

Social and Economic Justice in Zimbabwe

The Zimbabwe Coalition on Debt and Development Newsletter

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of the World POPULATION

CONCERTED EFFORTS NEEDED TO FIGHT INEQUALITY

82% of WEALTH worldwide is owned by...

By Clarity Sibanda

s the world leaders and the elite met in Davos, Switzerland, from the 23rd -26th January 2018 for the World Economic Forum, ordinary citizens who could not afford to be there managed to host local events in response to the Davos meetings. In Harare, Zimbabwe, ordinary citizens convened on the 24th of January 2018 at ZIMCODD Offices to push for their Agenda of Action Against Inequality which ran under the theme 'End the Age of Greed'.

The meeting was organised by ZIMCODD in collaboration with Fight Inequality Alliance to bring together activists and organisations to come up with possible solutions to tackle inequality worldwide. This came after the realisation that inequality explosion (in both developing and developed countries) is one of the biggest crises which is threatening human development; hence the urgent need to address this structural anomaly.

According to an Official from OXFAM, Mrs. Fadzai Traquino, in 2017, 82% of wealth created worldwide was owned by 1% of the world population. Ironically, the wealth of this 1% is built through exploitation of low paid workers whose wages are below the poverty datum line in the countries they are operating in, especially China, where there are gross violations of labour rights.

The inequitable distribution of resources has compelled organisations such as Fight Inequality to fight the age of greed in a mission to have an equal society where workers enjoy decent working conditions and wages and a society where the richest companies pay their fair share of taxes instead of evading it.

According to a research titled Reward Work, Not Wealth: To end the inequality crisis, we must build an economy for ordinary work, OXFAM notes that, there is lack of political will by some Governments to close the inequality gap. The research quotes the words of the Nigerian President Buhari speech during the 2017 UN General Assembly where he said, "We must be mindful, and focus on the widening inequalities within societies and the gap between the rich and poor nations. These inequalities and gaps are part of the underlying root causes of competition for resources, frustration and anger leading to spiralling inequality". What is perhaps disappointing to note is that in Nigeria, the proceeds of

recent economic growth have gone exclusively to the top 10% of the rich, while poverty and inequality have increased. 10 million children are not in school and one in 10 women die in child birth.

One participant who attended the public meeting bemoaned the Government's venture into Public Private Partnerships especially on healthcare provision which has made access to affordable health care a preserve of the few. Mrs Chikwanha an ardent HIV/ AIDS activist highlighted that the limited stock of medicine (e.g. ARV) and other essentials such as syringes, limitation of viral load machines for people living with and affected by HIV was indeed a cause of concern.

Prince Mupindu who was representing the youth cluster expressed the grave concern on the increasing unemployment rate in the

INSIDE THIS ISSUE

 Critical And Theological Expressions On Curbing Illicit Financial Flows
Desirous To Uphold Women's Social & Economic Rights In The Extractives Sector
Anjin Return? An Acid Test For The New Dispensation
Reviewing And Mapping Out The Extractives Sector Strategy
Vagari veSpitzkop Vogara Vakabatira Hura Mumaoko country especially among the 18-35 years age group, a situation which has created desperation among young people with some resorting to drug and alcohol abuse. A student at a local university spoke about the harrowing experiences in tertiary institutions where some women suffer sexual exploitation. The presenter noted that, due to poverty most young women end up engaging in commercial sex work to eke a living.

Poverty Reduction Forum Trust's Director Mrs Judith Kaulem noted that inequality is

a global problem that needs global solutions while highlighting that the Sustainable Development Goals (SDGs) are aimed at addressing global inequalities with SDGs four and ten emphasizing on the need for member states to ensure that every human being does not live in poverty and is not deprived of basic needs. Kaulem also noted that governments have a responsibility of reducing in equalities through formulating and implementing deliberate policies that protect all marginalized groups.

Participants went on to outline a society they envision where they noted that there has to be fair taxation and eradication of tax havens. They also called upon Government to subsidise sectors such as health, education and other sectors delivering essential social services.

Each year in January, global political leaders and business elites meet in Davos at the World Economic Forum, to look for alternatives in addressing global economic challenges. However, the ordinary citizens are not represented there, thus a new movement called the Fight Inequality Alliance has been formed to tell the lived experience of the poor as a way of trying to redress the current socio-economic inequalities around the world.

CRITICAL AND THEOLOGICAL EXPRESSIONS ON CURBING ILLICIT FINANCIAL FLOWS (IFFS)

By John Maketo

I write this reflection because the church is invited by the Bible to be the salt of the earth and the light of the world. This is not an easy task because it calls the Church to be a highly educated institution, a listening. articulate and conversant with trending socioeconomic and political issues. The reality, however, shows that literature on how one may link religion, citizenship and development is scarce, and this situation punishes the Church in its dealing with many burning social and economic issues.

Nevertheless, when we read through some church's writings and teachings, we find that care for God's creation and natural resource endowment is one of the issues that focus on the economic, political and social concerns of humanity including illicit resource outflows with an emphasis on recovery of stolen assets. (*ISamuel 30:8*)

The Church and other faith based organizations has a diaconal mandate to be the legitimate prophetic voice of the people especially the poor and marginalised, and to speak on socio-economic justice issues, as per Holy Scriptures in the Bible.

Africa loses more than fifty billion US dollars annually as a result of commercial tax evasion, trade and abusive transfer pricing. The Agenda 2063, the Africa We Want Aspirations, gives us hope to continue dreaming that Africa can be:

- Prosperous based on inclusive growth and sustainable development;
- An integrated continent, politically united and based on the ideals of Pan Africanism and the vision

of Africa's Renaissance;

- A Continent that enjoys good governance, democracy, respect for human rights, justice and the rule of law;
- → A peaceful and secure Continent;
- ➔ A continent with a strong cultural identity, common heritage, values and ethics;
- A Continent where development is peopledriven, unleashing the potential of its women and youth;
- A strong, united and influential global player.

These aspirations will not be achieved if our governments sideline the church and if the church distances itself from natural resource governance and stewardship. Despite being prone to illicit financial flows, the Africa's mineral sector is the key source of revenue that can effectively catalyse sustainable development of our continent. However, it has served and continues to undermine the continent's aspirations for peaceful and inclusive societies based on the prudent and sustainable use of mineral resources. The Africa Mining Vision, adopted by the Africa Union in 2009, aims at ensuring transparent, equitable and optimal exploration of African mineral resources to underpin broadbased sustainable growth and socioeconomic development of our continent.

The church must not remain ignorant or adopt an indifferent approach with regards to critical information on how the Illicit Financial Flows (IFFs) are directly affecting the provision of public services such as schools, clinics, affordable housing, sanitation, security, water and social protection to people they lead and shepherd. The Africa Mining Vision becomes a vocation where the applied understanding of being a good shepherd is the role and responsibility of a good leader, where the position of power is used not for self-benefit, but to service the people as steward with good judgement.

The Church and other faith based organizations, also have a moral obligation of encouraging African people to believers, the Church has the moral obligation of providing teaching, counselling and direction to the government and to those governed (Mat 28: 18-20). The Church must know or have information on laws determined by the government concerning the payment of taxes from those who explore natural resources at country level, so that she can influence and call for accountability on the process because: "The earth is the Lord's, and all its fullness, the world and those who dwell therein" (Ps 24:1). The earth is created, sustained and redeemed by our God. We cannot claim to love our God while abusing what belongs to Him by right of creation, redemption and inherence.

> It is important that as people of faith, we remind ourselves that God is the c r e a t o r a n d sustainer of the universe; this is a kind reminder of o u r r o l e a n d responsibility as people of faith. We must be aware that God bestowed the stewardship role of His

creation to humankind, and as stewards of His creation, we are called upon to exercise our stewardship around issues of tax justice and social protection. Church leaders must be reminded that all the injustices in the world are a result of sin (*structural sin*), therefore we are called to denounce systems which perpetuate injustices. It is our mandate to speak against injustices and immoral issues (*Prov. 31: 8-9*)

As Church leaders we have an i m p o r t a n t r o l e a n d responsibility to stop excluding ourselves on the table of discussions on governance of natural resources and illicit resource outflows; Therefore:

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- We must actively participate in the tax justice initiatives at national, regional and global levels. We must challenge ourselves, as faith community, to speak against any form of inequality and injustice being perpetuated through illicit resource flows;
- We must open our churches' spaces and platforms to partner with the tax justice movements to debate and loudly speak against illicit financial flows, abuse of power and all forms of injustice in Africa.
- We must use faith community platforms to promote teaching about moral upright living, just systems, love and care of fellow human beings and the environment, equal distribution of resources, transparency and accountability;
- We must exercise our moral authority to demand, not to beg for justice, to demand the right answer, to do the right thing and to demand equality for all;
- → We must demand an end to corruption; and, finally,
- I would like to conclude this reflection by quoting Dr. Agnes Abuom of the Anglican Church in Kenya:

"The Church is the only solid organizational structure outside government since the colonial era, Therefore, Church leaders must reclaim their place as a sanctuary of unity not just for churches but also for civic society and other i n s t r u m e n t s o fgovernance" (2005:79).

And the Holy Bible exhorts us: "Fellows, let us not grow weary while doing well, for in due season we shall reap if we do not lose heart." *(Galatians 6:9)*

May God continue to bless Zimbabwe and its people!

be good citizens who obey the authorities and pay their taxes on due time (*Romans 13:1,6-7; 1Pet 2:13-16*), but beyond that,

on due time (Romans 13:1,6-7; 1Pet 2:13-16), but beyond that, to consistently ensure the government must, in turn, implement progressive and people's centred taxation legal frameworks that will enable fair redistribution of collected revenue to finance socio economic development.

The Churchhas a responsibility to respond to the above call, because as Jesus' disciples and as a body of

DESIROUS TO UPHOLD WOMEN'S SOCIAL & ECONOMIC RIGHTS IN THE EXTRACTIVES SECTOR

Staff Reporter

ZIMCODD stands in solidarity with picketing women in Hwange. Our position being: Hwange Colliery Company Limited (HCCL) must honour the salary obligations of its employees

Mindful, that Hwange Colliery Company's role in the economy of Zimbabwe is of strategic importance, as coal is a vital source of energy in the country. Destabilisation in the company affects many livelihoods and downstream industries. ZIMCODD and its coalition partners are concerned by developments at the giant mining company. Since January 29, 2018, over 1000 women spouses of Hwange Colliery Company Limited (HCCL) workers have been staging a sitin at HCCL premises protesting against the Company's failure to pay their husband' salaries dating back to 2014. Protracted negotiations between HCCL and its employees has failed to yield any positive results with the company reneging on its pledge to stagger outstanding salaries accrued since 2014, therefore exposing the employees to unfair labour practices including wage theft which has serious social and economic repercussions. In the context of the deteriorating conditions the community is facing undernutrition of children under the ages of five, food insecurity and health crisis whilst the negotiations to secure their deserved income are ongoing and protracted. Risks of diseases outbreak are increasing as the protesting women have no access to healthy water and sanitation services.

Acknowledging that, Hwange Colliery Company is a mainstay of the livelihoods of the majority of community members in the coal mining town but due to failure by the HCCL to pay its workers, most families have been hit the hardest by the economic crisis as they rely on the provision of income to secure their basic needs. Concerned, that woman who are naturally the family primary caregivers are bearing the brunt and some of them have been subsidising the family by engaging in menial jobs. It is also appalling to note that the community has been exposed to food insecurity, and a looming health crisis while some have joined the oldest profession (commercial sex work), therefore exposing themselves to sexually transmitted infections which the Government and development partners have been making efforts to contain.

The Zimbabwe Coalition on Debt and Development (ZIMCODD) and its partners stand in solidarity with the picketing Hwange women who have endured the social and economic hardships for a just cause. We believe that social and economic justice is possible in our lifetime and thus the Government of Zimbabwe (37% shareholding in HCCL) must stand true to the sentiments

made by his Excellency President Mnangagwa in his inaugural speech that our timeless goal and aspiration is to better lives for everyone. The leaders have got the mandate to ensure that the impasse at HCCL is urgently addressed.

This dialogue meeting has been strategically slated for this day; a few hours after the World commemorated the International Workers' Day where we get to celebrate the huge role played by the working class. As we continue pondering on the May Day celebrations which for us is the festival of the distressed, the Government must ensure that the plight of workers are addressed and ensure that workers' rights are placed before profit. We also pay respect not only to the workers of the world but also Hwange women who have participated in the demo and have been resilient in the face of injustice.

Therefore ZIMCODD and the coalition partners here present make the following demands:

1 Current Board to resign for they have failed to resolve the impasse at HCCL.

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- A commission of inquiry to look into the issue of Hwange employees.
- An immediate Forensic audit of the Hwange Colliery Company Limited.
- Uphold the citizens' rights as enshrined in the Constitution including the right to human dignity, freedom to demonstrate and petition, freedom of expression and the right to human dignity. No h a r a s s m e n t o f demonstrators
- 5 HCCL must honour its obligations towards the employees and relieve their spouses and dependants from undue suffering. Wage theft is an economic injustice. Payment of 5 years salary with a lump sum of \$10,000 upfront.

Marange. One interesting observation was the fresh fence erected on Anjin diamond's concession, air strip clearance and the presence of the Chinese on the ground. A worrisome development. Is Anjin coming back?

ZELA's Executive Director, Shamiso Mtisi remarked that the involvement of the army in business is not a challenge. In other countries, for instance the army is an active player in the economy. What matters is a strong dosage of transparency and accountability which is critical to deliver benefits to citizens and not to a few powerful individuals.

To win public trust and confidence, government must move with speed to align mining legislation with Section 315 (2) (c) of the Constitution to deliver transparency and accountability in the negotiation of mining contracts as well as performance monitoring of the mining contracts. In addition, government must urgently embrace the Extractive Industry Transparency Initiative (EITI) to enable the public to track various taxes paid to government institutions by mining companies. Transparency and accountability reforms in the mining sector are a key indicators to whether government is committed to curb corruption, to abide by the Constitution and to leverage the country's abundant mineral wealth for socio-economic turnaround.



By Mukasiri Sibanda

In the rear-view mirror of Zimbabwe's political and socioeconomic narrative, Mugabe image looms large. But is the windshield clear enough for accelerated progress? One important clue which can help to unravel this puzzle relates to how the new government is managing the country's mineral wealth- platinum, diamonds, lithium and gold among others.

Of all minerals, developments in the diamond sector warrants a close examination. This is hardly surprising though. Diamonds, because of their characteristics, items of high value which are easy to carry makes the stones attractive to criminals. Money laundering risk exposure in the trade of diamonds is well articulated by the 2013 Financial Action Task Force (FATF) report.

Early this year, the blog I wrote on mineral revenue transparency reforms: priorities for the new government made an interesting analogy centred on 201 "Operation Restore Legacy" and 2008 "Operation Hakudzokwi" (no return to artisanal mining) in Marange. In both instances, the army moved in to restore order. In the end, the army gained significant stake in diamond mining and government. The army had a 40% stake in one of the biggest diamond mining companies operating in Marange, Anjin diamonds. The remaining stake was owned by Anhui Foreign Economic Construction (Group) Co Ltd (Afec) from China and Mining Development Company (ZMDC).

10% stake owned by Zimbabwe

Unarguably, the army's involvement in Marange did not deliver any tangible development outcome, the \$100 million defence college being the only exception. Likewise, the army gained key positions in the new government. Key office positions among other include the offices of the vice president, minister of agriculture and minister of foreign affairs and trade.

The history of Anjin's diamond mining activities is quite murky. From the Auditor General's 2011 report, it can be gleaned ZMDC was not committed to recover money from the proceeds of disposing 40% equity in Anjin to the army. In her 2016 report, the Auditor General failed to verify Anjin's diamond earnings because the company could not avail its audited books. During the peak period diamond exports by value and volume, in 2012, the former Minister of Finance, Tendai Biti singled out Anjin for not paying taxes. Zimbabwe exported 14,957,648.98 carats worthy \$740,998,088.16 in 2012 according to Kimberly Process public statistics. In July 2017, the Independent Newspaper reported that Chinese investors syphoned US\$255 million from Anjin.

Arguing that the nation was not fairly benefiting from her rich Marange alluvial diamonds, easy pickings, not so difficult to mine, government decided to consolidate the diamond mines in 2015. A process made easy because of the expired mining rights for all the seven diamond mining companies that operated in Marange. Government then saw it fit not to renew the expired mining rights. All thiswas done under the former Minister of Mines, Chidhakwa.

Some argued that the move was to constrain the Lacoste faction that was deemed to be profiting from Marange diamonds through the army's involvement. Lacoste was a ZANU PF faction allegedly led by Mnangagwa which was backed by the army and war veterans that was contesting with the G40 faction backed by the first lady, Grace Mugabe, to take over from Mugabe.

Chidhakwa, however, maintained that the main objective of forming ZCDC was to bring transparency and accountability in the management of Marange diamonds. That said, the objective was tainted by poor corporate governance as the Ministry of Mines through its former Permanent Secretary, Francis Gudyanga, baby seated state owned enterprise-ZCDC as the chairman of the ZCDC board.

On 20 April 2018, the Zimbabwe Environmental Law Association (ZELA) accompanied EU Ambassadors during their field visit to ZCDC diamond mining operations in

Staff Reporter

The Zimbabwe Coalition on Debt and Development (ZIMCODD), in collaboration with Friedrich Ebert Stiftung (FES), recently held an Extractive Sector Review and Strategy Mapping Workshop which ran under the theme 'Strengthening Community Participation in the Extractives Sector. The meeting held in Harare facilitated dialogue with mining communities in mapping a strategy for the mobilisation of a progressive and sustainable extractive sector that is responsive to community and environmental interests.

The meeting held under ZIMCODD's natural resources governance thematic area was driven by the realisation that communities are not deriving meaningful benefits from the exploitation of natural resources in their areas. ZIMCODD envisages that; if well managed, the extractive sector has the potential to improve communities' livelihoods, contribute to the national fiscus for financing of developmental programmes that have an impact on the realisation of social and economic rights. Emerging issues in the extractive sector such as rampant abuse of human rights, lack of transparency on mineral revenue, criminalisation of livelihood such as artisanal mining among other issues must be interrogated

Our Resources, Our Future: Reviewing and Mapping Out The Extractives Sector Strategy



"Zimbabwe is open for business" is the new Government's mantra and economic reforms such as amending the Indigenisation and Empowerment Act is underway. The new Act will confine the 51/49 Indigenisation threshold to only two minerals, namely diamonds and platinum. The Government is hungry for Foreign Direct Investment (FDI) and participants argued that it must also thirst to uphold the UN Guiding Principles and Business and Human Rights, a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations. This comes in the wake of several reports of human rights violations in mining communities marred by conflict, forced labour and government crackdowns.

Participants drawn from Hwange also shared insights on the salary wrangle between Hwange Colliery Company Limited and workers' spouses who have been demonstrating at the company's premises demanding their husband's dues owed by the coal mining giant. February 20th marked day 26 of the mass action and they have promised to stay put until Government resolves their grievances. Some of the submissions made during the deliberations include the following;

• There is need to provide equity for the present and future generations. Mining closure plans are optional in Zimbabwe therefore CSOs through their watchdog role must ensure that Mining closure plans are made compulsory.

 Mining companies must not continue leaving a legacy of environmental damage. The Government must employ strong mechanisms to safeguard the environment for the benefit of both the present and future generations. In Zimbabwe what we have is not Marikana but rather Maracana because Corporate Social Investment is linked with football at the expense of community development. (Maracana is a stadium in Brazil which underwent a renovation from 2010-2013 which resulted in it becoming the largest stadium in Brazil and the second largest in South America).

■ There is need to ensure tax justice in the mining sector, no to tax holidays. If Zimbabwe loses opportunities to garner tax revenue the nation would have lost a great opportunity for development.

■ The Government must ensure there is transparency on mining contracts; the open data policy must be embraced.

■ The Government must urgently move towards formalising Artisanal Small Scale Miners (ASSM) considering that this sector supports the livelihoods of thousands of people.

Exploration costs for ASSM are very high and there is need for Government to urgently revise these.

■ Ease of Doing Business should reflect elements of promoting ASSM.

The extractives strategy developed during the meeting will be useful in the lobby for a turnaround from the extractivistic economic structure to a sustainable economic model.

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DID YOU KNOW?

From the disclosure by RBZ on the list of externalised funds and assets, it is notable that the mining sector continues to be a high-risk sector in terms of illicit financial flows. The top 5 companies in terms of value at risk from non-repatriation of export proceeds are in the mining sector and what is perhaps worrying is to note that our so-called, 'all weather friends', the Chinese top the list of externalisers.

The top five companies that are all in the mining sector have a cumulative value at risk of US\$173,474,153 in nonrepatriated export proceeds. This clearly shows how the mining sector is highly susceptible to illicit financial flows as compared to other sectors.

Top Ten Companies According To Value At Risk Through Non-repatriation Of Export Proceeds				
Position	Company Name	Sector	Mineral	Value At Risk (US\$)
1	African Associated Mines	Mining	Chrysotile Asbestos Fibre	\$62,049,622
2	Marange Resources	Mining	Diamonds	\$54,238,249
3	Canadile Miners	Mining	Diamonds	\$31,350,554
4	MbadaDiamods	Mining	Diamonds	\$14,764,060
5	Jinan Mining	Mining	Diamonds	\$11,072,668
6	Gold Driven Tobacco	Tobacco	Tobacco	\$10,622,789
7	Insing Investments	Agriculture	Agriculture	\$10,187,158
8	Allied Timbers Zimbabwe	Agriculture	Agriculture	\$4,336,765
9	Pacific Cigarettes	Tobacco	Tobacco	\$4,122,966
10	P T Royal Ostrindo Zimbabwe	Manufacturing	Manufacturing	\$2,784,459
11	Pan African Mining	Mining	Gold	\$2,659,335

Vagari veSpitzkop Vogara Vakabatira Hura Mumaoko

By Makara Alice Masawi

Hutsanana hwakakosha uye hunoshuwirwa kumunhu wese chirizve chishuwiro kumunhu wose kugara panzvimbo yakashambidzika. Zvakarezvo iri kodzero yemwana wese wechizvarwa cheZimbabwe kuti ava nenzvimbo yakashambidzika.

Nokuda kwemapipe ezvimbudzi anofambisa mvura arikugara akavhara vagary venzvimbo yeWard 6 Spiitzkop muGwanda varikugara vakabatira hura mumaoko vachityira mhuri dzavo kuti dzingangobatwa nezvirwere zvakasiyana siyana kusanganisira Cholera. Kuburikidza kwemasewage pipes emunzvimbo iyi anofambisa mvura inobva muzvimbudzi, zvakaongororwa kuti mapipe aya anova akaiswa mudhorobha iri richangovakwa mumakore akawanda apfuura apo musha uyu usati wakura asi n e h u w a n d u h w a v a m o munharaunda iyi n dizvo zvavakukonzera kugara mapipe aya achivhara nguva nenguva (blockage).

Mumwewo mugari wemunharaunda iyi muzvare Sipho Mthunzi anoti vanoedza kufonera nekutaurira vashandi vekanzuru ye Gwanda avo vanogadzira nzvimbo iyi nguva nenguva kana ichinge yoeredza mvura idzi asi anotiwo rinenge riri dambudziko guru kana zvikaitika kunyanya nguva yekupera kwesvondo apo vashandi vekanzuru vanenge vakavhara kumishando yavo izvo zvinozopa kuti mvura iyi inozongoguma yoerera munzvimbo dzose uye panzvimbo dzemapombi

emvura yokunwa. Zvinozopa kuti vatadze kuchera mvura yakashambidzika yokunwa, kusvikira pagadzirwa neMuvhuro wesvondo rinotevera apo vashandi vavakumabasa avo. Sezvo v asingashandi musi weMugovera neSvondo.

Muzvare Mthunzi anoenderera mberi achiti nekuda kwekusashambidzika uku vana vazhinji vanemakore aripasi pemashanu munzvimbo iyi varikugara vakatambudzwa nezvirwere zvemudumbu nenhunzi dzinenge dzakazara pose pose.

Mthunzi anotizve aneshuviro yekuti dai kanzuru yakwanisa kuchinja mapipes aya voisa makuru anokwanisa kuenderana nehuwandu hwaita vanhu m u n z v i m b o i y i, u y e zvakaongororwa kuti paimba imwe chete parikugara mhuri dzinokwana kuita shanu kusvika nhanhatu izvo zvaita kuti pave nedambudziko (population crisis).

Mifananidzo inotevera inoratidza imwe yeimba inogara yakasangana nedambudziko iri apo panenge pazara mvura dzine tsvina dzichingoerera uye nepavanotorera mvura yekunwa pakavhara vasingasakwanisa kutora mvura yekunwa zvakashambidzika.

