbabwe became independent in 1980 at the start of the first decade of structural adjustment in Africa. Almost at the outset of the life of the nation, the Government was faced with an apparently direct and open conflict between the developmental dictates of the domestic political economy and the external policy environment. Internally, the Government had inherited a settler-dominated, semi-industrialized political economy which, although relatively diversified and well developed superficially (Table 1), failed to cater to the needs of the black majority. The latter expected Independence to bring some redistribution; the newly independent Government made it clear that it intended to use its power to redress this unequal inheritance. Externally, policy makers from international agencies and the donor community were proclaiming with increasing stridency the virtues of rolling back the state and allowing market forces more freedom.

At first, the relative "dirigisme" of the Government was accepted by international interests. The Zimbabwe Conference on Reconstruction and Development, a major conference of donors held in 1980 at which some Z$1.2 billion in foreign assistance was pledged, was not really concerned with the fact that most of the aid which was to be given would strengthen the state. However, as the decade unfolded and macroeconomic imbalances began to become manifest, increasing pressure was exerted on the state to cut back. Initially, this pressure was presented in the form of a standard stabilization package aimed at controlling domestic demand by reducing the budget deficit while maintaining an appropriate exchange rate. But it has steadily moved into the structural adjustment camp, so that now the pressure is not simply to control Government spending but also to liberalize the economy both internally and externally. To some extent, this view has found a resonance within Government. Although pressure to adopt an externally designed adjustment package has been resisted, many conventional macroeconomic adjustment policies have been accepted as necessary for economic stability. The Government, as indicated by a formal announcement in mid-1990, increasingly appears to accept that some form of orthodox structural adjustment is necessary to revive the economy.

Thus, development policies in the 1980s were formed by two different and conflicting sets of objectives and constraints. As a result, the country's economic performance has been more stable and sustained than was anticipated, and its development policy has been more pragmatic than expected. After the postwar boom of 1979-82, Zimbabwe had to act on the advice of the International Monetary Fund to bring about "stabilization" in an economy

TABLE 1: THE SECTORAL COMPOSITION OF GDP
(In Percentages, 1970-1989)

	1970-75	1976-79	1980-84	1985-89
Agriculture, Forestry and Fishing	16.6	14.3	13.3	13.9
Mining and Quarrying	6.8	7.6	6.4	6.5
Manufacturing	22.7	23.0	25.4	25.6
Electricity and Water	2.7	2.7	2.4	3.3
Construction	5.1	3.7	3.8	2.1
Finance and Insurance	4.0	4.7	4.9	5.6
Real Estate	2.8	2.0	1.2	1.1
Distribution, Hotels and Restaurants	14.2	14.2	14.4	11.7
Transport and Communications	8.2	7.6	7.5	7.6
Public Administration	6.3	9.7	7.9	7.6
Education	3.3	3.7	6.3	8.6
Health Care	2.0	2.3	2.1	2.5
Domestic Services	2.5	2.3	1.7	1.7
Other Services	5.0	5.2	5.8	5.4
Less: Imputed Banking Service Charge	-2.3	-3.0	-3.1	-3.2
GDP at Factor Cost	100.0	100.0	100.0	100.0

Source: CSO (1990), National Income and Expenditure Report, 1989.

characterized by rising macroeconomic imbalances, including budget and balance-of-payments deficits. Since then, it has enjoyed gradual if undramatic growth, either just below or just above the rate of population increase.

In practice, the pragmatic approach meant that policy reforms were being implemented throughout the 1980s. The Government introduced a comprehensive set of export incentives to correct some of the anti-export bias inherent in its significant quota system; it used depreciation to avoid excessive overvaluation of the currency; it attempted to reduce subsidies, and it controlled wage increases. But these changes tended to be *ad hoc* rather than part of a comprehensive reform package. The pressures now seem to be pushing such a package: In the Zimbabwean debate, this is generally referred to under the rubric "liberalization" and is seen as a wide-ranging set of measures acting principally on the trade and foreign exchange allocation regime but also incorporating the relaxation of price control regulations, the introduction of free collective bargaining in the labour market, encouragement for and facilitation of foreign investment, improvement in the efficiency and probably restrictions on the scope of parastatals, and general reductions in the bureaucratic management of the economy. It is being accepted more and more that the system of economic management inherited from the settler regime and used throughout the first decade of Independence now constitutes an obstacle to further growth and requires some overhaul. The main debate, both internally and with external agencies, is over the pace at which this standard compendium of liberalization measures should be introduced.

Thus far, the *de facto* liberalization policy has been an incremental and incomplete programme, with elements being discussed, anticipated and occasionally adopted throughout the late 1980s. Its gradualistic character is a response to the mix of external and internal pressures on the one hand and domestic hesitancy, bureaucracy and resistance on the other. Even a national programme of adjustment is not uncontroversial given the still fresh expectations of the recent liberation struggle and the socialist claims of a few Zimbabwe African National Union (ZANU) ministers. Procrastination and caution are thus the result of political infighting, economic uncertainty and bureaucratic inefficiency. Despite the optimism and anticipation generated by the President's Independence Day announcement in early 1989, implementation has lagged, and the Minister of Finance, Economic Planning and Development, Dr. Chidzero, was still promising action on liberalization at the end of the last decade and the start of this one. Both internal and external demands for greater access to foreign exchange for inputs, parts and technologies are intense. But the comprehensive and definitive package remains elusive even after the mid-1990 announcement.

Thus, the political economy of Zimbabwe appeared to be at something of a crossroads at the end of the 1980s, the first decade of Independence. The set of interrelated contradictions included the following:

- Economic stagnation, despite ambitious plans and projections symbolized by the "liberalization" tendency.

- Political alienation, despite ZANU-ZAPU (Zimbabwe African Peoples Union) unity and congresses leading to new party and national constitutions and national elections.

- Contrary policy directions, revealed most dramatically in the apparent tension between economic liberalization and political centralization.

- Endangered social policies, given the increased demands for education, health care and related services but the stagnant budgets already under pressure from deficits, debts and World Bank conditionalities (Table 2).

Together, these macro-level economic and political conditions add up to a contradictory agenda, which only regional peace and development might help

TABLE 2: THE MAJOR CATEGORIES OF GOVERNMENT APPROPRIATIONS */
(1979-1990)

	1979-80	1980-1	1981-2	1982-3	1983-4	1984-5	1985-6	1986-7	1987-8	1988-9	1989-90
Total (Z$M, rounded)	1155.2	1440.2	1897.4	2561.0	2866.1	3222.2	3688.5	4675.4	5206.1	6150.8	6937.7
Defence	266.2	231.7	290.4	345.4	415.1	392.6	504.6	631.4	671.9	736.8	840.4
Health Care	53.5	77.4	106.1	123.1	139.0	156.6	195.0	239.4	287.3	329.0	352.9
Education & Culture	119.1	219.4	315.0	405.0	473.9	522.7	651.6	749.9	862.9	1029.5	1200.1
Other	716.4	911.7	1185.9	1687.6	1838.2	2150.3	2337.2	3054.8	3384.0	4055.4	4544.4
Percentages											
Defence	23.0	16.1	15.3	13.5	14.5	12.2	13.7	13.5	12.9	12.0	12.1
Health Care	4.6	5.4	5.6	4.8	4.8	4.9	5.3	5.1	5.5	5.3	5.1
Education & Culture	10.3	15.2	16.6	15.8	16.5	16.2	17.7	16.0	16.6	16.7	17.3
Other	62.0	63.3	62.5	65.9	64.1	66.7	63.4	65.3	65.0	65.9	65.5

Source: CSO (1990), National Income and Expenditure Report, 1989.
*/ Appropriations according to the Constitution and by vote.

to resolve by releasing scarce resources for redistribution to productive sectors. Moreover, to protect its established political economy and ambitious social development, Zimbabwe needs an adjustment programme which is determined nationally rather than internationally. However, economic constraints will limit the prospects of social welfare at least over the present decade.

II. ECONOMIC AND SOCIAL POLICIES AND PERFORMANCE SINCE INDEPENDENCE

Macroeconomic Performance

The general outlines of Zimbabwe's economic performance since Independence are familiar. A period of economic boom was followed by stagnation and decline. The turning point was 1982-83. According to data on education, health (see below) and other areas, there was an improvement until 1982-83 and then a gradual decline. 1985 was a growth year and some signs of general progress have been evident since 1987, but it is nevertheless reasonable to characterize the years since 1982 as years of stagnation. Thus, real GDP per capita stood at Z$454 in 1980, jumped to Z$484 in 1981, fell slightly to Z$477 in 1982 and has since fluctuated around an average of Z$456. The main cause of these fluctuations seems to be weather-driven agricultural performance, although international market conditions and domestic policies had an influence. There is also the question of the extent to which vulnerability to external shocks, such as drought, is itself a function of economic structure and adjustment failures: How much of the recession was due to the failure of the Government to deal with the structural problems inherent

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ISSN 1014-7837

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