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# 88<sup>th</sup> Harold Wolpe Dialogue

05 May 2010

Cape Town

Topic:

**CURRENT REALITIES IN ZIMBABWE**

## Panelists and Topics

**Prof Ben Cousins: “Impact of Land Reform”**

DST/NRF Chair in poverty, Land and Agrarian Studies, UWC

**Mr. Tendai Murisa: “Impact of Land Reform”**

PhD Candidate, Rhodes University

**Dr. Brian Raftopoulos: “Political Dynamics”**

Chairperson, Zimbabwe Institute

**Prof. Richard Saunders: “Blood Diamonds”**

Professor, Political Science Department, York University, Toronto, Canada

The aim of these dialogues is to create a space for open and informed dialogue and debate around key local and global political, social and economic issues facing South Africa.

## **Blood Diamonds and Zimbabwe's Fragile Political Transition**

Prof Richard Saunders

(Political Science, York University, Toronto)

In 2006, major new deposits of alluvial diamonds became known in Marange District in Zimbabwe's eastern province of Manicaland. This discovery of readily accessible diamonds coincided with a dramatic and worsening economic crisis; a continuing political crisis of legitimacy of the then-ruling ZANU-PF of President Robert Mugabe; and the persistence of severely weakened State regulatory institutions (and notably, the police and judicial system, and the state bureaucracy including state-owned enterprises).

**This convergence of geology and political-economic crisis quickly resulted in a new case of "blood diamonds" – diamonds whose exploitation involves gross human rights abuses or which fuel violent political conflict. Marange's diamonds have been correctly labelled "blood diamonds" or "conflict diamonds" by domestic and international human rights campaigners, social justice activists, and mining industry leaders:**

- Politically-linked institutions and individuals, including State security forces, have opaquely overseen, managed and irregularly benefited from the extraction of Marange's rough diamonds, a process which has included the proliferation of illegal mining and smuggling of stones out of the country.
- Marange's illegal diamonds have *not* funded armed rebel groups – the narrow criteria of "blood diamonds" established in notorious cases such as Angola and Sierra Leone. However, they *have* fuelled dissent from *within* the legitimate Inclusive Government formed by two formations of the Movement for Democratic Change (MDC) and ZANU-PF after the 2008 national elections.
- The blood diamond trade is fragmenting and undermining Government's unified authority and political coherence by enabling privileged access to concealed revenues to ZANU-PF and associated political, business and security interests.
- It is increasingly self-evident that the label "blood diamonds" is also justified by the documented serious widespread human rights abuses in the diamond fields of Marange and beyond. These abuses include not only hundreds of violent deaths of panners, local community members and others at the hands of state security forces; but also torture, rape, forced labour (including child labour), assault, irregular detention and incarceration, and forced relocation of villagers. This has been a major departure point for social justice organisations and diamond retailer associations, as they have raised the alarm about Marange's blood diamonds and campaigned to put an end to them.
- Zimbabwe's Government has neglected to present serious and documented rebuttals of the evidence of gross human rights abuses published by Human Rights Watch, the Centre for Research and Development, Partnership Africa-Canada, and others. The most recent (June 2009) Country Review Mission of the Kimberley Process Certification Scheme (KP – the internationally mandated body that oversees a system for monitoring and adjudicating the conditions under which rough diamonds are mined and exported), considered and accepted the most important allegations of rights abuses and security force culpability and corruption that were made by victims, community leaders and human rights organisations in presenting documented evidence to the Review Mission.

**Beyond Marange's continuing tragedy of human rights abuses and widespread illegality and corruption, Zimbabwe's blood diamonds provide a view into the emergence of**

**shadowy networks of integrated political-security-business interests that have proliferated in the 2000s. These networks loom large in the current political economy of transition, and have serious implications for it:**

- The covert diamond economy points to the array of interests ranged against the effective consolidation of authority under the Inclusive Government
- Government's opaque management of Marange raises questions about its administrative coherence and effectiveness
- The failure of civil society, regional and international regulatory initiatives to "normalise" Marange diamond production suggests continuing problems in enforcing the adherence to commitments to political transition and legal transparency made by powerful elite interests.
- Marange is an important "litmus test" for the Inclusive Government: the latter's ability to contain and sort out the diamonds mess stands is an important indicator of the viability of the fragile transition to a new political and economic order. If this worst-case scenario of overt, corrupt and distinctly partisan manipulation within Government cannot be resolved through openness and consolidation of legitimate and credible state authority, then much else is at risk.

**The current regime of control at Marange has been established since 2006 largely through the use of violent force led by the ZNA and ZRP, which have dislodged the legal titleholder to the main parcels of diamond bearing land in Chief Chiadzwa's area of Marange.**

- Up until the discovery of alluvial diamonds in 2006, mining had not seen the kind politicised asset transfers seen in, for example, commercial agriculture. Targeted personal sanctions against the ZANU-PF and security elite had been effective in preventing the flow of finance that would have enabled significant capturing of the large-scale mining sector by the political elite
- Therefore Marange diamonds represented an important opportunity for quick and substantial accumulation, at a time when elite political interests were increasingly beleaguered inside and outside the state
- Legal claims to the Marange fields were variously swept aside or ignored by the ZANU-PF Government, and following a Government-initiated invasion of the fields by illegal panners, State security forces moved to *contain* illegal mining, but not to *eradicate* it
- The security agencies' subordination of mining activity in Marange involved waves of violent intervention and massive gross human rights abuses. These cycles of violent intervention included self-labelled military-styled "Operations" in November 2006 ("End to Illegal Panning" by the ZRP; 22,000 arrested nationwide); March 2008 ("Restore Order", led by the ZRP; large numbers of rights abuses including violent death, assault, detention, etc); and November 2008 ("No Return", led by ZNA, resulting in the deaths of at least 214 people and extensive incidents of violent assault, detention, etc.)
- Through systematic and extra-legal violence, State security agencies came to figure prominently in the *supervision* of continuing illegal activity, amid allegations that networks of illegal mining and smuggling were emerging. At the same time, the state mining company, ZMDC, began modest operations, though many observers – including government officials – doubted the ZMDC's capacity to mine.
- Fed by illegal miners, black market "commodity chains" for Marange diamonds were established by 2008, and reports surfaced of Marange diamonds appearing on markets as far flung as Guyana, Sierra Leone, India and the Middle East. Meanwhile, official Government revenues from Marange seemed unnaturally low.

- Responses to the burgeoning illegal trade by civil society and international players highlighted the latter's weaknesses. The security seal around parts of Marange have made it difficult to obtain regular reliable information on production and smuggling, and ZANU-PF intimidation of civil society and local communities has undermined calls and initiatives for transparency. On the other hand, the KP has been undermined by existing weaknesses in its structure as well as by disagreements over Zimbabwe among its diverse tripartite membership.
- The KP's slowness to respond effectively to obvious cases of illegality and conflict involving Marange has exacerbated differences among KP members, and has provoked a crisis within the KP – which those in control of Marange have exploited to advantage, avoiding KP censure and the threat of banning of legal diamond exports from Zimbabwe in late 2009

**The Global Political Agreement of 2008 and Inclusive Government of 2009 introduced a new dynamic around Marange diamonds. However, this has had an ambiguous, and mostly negative, impact on the diamonds situation:**

- On the one hand, under the GPA ZANU-PF lost its unmediated access to state, and MDC participation in government represented the potential for more institutional transparency; importantly, the Ministry of Finance went to Tendai Biti of the main MDC grouping.
- On the other hand, this introduced a new negative incentive: there was greater need for elite business-political-security networks to secure “off-budget” funding for key elements in ZANU-PF's political machinery involving organised violence and patronage. Many observers have seen the leading role of the security agencies in Marange primarily through this lens – with the security forces' special access to diamonds as a form of subsidy, or buying of continuing political loyalty from, the agencies upon which ZANU-PF has relied for its rescue from electoral defeat in the 2000s. ZANU-PF's extraction of the GPA from the jaws of defeat in the presidential election of 2008 rested heavily on the application of extreme violence by the security agencies and irregular militias before the abortive June 2008 second round of voting.
- Within the Inclusive Government the mining, security and media/information sectors have remained under the control of ZANU-PF. This has enabled ZANU-PF's politicized and opaque management of the state mining bureaucracy, as well as the flow of information about Marange; it has also facilitated the marginalisation of other government institutions from oversight and policy-making roles. Parliament, the finance ministry and other parts of government, civil society and the KP have been kept at arm's length and otherwise hampered in their attempts to uncover the truth about the human rights and operational/production situation at Marange.
- The secret and severely partisan nature of ministerial control at Marange was reflected in the irregular and unilateral designation by mining minister Obert Mpofu in 2009 of two South African firms, New Reclamation Group and Core Mining and Minerals, as joint venture partners with the ZMDC in Chiadzwa, Both Mbada Diamonds and Canadile Miners involved people with links to the Zimbabwean security forces, and companies that were not previously known in diamond mining circles. Neither of the partnerships involved tenders or transparent selection processes. This ministry-directed “normalisation” of mining operations in Marange reflects ZANU-PF's attempts to deflect rising criticisms inside and outside the KP regarding the militarization of illegal diamond production, particularly in advance of the KP annual plenary in 2009 at which the suspension of exports of Marange rough diamonds was proposed by some KP members.
- As a result of ZANU-PF's dogged persistence in maintaining a firm grip on the mining and security sectors, and its refusal to share information and cooperate with its partners in

government, the GPA period has seen a *consolidation* – not reversal – of the partisan management of illegal diamond production at Marange

**The continuation of blood diamond exploitation at Marange has immediate and pressing implications for the Inclusive Government, with regard to:**

- establishing a new political dispensation that functions on the basis of dialogue, shared power and equity in decision making, and not on the basis of threats and perpetration of violence by only one GPA stakeholder holding unique access to diamond field production;
- the transparency and professionalism of state institutions, following the militarization/ securitisation of the state structures since the late 1990s;
- the broader legitimacy of the GPA, particularly in terms of its capacity to deliver stronger protection of human rights and greater accountability around perceived abuses; and,
- the broader economic recovery and specifically the stabilisation of State finances, and provision of inputs for local community development through greater, transparently redistributed benefits on the ground in Marange.

**What is the way forward, in the context of the fragile and seemingly unworkable “unity” government put in place under the GPA? It is important to bear in mind some key issues:**

- The task of containing “conflict diamonds” is not just about eradicating smuggling and criminality; it is about re-establishing the primacy of open political processes and transparent, shared authority under the Inclusive Government
- In this context, the key challenge around diamonds involves the question of how to reassert the legitimate authority of a transparent Inclusive Government over entrenched factional business, party and security interests that have privileged access to, and common cause with, one GPA principal player - ZANU-PF
- Reform of the Inclusive Government is confronted by a major hurdle which has not been sufficiently addressed by those working within the current framework: ZANU-PF’s political survival *inherently depends* on its strategic undermining of the Inclusive Government and GPA, so that the new government fails to operate as a transparent, equitably shared political administration. As the Marange diamonds case demonstrates, the continuation of partisan financial and political benefits enjoyed by a powerful business elite *requires* the selective marginalisation and capture of state institutions, and ZANU-PF’s eschewing of wide-ranging consultation and cooperation with its GPA partners.
- In this light, there are limits to what the Inclusive Government can achieve in its current form. Authentically inclusive and wide-ranging processes of political administration are unlikely, given the strategic interests of ZANU-PF – which needs the Inclusive Government to survive “on paper” in order to satisfy the party’s legitimacy deficits; while it also needs to undermine the government’s transparent and equitable functioning, in order to safeguard the party’s privileged access to the mining, security and certain other sectors. In reality, there are no clear incentives for ZANU-PF to seek changes to the current dysfunctional status quo of the Inclusive Government.
- The “hold-steady” position adopted by some analysts, i.e. of tolerating the problems of the Inclusive Government and GPA while calling for further reform of GPA institutions and structures, fails to recognise the unique benefits the status quo holds for ZANU-PF; the link between those benefits and that party’s survival; and the weaknesses and

challenges of the other leading political parties, civil society and international community in coming to grips with this situation of strategically, coordinated, stymied transition.

**A key factor in the resolution of both the blood diamonds tragedy at Marange and the impasse of the GPA revolves around the question of “political willpower” – of domestic political parties, regional governments (and particularly the South African government, which has featured centrally as SADC’s designated mediator in the Zimbabwean political dispute), and the international community.**

- The South African government to date has intervened importantly in support of ZANU-PF on several occasions; for example, to support ZANU-PF in its spurious claims against “sanctions”; to smooth over gross electoral abuses, particularly in 2002 and 2008; and to deflect criticisms of shadowy regional business networks, notably within the KP context.
- However these kinds of interventions have yielded little change to the negative aspects of the Zimbabwe crisis, and have not improved ZANU-PF’s political behaviour; indeed there is considerable evidence to suggest that such measures have extended and deepened political conflict and economic crisis in Zimbabwe, by failing to extract and sustain meaningful democratic concessions from ZANU-PF.
- South Africa’s and SADC’s interventions contrast sharply with the recommendations of leading popular membership-based organisations in Zimbabwe, including the main MDC, winning political party from the 2008 parliamentary elections; the trade unions; other CBOs and NGOs; and others with established credibility in civil society, such as professional associations. Indeed, the *large bulk* of voices outside MDC have called for the *intensification* of pressure on ZANU-PF, aimed at forcing that party to abide by its commitments to cooperation and power-sharing, as spelled out in the letter and spirit of the GPA.
- While regional political leaders have stated that the Zimbabwean crisis must be “solved by Zimbabweans”, the question remains as to whether regional governments, and particularly the South African government (which has been repeatedly manipulated and out-foxed by ZANU-PF) are willing to countenance the interests and recommendations put forward by the majority of popular groups and the democratic movement beyond the MDC. These interests have sought an end to political conflict, cyclical violence and continuing economic decline by demanding a less passive, more proactive assertion of the democratic rights of ordinary citizens. One component of those rights involves transparency around and greater managed public benefit from Marange diamonds – and other parts of the secretly managed economy; another includes upholding the right to vote – and to have votes tabulated and enforced transparently – in free and fair elections. Both require political willpower from outside Zimbabwe in order to advance meaningfully.