



Securitisation of China loan a slippery road, say analysts



New Constitution alters face of local government, but still a long way to go



Party leaders in discord with new Constitution

Securitisation of China loan a slippery road, say analysts

BULAWAYO --THE recent announcement by the Chinese ambassador, Lin Lin, that the Asian economic giant may lend money to Zimbabwe needed by the government's economic blueprint, ZimAsset, using mineral resources as "kind of security" may not be entirely good news for Zimbabwe.



Thabani Nyoni , Bulawayo Agenda Director

Bulawayo Agenda (B.A) Director Thabani Nyoni said, whilst there was nothing wrong with Zimbabwe funding its development with minerals, the earmarked deal raises a lot of concerns.

"In my view, using our minerals as a mechanism for funding development work is not a bad idea," said Nyoni.

"The challenge is implementation of this deal, the government has not established how much minerals we have for this securitization.

"What they are doing is tantamount to mortgaging the country because government agreed to securitise

with minerals it does not know how much they are worthy.

"You may discover that the value of mineral wealth is above the actual amount the Chinese are giving us."

Nyoni said it was not clear whether the deal, although adhering to the ZimAsset proposals did not violate other government policies such as beneficiation and indigenization.

"The government has been talking about beneficiation; this arrangement seems to be in conflict with the policy especially given that nothing to that effect has been said.

"The arrangement will also violate the government's indigenization program because the Chinese are just bringing in capital and taking the minerals," he said.

Nyoni also said that the current environment where there is rampant corruption does not give confidence that the fund will be effectively utilized for government programs.

"For such a big deal, the government will need an accountability mechanism to ensure effective and efficient use of the fund.

"Currently, there is a crisis of confidence that the money will be used in a disciplined manner for ZimAsset programs.

"We are likely not to see the effect, except the hype around this deal; and the citizens are likely to be poorer than they were before.

"This is because the government has not dealt with corruption, the leakages in the system, poor governance and administration required to fully utilize such a fund."

An analyst and researcher on Africa at a Tokyo Institute, Ken Yamamoto, writing recently about the proposed securitization in a satirical reminder of President Mugabe's anti-colonial refrain, likened it to making Zimbabwe a "colony again".

"The juicy part is that Mugabe, Chinamasa & Associates are in so much of a fix and they have over the last 34 years tied themselves in so many knots and borrowed the entire nation up to its neck that Zimbabwe is no longer credit worthy," Yamamoto wrote.

"So what's their grand plan to get out of this mess to fund ZIMASSET?"

"Their answer is securitisation of minerals.

"If this strategy worked, the DRC would be the richest place today..."

"The net effect of the strategy of Mugabe, Chinamasa & Associates is that, in the unlikely event that it works, Zimbabweans today and Zimbabweans in future will be indentured and indebted to China for decades to come.

"Every drop of your sweat and ounce of your energy will be used to pay off those debts for decades to come.

"An entire generation will be a disempowered generation."

Yamamoto explained the nature of securitization.

"It simply means a lender (say China) advances money to a borrower (Zimbabwe) in the hope that he will pay back when he gets cash flows from the sales of minerals.

"It also means all future cash flows from Zimbabwe's sale of minerals will be paid to the lender (say China) and the lender would certainly want those proceeds in an escrow account far from the marauding politicians."

Securitisation of minerals is one of the proposals made in the Zanu-PF government's economic blueprint, ZimAsset, to fund development for the next four years.

New Constitution alters face of local government, but still a long way to go



Simba Moyo, CHRA Chairperson

THE new Constitution has changed the face of local government in Zimbabwe, as court rulings in its new era protect ordinary people from gross violation of socio-economic rights.

But a residents' leader has said in an exclusive interview with the Crisis Report they are not yet upbeat, about the new developments.

On the face of it, two landmark rulings, steeped in the spirit and letter of new Constitution by the Zimbabwean courts, entrenching fundamental socio-economic rights, indicates that the legal terrain in which residents used to be at the mercy of councils has changed.

Simba Moyo, Chairperson of Combined Harare Residents Association (CHRA), agrees to some extent the new Constitution adopted after the July 31 election has been a game-changer.

“Like everyone else, we are optimistic that this will assist us in the way we are working to ensure better service delivery,” said Moyo.

“The new Constitution will now assist residents to deal with some of the issues under Chapter 14 relating to service delivery.

“These are rights that we can demand from the courts, and it does not matter who is there.”

And this is why.

Whereas, local government authorities reserved the authority to cut water supplies for poor residents for defaulting on rates payments and demolish people’s homes if they were deemed to be unfit for urban settlement, a court order is now required before any drastic actions.

This effect of the new Constitution, placing some judicial oversight on the operation of local government, to observe human rights was made clear by two court rulings recently.

In a High court ruling in early May 2014, Justice Chinembiri Bhunu, said Section 8 of the water by-law which previously allowed councils to disconnect residents from water supplies for water bill debts was overruled by Sections 77 and 44 of the new Constitution.

Residents have over the past years, complained that disconnections based on dubious debts were being used by some council officials, bent on extorting money from them.

A separate court ruling by Chitungwiza Magistrate Marehwanazvo Gofa on April 24 stopped Local Government, Public Works and Housing Minister Dr. Ignatius Chombo from demolishing over 3000 homes on the basis that Section 74 of the

new Constitution requires a court order for any such action, involving eviction of people from their homes.

This is a paradigm shift from previous procedure, where unilateral government demolitions of homes in urban centres in winter time in June 2005 under Operation Murambatsvina affected over 700 000 people, attracting condemnation from the United Nations (UN).

So does it mean that all is now rosy for residents? No.

“It’s a question of commitment to be bound by the new Constitution,” said Moyo.

“We will have to wait to see if we are now ready to be bound by our constitution as a country.

“Our voices need to be very loud, we still see government officials who operate with the same mentality of the time before we had the new Constitution.

“What the courts have reminded the ministers is that we have to abide by the Constitution, if we don’t it becomes a banana republic.”

Moyo said that, what may have stopped Local Government, Public Works and Housing Minister, Dr. Ignatius Chombo, from demolition of homes in Chitungwiza, after initially ignoring the constitutional provision against arbitrary evictions was not the Magistrates’ court ruling as such, but mutiny by many Zanu-PF members, whose homes face destruction.

“Chombo is more afraid of Zanu-PF supporters, who are the majority of people affected,” he said.

Other analysts have also said the new Constitution has not yet been fully effected to reform local government practices, with clauses on devolution still to be implemented.

Party leaders in discord with new Constitution

Harare -- POLITICAL leaders, who do not observe term limits at party level, may not augur well for a new Constitution that restricts the state president to two five year terms.

This view emerged at a recent Crisis in Zimbabwe Coalition (CiZC) public meeting held in Harare to discuss seemingly entrenched deficiencies of intra-party democracy and leadership renewal in the country.

When asked how the constitutions of two major parties -- Zimbabwe African National Union Patriotic Front (Zanu-PF) and Movement for Democratic Change (MDC-T) -- that evade terms limits were compatible with the new Constitution, their representatives seemed to skirt around the matter.

Zanu-PF Deputy Director of Information, Psychology Maziwisa, agreed that as far as national governance was concerned “charity begins at home.”

However, on the issue of terms limits for party leaders, Maziwisa was evasive, saying Zanu-Pf was guided by its congress elections.

Maziwisa suggested that parties were free to do as they saw fit, whilst insinuating that the new Constitution was fairly recent for parties to have adapted to it.

“Our constitution is very clear, a leader is elected at congress,” said Maziwisa.

“It’s up to the party to decide what is in its constitution.”

“The national constitution you are talking about is a new constitution.”

He appeared to dismiss the relevance of leadership renewal to the ruling Zanu-PF party.

Maziwisa said: *“We, in Zanu-PF are not guided by succession as a principle; we are guided by democracy as a principle.”*



Psychology Maziwisa, ZANU PF Deputy Director of Information

Zanu-Pf has had the same leader, President Robert Mugabe, now 90 years old, for more than 30 years.

Nonetheless, without any hint of irony, the Zanu-PF official, Maziwisa, mocked the Movement for Democratic Change (MDC-T) for prolonging its party leader, Morgan Tsvangirai reign to 15 years now by scrapping terms limits from its constitution.

“The MDC had a constitution which was clear, but they changed it three, four times to protect Morgan Tsvangirai,” he said.

Even piling more criticism on the MDC-T, whose main motto has been a change of the country’s governance culture, was Dr. Ibbo Mandaza, Director of Southern African Political Economy Series (SAPES) Trust.

He said the party had not “changed the script” of making the party leader as immutable as a “king”.

Jacob Mafume, the spokesperson the MDC-Team, a group calling for leadership renewal in the party was more critical of the prevalent undemocratic party scenarios, saying it would not create democratic national leadership.

“You cannot be a democrat in government, when you are dictator in your own party,” quipped Mafume.

Obert Gutu, who represented the MDC-T led by Morgan Tsvangirai, said African nations were on a learning curve.

“We are still learning, African politics we cannot compare it to Eurocentric politics.”

“We are only 15 years as the MDC, the good thing is we have a constitution in black and white,” said Gutu.