

Zimbabwe: Please Advise the Way Forward

We received this remarkable letter via email last month:

Dear Sir,

You might have heard about the land issue in Zimbabwe and the referendum results where people in Zimbabwe rejected the Draft Constitution. Putting politics in isolation, what would be the solution to make sure that production in agriculture increases and everybody with the will and power to produce does so. In your advice take into account that a sector of our population acquired land in speculation for a higher price for the land. What is the way forward about this land issue without decreasing production? Take into account also that the government has little or no resources to finance up coming and promising farmers. Through farming the standard of living for ordinary Zimbabweans can be raised. About 90% of our population barely have a hectare to plough. So, please advise the way forward.

— Lovemore Mutepfa, Harare

Zimbabwe is facing a political and economic crisis. And as Mr. Mutepfa reports, the dispute over its land policy is central. For many years Zimbabwe has, like many developing countries, respected property rights as defined by the World Bank and the IMF, particularly regarding real estate. So, the largest and best farms remained largely in the control of those, mainly white, who controlled them prior to the nation's independence in 1980. Meanwhile, the nation's economy has either been lurching toward market-oriented reforms, or sliding further into a morass of corruption and graft, depending on who one asks. There seems to have been a cat-and-mouse game between President Robert Mugabe and the International Monetary Fund over loan conditions — and in 1998 Mugabe went as far as to send troops (apparently according to the terms of an OAU agreement) to shore up the government of Laurent Kabila in Congo.

Now, Zimbabwe faces truly menacing economic conditions: inflation over 30%, unemployment at 45%, the highest rate of AIDS infection in Africa, declining farm output, and revenue shortfalls. An election approaches this April, and Mugabe's government is under serious threat. Meanwhile, a movement of veterans from the war for Zimbabwe's independence, impatient with promises of land reform, have begun occupying white-owned farms. The dispute over the draft Constitution had mainly to do with whether or not the government would be empowered to seize land, without paying compensation for the land itself. The government has asked the veterans to stop occupying the farms, but so far they have not. They

contend that the colonists stole it from their ancestors and if any compensation is due, it must only be for improvements, not land itself.

Mr. Mutepfa asks for advice. Georgists can indeed offer it, but few of the world's governments or financial institutions are listening. By seeking to impose a land reform policy that seems just, to most — more so, at least, than the current situation — Zimbabwe's government has run afoul of its dire need for foreign exchange, and the whole mess threatens to grind its economy to a halt. Again and again we hear that no developing country can go it alone; they must have financial help from outside, and to get it they must swallow terms that their own people find vomitous.

In fact, land reform — the right kind of land reform — can solve most of Zimbabwe's problems. No land need be seized, with compensation or without it. The government merely needs to assess the land's rental value and then collect it for its much-needed public revenue. Idle land and absentee landlords would disappear, and free-market economic policies, based in justice, would be given a chance to flourish.

It seems unlikely that we — or Mr. Mutepfa — will convince his government of this wise course before things get worse in Zimbabwe. There is hope, perhaps, in the surging interest in Georgist ideas in many African countries. Before too long, the proposal of economic sanity for developing nations will be on the table, at least. (At that point, we'll face the question of whether the international financial community would countenance the implementation of the single tax. They might. After all, it is a path toward national self-sufficiency, which is what the IMF claims to be striving for.)

And yet the need for real reform is immediate. Mr. Mutepfa reports, in a subsequent letter, his fear that "the economy is coming to a complete stand still." (7)

