

The Zimbabwe Coalition on Debt & Development -ZIMCodd-



Communiqué of the CSO conference on the Zimbabwe Economic Crisis: Towards a lasting Solution

We, the participants of the Zimbabwe Coalition on Debt and Development (ZIMCodd) *CSO Conference on the Economic Crisis in Zimbabwe: Towards a lasting Solution* held in Harare on 1-2 August 2007, representing various civil society groups, social movements, mass organizations, trade unions, business, academia, noting the following concerns:

- The hyperinflationary environment prevailing in Zimbabwe with inflation reaching 7251% (June 2007) pushing the majority of Zimbabweans into abject poverty, hitting women, children and people living with HIV/AIDS the hardest.
- the worsening poverty levels with more than 80% of Zimbabwe's Population living below the Poverty Datum Line,
- the continued crisis of poor export earnings and negative Balance of Payments,
- The socio-economic policy inconsistencies on the part of government resulting in lack of long term policy framework for example, the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST), National Economic Revival Program (NERP) and the National Economic Development Priority Program (NEDPP) only lasting for a few months and failing to achieve any meaningful development and,

Observing that:

- The Zimbabwe economic crisis is complex and of a historical nature owing to years of colonialism and poor policies of the postcolonial state. The country inherited over USD 700 million¹ external debts from the colonial regime and went through a highly consumptive period before adopting an equally destructive Economic Structural Adjustment Programmes (ESAP). As at December 2006, the Official External Debt figures stood at US\$4, 2 billion and US\$2, 2 billion in arrears. Recently, massive domestic borrowing has seen the domestic debt ballooning to 8 trillion as of July 6 (Zimbabwe Independent August 10-16)

¹ Bond, P. & Manyanya, M, (2002), *Zimbabwe's Plunge: Exhausted Nationalism, Neoliberalism and the Search for Social Justice*, University of Natal Press, South Africa, p.17

- The country also inherited a dual economy biased towards the formal sector at the expense of the informal sector resulting in unequal distribution of resources and the widening of the gap between the rich and the poor.
- Government acknowledges that the economy is in a crisis
- Government is adopting policies and measures to deal with the hyperinflation that have failed dismally in other countries.

We believe that:

- The complexity of the economic crisis, particularly the complexity of fiscal management under the current circumstances requires unorthodox solutions. The state is now a captive state, unproductive and paralyzed by polarized partisan politics.
- The alarming rate of increase of domestic debt and the huge overhang of external debt is never accounted for
- The general deterioration of moral-value system leading to rampant corruption is disturbing.
- There is a general absence of a common progressive ideology for the country with splinter ne-liberal and anti-neoliberal policy projections confusing the economy.

We resolved that:

- Prudent economic political and social governance is central to the solving the current crisis.
- A national Debt audit is important to establish the legitimacy of debts owed by Zimbabwe
- A review of public social and economic priorities and the alignment of national budgets to agreed social and economic policies
- Government must stop implementing neo-liberal policies and a shift to people-driven policies.
- Government must effectively utilize its human material and natural resources for sustainable development.
- a shock of confidence will be required for Zimbabwe to turn around its economy. That is there is need for a rebirth, a renewal in the country's social, economic and political system to foster legitimacy and confidence in the generality of Zimbabweans.

Contact ZIMCDD
5 Orkney Road, Eastlea, Harare
P.O.Box 8840, Harare
Tel/Fax: +263 4 776883/1e-mail: zimcodd@zimcodd