

Africa Report by Linda de Hoyos

Zimbabwe faces off against the IMF

"That creature" is the way Zimbabwe President Mugabe refers to the IMF, in defense of his nation's sovereignty.

President Robert Mugabe of Zimbabwe took the occasion of the funeral of independence fighter and leader Joshua Nkomo to state his defiance to the decision of the International Monetary Fund (IMF) to withhold a promised tranche of \$200 million to Zimbabwe, despite the fact that the country is not in arrears on its debt payments. Speaking before thousands of mourners in Harare, the capital, on July 5, President Mugabe referred to the Fund as "this creature," and noted that the conditionalities it imposes on countries constantly change. He accused the IMF of "shifting the goal posts" every time an agreement is in sight.

More than \$15 billion in "donor community" aid is being held up by the IMF's refusal to deliver the tranche line to Zimbabwe. In May, President Mugabe visited China, where he was able to procure project aid. The Fund's response was to renew negotiations again. But, less than a week before it was to meet on July 9 to give a final approval for the delivery of \$53 million on the tranche, the IMF announced that it would suspend all payments, because the government had taken action to control the price of the main food staple, mealie-meal, or maize meal.

Millers have been refusing to sell the meal because the price is so low that it does not cover the costs of production. The government has now raised the price, in order to stave off a food crisis, but will subsidize the price to consumers. The Fund says that the subsidy violates its rules, and therefore the tranche will not be delivered. The July 9 meeting has been indefinitely postponed. As reported by Zimbabwe

national TV, "Comrade Mugabe questioned whether Zimbabwe is not free to look at its own needs and to apply its own solutions. He said Zimbabweans are a proud people who have strived to use their own ways."

Mugabe has broad support in the population for this fight against the Fund. On June 22, the Zimbabwean churches organized a demonstration against the Group of Seven industrialized countries because of their refusal to cancel all debts owed by poor countries. Petitions were handed over to the Japanese and U.S. embassies demanding debt cancellation. "Thousands of children die each year due to the debt burden on their countries," declared Rev. Guide Makore of Jubilee 2000, citing the fact that because of debt service payments, many African countries have been forced to shut down medical services.

Previously, the Fund had cited as its obstacle a plan put forward by the government for the redistribution of uncultivated land, now in the hands of large landowners. Cultivated and productive land is not to be touched. Since colonial days, when British colonialists seized the best land for themselves and removed the farmers on it, Zimbabwe's people have been land-starved. This has now reached such a crisis point that, in order to survive, landless farmers are seizing property on their own. President Mugabe has argued that the land redistribution is necessary in order to stave off bloody revolution.

At the same time, the Zimbabwean government has faced strikes and threats from civil service workers who are asking that their pay increases be

commensurate with the rising inflation. The country's currency has also depreciated to the dollar by more than 65% in the last year.

However, despite the IMF demands that Zimbabwe adhere to all features of its deadly Structural Adjustment Programs, it is noteworthy that the row between the Mugabe government and the IMF did not break out until after Zimbabwe deployed troops in August 1998 to the Democratic Republic of Congo, to defend the Congo against invasion from Uganda and Rwanda. According to sources, the IMF technocrats have been told by the Fund's executive committee that no funds will be released to Zimbabwe until all its troops are withdrawn from the Congo.

Strangely, no such gauntlets have been thrown down to either Rwanda or Uganda, which invaded the Congo in August 1998 and are occupying one-third of the country, whereas Zimbabwean troops are in Congo at the invitation of its sovereign government. The Fund's actions over the past months raise the question as to whether the IMF is a belligerent in the Congo war, and to what purpose and on whose behalf?

Certainly, the interests of the British Commonwealth may be exerting themselves in the Fund's intransigent behavior, since it is British Commonwealth and allied European companies that are following in the wake of the Ugandan and Rwandan armies into eastern Congo. In April, President Mugabe threatened to take charges against Great Britain to the United Nations, prompting the British Ambassador, Peter Longworth, to erupt: "We have not been recruiting a network of agents with a view to destabilizing Zimbabwe; we have not set out to block the release of IMF funds to Zimbabwe, and we are not attempting to derail the land reform program."