

Zimbabwe's Hide & Seek with the IMF: Imperialism, Nationalism & the South African Proxy

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Zimbabwean president Robert Mugabe's 2005 fight with the International Monetary Fund illustrated adverse power relations in which financial pressure is specifically applied in the interests of economic (not political) liberalisation. However, whereas the IMF has no confessed interest in human rights and political freedom (and demonstrated as much in late 1990s Zimbabwe), Pretoria's discourses do include good governance rhetoric. Combining pro-market and (surface-level) pro-democracy arguments allows Thabo Mbeki to serve as proxy for the IMF, which above all wants repayment on vast arrears, but which also insists on the full range of Washington consensus policy changes. To make those changes would undercut Mugabe's patronage system, and might also generate popular unrest.

For South Africa, meanwhile, the objective appears to be an elite transition that keeps Mugabe's Zanu(PF) party in power after his retirement, maintains the splintering Movement for Democratic Change as a token opposition, and imposes severe cuts in the social wage on the citizenry while opening the door for bargain sales of Zimbabwean assets to South African suitors. Yet contradictions in these projects occasionally appear, and it remains for the beleaguered left social forces to take advantage of the extraordinary opportunity to press home the critique of both international finance and regional subimperialism.

In southern Africa, the Bretton Woods Institutions have become sufficiently notorious within the political intelligentsia as to attract these words from leading

African National Congress official Sidney Mufamadi (2005):

As we speak, the neoliberal orthodoxy sits as a tyrant on the throne of political-economic policymaking. The dominant social and economic forces are doing their utmost to hegemonise the discourse - both materially and in respect of how developmental processes are to be institutionalised and theorised. Among other things, they use such transnational governmental organisations as the International Monetary Fund (IMF), the World Bank and the World Trade Organisation to shape the discourse within which policies are defined, the terms and concepts that circumscribe what can be thought and done.

This quote is worth keeping in mind, in part because of its author's own close comprehension of World Bank activity in South Africa. That point we return to in the conclusion, but it serves to introduce the question of how the region's dominant social and economic forces intend to hegemonise political transition in Zimbabwe. One objective is to bring the IMF back into play as a policy determinant, for the first time since 1999. Indeed, recall that a decade ago, Robert Mugabe's regime was a successful protégé of Washington financiers. A decade ago, the World Bank (1995:23) gave his government the highest possible rating in its scorecard of neoliberal orthodoxy: 'highly satisfactory'.

This judgment followed fifteen years of arm-twisting by the Bank and IMF, leading to the Economic Structural Adjustment Programme (ESAP) and a crash of both manufacturing and the social wage. As a result mainly of popular resistance, things began to go badly wrong for Harare's elites soon thereafter. From 1996 to 2000, a series of overlapping worker/peasant/student/war veteran rebellions became a serious threat to the ruling Zimbabwe African National Union (Patriotic Front) party. Mugabe

adopted a zig-zag political-economic 'policy' based on a mix of carrots and sticks, combining frontal attacks on poor and working-class urban Zimbabweans with fiery anti-imperialist rhetoric.¹

At the heart of Harare's fiscal crisis are Mugabe's expensive carrots to disgruntled sections of society: large new pensions for tens of thousands of Liberation War vets (previously ignored or repressed) from September 1997; periodic payolas of various kinds to the army and police, including licence to loot the Democratic Republic of the Congo during the late 1990s civil war; on-again/off-again price controls from 1998, in order to prevent further 'IMF Riots' (which had broken out periodically during the 1990s); occasional gifts to key constituents during the early 2000s, such as very inexpensive rural electricity; and state-sponsored land invasions immediately following Mugabe's defeat in a constitutional referendum in February 2000, as the opposition Movement for Democratic Change became a threatening electoral force. The sticks we learned much more about during 2005. They don't need recounting in detail, but include, in the words of South African Communist Party (SACP) general secretary Blade Nzimande:

the wanton destruction of homes and community facilities' for more than a million of the urban poor, and 'anti-democratic legislation, including legislation directed against the right to assembly and against media freedom.

Durable Nationalism

Mugabe's alliances have generally been maintained the past five years, and both external and internecine rebellions have been crushed. Regular predictions that the ruling party will fragment - mainly due to ethnic factionalism - have never reached fruition. After three decades of control over Zanu(PF) and six years' experience harassing a strong opposi-

tion party, Mugabe has an even stronger grip on his politburo. Evidence of his dominance during this period includes the expulsion, demotion or jailing of figures with substantial regional or sectoral powerbases, such as the giant old stalwarts Ndabaningi Sithole, Joshua Nkomo and Enos Nkala (1980s); failed party reformers Edgar Tekere, Eddison Zvobgo and Margaret Dongo (1990s); and tycoon Philip Chiyangwa, finance minister Chris Kuruneru, chief spokesperson Jonathan Moyo and parliamentary speaker Emmerson Mnangagwa (2000s).

However, with Mugabe apparently now unable to raise basic hard currency for importing petrol, food and other vital necessities, the time is ripe for the next stage of what might be termed 'exhausted nationalism'. When Simba Manyanya and I began using this phrase in 2002 (in *Zimbabwe's Plunge*), as shorthand for Mugabe's incapacity to deliver a higher standard of living, it was not clear that the nationalist project could be reinvigorated, at least in a manner the masses would find compelling. We cited Frantz Fanon's (1963:204) *Wretched of the Earth*:

A bourgeoisie that provides nationalism alone as food for the masses fails in its mission and gets caught up in a whole series of mishaps. But if nationalism is not made explicit, if it is not enriched and deepened by a very rapid transformation into a consciousness of social and political needs, in other words into humanism, it leads up a blind alley. The bourgeois leaders of underdeveloped countries imprison national consciousness in sterile formalism.

The problem of 'exhausted nationalism' also applies to South Africa, where SACP deputy secretary Jeremy Cronin once famously translated it as the 'Zanufication' of the African National Congress (he was hurriedly forced to apologise) (Sheehan, 2002). In turn, this

is why the vigorous debate now underway on lending to Mugabe is so revealing. For it appears that Mbeki and the IMF have, to borrow the quote above, successfully shaped the discourse within which policies are defined, and indeed a proposed loan of \$500 million from South Africa to Zimbabwe may circumscribe what can be thought and done. A reported \$160 million of that was originally earmarked to repay the IMF, with the rest ostensibly for importing (from South Africa) agricultural inputs and petroleum. According to Pretoria spokesperson Joel Netshitenzhe, the loan could 'benefit Zimbabwean people as a whole, within the context of their program of economic recovery and political normalisation' (SAPA 2005a). Much of the debate in South Africa concerns whether Pretoria is putting sufficient – or indeed any – pressure on Harare to reform, as Netshitenzhe refused to clarify speculation that both political and economic liberalisation would be conditions for the proposed loan.

Mugabe spokesperson George Charamba revealed the process on August 14:

We never asked for any money from South Africa. It was the World Bank that approached Mbeki and said please help Zimbabwe. They then offered to help us (Mberi, 2005).

A Pretoria-based Bank economist, Lollete Kritzinger-van Niekerk, confirmed that her institution 'is not ready to thaw relations with the ostracised Harare' (Njini, 2005). Other reports – in the usually unreliable but consistently pro-government *Herald* – were that a top IMF official and a US diplomat also needed a backchannel. According to the IMF's own Press Clips news service (18 August 2005):

The issue of the proposed loan from South Africa to Zimbabwe has taken a new twist amid revelations that the US government approached South African president Thabo

Mbeki to bail out Zimbabwe, The Herald (Zimbabwe) reported yesterday. A highly-placed Western diplomat in South Africa, who is closely following the deal, told that IMF deputy managing director Anne O. Krueger approached President Mbeki and asked him to advance financial support to Zimbabwe ahead of the IMF summit set for next month, The Herald (Zimbabwe) reported yesterday. The diplomat said Ms. Krueger made her move in the run-up to the African Union summit in Sirte, Libya, which was held from July 4 to 6. Ms Krueger is reported to have told President Mbeki that a South African loan would enable Harare to pay its dues to the IMF and, in so doing, strengthen the case against Zimbabwe's expulsion from the institution. President Mbeki, the source said, was surprised that a high-ranking IMF official could make a case for Zimbabwe. However, Ms Krueger is reported to have pointed out that South Africa would lose more from Zimbabwe's expulsion since no other country would want to assist Zimbabwe after that, and this would have a negative effect on the South African economy.

Notwithstanding some mildly adverse impacts on investor confidence and refugees, whether Zimbabwe's ongoing economic crash is entirely negative to South Africa remains disputed. As Dale Mckinley (2004) has pointed out, a weakened Zimbabwe has merits for both Johannesburg capital and Pretoria politicians. In October 2005, Fitch ratings director Veroncia Kalema remarked to the *Financial Mail* that Zimbabwe 'is a small economy. It could collapse and South Africa would be fine.' The same article quoted Harare-based business economist Tony Hawkins on the 'upside', namely, that:

South Africa has gained market share in exports, tourism and services. SA's share of investment in Zimbabwe has also risen as there has been an element of bargain-basement buying by some mining and industrial groups. SA is also taking

significant skills from the country, especially scarce black skills in health, education, banking, engineering and IT. 'It would be too much to say that SA has benefited in net terms, but there is a good deal of evidence to suggest that it is securing some gains from the crisis' (Bisseker & Ryan, 2005).

Whatever the net benefits of SA-Zimbabwe economic relations, there is obviously no political 'normalisation' under way, if by which is meant Mugabe's agreement to hold serious democratisation talks with the Movement for Democratic Change, to run genuinely free and fair elections, to unban the media and revoke extremist laws, to recall fascist security forces to the barracks, and to provide emergency food and shelter in a non-politicised manner to the millions who urgently require it. In any case, Mbeki has repeatedly shown that these objectives are unimportant: by propping up Mugabe in the United Nations Human Rights Commission, by public commentary downplaying repression and vote theft, by silence at key junctures and by sending biased observation teams to monitor elections (Bond, 2004). Mugabe himself publicly rejected even the idea of negotiating seriously with the MDC.

Setting the fake 'reform' rhetoric aside, what is instead revealed by the current crisis is another of Fanon's insights, namely that Zanu(PF)'s sterile formalism now sharply contradicts further capital accumulation by Zimbabwe's parasitical ruling class, a key faction of which desperately requires foreign exchange. (All Zimbabweans need foreign exchange, of course, just to spark their bone-dry carburettors, and to acquire essential medicines, spare parts, agricultural inputs, and manufactured goods that are no longer made by local firms following the 1990s deindustrialisation.) For the impoverished Zimbabwean masses, the *povo*, there is no economic bailout on the horizon, much less democratic leverage, only a choice of which

financiers will worsen austerity in future years: the predictable money mandarins of Washington, or the new sub-imperialists of Pretoria, backed by a gullible media and superficially critical opposition parties, or both.

The IMF & Zimbabwe's *povo*

Consider the first lot, the Bretton Woods Institutions. Beginning in September 1980, when Zimbabwe formally joined, the role of the IMF was never to benefit 'Zimbabwean people as a whole'. Five examples are illustrative (details are in Bond 1998):

1) By early 1982, finance minister Bernard Chidzero – later to head the IMF/Bank Development Committee – denied that 'the IMF would impose any conditions as Zimbabwe was already restructuring its economy.' Though it was 'a sensitive issue not for public debate,' Chidzero made statements to Parliament claiming 'devaluation of the dollar is not imminent and is not being contemplated.' Less than three months later, Chidzero announced a 20% decline in the currency, admitting it 'had been under consideration for some months.'

2) In late 1982, interest rates were raised dramatically, a move Chidzero pointed out with pride to the World Bank in private correspondence.

3) In March 1983, an editorial by the government-owned *Herald* observed that 'Zimbabwe has a democratically elected people's government and therefore, the people, its supporters have the right to know what the IMF asked of this country.'

4) By 1984, Zimbabwe was paying vast proportions of export earnings to cover foreign loans, in part because of apartheid destabilisation of the region. As York University economist Colin Stoneman put it at the time: 'there can be no doubt that Zimbabwe's payments crisis

was partly caused by South Africa, and that this was the means whereby the IMF gained a lever on Zimbabwean economic policy’.

5) The IMF soon terminated its \$315 million line of credit due to Harare’s budget overruns, forcing more painful austerity. By early 1985, Mugabe complained of ‘pressure from the IMF to cut government spending on education and defence but the government has a way of overcoming this pressure’. Yet within a few years, Zimbabwe’s vaunted education programme was indeed under threat as Bretton Woods cost-recovery policies gained momentum.

The Bretton Woods Institutions applied neoliberalism across a variety of sectors, and maintained heavy pressure on Mugabe to continue the ineffectual ‘willing seller, willing buyer’ rural land policy. At a July 2005 land conference in South Africa, Mbeki told the audience that Zimbabwe’s failure to embark upon land redistribution prior to the chaotic takeovers of 4,000 white-owned farms from February 2000, was because ‘They slowed down to get the negotiations in this country to succeed’ since South Africa’s white farmers would be ‘frightened’ about the transition to democracy (News24.com 2005).

In reality, Harare’s 1993 Land Designation Act was ‘shelved,’ as Zanu(PF) member of parliament Lazarus Nzarayebani complained in late 1994, because ‘it is not in conformity with the World Bank and IMF’ and instead served government only ‘to save its face’ (*Financial Gazette*, 9 February 1995). In fact, South Africa’s first ANC land minister, Derek Hanekom, invited the same World Bank team that was preventing Zimbabwe’s land reform during the early 1990s, led by Robert Christenson, to guide post-apartheid policy. (That policy was also characterised by willing seller, willing buyer neoliberalism, and was publicly recognised as a failure at the state-

sponsored land summit.) What of the last batch of IMF credits to Zimbabwe? Did these contribute to the welfare of all Zimbabweans and promote peace and democracy? The opposite conclusion is more logical. The IMF’s \$53 million loan in 1999 was meant to release another \$800 million from other lenders. The IMF’s stated objectives were straightforward: reversal of both the luxury import tax and price controls on staple foods. Details were confirmed in a March 1999 statement by leading IMF negotiator Michael Nowak:

There are two issues outstanding and these have stopped the IMF from making the standby credit available to the country. These issues are, one, we want the government to reduce the tariffs slapped on luxury goods last September, and second, we also want the government to give us a clear timetable as to when and how they will remove the price controls they have imposed on some goods (Financial Gazette, 12 March 1999).

Five months later, the IMF agreed to increase the loan amount to \$200 million, but two more conditions were reportedly added: access to classified Democratic Republic of Congo war information and a commitment to pay new war expenditure from the existing budget. According to an IMF official,

The Zimbabweans felt offended, shocked, but they all the same agreed to give us the information, we got all the clarification we wanted. They had no choice ... We have had assurances [that] if there is budgetary overspending, there will be cuts in other budget sectors (SAPA, 1999).

In sum, the IMF gave permission to penalise health, education and other badly-defended sectors on behalf of Mugabe’s military adventures and business cronies, and also ordered Mugabe to immediately reverse the only redistributive policies he had adopted in a long time: a) a ban on holding foreign

exchange accounts in local banks (which immediately halted the easiest form of capital flight by the country's elites); b) a 100% customs tax on imported luxury goods; and c) price controls on staple foods in the wake of several urban riots. That deal quickly fell apart, however, when fiscal targets were missed. Harare was, quite simply, broke. The previous year, Mugabe had spent an historically-unprecedented 38% of export earnings on servicing foreign loans, exceeded that year only by Brazil and Burundi. With foreign debt at \$4.92 billion, fully \$980 million was repaid to foreign creditors, while donor aid fell from its 1995 peak of \$310 million to just \$150 million. But due to compound interest rates, barely a dent was made in the total foreign debt outstanding.

The IMF continued giving advice to impose austerity, both from its Harare office and via periodic high-level missions from Washington. The 2000 mission called for 'tight monetary and wage policies ... privatisation, civil service reform and trade liberalisation,' according to the *Herald* (9 December 2000) newspaper. By mid-2001, finance minister Simba Makoni confessed to the Southern Africa regional session of the World Economic Forum in Durban:

We are committed to fulfilling these obligations, but it's clear that our economy is in no state to generate sufficient funds to clear these arrears (Financial Gazette, 14 June 2001).

As a result, by mid-2005, Mugabe had run up repayment arrears of \$295 million to the IMF, and more than \$1 billion to other lenders, including the World Bank and African Development Bank. The total foreign debt that is either in arrears or will come due in the next decade is \$4.5 billion, far more than the national GDP in a given year.

Was Zimbabwe punished for failing to make most foreign debt payments since

1999? To almost everyone's surprise, Mugabe was able to get away with the *de facto* default. No new long-term credit has been available, to be sure, but nor did the US Marines or other hostile military forces invade so to collect collateral, as was the practice a century earlier against defaulting Latin American countries. Instead, once Zimbabwe fell into deep arrears to the IMF, a convoluted official procedure began, culminating in the threat of expulsion. From 2001, the Zimbabwean finance ministry scrounged \$1.4 million each quarter to make token payments on the debt, but from mid-2003 through 2004 found \$16.5 million to send the IMF. This was also the point at which Zimbabwe ran out of petrol and many other essential imports.

Diplomatic Scuffle

By August 2005, Mbeki assumed that his offer of a \$500 million credit could influence the course of an elite transition, aiming at installing a neoliberal, low-intensity democracy regime. That model would slightly sideline Mugabe by 2008 at the latest; permit Zanu(PF) to retain power – possibly in a government of unity by coopting MDC leaders – with the friendlier face of a technocratic president (the neoliberal former finance minister Makoni is usually tipped for the job) even if Mugabe still controlled the ruling party itself; and then open the economic borders up much more to Johannesburg capital.

Mugabe didn't play along. Showing an impressive resilience and desire to hold on to maximum power at all cost, he visited China in August and then snubbed Mbeki in a brutal diplomatic manner. At an African Union (AU) meeting in Addis Ababa, according to the *Sunday Independent* (Fabricius, 2005), Mugabe built an alliance of other leaders to defeat a South African tactical move to win two permanent seats for Africa on the United Nations security council ... Mugabe, Egypt and others spoke out

against a compromise deal which South Africa had helped forge between the AU and the so-called G4, a coalition of four other nations seeking permanent seats on the security council – Germany, Japan, India and Brazil. Mbeki argued strongly at the AU summit in Addis Ababa in favour of the compromise as the only realistic way to get Africa permanent seats. But the Mugabe camp prevailed. The summit rejected the compromise deal that AU and G4 foreign ministers, including SA's Nkosazana Dlamini-Zuma, agreed on at a meeting in London ... Mugabe and others argued against this, saying the lack of a veto would relegate African permanent members to 'second-class status'.

During apartheid, differential voting power was always the basis for African National Congress and other democrats' traditional insistence on 'one person, one vote in a unitary state', and their rejection of gimmicks such as the 1983 TriCameral Parliament (which reduced Indians and Coloured people to second class observer status and left out Africans entirely). Mbeki has periodically spoken out against what he terms 'global apartheid' yet often accepts unprincipled global reforms (Bond, 2004). Fortunately, the second-class citizenship he sought in the UN Security Council was not offered at the September 2005 heads of state summit. Hence, a more serious fight can be waged at some stage, instead of legitimising a UN under Washington's thumb.

This brings us back, though, to Mbeki's vision that the IMF can be a vehicle for normalisation. As Nzimande (2005) reported to a Congress of SA Trade Unions central committee, the SACP was extremely concerned about the danger of a loan amounting to little more than extending the crisis-ridden shelf-life of anti-worker, anti-poor authoritarian policies and practices. We call on our own government to show the maximum resolve in ensuring that there are very clear

requirements attached to any loan. These requirements must include guarantees that the loan will not be squandered on elite consumption or repression. But the requirements must also embrace a much wider package of commitments with clear time-lines ... These wider issues are, in fact, essential for resolving the present financial crisis.

Paying the Piper, Ignoring the Tune?

And then Mugabe pulled a card from his sleeve no one thought he had: in September 2005 he came up with \$135 million from having scrounged all foreign currency available, and paid the IMF a substantial downpayment, enough to earn a six-month reprieve on the expulsion threat (after the September payments, outstanding IMF debt was \$160 million). Mugabe promised \$50 million more by March 2006, and vowed to repay the full amount. (No one outside Pretoria really believes the IMF would expel Zimbabwe, given that China and many African regimes would oppose this in the IMF executive, where 15% of the vote would be enough to veto such a move.)

By all accounts, this was an irrational and costly gesture. Even high-profile business spokespersons who are ordinarily most aggrieved by Mugabe's dirigisme were opposed to the payment, in part because rumours suggest the Reserve Bank raided Harare capital's foreign exchange accounts. Conservative economic commentator John Robertson complained,

This is just diverting foreign currency from exporters to the IMF at an enormous cost. We are starving local producers of hard currency and this is exacerbating the problem (Zimonline 2005).

Former Confederation of Zimbabwe Industries leader Eddie Cross (2005a, 2005b) explained:

You have the specter of this smashed and abused country – like a mugged man lying in the street and being run over by the passing traffic – actually paying money to the IMF. Money taken from private schools and NGO’s, food agencies and exporters. \$50,000 here, a million there. Money critically required for food, drugs, fuel – all basic necessities and the IMF has the audacity to welcome the payments! Shown the source of the funds they express shock and promise to investigate – but they still bank the cheques. I wrote to the Fund and said send the money back – we need the stuff more than you do to keep life and limb together - not even the courtesy of a reply...

Why is the IMF debt so important? The reality is that it is not that important. Paying our arrears to the Fund would not change our status one iota – we could not expect IMF support for any sort of stabilisation programme for some considerable time after the issue of the arrears has been dealt with and a workable recovery programme put in place. No, the reason why the IMF threat was finally treated with such deference is mainly political. African leaders – struggling with their image abroad and with economic and financial problems at home, did not want to see an African State expelled for misbehavior... And so we have the specter of the Zanu/PF regime contradicting itself with respect to the IMF issue. One minute they do not matter and can ‘go to hell’. The next we are scouring the country for our last remaining sources of foreign exchange to make a meaningless payment to the Fund which will ensure that we are not expelled but are then left with insufficient resources to import essentials like food.

To make sense of Harare’s willingness to pay the IMF, peer pressure from Mbeki was certainly a factor, but the initial refusal of Pretoria’s \$500 million loan suggests that Mugabe’s ego is so large, that he ignored the extraordinary sacrifices being made by his citizens over the

prior months (with nearly every basic commodity in short supply), simply to massage his pride at repaying the IMF. Yet that pride also required repetition of the requisite anti-imperialist sentiments, including this statement during a visit to Havana a few days after making the first (\$120 million) payment:

We have never been friends of the IMF and we shall never be friends of the IMF. The IMF is never of real assistance to developing countries. It is wielded by the big powers. It is the big powers which dictate what it should do (Reuters, 2005a).

The obvious waste of such vast sums of hard currency on an institution that is never of real assistance was not, unfortunately, immediately capitalised upon by civil society activists, particularly the Zimbabwe Social Forum and the Zimbabwe Debt and Development Coalition. These groups were the two main hosts for the Southern African Social Forum and kept a low profile in order to gain permission for 3,000 local and regional activists to visit Harare municipal gardens from 12-14 October. That meeting itself developed an extremely militant rhetorical attack on regional neo-liberalism, and may decisively shift the African Social Forum to the left. Perhaps the confidence gained in the process will also translate into future protests against further IMF loan repayments (as was promised in one Social Forum workshop session hosted by the National Constitutional Assembly), but also a more robust social critique of Reserve Bank governor Gideon Gono’s radical rejigging of monetary policy in line with IMF and South African desires (in late October, the Zimbabwe dollar was devalued overnight from Z\$26,000/US\$ to Z\$80,000/US\$, to more closely correspond with the black market rate).

Meanwhile, on the same day Mugabe spoke out against the IMF in Cuba, the Movement for Democratic Change issued a pro-IMF statement. The MDC

(2005) argument not only unveiled residual neoliberal influences at Harvest House headquarters, but also suggests that the opposition party – which in late October split in half over whether to participate in the November senate elections – does indeed desire a Pretoria-mediated elite transition (notwithstanding the overwhelming lack of evidence for Mbeki's *bona fides*):

As the Mugabe regime gets more and more desperate, its economic and political positions get increasingly incoherent. Having in the past been brazenly disdainful of the IMF, it is now suddenly desperate to remain a respectable fee-paying member. This objective could have been facilitated by accepting the economic lifeline on offer from South Africa, but that would have required political compromises to be made. The regime's desperation is greatest in the political realm, as evidenced by its spurning outside assistance and opting instead to squander the country's extremely scarce foreign currency resources to repay a large chunk of the arrears owed to the IMF. It is like a badly behaved schoolboy offering his pocket money to a rich uncle, rather than improve his school-work...

Events in the last two weeks have dramatically underscored the regime's errant schoolboy obstinacy. At the same time that the IMF arrears were being paid, the government forced through the Constitutional amendments which further undermined private property rights, amongst other problems making it impossible for farmers to be able to borrow using land as collateral. In its economic policy-making, the pattern has been for the regime to bring in rapidly changing piecemeal measures to band-aid the economy forward, but leaving the underlying problems to fester. Having one or two of the 'right' elements in place is not good enough: it can actually make things worse when the rest of what would be required in a 'comprehensive and coherent' programme are missing.²

South African government officials were also surprised by Mugabe's payment, and over the subsequent weeks continued to maintain that negotiations for the additional \$500 million were on track, merely delayed. The Cabinet had made one other similar loan to a country primarily so as to repay the IMF, three years earlier. It was Joseph Kabila's unelected regime in the Democratic Republic of the Congo, and the \$45 million loan by Pretoria allowed Kabila to clear enough of the old Mobutu arrears that a new IMF mission could enter Kinshasa and impose further liberalisation, in turn disproportionately benefiting South African capital. The Mobutu debts should be declared 'Odious' in international law, but their payment by Pretoria gained Kabila a new IMF credit, at the cost of renewed IMF control over the Congolese people (Bond, 2002).

The extent of Mbeki's own commitment to getting the IMF back into Zimbabwe was revealed on October 15. Addressing a forum of African Editors, he explained:

We had indeed said that we were ready to assist, and the reason we wanted to assist was because we understood the implications of Zimbabwe's expulsion from the IMF. What it would mean, among other things, is that everybody who is owed something by Zimbabwe would demand immediately to be paid. You would even get to a situation where they would seize anything that was being exported out of Zimbabwe because of that debt (Reuters, 2005b)

In reality, the IMF has never acquired much less used such power, but the hyperbole is telling. Private creditors presently dealing with Zimbabwe have various forms of security, because the government's likelihood of nonpayment has been demonstrated for six years already. Instead, to explain Mbeki's stance on the IMF and Zimbabwe, it is worth returning to our opening quote. It was Mbeki's local government minister,

Sidney Mufamadi, who in April this year warned that the Bretton Woods Institutions mold 'the discourse within which policies are defined, the terms and concepts that circumscribe what can be thought and done.' Consider Mufamadi's own borrowing from the World Bank, in a loan that directly places Bretton Woods advisors in dozens of municipalities. The World Bank (2005) website explains:

The Municipal Financial Management Technical Assistance Project, totaling \$15 million is the only active World Bank loan to South Africa. It supports the building of financial management capacity in more than 40 key municipalities around the country. The World Bank country office is also supporting the government in ... [its] oversight role in municipal public/private partnerships.

On the same site, the Bank brags about its 'support to Johannesburg's iGoli' (the city's privatisation policy), allegedly a 'model' for South Africa. In reality, Africa's largest water corporatisation quickly became a world-renowned site of brutal disconnections, prepaid meters and sub-standard sanitation for low-income townships – as well as heroic resistance by the Anti-Privatisation Forum and Jubilee South Africa, which combined to protest Paul Wolfowitz's Johannesburg visit in July.

In contrast to activists, the key politicians prefer to 'talk left, walk right'. Once we dispense with the rhetoric, this surreal financial game of hide-and-seek from the IMF unveils imperial/sub-imperial/dictatorial power relations uniting Washington, Pretoria and Harare. It remains for critics of the regimes to pursue a democratic, anti-neoliberal strategy – and too, for international protest against the Bretton Woods Institutions to now intensify.

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Endnotes

1. For background on neoliberalism and Mugabe's rhetorical leftism, see, e.g., Phimister and Raftopoulos (2004); Raftopoulos and Phimister (2004); Bond and Manyanya (2003); Campbell (2003); Manyanya, (2003); Moore. (2003); Yeros (2002); Raftopoulos and Sachikonye (2001); Yeros (2001); Ajulu (2001); Dashwood (2000); and Poverty Reduction Forum and Institute for Development Studies (2000), Zimbabwe: Human Development Report 1999, Harare.

2. A few days later, MDC shadow finance minister Tapiwa Mashakada announced, 'It's high time that the government restore economic cooperation with multilateral lending institutions and pursue rational policies so that investment comes in.'

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