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Monograph ~ III

Development Aid and the Politics of Development in Zimbabwe

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by **George Mapope**

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Contents

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Abstract

The understanding of development has changed considerably from when the role of the state was conceived of as ensuring correct policies to stimulate growth, to the rise of neo-liberal development thinking in the eighties and nineties. Classical development economists advocated that a large injection of capital generated through savings or international aid was necessary to achieve economic growth. However, the modern understanding of development has moved beyond economic growth to economic transformation, democratisation and the expansion of human freedoms and capabilities. With this new conceptualisation, so the role of the different actors, including the role and expectation of state, has changed.

Development has shifted to include both the principal means (participation by the state and various non-state actors) and outcomes. However, the role of aid, particularly in Zimbabwean context, has received considerably less investigation. Various hypotheses about its role in development trajectories can be put forward based on empirical experiences in Africa and elsewhere. At one end of the continuum, Moyo's (2009) key argument in 'Dead Aid' strongly advocates against foreign aid to developing countries because it takes away citizen agency from their governments, festers corruption and makes the poor worse off. Other scholars and political leaders have similarly viewed aid pejoratively, seeing it as an instrument of foreign policy with which to influence local political and development processes. At the other end of the spectrum, aid is viewed as essential for catalysing development, humanitarian assistance and social protection: different forms of aid having different implications. For nation-state actors, foreign aid is critical for autonomy and development of civil society which, in itself, is essential for democratisation and the protection of the most vulnerable, who are always at most risk of being excluded.

In Zimbabwe, the dynamics of aid and the politics of development can be viewed through different epochs. The first decade of independence from 1980 to 1990 is touted as a golden era of development in which the state, aided by international development assistance, actively inspired modest development outcomes. The second decade was a decade of adjustment in which the state was forced to retreat and pave the way for greater private participation with deteriorating social development

outcomes under the International Financial Institutions (IFIs) sponsored adjustment programmes. The third, post-2000 period was one of ‘radical authoritarianism’ and calamitous economic decline followed by a changed landscape for development assistance. These decades saw a considerable reduction in aid with the country mainly receiving aid for strengthening institutions and humanitarian emergencies. Various questions deserve attention: (1) how much aid has the country received over the last four decades and how has it shaped development processes and outcomes; (2) what has been the nature of relations between the state and donors in the different epochs and what explains the changing dynamics and implications; (3) moving forward, how do different actors view the role and future of aid in the country’s development process. These questions may shape the role that aid plays in influencing future developmental outcomes in Zimbabwe.

Introduction

Surely, this is now time to beat our swords into ploughshares, so we can attend to the problems of developing our economy and our society.(Robert Mugabe, Zimbabwe's Prime Minister Elect, 4 March, 1980).

The 18 April 2020 marked 40 years of Zimbabwe's political independence from British colonial rule after 90 years of colonisation. Zimbabwe's struggle to attain majority rule was spurred by self-determination and a desire to bring development to the majority of its people. The struggle for independence, affectionately known as the liberation struggle or 'Chimurenga'/'Umvukela', rallied black Zimbabweans from across the ethnic divide to fight against a colonial system which disenfranchised black Africans. Soon after independence, the then ruling Zimbabwe African National Union (ZANU) government embarked on a programme of post-war reconstruction and development with the support of some bilateral and multilateral donors. In general terms, the process of reconstruction was fairly successful as the economy was re-capitalised and reintegrated into the world economy (Sichone, 2003).

Nevertheless, the beneficiaries of the colonial regime were embedded in virtually all sectors of the economy; particularly in agriculture, mining, manufacturing and commerce. The prevalence of these structural inequalities along racial lines and a dual economy meant that the post-independence government had to institute political structures that would break the duality and shift the balance of power from minority-facing institutions to majority-facing ones. Within the space of a generation, the country posted bright prospects for socio-economic transformation as well as a world record inflation rate of 231 million per cent. Along with the rapid macroeconomic decline, came the shift in Zimbabwe's internal politics. Mugabe's 1980 pledge to 'beat swords into ploughshares, so we can attend to the problems of developing our economy' did not only fail to materialise by the end of the second decade of independence, but de-investment in social services in favour of military spending meant that existing ploughshares were converted into swords.

Within the various epochs that characterised Zimbabwe's path to development, aid played a critical role in bridging the budgetary shortfalls;

particularly in the fields of health and education. Meanwhile, there have been various scholarly criticisms of development aid inflows into Africa on the pretext that aid is not achieving the intended development outcomes. While there have been many studies on how Zimbabwe's society, economy and politics have evolved over these four decades, there is no unanimity on why the processes of development and democratisation turned out to be more protracted and formidable than originally anticipated (Mandaza, 1986; Sachikonye, 2012). With alternating epochs of hope, dystopia and indifference, Zimbabwe's path to development has confounded expectations. This monograph attends to the critical questions of Zimbabwe's developmental path and the role that aid played since independence. Divided into two parts, the first addresses questions of development aid, its anatomy and criticisms and the three aid epochs in Zimbabwe's 40-year history. The second questions the politics of development in Zimbabwe and how various actors interact to produce development outcomes and the ever-changing role of the state in the development process.

1

Development Aid: Conceptions and Anatomy

The Conception of Development Aid

The issuance of development aid is arguably as old as society itself but is still a fairly new concept in its current form, in scholarly terms. There is general agreement that development aid is a legacy of the aftermath of the Second World War. The then Unites States Secretary for State, George Marshall, crafted an audacious plan (the Marshall Plan) to bail out European economies after a ravaging six-year war. The aid package which was in excess of USD50 billion was to assist in the reconstruction of the continent and in US President Harry Truman's words, it was supposed to 'make advances in American technology available for the benefit of all'. The Marshall Plan launched in 1948, was aimed not only at rebuilding Europe but also as a countermeasure against the spread of communism on the continent (Berger and Beeson,1998). Its overwhelming success in channelling resources from the United States to a war-torn Europe convinced many Western leaders that a similar transfer of resources to newly independent countries in Asia and Africa would likewise lead to rapid development and poverty alleviation. Thus, the roots of foreign aid are deeply embedded within the modernisation perspective which dates back to the era of the Marshall Plan.

While this monograph is not an attempt to redefine development aid, clarity over what it is and how it works is an important bedrock upon which arguments for or against it are framed, particularly in the Zimbabwean context. Gleanings from literature reveal that development aid in general terms, involves a voluntary transfer of resources in cash or kind from government or financial institution in more economically advanced countries to needy countries, the goal of which is to improve the human conditions in the receiving country (Ajayi, 2000; Lancaster, 2007). In terms of its sources, aid can be conveniently divided into three broad categories, that is, bilateral, multilateral and private. Official development assistance therefore, encompasses resources mobilised from any sources to tackle issues of a global nature such the Human Immune Virus/Acquired

Immune Deficiency Syndrome (HIV/AIDS), the recent novel corona virus induced COVID-19 disease, natural disasters, climate change, democracy and good governance, and support for economic and social transitions in former socialist countries.

Zimbabwe began as a high-aid-high-growth recipient in the first decade of independence where growth rates averaged 5%. The country, however, retreated into the low-aid-low growth stage with the period of radical authoritarianism from 2000 being the turning point. The momentum of development and social progress was lost as the nation morphed into a radical authoritarian state to retain power after retreating from liberalism to socialist populism at the end of the twentieth century.

Development aid as an instrument of statecraft

A close examination of both egalitarian and authoritarian behemoths reveals that they have political, economic, geo-strategic and self-interest motives in the allocation of aid. For countries that have capacity to issue aid, development in the recipient country remains a secondary objective to the self-interests of the aid issuers (Balci and Yesltas, 2005). The ultimate objectives of aid for issuing states are to catalyse trade, enhance access to extractive resources and political influence rather than to facilitate economic and social development of the recipient countries. Other studies involving cross country regressions with longitudinal data spanning two decades substantiated the assertion that 'bilateral aid allocations are made largely (for some donors) or solely (for others) in support of donors' perceived foreign economic, political and security interests' (Maizels and Nissanke, 1984: 891).

Thus, foreign aid has become one of the most puzzling innovations in the practice of foreign policy (Morgenthau, 1962). Precisely 40 years later, Therien (2002: 449) has pointed out that 'foreign aid is one of the most original political innovations of the twentieth century'. Since its origin in the form of the Marshall Plan and then throughout the Cold War period, aid was closely linked with and used as a foreign policy tool. The idea of aid in such a formal and institutional form was novel because there was no precedent for such financial incentives between states to win each other's allegiance in the modern era – it is generally now referred to as 'soft power'. The concept of soft power is generally regarded as the 'ability to affect others by attraction and persuasion' (Nye, 2018: 1). The extension of aid today nevertheless represents the transition from the exercise of soft power to its more radical form, 'sharp power'; which seeks to impair free expression, to compromise and neutralise independent institutions and to some extent, distort the political environment in recipient countries.

The increase in Chinese aid inflows to Zimbabwe through the 'look east policy' can be analysed from this perspective. China has been at the forefront of exerting sharp power through its doctrine of 'non-interference' with the affairs of the recipient countries. In both the Mugabe and the post-Mugabe era, China has been painted as Zimbabwe's 'all weather friend' through its aid and loan extension policy. The strategic approach of the Chinese has been to extend grants and loans to governments that have fallen out of favour with Western financiers without giving them any conditions on transparency or governance reforms. China has also been known to extend loans to governments that have no capacity to repay. Zimbabwe has indeed, received some beneficial loans and grants; some of them under secluded circumstances. Examples are funds for the construction of the new parliament building at Mt Hampden and the National Defence University (formerly the Zimbabwe Defence College) at a cost of USD100 million apiece. The National Defence University was completed in 2012 with a Chinese government loan to the Government of Zimbabwe while the New Parliament building is due to be completed in April 2021. But there is more going China's way than meets the eye. China has obtained concessions to conduct strategic mining projects in platinum, diamonds, gold and chrome among other minerals. Further, various Chinese companies have obtained lucrative contracts in infrastructure, power generation, airports, etc. with a combined worth in excess of one billion since 2015. Zimbabwe had, however, three of the several Chinese-funded projects temporarily suspended due to allegations of abuse of funds. These are the USD1.1 billion expansion of the Hwange power station, the USD153 million airport expansion and the USD71 million Net One telecommunications expansion projects.

Foreign aid inflows into African countries have also been characterised by allocation of funds into non-essential sectors at the discretion of the donors. To address problems associated with the misallocation of development aid, an Aid Quality Index (AQI) was developed that measures the quality of aid extended to developing countries through the use of four composite indicators:

- the proportion of donors' aid to Least Developed Countries (LDC);

- aid to agriculture and social infrastructure;
- the share of untied aid;
- and the proportion of grant element in donors' total aid (Mosley, 1985).

For every bilateral donor, the value of the AQI in any given year is the mean of these four indicators. Mosley's results showed that there were some good performers such as Norway and Sweden, which scored high according to AQI. However, as Mosley has shown, the majority of larger bilateral donors from the US, UK, and France, scored quite low, which implies that these donors allocated aid with their own interests in mind. Thus, the Keynesian perception that international financial flows are always political can be validated since aid is inescapably an instrument for state-sponsored foreign policy. Development aid is essentially, therefore, an instrument of statecraft.

Development aid and conditionality

The conditionality of aid has attracted attention as a contributory factor in reducing the effectiveness of development aid. Earlier scholars like Theresa Hayter in her controversial 1969 work 'Aid as Imperialism' points out that aid has never been an unconditional transfer of resources. She instead claims that donor countries or their proxy institutions often impose conditions that include:

- purchase of goods and services from the 'donor' country;
- avoidance of certain independent economic policy measures such as nationalization of foreign enterprises (especially without compensation); and
- pursuit of certain 'desirable' economic policies, particularly promotion of private capital and restriction of direct government intervention in the economy.

For Hayter (1969), development assistance is usually available to those countries whose domestic political arrangements, foreign policy alignments, foreign private investment treatment, debt servicing records, export policies, and so on are considered desirable, potentially desirable, or at least appropriate, by the aiding countries or institutions and do not seem to threaten their interests.

Leftwich (1994) also proposed three major conditionalities that define the granting of contemporary Western aid, which overlap with Hayter's propositions, but denote a move away from the 'hard' conditions. The pre-conditions for aid have remained relatively stable until now; encompassing use of development aid to foster the open market system and a competitive economy, the support for democratisation and the improvement of human rights and the insistence on accountability and good governance.

Development aid has also been touted to be a form of trade that occurs only between rich and poor countries. Developing countries were rewarded with aid during the Cold War if they aligned with the Capitalist West and against the Eastern Europe and China Socialist regimes. Both the UK and the US governments in the early 1980s refused aid to the Ethiopian government on the grounds that it was Socialist. There is a similar focus in US military aid in which development aid in the form of military assistance was sent to South America where right-wing governments used it to repress socialist movements that opposed US interests. Even with the end of the Cold War, there are still incidences where countries are still rewarded for promoting the particular interests of richer nations. Kenya was rewarded in 1991 for providing the US with port facilities during the Gulf War while Turkey was denied US aid for not allowing them to lease its air bases. Some of the acts of bilateral aid therefore, are in conformity with the argument that development aid is in actual fact, a form of trade in which richer countries 'buy' a variety of political and economic services from poorer countries.

The allocation of official US and UK aid has often depended on whether the political ideology of the developing country has met Western expectations and approval. Dependency theorists argue that the main point of aid is to make the recipients dependent on the donors. Many neo-Marxists like Easterly (2006), argue that along with aid packages comes Western values, advice, culture and aid merely ensures that the interests of West are maintained.

The World Bank and International Monetary Fund (IMF) are the largest of the IFIs and have pursued a neoliberal development agenda since the 1980s. The strings attached by the World Bank and IMF to development aid, loans and debt relief often make it harder for poor countries to tackle poverty effectively. Such conditions often force poor countries to undertake structural adjustment programmes, cut vital health and education spending, or privatise their public services, which provide opportunities for international companies to take these services over.

The insistence of the IMF and the World Bank on structural reforms in Zimbabwe as a precondition for development aid in the early 1990s confirms Hayter's (1969) and Leftwich's (1994) assertions that development aid is seldom given without conditions; especially if it is in large sums. Nevertheless, the insistence on preconditions is not an evil in itself if it does not put the donor country at an unfair advantage or reduce the efficiency of the economic system in the recipient country.

Development aid and growth

Historically speaking, the idea of altruism has been part of the practice of international co-operation, particularly during periods of crises, whether man-made political conflicts or natural calamities and disasters. Therefore, aid allocation has been justified on a humanitarian basis to those who lacked resources, particularly in times of disaster and emergency, i.e. earthquakes, fires, famines and floods (Abbott, 1973). However, the link between development aid and economic growth is not obvious. Big push theorists argue that extending aid in large quantities will lead to income creation and demand enhancement which in turn enlarges the market and lead to industrialisation (Rosenstein, 1961).

Domestic policies in the donor countries can also make it difficult to stop the issuance of aid. Government aid agencies are under pressure from their constituents to 'do something' about global poverty; a pressure fueled by a well-intentioned but often poorly informed domestic population. This makes it impossible for policy agencies to slash funding even though their implementing agencies realise the unintended ills that aid may cause. The process is recognised by politicians in both donor and recipient countries. Governments of the recipient countries will use their own vulnerable people as *hostages* to obtain donor assistance.

The connection between security and growth from the 1950s to the present day provides a common thread from which to gain a deeper understanding of the varied reasons for help. The Marshall Plan launched in 1948 was not only aimed at rebuilding Europe but also at preventing communism from spreading on the continent (Berger and Beeson 1998). In 1951, the United States adopted the Mutual Security Act, which made explicit the link between military and economic aid programmes and the technical assistance provided to 'underdeveloped' countries. Indeed, development aid was established in the sense of the Cold War and defence considerations and expanding spheres of influence dominated the discourse about the delivery of development assistance right up until its end (Alesina and Dollar, 1998).

While safety remained the dominant concern for issuing aid during the cold war, security risks have evolved since the disintegration of the former Soviet Union. Fears of communism have been replaced by other risks caused by global public ills like epidemics, environmental degradation, crime and insecurity. The 11 September attacks in 2001 spurred renewed US interest in development assistance, which enjoyed net growth from USD11.4 billion in 2001 to USD 27.9 billion in 2005. About half of this was distributed to Iraq and Afghanistan as part of the global onslaught on terror. Brainard (2006) points out that the presentation of development assistance to the US Congress as a ‘strategic defense system’ is clearly more effective than as a mechanism for poverty alleviation in far-off countries in order to secure aid funding. Studies show that development aid has a positive effect on donor countries’ exports and an undeniable effect on their economies in terms of economic growth and employment (Carbonnier and Zarin-Nejadan 2009; Nowak-Lehmann et al. 2009).

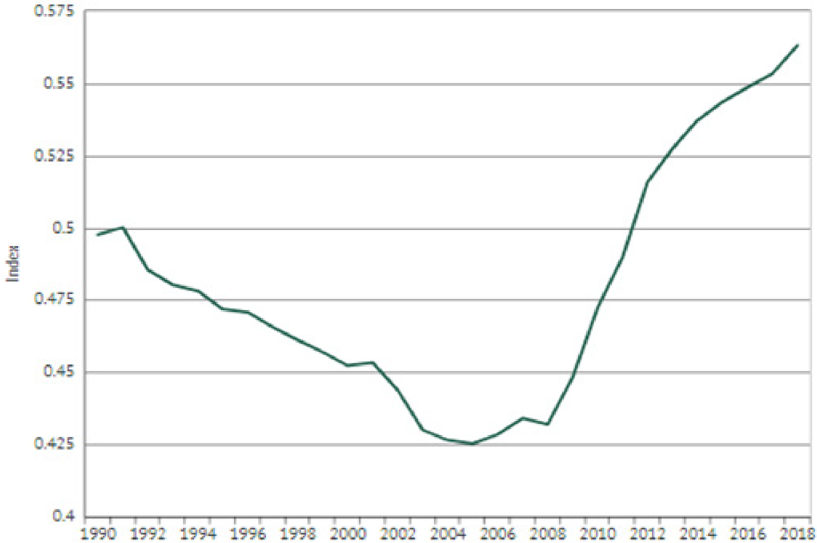
Martens (2001) argues that loans restrict the effectiveness of development aid because recipients have to repay them in the medium- or long-term. Even if the rate of interest and repayment conditions are well below market levels, these funds are only temporary. In the end, more money flows back into the coffers of the rich countries than they originally spent on assistance. The debtor country will almost always end up with a larger debit side of its balance sheet. So any increase in loan-based development assistance also implies an increase in the foreign debt of the recipient countries. Zimbabwe’s has a huge ODA loan debt averaging USD8 billion or 53% of GDP since 2000. While the initial loan extended may have been put to some good use, the debt that emanates from interest payments stifles domestic resource mobilisation.

Empirical evidence is mixed, with different studies reaching different conclusions depending on the time frame, countries involved, and assumptions underlying the research. Some empirical studies have shown that where aid has dominated, pride and ambition have given way to dependency and deference; and where targeted, public administration and services have either decayed or failed, deprivation and inequality have deteriorated and instability has prevailed (Sooge, 2002). Aid has a positive relationship with growth on average across countries, but with diminishing returns as the volume of aid increases (Radelet, 2006).

Developing countries with stable policies and high-quality public institutions have grown faster than those without them, 2.7% of GDP per capita and 0.5% of GDP per capita respectively (Burnside and Dollar, 2000). One% of GDP in aid usually results in a sustained growth of 0.5% per capita. Many countries with strong policies earned just a small amount of funding but still experience growth of 2.2% per capita. Good management, high-aid groups developed at 3.7% per capita GDP even faster (World Bank 1998). However, large aid inflows do not necessarily result in general welfare gains and the high expectation of aid may increase rent-seeking thereby reducing the expected quality of public goods. Moreover, there is no evidence that suggest donors take corruption into account seriously while providing aid (Svensson, 1998). A permanent rise in foreign aid reduces long-run labour supply and capital accumulation and development Aid has been shown to increase long-run consumption with no significant impact on long-run foreign borrowing.

There has been some scholarly investigation of the link between aid and economic growth in Zimbabwe. Siavhundu (2020) tested the link between foreign aid and economic growth in Zimbabwe using ordinary least squares methodology for longitudinal data spanning from 1991 to 2016. He found that during that period, foreign aid negatively influenced Zimbabwe's economic growth with a 10% increase in ODA leading to economic contraction by a factor of 2.2%. Siavhundu (2020), however, concluded that aid on its own does not present barriers to economic growth but root problems may relate to a number of issues such as the quality of institutions that are expected to complement the effectiveness of foreign aid. Mafuso (2006) also concluded that foreign aid granted to the Zimbabwean government made tremendous contributions to the economy but the stipulations that accompany aid impact negatively on the purpose of the aid. Regardless, Zimbabwe's total development as measured by the Human Development Index (HDI), continued to plummet from a high of 0.5 in 1990 to an all-time low of 0.425 in 2005. Thus, despite the development aid that was channelled into health and education, overall human development remained depressed due to declining levels of income between 1995 and 2005, the scourge of the HIV/AIDS pandemic, and other afflictions.

Figure 1: Zimbabwe's HDI since 1980



Source: Siavhundu (2020)

Despite the scanty evidence of the causal link between aid and growth, Cassen (1994) and Riddell (2007) tried to provide a meaningful justification for granting development aid. Aid works much better where local government initiates or internalises the reform, rather than when it is imposed by outsiders. Hence, aid is generally more effective when it encourages timely and productive changes caused by the local authority (World Bank, 1998). Foreign aid is regarded as available to countries whose internal political arrangements, foreign policy, alignments, treatment of foreign private investment, debt alignment, treatment of private investment, debt servicing record, and export policies are considered desirable (Hayter 1971: 72).

It must also be noted that large aid inflows do not necessarily result in general welfare gains and high expectation of aid may increase rent seeking and reduce the expected public goods quality. Moreover, there is no evidence that suggest donors take corruption seriously into account while providing aid (Svensson, 1998). A permanent rise in foreign aid reduces long-run labour supply and capital accumulation. Furthermore, it increases long-run consumption and has no impact on long-run foreign borrowing. Contrary to this, in the 'aid works camp', supporters of aid such as Joseph Stiglitz (2002), Jeffrey Sachs (2005), Paul Collier (2007) and Roger Riddell (2007) counter these arguments, charging that aid has brought more good than harm. They provide pragmatic examples where aid is not only needed but has also been effective. They cite countries that have received substantial aid with successful track records such as Botswana, South Korea, Indonesia and Mozambique. The aid conditionality is not sufficient and the penalties are not hard enough when recipient countries deviate from their commitments. In fact, Riddell (2007) claims that there are incentives for aid donating agencies to disburse as much aid as possible.

Moyo and Mafuso (2017) assessed the foreign aid that Zimbabwe has received since independence up to 2000. The empirical data shows that even though Zimbabwe has received large quantities of foreign aid, it has not been effective. It was also evident that, although Zimbabwe was able to have considerable growth in the 1980s it experienced a sudden decline in the 1990s. The data went on to show that Zimbabwe's crisis, which was guided by populist policies, led to the termination of aid by donors, and this in turn intensified the collapse of the economy, which was dependent on foreign aid.

The inability of the Government of Zimbabwe to entirely control its domestic policies without multilateral supervision renders aid inflows even more ineffective. Instead, as the IMF and World Bank's structural adjustment and staff monitored programmes show, donors dictate economic and financial policies, based on their own world views and interests. The structural adjustment programmes, imposed by the IMF and World Bank are a reflection of that reality. As already indicated this has worsened the economic crisis and deepened external dependency, while the conditions attached to such multilateral aid are the principal cause of the abject poverty affecting more than half of the African population. It is crystal clear that, much of the so-called aid given by Western countries and the loans made by multilateral institutions are not based on developing countries real needs, nor on any performance criteria, but primarily on the interests of donors.

There are, however, a number of examples where development aid, coupled with good institutions has led to massive poverty reduction, improved social services and competent public institutions (notable examples are South Korea, Botswana and Honduras). In a much larger number of countries (Zambia, Democratic Republic of Congo, Haiti, Sierra Leone, Somalia), Western aid has played a minor role in building an efficient public sector and in lifting large proportions of the population out of poverty. In some cases, states that were major recipients of aid are today struggling states (for example DR Congo, Sierra Leone, Somalia), (Sooge, 2002). However, two successful examples stand out in history, South Korea and Botswana, and these are looked at in detail.

Country Experiences:

The Korean experience with development aid

The development of the Korean state has been impressive (Evans, 1995). After the Korean War that lasted from 1950 to 1953, the country was devastated but in just fifty years, after a positive economic transition, it became a member of the Organisation for Economic Co-operation and Development (OEDC) as one of the world's most developed nations. Korean economic growth in the post-war period is partially due to well-managed development assistance, which as a recipient of assistance for much of the post-war period, the Korean government successfully utilised to overcome various domestic challenges through state-led projects designed to spur economic development (Kim, 2011). According to Korean government estimates, the country received USD12.7 billion between 1945 and the late 1990s, 'which helped spur economic development and decrease poverty' (OECD, 2008: 9). Aid to Korea was primarily provided by the United States, Japan and the European (DAC) members. Japanese loans issued in 1981 constituted the last significant aid assistance Korea received.

Syngman Rhee was the first president of South Korea after the Second World War and throughout the Rhee era, the South Korean economy was deeply troubled with chronic economic stagnation and a government often tainted by corruption and incompetence (Kim, 2011). The use of aid in South Korea was also a product of negotiation between the donor (who in this case was predominantly the US) and the recipient Korean government.

Regardless of the billions pumped into the Korean economy in the early years following the Korean civil war, foreign aid was far from transformative. The Rhee government appeared unable to efficiently use foreign aid for sustainable national economic development purposes, seeing it instead as emergency relief, helping to sustain social, economic and political stability by providing for the basic needs of the Korean people.

During the reign of General Park between 1961 and the time of his assassination in 1979, South Korea positioned itself in the fast lane to development with impressive growth rates. This is because the new government's approach to development assistance changed drastically with all foreign loans invested to support diverse sectors of South Korea's economy, including agriculture and fishing, manufacturing, and infrastructure. In particular, the greatest amount of public loans was used to fund industrial ventures, import capital goods, and develop infrastructure (including energy, housing, transportation, communications, and other services). For example, Kim estimates that approximately 57% of the $US230 million loaned under the US Agency for International Development (USAID) programme was allocated to building basic social infrastructure between 1958 and 1966. Further, the Park administration often used public loans to finance heavy and chemical industrialisation projects which became full scale in 1972 (Kim, 2011).

International assistance thus, played a vital role in the rapid South Korean national reconstruction after the Korean War. Unlike many developing countries receiving aid today where the whole process of aid management is often dominated by donors, in South Korea, the ownership and commitment of the South Korean government increased significantly over time. Since the Park era, South Korea's government has maintained a dominant position and power in management of foreign assistance, with limited external intervention.

Aid in Botswana: In the fast lane of development

Closer home, Botswana is touted as a success story where aid has contributed to broad-based socio-economic development. At Botswana's independence in 1966, it was one of the poorest countries in the world and dependent on UK grants for all of its development funding and much of its recurrent expenditure (Maipose, Somolekae and Johnston, 1996). It maintained one of the fastest economic growth rates in the world in the decades that followed, and is now a middle-income country with a GDP per capita of more than USD7000. While much of that growth was made possible by the significant mineral reserves of the country, particularly diamonds, international aid was a crucial resource that the government used strategically to build and diversify physical and social infrastructure.

Aid flows rose during the 1970s, from just USD4.9 million in 1970, as the government pursued assistance for major mining ventures, basic physical and social infrastructure, and education and training. By 1973, Botswana no longer required UK grants to fund the ongoing budget, and consequently evoked all aid capital to development activities. Total assistance peaked at almost USD240 million in the 1980s, or about USD200 per capita, making Botswana one of the world's highest recipients of per capita assistance (Maipose, Somolekae and Johnston, 1996). After averaging around USD140 million between 1980 and 1992, aid has subsequently declined steadily as donors have reduced assistance and closed resident missions. The major sectors receiving assistance have been human resource development, transportation, agriculture, and emergency food relief.

Until the early 2000s, capital assistance attracted the highest level of aid but declined in the late 1980s as donors moved away from physical infrastructure projects. The second most important form of assistance was technical co-operation; it has dominated since the late 1980s. It reflects the high priority that government and donors assign to addressing the qualitative and quantitative aspects of the manpower shortage that the country has faced since independence, and the change in focus to institutional issues. Centralised aid management has several positive consequences: it ensures that donor projects coincide with government priorities, it allows for full accounting for counterpart and recurrent costs, and it facilitates donor co-ordination.

In terms of aid ownership, described by a Paris Declaration on Aid Effectiveness Monitoring Survey (OECD, 2011), as its ability to effectively lead its own development strategies and organise development actors across the region, Botswana received a rating of B. In this grade, the five-point requirements (with A as the highest score and E as the lowest) are related to the nature of a country-wide development programme, the degree to which goals are set, and whether or not policies are expensive and related to a budget. Part of the success of development aid in Botswana came, therefore, from the high commitment to ownership as in South Korea. The result was that aid, coupled to other sources of revenue like diamonds, put Botswana in the fast lane to development.

Four broad views have emerged to disentangle the complex relationship between aid and growth. These four broad views on the effect of foreign aid on economic growth are that:

- development aid increases investment finances investment, and adds to the capital stock,
- development aid increases the capacity to import capital goods or technology,

- development aid does not have an adverse impact on investment and savings and
- development aid increases the capital productivity and promotes endogenous technical change (Morrissey, 2001).

Singh (1985) also found evidence that, when state intervention is not included, foreign aid has positive and strong effects on growth. Burnside and Dollar (2000) pointed out that in a good-policy environment, aid works well. This has significant policy implications in recipient countries for the donor community, multilateral aid agencies and policy makers. Good policies include strong government ownership and participation in the planning for development aid, high levels of transparency, zero or small budget deficits with a free trade system, a liberalised financial market and a policy that is welcoming to the private sector.

Reviews of Development Aid

While aid has been shown to contribute to long-term growth in a number of countries, there has been growing criticism of development aid for various reasons. From the outset, development assistance has incited animated debates about the underlying reasons which lead rich countries to provide assistance to poor countries. Scholars and politicians question the altruistic and selfless gestures aimed at improving the well-being of recipient populations. Some scholars push the agenda of privileged historical links and promotion of commercial or geostrategic interests as the reasons for extending aid or better still, they finance international co-operation to promote the production of global public goods and to manage risks which require global response. These questions have been attended to in greater detail in this part of the monograph.

Official Development Assistance (ODA) is seen by some as inefficient and by others as a waste of taxpayers' money. Several authors have argued that Development Aid can in fact have negative impacts and act as a barrier to sustainable development (Monga, 2009; Moyo, 2009; Nwokeabia, 2009). The points of criticism have not changed much in the last half-century; yet, despite the criticism, development assistance remains a key policy instrument in north-south co-operation. Since the 1960s, the value of development assistance has been repeatedly questioned by proponents of different schools of thought. Gong and Zou (2001) show that foreign aid depresses domestic saving, mostly channels resources into consumption and has no relationship with investment and growth in developing countries. Gong and Zou (2001) show a negative relation between aid and growth using an optimal growth model. Pedersen (1996) asserts that it is still not possible to conclude that aid affects growth positively. Pedersen argues that the problems lie in the built-in incentive of the aid system itself.

Since its emergence in the development field, criticism of development aid has been inspired by three basic ideological schools of thought, the neo-Marxist, the populist and the neo-liberal. Today, the aid system's most vociferous critiques seem to include an unwelcome fusion of these three schools of thought. For neo-Marxist opponents or the radical left, development aid is above all, a method for developed countries to control poor countries. Hayter (1971) claims in her controversial book *Aid as imperialism,* that aid provided by the World Bank and Organisation for Economic Co-operation and Development countries serves first and foremost the interests of Western nations and their multinational corporations. According to her, development assistance is a mechanism through which leaders of Western nations lay their hands on and appropriate the resources of developing nations. According to other critics, aid has contributed to consolidating a relationship of poor countries' dependency on the West (Charnoz and Severino, 2007). In the decades that followed, criticism of Teresa Hayter and similar critiques of the theorists of dependency were frequently echoed, although in a more complex way. The rise of China as a donor power has recently inspired similar critiques to those levelled at Western aid in earlier days.

At the end of the colonial period, the nationalist criticism made its debut. In 1956, Raymond Cartier who was one of the pioneers of this school of thought published three articles in *Paris Match* magazine under the heading, 'Beware: France is squandering its money!'. He criticised the sumptuous French investment in Africa in these articles and accused the colonies of being responsible for the economic backwardness of France (Meimon, 2007). He denounced what he saw as the abusive and questionable use of French aid after decolonisation (Foubert, 1973). According to the populist critique, it is better to devote tax payers' money to national economic and social priorities rather than wasting money on trying to provide ineffective aid to corrupt leaders in distant lands. Today, populist parties often invoke such arguments, particularly when called upon to vote on development co-operation budgets.

For its part, the neo-liberal criticism emphasises the perverse effects of aid. Development assistance contributes to the swelling of the staff of myriad and ineffective public administrations in the recipient countries according to this school of thought. It also serves to back corrupt and non-democratic leaders. Development assistance is also thought to distort economies, stifle entrepreneurialism and induce dependency among the recipients. Bauer (1971) claimed that development aid provided leaders of developing countries with disincentives for 'good policies'. Today, most authors who criticise development aid get their inspiration neo-liberal thinking and frequently supplement this with arguments put forward by other schools of thought (Easterly, 2006; Moyo, 2009). For instance, Zambian author Moyo (2009) denounces the relationship of dependence of the recipients on the donors and exhorts Africa to take its own destiny in hand and to adopt market-friendly policies that take inspiration from the neo-liberal school.

Since the turn of the third millennium, several NGOs working in the field of development co-operation have been very vocal in their criticism of aid, despite being one of the most ardent supporters of development aid in general. After the 2002 Monterrey Conference on Development Financing, there has been increasing opposition to the strategy employed by members of the OECD Development Assistance Committee, particularly in development aid spending figures that do little to help alleviate poverty or boost the well-being of communities in the region. For example, Action Aid International (2005) claimed that two-thirds of development aid received in 2003 was 'phantom aid' which did not make any positive contribution towards poverty alleviation. Indeed, 20% of aid funding was invested in ineffective technical co-operation whose inflated costs benefited primarily consultants from donor countries, while 14% of development aid went to service foreign debt repayments (Carbonnier, 2010). For the organisation, the foreign debt repayments were not anything more than a 'journal entry' in an accounting exercise. Still according to the organisation, development aid is often inflated by excessive transaction costs and costs of administering aid co-ordination. Furthermore, a growing part of development assistance is being used to fund the costs of hosting asylum-seekers in industrialised nations during the first twelve months of their stay.

Realists find that all states aim primarily to improve their wealth and influence. According to the realist school, aid as an instrument of foreign policy is driven by self-interest whereby donors decide to provide aid to expand their sphere of power, extend their market access and promote the interests of their ruling class (Jacquet, 2006). According to the neo-realist school of thinking, all states are more concerned with ensuring their stability and survival (Waltz, 1979). Since the international arena is viewed as an anarchic environment, the primary priority of the states is security. Development assistance is thus, painted as a tool to promote the political and economic interests of donor countries by enabling them to 'influence, reward or punish other countries' (Charnoz and Severino, 2007: 37). For idealists, development assistance is above all an ideal and a moral imperative. For them, aid is selfless and motivated by humanitarian considerations and democratic values and as a tool against poverty and to protect human rights. For others, it is further motivated by feelings of guilt and is understood as a compensation for past wrong-doings. The idealist view of development assistance is often dismissed as naïve; its weakness lies in the fact that it dissociates aid from its historical and political context (Charnoz and Severino 2007).

Despite all the criticisms levelled at development assistance, the international community (donor and recipient governments, international organisations) keeps insisting on the necessity of maintaining or increasing the volume of development aid. They recognise that results fall short of expectations and that there is a very real need to improve the yield and effectiveness of aid. In order to justify ODA budgets, development agencies highlight the international solidarity imperative and the fight against poverty. Since the end of the Cold War they also emphasise the necessity of intervening in a concerted manner to deal with global challenges including climate change, terrorism, migration and epidemics (Thompson, 2017). They also invoke economic and commercial interests to promote ODA. The discourse of aid agencies is inspired as much by the idealist approach as by the neo-realist approach of aid as a foreign policy instrument.

The most vociferous African critiques of development Aid come in the form of Dambisa Moyo's book *Dead Aid: Why Aid is not Working And How there is another way for Africa*. At root, her most basic criticism is that Official Development Aid has not actually generated significant economic growth in recipient countries. According to Moyo, the most aid-dependent countries have exhibited growth rates of minus 0.2% per annum over the past 30 years. Looked at as a whole, Africa has had over $1 trillion dollars of aid money pumped into it over the last 60 years and not much good to show for it. Moyo therefore expected countries that are recipients of aid to grow regardless of the policy on governance regime in those countries.

Peter Bauer, who was considered a pioneering critic of foreign aid, believed that government-to-government aid was neither necessary nor sufficient for development, as it only entailed the danger of increasing the government's power, promoting corruption and the misallocation of resources, destroying economic incentives, eroding civil initiatives and dynamism (Park, 2019). Bauer (1971) persistently criticised the big push model (Rosenstein-Rodan, 1943), which provided the intellectual support for allocation of aid to stimulate economic growth. He argued that donors do not know which investments are appropriate for developing countries and that aid not only fails to jump-start growth, but actually hinders it.

Perhaps Easterly is the most prolific aid critic since the turn of the twenty-first century and his ideas are expressed in a series of books. The central theme of his (2006) book, *The Elusive Quest for Growth*, is that incentives matter: despite all the efforts and money spent in the developing world trying to remedy extreme poverty, donor countries have repeatedly failed because they have neglected the fundamental rule that individuals, businesses, governments and donors respond to incentives. In *The White Man's Burden*, Easterly (2006) argues that existing aid strategies do not provide accountability or feedback, but the problems are never fixed without accountability, and without feedback from the poor, no one will understand exactly what needs to be addressed. Easterly (2013) claims in *The Tyranny of Experts* that development experts consider poverty in technical terms and focus on fixing immediate problems without tackling the political oppression that caused the problems in the first place. This then justifies the Leftwichian assertion that politics should be brought back into development studies which, for too long, had been left out by development experts.

Using longitudinal data spanning fifteen years (1996-2010) from 52 African countries, Asongu (2012) provided robust evidence of a positive aid-corruption nexus and concluded that development assistance fuels corruption on the African continent. According to Moyo (2009), at least 25% of World Bank Aid is misused and one of the worst examples is in Uganda in the 1990s where it is estimated that only 20% of government spending on education actually made it to local primary schools.

Moyo (2009) argues that growth cannot occur in an environment where corruption is rife and suggests a number of ways in which corruption can retard growth. Corruption leads to worse development projects, corrupt government officials award contracts to those who collude in corruption rather than the best people for the job and this results in lower-quality infrastructure projects. Foreign companies will not invest in countries where corrupt officials might siphon off investment money for themselves rather than actually investing that money in the country's future (Thompson, 2017). Aid is corrosive in that it encourages exceptionally talented people to become unprincipled, putting their efforts into attracting and siphoning off aid rather than focussing on being good politicians or entrepreneurs (Easterly, 2002).

A final neoliberal criticism of development aid is that too much aid money is spent on salaries, administration fees and conferences. Not only are these often secretive and not open to account, but this also means reduced money spent on actual development. The aid industry employs hundreds of thousands of people worldwide and this has led to some referring to aid agencies as the 'lords of poverty'; in which the persistence of poverty and the issuance of development aid is ironically, in the interests of the bureaucratic agencies or thousands of people would be out of work. In an extreme statistic, Sogge (1996) claims that for every one dollar (USD1) donated to African countries, the donor country makes fourteen dollars (USD14) in profits through various trade policies that work in the favour of the donor countries.

Sometimes, top-down assistance is pointless for the countries that receive it! Much Official Development aid has focused on monstrous projects such as the construction of dams and roads that have damaged the environment and resulted in social injustices (Thompson, 2017). Much criticism of development aid therefore, stems from the difficulty of tracing the causality of development and the quantum of development aid as well as the conditionality that characterises much of bilateral or even multilateral aid. Despite the criticisms, aid remains a strong foreign policy tool to enhance social and political development in recipient countries.

2

Development Aid in Zimbabwe

Zimbabwe's three aid epochs and the attendant development outcomes

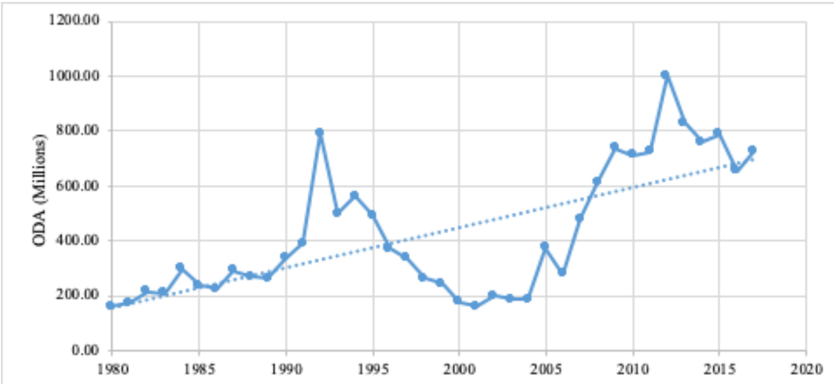
The extension of development aid to Zimbabwe can be conveniently divided into three distinct epochs depending on the local conditions in the recipient country. Various bilateral and multilateral agencies have extended development aid to Zimbabwe since its independence in 1980. These primarily include the World Bank, the IMF, the AFDB as the key multilateral players and the US, the UK, China and the Nordic countries.

The Unites States Agency for International Development (USAID) has provided more than $3.2 billion in development assistance to Zimbabwe since 1980 and has focused on strengthening Zimbabwe's health systems, improving standards of living, supporting democratic processes, and enabling economic growth (USAID, 2020). Early USAID contributions to the country's development included providing loans for home construction for over 40,000 low-income households, investing over $170 million in factories and farms to increase the productivity of industry and smallholder farmers, supporting community-based natural resource and wildlife management, and funding thousands of Zimbabweans to attend university in the United States.

As in many countries across Africa, there was an alarming spread of HIV/AIDS in the 1990s. USAID has co-ordinated with the Government of Zimbabwe and international donors to provide HIV/AIDS antiretroviral drugs and prevention services to reduce the national HIV infection rate from 26% at its peak to 14% today. The development aid extended to Zimbabwe has been fluctuating but steadily rising since 1980. Figure 2 shows the trend of flows of multilateral aid in Zimbabwe.

World Bank Data for various years since 1980 shows that the allocation of development aid to Zimbabwe has been slowly rising over the years although pockets of highs and lows exist. It is also clear that the period between 1980 and 1995 were generally characterised by positive growth except for those years that suffered severe drought. This period coincides with Equity Growth, the National Transitional Development Plan and the Economic and Structural Adjustment Programme. So it can be argued that these early policies were moderately successful in so far as they delivered positive economic growth rates despite some obvious shortcomings.

Figure 2: Trend in multilateral aid flows into Zimbabwe



Source: Constructed from World Bank Data.

Using the same analysis, it can be said that economic blueprints that were implemented from 1996 to 2008 were dismal failures. From 2000 to 2008, the Zimbabwe government took a number of policy missteps, among them an unplanned and chaotic land redistribution programme that resulted in hyper-inflation, the near total collapse of the economy, a massive humanitarian crisis with seven million people on food aid and a third of the population migrating to other countries; especially South Africa (Munangagwa, 2009). This resulted in the intervention of the South African government and eventually a government of national unity (GNU) with the opposition Movement for Democratic Change (MDC) following the hotly contested elections in 2008 in which ZANU-PF lost a parliamentary majority. The three aid epochs are hereby assessed closely.

The first aid and development epoch: 1980 to 1990

Zimbabwe's first epoch of aid and development which ran from 1980 to 1990 was shaped by three main forces: a dual economy with deep seated structural inequalities; externalities which include destabilisation by apartheid South Africa, crippling droughts and falling commodity prices and internal political conflict which seriously affected development in Matabeleland during the mid-1980s. The government of Zimbabwe hosted the Zimbabwe Conference on Reconstruction and Development (ZIMCORD) in Harare from 23–27 March 1981 and it targeted financial support from the international community to help the country stabilise and lay the groundwork for sustainable development into the future.

In the first decade of independence, the new state's development priorities were buoyed by the windfall of development support. This happened within the UN framework of 'the decade of development in the global south' which was launched at the same time that Zimbabwe attained independence and the new state was quickly admitted into the UN system. The hostility of the Cold War was also gathering momentum and Western democracies were keen to see the transformation of former socialist revolutionary party governments into absolute democracies. As a result, aid came in avalanches to the new state to stop it from regression into socialism in a reincarnation of the Marshall Plan mentioned above; a move that saw the then Prime Minister Robert Mugabe being knighted by the queen of England in recognition of his advances towards democracy and social progress.

Table 1: ODA to Zimbabwe from the IMF, World Bank and AFDB, 1980-1990 (USDs).

Year	IMF	World Bank	AFDB
1980	0.00	0.00	0.00
1981	0.00	104 917 535.80	0.00
1982	0.00	45 478 573.51	25 342 914.53
1983	0.00	133 760 761.05	57 229 136.30
1984	2 058 441.00	36 467 117.09	0.00
1985	0.00	9 668 219.07	67 798 983.37
1986	0.00	10 000 000.00	0.00
1987	0.00	0.00	0.00
1988	0.00	130 121 817.97	28 612 977.32
1989	0.00	0.00	19 286 995.95
1990	0.00	127 243 010.98	145 017 034.56

Source: Constructed from World Bank Data.

The IMF, the World Bank and the African Development Bank assumed the role of the largest multilateral aid donors to Zimbabwe; a country that barely received any aid during the colonial period. Within two years, Zimbabwe was a recipient of at least fourteen bank loans and four IDA credits totalling USD657 million for reconstruction and development (Dashwood, 2000). Of those loans, at least USD51 million was channelled to the development of the agricultural sector; particularly in the communal areas that had been a victim of the dual enclave and starved of investment in public infrastructure and market linkages for almost a century. Further, USD136 million went to the rehabilitation and expansion of the manufacturing sector with a focus on export-oriented businesses; USD150 as channelled towards expansion of energy generation while in excess of USD141 million was channelled towards the development of the transport sector. Other smaller allocations went to micro projects in urban development and support to micro, small and medium enterprises (Dashwood, 2000).

While the 1980s could be viewed as a decade of prosperity in relative terms, particularly when measured by social indicator changes, the drawback was the high cost in terms of large, unsustainable budget deficits, whose negative effects were initially concealed behind a myriad of economic-wide controls but could not remain hidden for long. Apparently, the average growth rate of 4.3% per annum in Zimbabwe in the 1980s was sub-Saharan Africa's envy for Africa during the so-called 'lost decade'. On closer inspection, however, one could discern problems with this trend in growth. For instance, formal employment marginally grew at just 1.9% per annum over the period. Although not high on a global scale, Zimbabwe's growth rate during the eighties was higher than that of sub-Saharan Africa as a whole.

The second aid epoch and structural adjustment years: 1991 to 2000

The second epoch of aid and development ran from 1991 to 2000. The decade is famous for the structural adjustment programmes (SAPs) that were implemented at the recommendation of the multilateral financial institutions particularly the IMF and the World Bank, in response to rising debt obligations. However, despite the involvement of World Bank in Zimbabwe, the structural adjustment programmes show the absence of neutrality from multilateral institutions. The IMF's adoption of their policies was necessary to attract foreign capital. The structural adjustment programmes shifted the focus from relying on domestic resource mobilisation to relying on donor funds and this was driven largely by the need to solve the ever-growing balance of payments deficit.

From 1991, the government of Zimbabwe implemented the Economic and Structural Adjustment Programme (ESAP) whose key elements according to Kanyenze (2004) were:

- A radical shift from an import substitution oriented economy to an open-market system anchored on export-led growth;
- Monetary policy reform that entailed market-determined interest rates and the removal of barriers in the financial sector;
- The establishment of a one-stop investment promotion centre –the Zimbabwe Investment Centre;
- The commercialisation of public enterprises in order to facilitate autonomy in business decision-making on issues such as investment, pricing, accountability and efficiency in the utilisation of resources; and
- Liberalisation of the labour market to allow free collective bargaining between labour and employers.

While the government vigorously pursued trade liberalisation under ESAP, it stalled on public-sector reforms. The government failed to adhere to the internal logic of the reforms. For example, fiscal stabilisation, which was required up-front, was never seriously attempted because the government found it politically difficult to reduce its expenditure (Makina, 2010). The result as an avalanche of development aid mainly from multilateral institutions like the IMF, the World Bank and the AfDB as shown in Table 2.

Table 2: Multilateral aid inflows to Zimbabwe, 1991-2000 (USDs)

Year	IMF	World Bank	AFDB
1991	0.00	62 386 243.86	15 218 604.29
1992	216 150 000.00	299 810 150.15	180 428 222.49
1993	65 656 168.00	226 592 641.86	31 966 823.47
1994	76 642 125.00	0.00	11 090 644.20
1995	75 492 900.00	0.00	11 686 232.22
1996	0.00	32 990 742.50	0.00
1997	0.00	4 037 287.79	1 940 910.99
1998	53 802 392.00	5 796 928.56	39 074.27
1999	32 233 993.00	88 856 697.27	0.00
2000	0.00	0.00	0.00

Source: Compiled from World Bank Data

Over the years, the government incurred persistent budget deficits which were used primarily to support recurrent expenditure rather than investments in infrastructure or productive assets. As a result, the debt burden increased significantly. Up to 1994, Zimbabwe's total debt (domestic and external) was less than 60% of GDP, but from 1995 total debt rose sharply, reaching 90% of GDP in 2000 (Makina, 2010). Overall, Zimbabwe received more than USD522 million from the IMF, USD1.3 billion from the World Bank and USD524 million from the African Development Bank between 1980 and 1999. Nevertheless, failure to productively invest development aid especially over the 1990-2000 decades resulted in the further weakening of the Zimbabwe dollar, with the exchange rates falling sharply from Z$8.45 to the US dollar in 1995 to over Z$100 to the dollar by 2000. Moreover, the slump in value of the Zimbabwe dollar was accompanied by a decline in the human development index from 0.5 in 1990 to 0.45 by 2000. By the end of the second aid epoch in 2000, the economy as on a free fall, fuelled by Zimbabwe's participation in the DRC war and the unbudgeted war veterans' compensation scheme. Thus, regardless of the quantum of financial resources that bilateral and multilateral donor agencies pumped into the country, the underlying fiscal policy environment and expenditure pattern guaranteed the failure of any development interventions.

Development aid in an era of radical authoritarianism

The third and final Aid epoch is the ongoing era, post-2000. The country's land reform programme in 2000 triggered declared and undeclared sanctions against Zimbabwe to which the ZANU PF government responded with a radical form of authoritarianism. The sanctions were imposed on Zimbabwe by multilateral financial institutions, the United States and the European Union meant that Zimbabwe was ineligible for access to financial and technical assistance. Suspension of its voting rights and suspension of balance of payments support exacerbated the situation. This meant that after 2000, Zimbabwe was isolated and this worsened the economic crisis in that country. Therefore, the crisis of Zimbabwe can be viewed as a break of ties between multilateral financial institutions and Zimbabwe.

In the era of radical authoritarianism, interventions and foreign aid has been interpreted through politicised and highly partisan lenses. Thus, the relationship between most aid agencies and the government has been very volatile, with aid agencies been criticised for meddling in local politics and being drivers of the regime change agenda (Gukurume, 2012). In this way, the State has regarded aid agencies as serving primarily the interests of their donor countries rather than being genuinely philanthropic. This is in line with Bird and Busse (2007) who argued that post-2000 international community humanitarian aid in Zimbabwe is perceived as politically motivated opposition support. It is against such a backdrop that the government suspended operations of various relief agencies from working within the boundaries of the country in 2002. The government then announced clearly its intention to regularise the aid community's activities and consequently aid agencies were forced to register if they wished to resume their activities. Since then, relations between the international aid community and the government of Zimbabwe have been characterised by mistrust (Bird and Busse, 2007).

It has been noted that in Zimbabwe there is a general misunderstanding about aid, most politicians see aid as an end in itself rather than as a means to an end, with the end being poverty alleviation and socioeconomic growth (Gukurume, 2012). To this end, Zimbabwe 's development assistance is rife with lack of accountability rendering it highly fungible by corrupt politicians who use it for their own primary purposes, such as obtaining political capital at the cost of national development purposes. The efficacy of Aid must first and foremost be measured by its contribution to poverty alleviation and eradication of inequalities, and its support for human rights, democracy and environmental sustainability. In sharp contrast in Zimbabwe, aid has been used to further totally contradicting goals. This is especially true with aid coming from China and other Asian countries which has been used on projects that violate human rights and democracy. China extended more than USD2.2 billion worth of loans to Zimbabwe between 2000 and 2017

Perceptions of foreign aid in Zimbabwe like in many other African countries have been shrouded in perceptive ambiguities, much like scholarly literature. Some actors view foreign aid as the universal panacea to a plethora of challenges confronting the Zimbabwean economy while other portray foreign aid as part of the problems. To this end, the majority of Zimbabwean people, particularly ZANU PF politicians have scoffed off foreign aid and accept it and the operations of NGOs with suspicion. It has been suggested that development assistance appears to establish and entrench patronage and donor-to-recipient client relationships. International aid flows to Zimbabwe have also plummeted considerably following the breakdown of ties between Harare and the Western capitals. ZANU PF has been found to have blamed most donor agencies for using their economic muscle to support Zimbabwe's regime change, thus the relationship between ZANU PF and foreign donor agencies has been characterised by constant tension and controversy (Gukurume, 2012).

Some sections of academia have argued that Aid tends to foster dependency syndrome and hence negatively impacting on the sustainable development of the receiving countries as discussed in earlier sections in this monograph. To this end, receiving countries have been reduced to passive consumers of the Aid provided by the donor countries. Ironically, the government even defaulted on foreign debt payments and reached the point that in order to clear the external debt, it would be competing for resources that could have been devoted to productive investment in health and social sectors. The steady deterioration of the economy since ESAP that got more and more pronounced from 1998 onwards led to widening budget deficits (Moyo and Mafuso, 2017).

In October 2000, the World Bank suspended lending to Zimbabwe due to the country's financial mismanagement and non-service of its debt obligations. Similarly, after its annual Article IV consultation in mid-September 2001, the International Monetary Fund called on Zimbabwe to clear the government's debts to various creditors in arrears before financial aid could resume. In 2001, the US Senate adopted the Zimbabwe Democracy and Economic Recovery Act (ZIDERA), which determined United States' foreign policy toward Zimbabwe and toward Southern nations that were sympathetic to Zimbabwe (Moyo and Mafuso, 2017). Zimbabwe was subjected to economic sanctions as a collective penalty on the incompetent ruling party for its poor human rights record and irreversible but controversial land reform program.

The debt per capita was USD 670 between 1980 and 2001 meaning that every Zimbabwean citizen did owe USD 670 to the donor community (Moyo and Mafuso, 2017). It is possible that borrowed development assistance might have contributed to the improvement of the economy in Zimbabwe and better social services for the majority of the population. Rather, its contribution towards improvements in the economy and social service provision was negligible yet the debt kept ballooning. In 1970, the overall external debt ratio to gross national product (GNP) was 12.5% but in 2000, it phenomenally rose to 56%. At this time, development aid was coming from China, India, Japan, Indonesia, Iran, South Africa and even Botswana, but it could not ameliorate the heavily crippling debt burden that saw the nation moving steeply into socioeconomic decline and hyperinflation.

While relations between Harare and the US and the EU remained sour since 2000, the point of departure is the GPA signed between the three former viciously contested political parties, namely ZANU PF, MDC-T and MDC-M. With the GPA, the political contestants were committed to ending the animosity, divisions, conflict and bigotry that dominated Zimbabwean politics and society in recent times. The historic GPA, signed on September 15, 2008, led to a 'inclusive government' being formed and the country joined the family of nations once more after a decade of isolation. Nevertheless, the GNU was to be short lived and the period of polarisation resumed again, with implications on the delivery of development aid. Post-GNU, Zimbabwe has been a recipient of humanitarian assistance and other grants meant to address issues of human rights, climate change and good governance with islands of excellence in those fields. The injection of foreign aid into Africa and Zimbabwe in particular has without doubt, materially benefited the African people and regardless of the criticism, aid remains a necessary evil to African problems and development challenges.

3

The Politics of Development in Zimbabwe

The first and second parts of this monograph addressed the questions of aid, its anatomy, the criticisms and the three aid epochs in Zimbabwe since independence in 1980. This third and final part attends to the critical questions on how politics shape development; the role of the various vectors in development processes, and the morphing of the Zimbabwean state into a radical authoritarian apparatus in the third millennium. It concludes with a proposal on how the country can better harness aid and return to the path of development.

Leftwich (1994, 2006) proposed that politics should be brought back into the development arena since it remains central in the development equation. Politics may better be interpreted as a mechanism, or a series of connected processes, not limited to certain sites or institutional locations like parliaments, courts and congresses or representatives such as politicians or bureaucrats. Politics is much like economics and represents a common and essential mechanism that includes all collective human action and does not presuppose structures of government and governance. Although structured decision making in and from public institutions can be the most important expression of politics (especially in developed, stable, and modern politics), it is still – and must be – a process found in all human groups and organisations. Leftwich (2006) claims that if politics consists of all the activities of co-operation, negotiation and conflict in decisions about the use, production and distribution of resources, then the politics of development is about changing not only how resources are used, produced and distributed, but about how decisions are taken, and the politics which sustain, implement and extend them.

By the dawn of independence in 1980 Zimbabwe had one of the most structurally developed economies and state systems in Africa (Hazlewood, 1967) and was classified as a middle-income country. In 1980, Zimbabwe's Gross Domestic Product (GDP) per capita stood at USD1,105.39 as almost equal that to China at USD1,551.9.10 The country's diversified economy was anchored on extensive agricultural production and an advanced manufacturing sector contributing almost 25% of GDP and 17%

employment by 1981 (Sachikonye, 2003). Cross (2014) also asserts that in 1980, Zimbabwe came to life with all the ingredients for success, a good climate, a well-educated elite, a balanced, mixed economy with abundant mineral resources and the full support of a global community that wanted the country to succeed. Not long after independence, failure to manage the politics of development on the part of the ruling ZANU-PF saw the country recede into dystopia.

After independence, the ruling elite discarded alliances with their allies during the *chimurenga* i.e. the peasants and workers. Instead, without the ability to run the economy, the ruling class formed a new alliance with white capital (Murapa, 1977) which was crucial in stabilising the economy and establishing a course of industrial growth, rooted in agricultural production and manufacturing. However, by 1997, the state was exposed to criticism over low economic performance, misuse of the war victims' compensation fund, and labour demonstrations over the impact of the transition programmes introduced in the 1990s.

Zimbabwe's radical authoritarianism has nurtured conditions of enormous concentration of power in the party-state to the detriment of accountability and transparency in governance resulting in unchecked corruption and significant misappropriation of public resources that should have been invested in development (Bratton, 2014). Shumba (2016) conceptualises Zimbabwe's state apparatus as a 'predatory state' in which there is party and military dominance in the state; state-business relations shaped by domination and capture; and state-society relations shaped by violence and patronage. Shumba (2016) further alleges that the political elite in partnership with foreign crime syndicates extracts high rents from the state and economy and thus destroys the opportunity for growth.

Nevertheless, it can be argued that while the rulers were on an anti-developmental course, Zimbabwe continued to maintain some residual stability, thanks to its settler colonial capitalist legacy, even during the years of its collapse. However, the problem of this power retention strategy and accumulation model is that it undermines sound economic governance and continues to enable the predatory capacity of the state. And when, the fiscal capacity deteriorates, the state often turns to the printing press with drastic hyperinflationary consequences, which further hurt business and its poorest citizens, leading to growing opposition to the ruling elite. In turn, facing opposition, the ruling elite invests in the hyper-development and consolidation of the repressive apparatus, which becomes the dominant political force and beneficiary of supposedly collective goods. Bratton (2014:7) opines that because autocrats rely on repression, they inadvertently strengthen the hand of the armed forces, who, in turn, are able to claim a share of both economic bounty and political decisions.

The parasitic nature of accumulation is oriented towards opportunistic short-term rather than long-term production, often leading to the implosion of the predatory state. There is a strong argument that the latter requires an economy which continues to function at a minimum level in order to allow the elite to engage in predatory practices, that is, a predatory state has to be 'sustainable'.

For Zimbabwe to return to the path of growth, the rules of the political game and agreement about the rules are fundamental. Stable polities are characterised by lasting consensus about the central rules of politics which in most jurisdictions, are developed through intense competition over long periods of time. As one study has pointed out, a 'consolidated democracy' is a political regime in which a complex system of institutions, rules and patterned incentives and disincentives has become predictable and provide everyone with a chance for equal participation (Linz and Stepan, 1996).

In the modern world, the rules of the game are normally expressed in formal institutional agreements, that is in constitutions, which formally specify the rules governing competition for, distribution, use and control of power and the procedures for decision making and accountability. These may be federal or unitary, presidential or parliamentary; they may define terms of office and election timing. Yet all these formal structures are often accompanied by broader informal institutional dimensions reflected in community, political culture, and ideology that can play a critical role in preserving unity as well as adherence to laws. If politics, as described above, consists of collaboration, negotiation and conflict about decisions on the use, production and distribution of resources, then development policy is about changing not only how resources are used, produced and distributed, but also how decisions are made and how policies maintain, enforce and expand them. To better understand how the politics of development shape the development process itself, the concept of development is thus, discussed.

Development discourse: The epistemological evolution

Theories on modernisation and economic development originate from the classical evolution of social change (Giddens, 1991; Smith, 1974). The industrial revolution during the eighteenth and nineteenth centuries prompted the pioneers of development economics (particularly Karl Max, Max Weber and Emile Durkheim) to develop theories that attempt to explain the social and economic transformations initiated by this revolution. Two major themes of traditional modernisation theories were economic development and frequent social change, ideas that continue to influence modern development theories. After the Second World War, four major schools of thought, namely, the linear-stages-growth model, theories and patterns of structural change, the international-dependence revolution and the neoclassical, free market counter-revolution dominated literature on economic development.

Rostow's five-stage model of development and Harrod-Domar's growth model dominate the linear-stages-growth approach. Rostow (1960) argues that there exist sequential steps of development or modernisation in any society. These steps are linear and are identified in an ascending order as follows: the traditional society, pre-conditions for take-off, take-off, drive to maturity and high-mass consumption. During the first stage of development known as the 'traditional society phase' in the Rostow model, the economy is dominated by agriculture with traditional production systems and is therefore stationary. Traditional societies were a characteristic of the Newtonian era, and most economies have since passed this phase of economic development. In the second stage of Rostow's model, that is, during pre-conditions for take-off phase, traditional agriculture is transformed into modern agricultural practices. Rates of investment start rising, thereby initiating dynamic economic development and making the primary sector redundant.

The conception of development has changed considerably from the classical period when it was equated with economic growth. For classical thinkers, development was limited to the outcomes which were defined by macroeconomic metrics such as gross balance of payments (BOP), domestic product (GDP), gross national product (GNP) and other measures of national income. The rise of neo-liberal development thinking in the late twentieth century, however, pitched development beyond economic growth to include broader structural transformation, democratisation and the expansion of human freedoms and capabilities (Sen, 1999; Stiglitz, 2003). Todaro and Smith (2015) note that 'development must therefore, be conceived of as a multi-dimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty'.

Development, in its essence, must represent the whole gamut of change by which an entire social system, tuned to the diverse basic needs and evolving aspirations of individuals and social groups within that system, moves away from a condition of life widely perceived as unsatisfactory toward a situation or condition of life regarded as materially and spiritually better. Development has thus, shifted to include both the principal means (participation by the state and various non-state actors) and the outcomes. Development is in this monograph, conceptualised as a transformative process in which a society moves from the most rudimentary forms of economy; hunters and gatherers to modern industrial societies that are fully integrated within the global economy. This implies that development is inescapably about change which entails economic transformation, social progress and political transition.

The role of NGOs in Zimbabwe's development

Instead of relying on loans of IMF and other international institutions that impose conditions and remittances beyond the nation's ability to bear them, some countries allow NGOs to partake into the formulation, design and implementation of development projects as they do not require any pre-conditions, instead they become just one of the vectors of development in the country. What makes them more effective is that they do not only offer their financial assistance, they also empower the less advantaged in the population by promoting good governance, and advocate for human rights, environmental protection and sustainability, fight against abuse of vulnerable people (children and women) and encourage participation of the population in development processes. Unlike bilateral donors who will often inject funds into corrupt governments, NGOs have research departments and policy units, which can respond to known problems with or without governmental intervention. Yet, for the sake of transparency, shared responsibility and risk sharing, they include local government. In developing countries, like Zimbabwe, NGOs can be a source of change as they play a role in advocacy and at times, act as part of civil society to exert external pressure on governments and foreign donors to engage in more important matters. In Zimbabwe, NGOs bridge the gap between the government and their donors within a context in which government agencies have a dubious reputation and are subject to fiscal abuse from central government.

The role of the state in development

With the epistemological shifts in the conceptualisation of development, so has the role of the state evolved. In the twentieth century, the idea of the state as an agent of development became part of the official policy of Western colonial powers in the interwar years (Leftwich, 1994). Development does not happen of its own accord, and certainly not with the speed and continuity that is required if a real and sustained improvement in human welfare is to be achieved in the course of a generation (Wylde, 2017). In classical development thinking, the role of the state was conceived of as ensuring an enabling environment to stimulate growth. Classical scholars envisaged a limited role of the state or the minimalist government in which the state mediates the economic contest between labour and capital. The same thinking was reflected in former US president Thomas Jefferson's inaugural speech when he said:

> …a wise and frugal Government which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of (labour) the bread it has earned (Jefferson,1801).

Thus, Jefferson considered it wise for government to stay out of economic affairs beyond its nominal function as a referee in the contest between labour and capital. In the modern world, however, entrenched structural rigidities that impinge on the development of certain sectors of society require the state's a more active role. Indeed, the state can be described with the help of two analytical dimensions: as a product of conflicting interests, it is as a manifestation of structures which lay down the framework for its mode of functioning; as an arena for interaction and conflict, it is as an actor in its own right (Martinussen, 1996). In other words, the various actors and processes interact together to produce the politics of development, with good politics (almost always) producing desirable development outcomes, while bad politics produce the opposite.

An analysis of the behaviour of the Zimbabwean state (especially from 2000), reveals that the it behaved like Weberian actor, who after facing political pressure from the opposition MDC, actively pursued its own survival goals and that of the ruling ZANU-PF party, and has continued to do so to date. Myrdal (1968) posits that the state remains the most important engine of economic progress and structural change. Moreover, he does not believe that the state in its current format in many African countries, would be capable of underwriting large structural and economic changes, but could, nonetheless, be recreated through political discipline and comprehensive administrative transformation.

After the Second World War, development economics saw growth and poverty reduction as technical problems. Economists would provide the knowledge that would tell the newly independent rulers how to bring prosperity to their people. If development economists thought about politics at all, they saw politicians as the guardians of their people, motivated by the promotion of social welfare. Politics as an end in itself, as a means of civic participation, or as a way of managing conflict was not part of their operations manual. Nor would development experts much concern themselves with the fact that, in many cases, the governments through which they were working had interests of their own that made them improbable partners in a broad-based development effort.

There have been dissenting voices over the years, but it is only relatively recently that mainstream development economics has focused on the importance of institutions, including political institutions, and on politics itself. The notion that the state has much more than a minimal supervisory role has been central to development theory and practice in the post-Second World War era, and has also been an article of faith of economic planners and development economists (Roberston, 1984; Leftwich, 1994).

In the 1960s, the decolonisation process brought about the recognition of the state as a unit of political organisation through which state building and development efforts would be achieved. The main perception of development during this period was captured in the concept of backwardness (Hettne, 1995). Hence development was seen as synonymous with economic growth (Thorbecke, 2006). Development economists during this period widely held that a large injection of capital generated through savings or international aid was necessary to achieve economic growth. The backbone of these theories drew from Keynesian economics and the Harrod-Domar model, which held that the GNP depends directly on the investment rate and inversely on the capital output ratio. However, an interventionist state as emulated by the national elite in industrialised countries, mainly the US, was seen as a central agent and guarantor of the development process (Knuttson, 2009).

Thus, instead of a total rollback of the state in economic development, the relevant question now is: what is the appropriate nature and scale of state intervention desirable for economic development? Two main views emerge. The first relates to the ‘facilitative role’ that the state can play in a country’s economic development. The second is associated with the ‘directive interventionist’ role of the state. The democratic state represents a state whose ideology is based, among others, on the views of neoclassical economists who believe that when individuals and firms are allowed to operate freely in an economy characterised by perfect competition, the ‘invisible hand’ of the market is able to determine the optimum allocation of a country’s resources. Together with this, it is assumed that the market is able to achieve optimal social welfare because, as individuals and firms maximise their own self-interest (profits), they will unintentionally maximise social welfare (through, *inter alia*, providing employment, and taxes to fund the provision of social services).Given this assumed efficient functioning of the market mechanism, government intervention in the economy is viewed as inefficient not only because of bureaucratic blockages, but also because of its tendency to distort market prices and cause misallocation of scarce economic resources. Therefore, in this view, the state should ideally withdraw and take a backseat in economic affairs (Sentsho,2001).

In this scenario, the state is expected to play only a facilitative role in economic development. This involves the provision of a ‘business-friendly’ and ‘enabling’ environment for the private sector. Within this framework, the private sector’s role is to determine the pace and direction of a country’s economic development, while the state only acts when the market fails. The latter happens when it comes to the provision of goods and services that, because of their non-rivalriness and non-excludability, are not profitable enough to be provided by the private sector. These include the provision of public services such as defence, education, health and infrastructure, setting up the required legal and institutional framework for the protection of private property; promotion of technological research and development, support of the financial sector through the work of the central bank; environmental protection; provision of the needs of those not favoured by the market system; and finally, macroeconomic management (Sentsho, 2001).

The 'Direct Interventionist State' is associated particularly with the economic development of some east Asian countries, particularly Singapore, South Korea and Taiwan. In these countries the visible hand of the state was creatively and innovatively combined with the invisible hand of the market in order to achieve the required economic development. This approach was motivated by the belief that '…markets and governments are both imperfect systems; that both are unavoidable forces of realty; that the operation of each is powerfully influenced by the existence of the other; and that both are processes unfolding in real time' (Rodrik, 1997). Thus, for these countries, the traditional dichotomy between governments and markets loses its meaning.

State capacity and the delivery of development outcomes

Whilst the state's role in development has attracted much attention, its capacity to realise desired development outcomes has not. The state operates within an interactive environment, and it must therefore be examined within that context. It is inadequate to deride state intervention and the real issue lies in studying the circumstances in which states succeed or fail. Coined by historical sociologists, such as Charles Tilly, state capacity originally referred to the power of the state to raise revenue. Nevertheless, it has evolved to capture the wider range of competencies that the state acquires in the development process, which includes the power to enforce contracts and support markets through regulation or otherwise.

Painter and Pierre (2005) argue that the required capacities for contemporary states to formulate and implement public policies is not the same as the ones that were important in the context of the 1960s and 1970s. Acemoglu (2005) asserts that when the state is excessively strong, the ruler imposes such high taxes that economic activity is stifled. When the state is excessively weak, the ruler anticipates that they will not be able to extract rents in the future and under-invests in public goods. According to these authors, state capacity is created and supported by two modes. The first one is endogenous to the state and the system of government that may be able to formulate and implement policies. In a classical example of the failure of the state to facilitate development, China withdrew funding for three projects after Zimbabwean authorities withdrew funds from an escrow account for other uses. In response, China suspended funding for the USD1.1 billion expansion of Hwange coal-fired power station, the USD153million airport extension project and the USD$71 million NetOne telecoms expansion project (GCR, 2019).

This monograph goes beyond the outlined conceptualisations of state capacity and avers that the concept includes not just the technical and bureaucratic capacity but the political acumen to entice a greater number of citizens to buy into its development agendas for sustained periods of time. Moreover, the concept of state capacity envisaged in this monograph includes such enticement that increases the quality of citizenship through inculcating the values of solidarity, patriotism and nationalism. Thus, the governing capacities would be associated to the government's abilities to make decisions and define strategies to allocate resources, efficiently manage the necessary resources for the delivery of results, and mobilise society's support and approval of its actions. The second aspect of the authors' concept of state capacity is associated to the nature of state-society relations. Within this perspective, state capacity is the result of the construction of institutions that allow social participation in state actions, with due attention to the maintenance of those that are not captured by parochial political interests. The state-society relationship plays a decisive role in the concept of state capacity, resulting in a greater plurality of actors and interests that are components of state action.

This monograph builds on the perspective of Evans (1993, 1995) in the conceptualisation of state capacity. In this instance, it is regarded not only as the characteristics of the state's machinery of delivery but also by how it is related to the social structures that influence the nature and pace of development (Evans, 1995). Thus, the author claims that the association between autonomy and state capacity should not always be understood as positive. On the contrary, connections between private sector and public bureaucracy should be established for economic structural transformations. Evans (2011) also argues that the effectiveness public policies in democratic states would demand more embeddedness.

Nevertheless, the capacity of the Zimbabwean state to reward innovation and competitiveness is largely dwarfed by a coterie of historical and ongoing complexities. Rather than wealth creation through production and new services, Zimbabwe's economy is hinged on income generation through redistributive mechanisms based on political connections for the elite and through trading on the margins for the majority of the citizenry

(Mills, 2010).The process of structural transformation cannot take place without a social contract between those who govern and those who are governed and it has been elusive due to contestations over electoral outcomes since the MDC entered on the political fray in 2000.

While the government needs resources to carry out its primary functions such as preserving territorial integrity and maintaining its monopoly of legitimate violence, at the very least, and beyond that providing a legal system, public safety and other public goods, such resources that these functions require must be raised in taxes from the governed. Often, the quantum of taxes collected depends on the goodwill of the taxpayers particularly for a dominantly informal economy like Zimbabwe in which the majority of businesses are not fiscalised. The difficulty of raising such taxes from an unfiscalised informal sector places constraints on the government and to some extent, protects the rational self-interests of taxpayers.

During the early stages of development, states foster co-ordination, facilitate interdependent investment decisions in orchestrated networks of producers and suppliers, establish public development banks and other institutions for long-term industrial finance, and nudge firms to upgrade their technology and move into sectors that fit with a national vision of development goals (Bardhan, 2016). On the other hand, Leftwich (2000: 7) asserts that for the state to execute its functions, it must have the capacity to act as

> …a central co-ordinating intelligence or co-ordinating capacity which can steer, push, cajole, persuade, entice, co-ordinate and at times instruct the wide range of economic agents and their groupings to go this way instead of that, to do this and not that...

In understanding the role of the state in development, it is imperative to conceptualise the various appellations of the state in state-led development. Kohli (2004: 2) distinguishes between three ideal types of state involvement in the development process: neo-patrimonial states, fragmented multiclass states, and cohesive-capitalist states. The former are the least effective at state intervention, a classic example for which is Nigeria as well as many other Sub-Saharan African states. Fragmented multi-class states are a middling category with various degrees of effectiveness in facilitating latecomer industrialisation; better than neo-patrimonial states, but certainly less effective than cohesive-capitalist states.

The last category can be most closely associated with the developmental state paradigm, which can therefore be seen as the most effective model for effective state intervention in the development process. Alongside state minimalism, classical development economists widely held that a large injection of capital generated through savings or international aid was necessary to achieve economic growth. Theory of the Big Push model of development which is credited to Rosenstein-Rodan (1943) was originally used as the justification for foreign aid. The big push theory hypothesises that increased aid and investments in developing countries can kick start savings and investment, promote growth and reduce poverty.

The key challenge for countries pursuing catch-up development like Zimbabwe is to create and maintain a minimum institutional architecture that protects private property, enforces contracts and rewards innovation (Tabellini, 2004). Leftwich (1994) argues that an effective public capacity for promoting development is not a function of good governance, as currently understood, but of the kind of politics that can alone generate, sustain and protect development. Beyond the wisdom of a Weberian bureaucracy with embedded autonomy, the developmental state should contend with democratisation pressures, ecological limits, ideological contests and epistemic shifts in development thinking beyond the supremacy of the 'growth imperative' (Williams, 2014: 8). Yet, away from the developmental state as an alternative ideal, Roger Southall's *Liberation Movements in Power: Party and State in Southern Africa* (2013) reveals the disappointing experience of southern Africa's liberation movements in power in terms of the character of governance and improving the quality of life for their citizens.

Towards a trajectory of *developmentalism* in Zimbabwe

This second part of the monograph has taken the position that state capacity is a prerequisite for development to occur regardless of the amount of aid pushed into the country. Moreover, in its current form, the capacity of the Zimbabwean state to lead the country into a structurally transformed state is seriously compromised by both internal and external factors. The existing mix of political and economic institutions are dominantly extractive and are not capable of producing broad-based development in their current form regardless of who is in power.

Hence, the political requirement for broad-based development to oversee a process of structural transformation is not only a set of agreed, consistent and coherent institutional rules of the political game, but rules which both encourage and allow the politics of development to be mooted and sustained into the medium term. The trajectory towards a culture of what can be termed *developmentalism*, or the propensity to superintend rapid structural transformation will therefore, only take off if the country addresses its structural limitations in the political system. This includes but not limited to a government that receives and maintains widespread buy-in in the medium term and reforms in the technical capacity of state institutions to be independent and efficient in their discharge of duties and these are explained.

Looking back at politics

While hopes ran high at independence and many appellations including the 'breadbasket of Africa' and 'the jewel of Africa' were thrust upon Zimbabwe, 40 years into independence, the country finds itself in a low-income trap, a position of stagnation at a low-level equilibrium. Getting out of this trap will probably not be a function of electoral outcomes regarding who has won or lost elections but on whether the new order receives and maintains widespread political buy-in from citizens and institutional economic actors. As it stands, the ever-increasing hostility between the ZANU-PF party and opposition parties, mainly the MDC Alliance mean that the country can hardly attract significant aid and investment from outside or even from within. Moreover, the hostilities mean that the country can barely attract significant development aid to be channelled not only into the productive sectors but also into interventions to help reform the institution of governance.

The technical capacity of the state

The technical capacity of the institution of the state is also of paramount vital in the development process. Meanwhile, Zimbabwe like many low income countries, offers very little to international investors beyond precious metals due to the high cost of doing business, sponsored by poor road and rail infrastructure, underdeveloped financial markets, shortages of quality human capital due to the brain drain, and a relatively small domestic market. The same ills thus, affect the technical capacity of the state to facilitate development through co-ordinating investment and structuring revenue collection models and profit repatriation mechanisms in ways that benefit local development. Beyond an outdated education and training policy, the politics of patronage and neopatrimonialism and a massive brain drain of trained professionals contributed towards the decline in state capacity. The improved management of development aid can thus, only be achieved with improvements in state capacity.

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