

## **Economic Turnaround Not Yet in Sight**

**Author:** [Joseph Nhlanhla](#)

Many fear economic recovery is impossible as long as President Mugabe wields the real power. The devastated Zimbabwean economy looks set to take centre stage now that the country's parliament has finally been sworn in – five months after it was elected.

Members of parliament interviewed by the state broadcaster after the swearing-in ceremony on August 25 were unanimous in declaring that their main concern would be to improve the lives of Zimbabweans by resuscitating the moribund economy.

In the streets, there was subdued excitement after MDC candidate Lovemore Moyo was elected as speaker of the lower house of parliament, also on August 25.

Many Zimbabweans said they were waiting for the day when the country's main political opposition would be totally in charge, without having to make any concessions to Mugabe.

However, many also expressed fears that given the discord so evident at the opening of parliament, as well as Mugabe's insistence on retaining executive power, the country's governing institutions are far from being in any state to address the country's economic crisis.

Zimbabwe has undergone major political turbulence since the March 29 elections, when the ruling party ZANU-PF lost control of the House of Assembly, parliament's lower chamber, to the opposition Movement for Democratic Change, MDC.

MDC leader Morgan Tsvangirai won most votes in the presidential poll held the same day, but did not secure enough votes to avoid a run-off. The opposition leader pulled out of the second round, citing a campaign of violence against MDC supporters, leaving Mugabe to stand and win unopposed on June 27.

Despite the agreement set out in the memorandum of understanding signed by Mugabe's ZANU-PF and the two MDC factions on July 21, committing the signatories to seeking "restoration of economic stability and growth", there seems little prospect that things will improve any time soon.

Some point out that the swearing in of parliament breached the terms of the memorandum, which stipulated that none of the signatories was to convene governing institutions without the others' consent before the power-sharing talks were concluded.

The negotiations, which are being mediated by South African president Thabo Mbeki, and involve Mugabe and both MDC factions, stalled last month when the opposing sides failed to agree a deal.

Meanwhile, the economy continues to deteriorate. While official estimates for June – released this month – put inflation at 11.2 million per cent, independent economists believe the figure is more than double that.

In the absence of a conclusive political settlement, many believe the decade-old recession will continue to deepen.

The pace of the continuing price rises can be seen by tracking bread prices. This week, the price of a loaf rose to 100 Zimbabwean dollars, ZWD, which would have been equal to a trillion ZWD before Reserve Bank Governor Gideon Gono removed ten zeroes from the currency on July 30. Some 24 hours later, the price had risen to 150 ZWD, less than 50 US cents.

Mugabe – who has been in power since 1980 – claims that the MDC is to blame for the economic crisis plaguing the country, which is accompanied by 80 per cent unemployment and has brought widespread suffering and starvation to the Zimbabwean people. He accuses his long-time rival Tsvangirai of calling on the West to impose punitive sanctions against the nation. In reality, these sanctions target only the president and other members of the leadership.

The MDC maintains that there is no hope of economic resuscitation until Mugabe steps down – a view shared by the European Union and the United States, who have pledged to deliver an economic rescue package to a government led by Tsvangirai.

In Mugabe's speech at the opening of parliament on August 26, which was drowned out by heckling and protests from the main faction of the MDC, he noted that reconvening the legislature presented an opportunity to rebuild the economy.

This acknowledgement seemed to amount to a tacit admission that he would not be able to solve the country's economic woes without the MDC.

Mugabe lashed out at the previous cabinet, which he appointed and which presided over the economic meltdown, calling it "the worst in the country's history".

However, others lay blame for the country's financial troubles with central bank chief Gono, who for years has been portrayed by critics as the country's de facto prime minister.

When he was inaugurated as governor of the central bank more than five years ago, Gono declared that inflation was public enemy number one.

Now he is lampooned by economists and cartoonists alike as a failure, favoured by the executive because he has Mugabe's support. The president has said in the past that he does not wish to hear any criticism of his banker.

MDC officials have even said Gono should be prosecuted for presiding over the destruction of what was once southern Africa's second-largest economy.

While politicians are optimistically predicting a turnaround now that the new parliament has been convened, Zimbabwe's long-suffering people have little faith that the political process, as it now stands, can bring an end to their economic woes.

Their pessimism is based on concerns that Tsvangirai, the man they voted into power on 29 March, still has no executive powers, and Mugabe is doing his best to make his rival a purely symbolic prime minister.

Amid reports in the state media that Mugabe was soon to form a new government on his own, The main MDC faction said on August 27 that it was committed to the negotiating process which envisages joint decisions on the creation of such institutions.

Many fear that as the talks continue their stop-start progress, Mugabe is simply ploughing ahead with his own vision of a power-sharing deal in which he retains full executive control.

“It has become obvious this man is not going anywhere, and for me this means tough times ahead,” said a visibly angry student from the National University of Science Technology in Bulawayo.

“It is as if we are being held to ransom by Mugabe,” added a Bulawayo journalist who asked not to be named.

“We just have to wait for the resumption of the [power-sharing] talks, but because parliament has been convened with Mugabe presiding over the swearing-in ceremony, we are likely to be in for the long haul, as he will continue as head of state until something dramatic happens.”

Even journalists working for the state-controlled media greeted the swearing-in with some caution, and harboured few expectations that the new parliament would usher in a new era for Zimbabwe.

“Things will not change any time soon,” said a journalist with one of the state dailies, citing his poor salary. “But what can we do? We need these jobs.”

Joseph Nhlanhla is the pseudonym of a journalist in Bulawayo.

**Location:** Zimbabwe

**Focus:** Zimbabwe Crisis Reports

---

**Source URL:** <https://iwpr.net/global-voices/economic-turnaround-not-yet-sight>