



Publication		
BUSINESS DAY		
Page	Date	AVE (ZAR)
7	Wed 17 Apr 2019	25517.86



COMPENSATION

# Mnangagwa makes right move on farms

When Emmerson Mnangagwa assumed office as president of Zimbabwe in late 2017, one of the immediate tasks he had was to rebuild an economy that had performed poorly for nearly two decades.

At the heart of this process was a need to revitalise the agricultural sector, which collapsed after the ill-conceived land reform in the early 2000s.

To this end, Mnangagwa's administration leaned on the Command Agriculture programme – a specialised farmer support programme that provides farming inputs and equipment to smallholder farmers – which was championed by Mnangagwa when he was deputy president of Zimbabwe.

The programme did yield

some level of success (although good weather conditions also deserve some credit), as the country's maize harvest reached 2.2-million tons in 2017. This was the biggest maize harvest since 2000.

However, it was an expensive programme, and it was clear the government might not be able to sustain it for long. At some point, there would be a need for private sector investment and financing services to the Zimbabwean farming sector.

Mnangagwa had foresight in that he knew that it would be nearly impossible to successfully draw investment into Zimbabwe unless the socioeconomic matters surrounding land reform were resolved. Hence, a few months into power he announced that the Zimbabwean government would, at some point, address

injustices committed during the early 2000s land reform programme. But this matter went under the radar for a few months as Zimbabwe struggled with other socioeconomic challenges.

In early April, the subject of compensating white farmers who lost land under former president Robert Mugabe resurfaced – not only as political rhetoric but also backed by numbers. Last week, Reuters reported that the Zimbabwean government had set aside \$17.5m in this year's budget for the initial compensation programme.

When I read the story I was a bit hesitant if there would really be a follow through. But earlier this week, Mnangagwa was quoted in another article published in Business Day, essentially conceding that the budgeted amount would not be



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sufficient to compensate all farmers. This time around, the Zimbabwean government would prioritise elderly white farmers when the process starts in a few months.

While it is still too early to tell how everything will unfold, the fact that there is a budget allocation suggests the Zimbabwean government is perhaps serious about its reform agenda this time.

But some people might find the timing of this compensation procedure a bit odd given that the government has recently

indicated that it needs about \$613m in aid from local and foreign donors to cover food imports and help with a humanitarian crisis, following a severe drought and a cyclone that battered the east of the country.

Although this is a tough trade-off, I would contend that the government's approach is critical for boosting credibility and confidence on its reform agenda. In the long run, if credibility and confidence are improved, Zimbabwe could begin to receive investments, and maybe a rethink of sanctions by other countries, and subsequently much-needed economic growth.

Moreover, Mnangagwa's focus on the agricultural sector as far as land reform developments are concerned, is the right approach, not only because this is a sector that was

at the centre of land reform in the early 2000s, but because of agriculture's large contribution to Zimbabwe's GDP and employment. Any improvement in agricultural investments and production would have far-reaching positive spin-offs in the near term. In the long run, however, the country would have to explore growth-stimulating policies in other sectors of the economy.

Overall, anything that is reconciliatory and aims to restore confidence in Zimbabwe's policymaking is a step in the right direction – towards rebuilding the country and, perhaps, meeting the expectations that some people had when Mnangagwa assumed power in 2017.

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