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Winrich Kühne  
Helmut Orbon (ext.)

## GERMAN ZIMBABWEAN DIALOGUE

Report on a Conference held in the  
Stiftung Wissenschaft und Politik, Ebenhausen,  
June 25-27, 1990



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## Introduction

From June 25-27, 1990, a German-Zimbabwean Dialogue took place in the *Stiftung Wissenschaft und Politik* at Ebenhausen near Munich, Federal Republic of Germany. About twenty leading academics, businessmen, representatives of NGO's, and journalists from both countries met for a round table discussion on the foreign policies of both countries, further on Zimbabwe's economic and political system, Germany's reunification, developments in Europe and their implications on Africa, bilateral economic relations of both countries, and the situation in Southern Africa.

The dialogue was organized by the *Stiftung Wissenschaft und Politik* in cooperation with the *Institut für Afrika-Kunde* in Hamburg.<sup>1</sup> The meeting in Ebenhausen started a ten-days tour of the delegation from Zimbabwe to Bonn, Hamburg, and Berlin, where talks with governmental as well as non-governmental institutions took place.

Similar dialogues have been organized, with Nigeria, in June 1982, in Hamburg, and, with Cameroon, in April 1986, in Ebenhausen. The intention of these dialogues, supported by the Federal Information Office, is to increase the exchange of ideas on political and economic developments in Germany and the respective African country, on a non-governmental level.

This report summarizes short introductory statements for the different sessions as well as the ensuing discussions in Ebenhausen. The annex contains the agenda of the meeting and a list of conference participants.

We would like to apologize for the delay of this publication due to technical difficulties.

Winrich Kühne

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1 Helmut Orbon from the Zimbabwe Institute for Southern Africa in Harare was most helpful in coordinating the Zimbabwean delegation.



# *I. The Foreign Policy of Zimbabwe: Problems and Perspectives*

*German Statement:* Peter Meyns

In the first ten years of political independence Zimbabwe has achieved much in her foreign policy. In 1983/84 she held a seat in the Security Council of the United Nations, and from 1986 to 1989 the chairmanship of the Non Aligned Movement (NAM). Zimbabwe is also a regional force of some stature which is due to various achievements, above all the successful liberation struggle, the policy of reconciliation, and the comparative stability of her economy.

Zimbabwe's foreign policy in the last decade has been characterized by *militancy* and *pragmatism*. The militancy was not only expressed through the will to defend her independence at all costs, but also through a strong anti-imperialist Marxist-Leninist, rhetoric and the determination not to be intimidated.

The pragmatism resulted in the first place from the awareness of her vulnerability to South Africa's regional hegemony. The defence of her national independence was the prime aim of the foreign policy as compared to a precarious policy vis-à-vis South Africa.

This set of priorities determined Zimbabwe's policy in the region, for example the deployment of Zimbabwean troops in the Beira-corridor in the post-Nkomati period. It secured not only Zimbabwe's national interests as the top priority but was, at the same time, a contribution to the regional policy of the Front Line States (FLS). Based on a relatively strong economy, Zimbabwe certainly aimed at a dominant position among these states.

Some other foreign policy issues saw Zimbabwe vacillating between pragmatism and militancy, for example on the sanctions issue. Before 1986, Zimbabwe had excluded sanctions to be applied by the FLS against South Africa. After the report of the Commonwealth's "Eminent Persons Group" demanded sanctions, Zimbabwe and Zambia went into the fore-front promoting sanctions like the cut of air links with South Africa. Countries like Botswana were considered being undecided and weak. Shortly afterwards, Zimbabwe had to backtrack on the issue. The heady rhetoric could not be put into reality and caused a loss of credibility.

When Zimbabwe took over the NAM chairmanship, her foreign policy changed in some areas, and it seemed as if her foreign policy ambitions increased. But with the proposals of establishing a NAM defence force for security in Southern Africa, and a permanent NAM secretariat, Zimbabwe became out of touch with the NAM mainstream.

In conclusion it may be said that Zimbabwe's foreign policy has consistently put emphasis on South-South cooperation and always supported a policy of keeping external influence out of Africa. Although Zimbabwe's foreign policy of pragmatism and militancy was initially rigorous in the defence of national independence, it recently became less rigid in the pursuance of certain preconceived ideas. Yet, in some areas, it still lacks flexibility and sensitivity. This is particularly true for the one-party state debate, an internal issue with foreign policy implications that could lead to Zimbabwe's isolation.

*Zimbabwean Statement: Judy Todd*

Professor Meyns gave a quite comprehensive summary of Zimbabwe's foreign relations. There is not much to add but just to emphasize some aspects for further discussion.

As far as the NAM chairmanship is concerned, Zimbabwe was rather lucky as the idea of non-alignment seemed to lose its purpose as a result of the events taking place in the Soviet Union, and in Eastern and Central Europe as a whole. These events seem to lead to an end of the confrontation between the blocks and of the Cold War. Under these conditions, NAM does not hold anything for the future.

Zimbabwe's major internal achievements with external repercussions were the policy of reconciliation between blacks and whites, and between the Zimbabwe National Union (ZANU) and the Zimbabwe People's Union (ZAPU). Above all, the policy of reconciliation gave Zimbabwe an extremely positive international status and was considered as a model for South Africa.

Reconciliation between ZANU and ZAPU was considered an example of overcoming political and ethnic divisions in the interest of national development and may have positive repercussions on other countries in the region as well as on the South African liberation movement.



### *Discussion*

The discussion on Zimbabwe's foreign policy picked up the question of NAM's future. What are the alternative policy options resulting from the easing or end of confrontation between the superpowers?

Are there new tasks for NAM? Is there a newly defined role to play in international relations? The statement that NAM does not have any future was questioned by Zimbabwean as well as German participants. The movement has always expressed the views of the South vis-à-vis the North and will continue to do so in a modified way. This task has become even more important as the North seems to be closing its ranks after the end of the East-West conflict. This was Zimbabwe's position at the non-aligned summit in Belgrade.

The discussion then concentrated on Zimbabwe's role in Southern Africa vis-à-vis the changes taking place in South Africa. Does Zimbabwe integrate her approach to these changes into a common position by the FLS or does she have her own agenda? Is Zimbabwe in danger of becoming isolated from other countries in the region? These insecurities about Zimbabwe's regional role were highlighted by the speculations about the reasons for President Mugabe not to attend the independence celebrations in Namibia. Did he just want to avoid a meeting with de Klerk? Members of the Zimbabwean delegation stated, however, that this was not the case. Mugabe's absence could also not be seen as an expression of any tensions between Zimbabwe and Namibia. The reason was simply the election campaign in Zimbabwe, and the challenge by Edgar Tekere's Zimbabwe Unity Movement (ZUM) against Robert Mugabe's ZANU (PF).

As far as the sanctions debate is concerned, Zimbabwe was honest enough to admit that she could not impose sanctions against her most important trading partner. It was up to other more powerful and economically independent countries to impose sanctions.

It was not correct to say that Zimbabwe had too a militant position towards South Africa. President Mugabe was prepared to meet South African leaders at the right time. There was a lot of dialogue in the region, and a joint foreign policy of the FLS towards South Africa was developing, for example concerning the solution of the Mozambican problem. A common approach by the Front Line States towards South Africa was also in the process of being worked out.



Some participants expressed their disappointment about the fact that Zimbabwe is not playing a more active role vis-à-vis the change taking place in South Africa. Her own experience could make Zimbabwe contribute positively to the process of negotiations, as the success of her policy of reconciliation was considered by many as a model for South Africa. Some participants objected by saying that the South Africans have to choose their own model and indicated that the relationship between the African National Congress (ANC) and ZANU were never particularly good.

In conclusion, it was stated that the policy towards South Africa and the discussion on the one-party state are the two topics which could lead to an international as well as a regional isolation of Zimbabwe. A positive aspect was, however, that the relationship with Malawi has improved remarkably. Furthermore, Zimbabwe's foreign policy was no longer made exclusively by President Mugabe, leading to more flexibility and more transparency since.

## *II. Zimbabwe's Political System*

### *Zimbabwean Statement: Geoff Nyarota*

At independence in 1980, the political system was built on the old colonial state which contained many anachronistic elements hostile to the new regime. The conditions set by the Lancaster House agreement and the policy of reconciliation stopped radical changes of the existing structures. This is, *inter alia*, illustrated by the civil service which was virtually unchanged. The only significant changes in the political system were to be seen in the abolition of the reserved white seats in Parliament, and with the amendment of the constitution to accommodate the executive presidency.

In contrast to this continuity, Socialism guided by Marxism-Leninism was espoused as the official ideology of the new government. The aims of socialism and national unity furthered the promotion of a one-party state. As a result, the debate about the further development of the political system centres around the establishment of a one-party state. The victories of ZANU (PF) in the general elections of 1980 and 1985 led to an integration of party cadres in government positions at all levels to such an extent that party functions became increasingly synonymous with those of government. Yet, factional disputes among leaders arose from the contra-



dictions between "left wingers" who had fought the war and technocrats who came from universities and international posts.

ZANU's dominant position in Zimbabwe's political arena has contributed to the development of political apathy among large sections of the population. The 1990 elections were characterized by a very low turnout of just over 50% out of whom only 60% voted for the ruling party.

On paper, Zimbabwe is a multi-party state. But since the merger of ZANU and ZAPU this system exists more on paper than in reality. Other parties, with the exception of Edgar Tekere's ZUM, exist only on the periphery of political activity.

Notwithstanding, the president stated soon after the elections that he viewed the result as a mandate to declare a one-party state in Zimbabwe. The next few months will determine whether Zimbabwe is destined to become potentially the last bastion of uni-partism on the continent.

*German Statement: Goswin Baumhögger*

The image of Zimbabwe's political system in Germany was rather negative, concentrating on dictatorship, repression, rigging of elections, expropriation of the land, and of becoming the last Stalinist country of the world. This biased and lopsided image was created by the Western media from Zimbabwe's independence onwards. The first months after independence, reports focussed on the impending chaos and civil war, and when the "dissident problem" developed in Matabeleland the label of a civil war caused by tribal conflict was already at hand.

When the constitution was amended, in 1987, the main topic was that the whites were kicked out, and when the executive presidency was introduced that Zimbabwe was moving towards a dictatorship the conflict between the Speaker and the Supreme Court was depicted as a serious constitutional crisis. The reporting on the party congress last year concentrated on the one-party state debate. The process of uniting the two parties was completely left out in the media. Other positive events like the developments in the party itself were also not reported: as a result of the decentralization process within the party, which led to a more broadly-based participation in the affairs of the party, 78% of the members of the Central Committee, as compared to 20% in 1985, are now nominated by the provincial branches. Another example are the primary elections for choosing candidates for the general elections.



The point is that Zimbabwe did get a raw deal in terms of international reporting and that the image of Zimbabwe's political system is indeed much worse than it seems to be justified or fair. This is further reinforced by the fact that many intellectuals in Zimbabwe tend to concentrate more or less exclusively on the negative aspects of the political process which, in turn, influences the small community of well-disposed Germans in Zimbabwe.

This it not to deny events like the Willowgate-scandal, the closure of the University, or the regular extension of the state of emergency: does this, however, justify one of the student leaders' statement that the repression in Zimbabwe is worse than in South Africa ? Or, is Kempton Makamure right in saying that it is no longer fashionable to be patriotic in Zimbabwe?

### *Discussion*

In the discussion, the statement that Zimbabwe had a negative media image right from independence onwards was objected. On the contrary, the country had a very positive image due to the policy of reconciliation and is now facing difficulties to live up to this positive image.

Concerning the one-party state debate the question was raised why the government does not leave everything as it is now: a de facto one-party state, but a legal multi-party system as in Botswana? Discussants warned against the equation of a multi-party system and democracy. Experience tells that in such a system, in many cases, parties mobilise around ethnic and not around political issues.

Zimbabwean participants pointed out that the one-party state was not attainable in Zimbabwe unless it was imposed. But as the government has stated time, and again that it will not impose the one-party state, it will not come. The experience of other countries, not only in Africa, indicates that a one-party state goes hand in hand with economic inefficiency.

The question was how much government does a society need? The need of transformation and change after 1980 seemed to require a lot of government. But a vibrant civic society needs as little government as possible. Referring to the statement by a government official, that all civil servants should be members of the ruling party, it was said that a clear distinction has to be made and to be maintained between the party, the government, and civil society. Zimbabwe had a rather vibrant civil society



as demonstrated by the open and lively debate on the one-party state. Others questioned whether Zimbabwe got a vibrant civil society in urban as well as in rural areas. The fact that the trade unions do not have the capacities to challenge the employers association was considered as an example for a weak urban civil society. In the rural areas only under-development was promoted. Zimbabwe was developing two different societies. This conclusion, however, was repudiated by others as an elitist and arrogant approach towards rural people.

The discussion turned to the question of a referendum about the one-party state and it was stated that it is undemocratic to put such a fundamental political right at a referendum. At the same time, it was not only the society that is split on this issue but the party itself.

As far as the primary elections are concerned, there were some serious limitations to their democratic value. In several cases the results of the primaries were reversed by the party hierarchy.

As far as the comparison between Zimbabwe and the neighbouring countries is concerned, the Zimbabweans were fed up with being told that they are better off than Zambians or Mozambicans. Is Zimbabwean corruption better than Kenyan corruption, is Zimbabwean unemployment better than Mozambican unemployment?

The discussion then turned to economic matters. Zimbabwe inherited a mixed economy which was heavily controlled by the government. This mix was maintained after independence. In the past 10 years, the government honored its debts, paid pensions, etc., did neither nationalize nor expropriate and also not violate the Lancaster House constitution, which was a proud record. Now, the government has reached a watershed as the Lancaster House agreement expires. The land question was the most serious one. The problem was not merely to redistribute land but to ensure the viable and profitable use of the distributed land. The performance of the communal areas farmers since independence was remarkable. Their productivity rose by 140% within a period of ten years. The resulting increase in income and the higher standard of living as a result of the construction of roads, hospitals, and schools reversed the urban migration.

It was agreed upon that the economic performance in the rural areas is crucial but that it may be maintained only with a strong decentralized administrative system, which is not in place. The decentralization debate touches on the one-party state debate as a one-party structure usually



goes hand in hand with a highly centralized administration which was usually not very efficient for rural development. In the past few years, centralization has dominated the establishment of the Ministry for Political Affairs and the Ministry of Women Affairs whereas the decentralized structures like the Village Development Committee and the Ward Development Committees were weakened. The vibrant society was suppressed by a centralized party rule.

The example of Bikita district was mentioned, where the council was able to manage its affairs much better than the foreign-funded district next to it. The promotion of the local administrative capacities was a key to development.

Finally, the question was raised if there is room for an independent judiciary in a one-party state. If there was room then the entire question of the one-party state was less dramatic. It was stated that the independence of the judiciary cannot survive in a one-party state. The one-party state was not consistent with a bill of rights as there were neither freedom of association nor a challenge of the rulers. Until to date, the government respected the independence of the judiciary.

### *III. The Foreign Policy of the Federal Republic of Germany: Problems and Perspectives of German Unification*

*German Statement:* Christian Deubner

The unquestionable legitimacy of the right for unity (reunification) of the two German states is based on the following facts:

- the historic experience of a unified Germany, despite the fact that, until 1871, several German states had a longer tradition as independent units than the consequent unified German Reich (74 years only);
- the reconstruction of a unified German state was prevented for 40 years by foreign occupation which led to an illegitimate, unpopular dictatorship in the former GDR;
- the clear cut desire of the German population, especially in the former GDR, to realize the legitimate claim for reunification.

The unification process of the two German states has to take into consideration the realities between the two German states and their neighbours which were created after World War II. These are, among others:

- forty years of Polish and Soviet presence in the former German territories East of the GDR; these territories represent one third of the former German Reich;
- the existing borders in Central Europe as fixed and accepted in 1945;
- the historic fact that the FRG, since the beginning of the seventies, recognized the GDR as a second German state, although as a state of different quality (special relations between the two German states).

The process of reunification was initiated by the then unexpected collapse of the SED regime in the GDR, in 1989/90. We recall the following steps during collapse:

- the rising discontent and public unrest in the GDR as a result of the refusal of the ruling elite to follow Gorbachev's policy of reform. Instead, the GDR leadership showed sympathy with the "Chinese solution";
- the dramatically growing flow of refugees from the GDR. The neighbour countries, Hungary, Czechoslovakia, and Poland were more and more prepared to allow GDR citizens to pass for refuge in the FRG through their territories;
- through the rising pressure of the GDR people and the Soviet refusal to support Honecker, two reformist Communist governments (Krenz and Modrow) are put in power;
- the last attempt of the Honecker regime to close the borders failed and led to Honecker's downfall. On November 9, 1989, the borders were opened trying to save the dominance of the SED and the autonomy of the GDR through reforms. But soon afterwards, Modrow had to give in to public demands for real democracy and reunification of the two German states. The first free election under his rule in the GDR ended communist dominance and brought about a new government which prepared the dissolution of the GDR and her subsequent accession to the FRG.

The bottom line for German unity is clear by now. All original concepts to avoid unification of the two German states in a rush, instead give it a longer phase of confederate or cooperative structures between two autonomous German states (see Kohl's 10-point plan, November 1989), turned out to be unrealistic. They were overtaken by events.

The unification took place by the following steps:

The first step was the Currency, Economic and Social Union effective from July 1, 1990, on the basis of the treaty between the FRG and GDR



ratified on June 23, by the parliaments of the two German states. Through this treaty, the GDR currency was replaced by the West German Mark for all transactions in the GDR. Everybody could change 4 000 GDR Mark (people above the age of 58, 6 000 GDR Mark) at an exchange rate of 1:1. To prevent speculators from bypassing the ceiling, this exchange could be done through bank account only. Beyond this ceiling, the exchange rate for the GDR Mark is 2:1 up to date. Debts and credits are still exchanged at the rate of 2:1, whereas prices, salaries, pensions and other recurrent payments were exchanged at the rate of 1:1. Further consequences of the treaty from June 23 were the introduction of a free and independent banking system in the GDR, the control of the currency policy through the Federal Reserve Bank (Bundesbank), the introduction of a free-market economy with a transitional period allowing for the adaptation of the economic legislation in the GDR to the one in the FRG, and the liberalization of all economic relations between the two German states. In addition, private property was reintroduced in the GDR and property confiscation, which took place after 1949, was to be reversed.

The second step was the Social Union between the two German states. Considering the great differences between the standards of living in the two German territories, there still was a great risk that citizens of the GDR continue to emigrate en masse to West Germany. This was even more true as the treaty reinstated the free movement of all Germans between the two German states. The Currency and Economic Union could, in addition, lead to considerable social tension in the GDR, at least in the transitional period. The danger of social unrest existed on the basis of growing unemployment.

The Social Union between the two German states complemented the Currency and Economic Union. An unemployment insurance and administration scheme as well as a pension scheme for elderly people were therefore introduced in the GDR. These are similar to the systems in the FRG. The funding of these systems is guaranteed for a transitional period by the FRG. At the same time, all social advantages, which GDR refugees enjoyed in the FRG in the past, are cancelled to stop the flow of immigrants from the Ex-GDR. The treaty finally includes specific protection measures in favour of industry and agriculture for a transitional period in the new "Länder".

The question whether it was better to introduce the Economic, Currency and Social Union quickly and comprehensively or slowly and



step-by-step was, and is, controversial. If one weighs the advantages and disadvantages of both possibilities, one may come to the conclusion that a quick procedure was unavoidable. The new "Länder" at present lack the financial, technical, administrative, and economic management resources to make a quick recovery on their own. This is especially true for the comprehensive renewal of communication and transport structures, the efficiency of which is a decisive precondition for investment from Westgermany and other industrialized states, as well as for the revitalization of the economic activities in the new "Länder". Only a quick economic revitalization can limit the social problems resulting from the economic and political change in the new "Länder". The quick introduction of the Currency, Economic and Social Union was, therefore, strongly supported by the GDR population.

A second treaty concerning the political unity followed the first treaty concerning the Economic, Currency and Social Union. It is controversial if it was necessary to implement the political union as quickly as the economic one. It was controversial for a while if the unity should be achieved through Article 23 of the Constitution of the Federal Republic or through Article 146. Article 23 provides for the possibility of other parts of Germany to be incorporated into the FRG. Article 146 provides that the two German states decide to set up a joint Constituent Assembly that decides on a new constitution. After that the Constitution of the Federal Republic becomes null and void.

The leaderships of the Federal Republic and the GDR agreed that the second treaty should provide for a unity on the basis of Article 23. The advantage of this procedure is that the GDR (or the five "Länder", into which she changed) were to be integrated into a free, democratic, and legal constitution, which is already tested in reality. In consequence, these "Länder" became a part of the FRG on October 3, 1990. Since then, free elections in reunified Germany have endorsed this decision of the former two German governments, and the integration of the new "Länder", with all its problems and its hopes, has gotten underway.

Even a new constitution worked out on the basis of Article 146 would have been based mainly on the constitution of the FRG. Relevant political forces, for example the Social Democratic Party, had demanded that, even if the GDR joined the FRG on the basis of Article 23, a referendum should take place. That means that a constitution in line with the second treaty would have been submitted to the population in the FRG and the



GDR for approval. Such a procedure would have underlined the historic importance of the reunification and its democratic character.

Apart from the German-German relations, there are two further aspects of reunification which cannot be dealt with here but which are of great importance for the future of Europe and Germany: the Germans and the European Community, and the consequences of a united Germany for the European security system.

*Zimbabwe Response: Dennis Norman*

Zimbabwe was caught by surprise by the 1989 events in the GDR in the same way as the Europeans were caught by surprise. So far, we had little time and resources to analyze the relevance of these events for Southern Africa in general and Zimbabwe in particular. In addition, the Southern African region was caught by surprise by the changes in South Africa, above all the release of Nelson Mandela (on February 11, 1990) and the outlook for a negotiated settlement. The developments in South Africa are of greater relevance to Zimbabwe than those in Europe.

The political consequences of the collapse of the GDR regime and of the unity between the two German states poses several questions for Zimbabwe which have to be discussed carefully:

- Does the collapse of the regimes in Eastern Europe indicate the end of Communism as an ideology? Has Communism become unacceptable or could one imagine that it may survive as a reformed version? Is the idea of socialism simply dead? In Zimbabwe, the approach to answer these questions is very careful and hesitant.
- Did Zimbabwe and other countries in Southern Africa lose traditional and important allies through the collapse of the Communist regimes in Eastern Europe? As the political relationship between Zimbabwe and the GDR has not been very intense, the practical relevance of this question is limited.
- Is it correct to take a cautious attitude towards the new developments in the GDR and other Eastern European countries? Or is it better to welcome them, to approach the new governments, and to establish good relationships as soon as possible? May the hesitant, careful approach have negative consequences on the preparedness of the Eastern European countries and Germany to give aid to Zimbabwe?

- As far as the process of German unity is concerned, the question arises which obstacles have to be removed? What is the role of the so-called 2 plus 4 talks? What are the future roles of NATO and Warsaw Pact, or will they disappear completely? Finally, will Berlin become the new German capital?

The economic consequences of the changes in Eastern Europe and of German unity should in the long run have positive effects on Zimbabwe. The market for Zimbabwean products is likely to increase in a united Germany. Zimbabwe is at present well established on the FRG market and is a net exporter. Through the reunification, the markets in the GDR become accessible for Zimbabwe. The GDR was so far no essential buyer of Zimbabwean products.

This optimistic prospect shall be reinforced by the far-reaching liberalization of Zimbabwe's economic and trade system which was announced in May 1990. The optimism is further based on the positive developments in the region as such. A peaceful solution in South Africa and a consequent reconciliation between South Africa and the Front Line States would further considerably improve the export chances of Zimbabwe. The South African market was always the most important one for Zimbabwe's economy. Free access to this market and a close economic cooperation with South Africa would open enormous possibilities for Zimbabwe's economic development and for the whole region.

On the other hand, most African countries, above all the export oriented ones like Zimbabwe, are worried about the consequences of the European Economic Community (EEC) agricultural market. Apart from the restrictions resulting from import quota, it is difficult for producers in Africa to compete with the overproducing and highly subsidized European agriculture. The trend to dump this surplus generously as food aid in Africa and to spoil the market of African producers by doing so is a serious problem. Africa does not need food aid but aid to grow food.

### *Discussion*

German participants were interested to know how the reunification was received by the government and the people of Zimbabwe. In their responses, Zimbabwean participants made a distinction between two aspects of the reunification:



The sudden collapse of the communist regimes in Eastern Europe and in the GDR came as a shock, at least for the leadership in Zimbabwe, as most of those regimes had actively supported the liberation struggle in Zimbabwe and were considered as ideological allies. The leadership has not yet drawn any clear cut conclusions from the collapse of the regimes in Eastern Europe for Zimbabwe.

The reunification of the two German states was welcomed as a positive event by the Zimbabwean participants. However, the concrete consequences for Zimbabwe were considered as marginal. The partition of Germany was considered as a major mistake. The wall was compared with Apartheid in South Africa and the black white segregation of the Zimbabwean society before 1980. The termination of this unnatural and painful situation can only be judged as positive.

There was no clear view in the debate whether the reunification of the two German states would have a stabilizing or a destabilizing effect on Europe. A German participant emphasized that the decline of Soviet influence in Central and Eastern Europe was not the result of German unity. German unity, on the contrary, was a result of the decline of the Soviet empire. In addition, the so called 2 plus 4 negotiations served the purpose of harmonizing the internal process of reunification between the two German states with the security interests above all of the Soviet Union. These negotiations will remove the remaining rights of the four allies after the capitulation of the German Reich.

Fears that the EEC could be dominated in future by Germany's economic strength had been exaggerated. Already in the past, the FRG was the economically strongest country within the EEC. Certain structural economic problems in the relations between the FRG and other EEC countries could even be defused through the reunification. For instance, the high trade surplus of the FRG was a constant problem for the other EEC members. As a result of German unity, and as a result of the need of massive financial support for the economy in the GDR, this trade surplus will be reduced.

The process of reunification had so far worked as a motor, not as a problem for European integration. The interests of the Germans to be integrated in an European system, and of the other countries to integrate Germany, had worked together positively. A currency union and a joint EEC foreign and security policy therefore were already defined as the next steps of European integration. But certain problems of adaptation



still had to be solved in the extension of the EEC regulations to the GDR. The treaty on the establishment of an Economic, Currency and Social Union includes agreements that clash with EEC regulations.

Does the end of the regimes in Eastern Europe mean the end of communism or socialism? Neither in Zimbabwe nor in Europe a definite answer to that question had been found. It was mentioned that communism standing for orthodox Marxism-Leninism and its model of a centralized and bureaucratic command economy, can not be equated with the wider term of socialism. Whereas the former had proved to be a clear failure, the latter expresses the longing for a just and humane formula of the economic and social living together of people, and will remain an important factor in social debates and conflicts.

#### *IV. Developments in Europe and their Implications on Africa*

##### 1. The Internal Market in 1992

##### *German Statement: Stefan Brüne*

With the creation of a common internal market by the end of 1992, the EEC will strengthen its international competitiveness. Although during the past 15 years it lost market shares to Japan, South Korea, and the USA, the EEC is still the strongest trading block and the biggest external investor. In the 80s, the EEC took over from the USA as the leader in international direct investment. With a share of 22% of the worldwide trade, the external trade volume of the EEC equals the joint volume of the two main competitors Japan and the USA. If one adds its internal trade the EEC handles one third of total world trade. The 12 member states, who will, in 1993, form the largest trade area of the world, take 35% of the world imports and deliver 32% of the total exports.

The strategic aim of the internal market is to strengthen European industry through *stronger internal competition* and through *large scale production* for the competition with the USA, Japan, and the export oriented semi-industrialized countries. Among Third World countries, this aim creates fears to loose existing advantages or even to suffer further disadvantages in trade and development aid. These fears vary according to economic or production structures, or to geographical position and country-specific relations with the EEC. Above all, these developing countries for whom the EEC is an important or, like in the case of most

African-Caribbean-Pacific (ACP) countries, the most important market assume that they will not be able to survive in a climate of increased competition between the major trading blocks. Due to their structurally limited flexibility in exports, developing countries may need too much time to adapt to the changing conditions. In addition, they fear that the EEC will compensate the stronger internal competition through a stronger outward protection.

At present, one can only speculate if the EEC will be able to relate the development of the internal market to its international obligations and if the future EEC trade policy will be influenced more by *liberal* or by *protectionist* interests. It is obvious that the dynamics of the internal market will level the amount of protectionism towards other countries. Bilaterally negotiated import quotas between an EEC member country and a third party are, by definition and on the basis of a ruling by the European court, incompatible with the rules of the internal market. National import quotas, i.e. quantitative restrictions of direct imports by a member country, therefore, either have to be removed or to be replaced by EEC regulations.

Apart from grey areas protectionism and "voluntary" restrictions, three scenarios can be defined:

- a. The EEC gives up all national protections and uses the increased international competitiveness of European companies as a result of the internal market to remove trade barriers towards other countries, expecting the same in return (reciprocity).
- b. The national import restrictions are implemented on an EEC level as the increased internal competition can not sustain additional external pressure which would be the automatic result of international trade liberalization.
- c. As a result of differing external trade structures, of uneven international competitiveness, and of ideological differences among the EEC members, compromises and mixed solutions have to be found.

On the basis of past experiences it can be anticipated that the two latter scenarios are more likely to be implemented and receive preference from the EEC Commission to the first one.

Fears from third parties that Europe is running the risk of becoming a protectionist "fortress" were always challenged by leading EEC politicians,



saying that it is the EEC's own interest to have open markets internationally and to liberalize international trade. In addition, reference is made to the high level of export dependency of the EEC's industrial production - one fourth of the EEC's domestic product.

Recent experiences indicate that the fears of many politicians in Third World countries can only partly be alleviated. In the 80s, the protectionism of the EEC increased as a result mainly of the expansion of the EEC to Southern Europe. Above all, Third World countries came under pressure to renounce the rights deriving from GATT in this process. Not only individual member countries but the EEC in general have entered into numerous agreements on import restrictions with Third World countries. At the same time, the area of grey zones was extended. In the beginning of 1986, there were 38 regulations by the EEC and 30 by individual member states restricting the exports by Third World countries into the EEC, mainly concerning agricultural and textile products.

So far, only a few countries were able to put their general fears into concrete concerns. This difficulty results largely from the nature of the experiment "1992" which is more of a slogan than an exact date or clearly defined catalogue of actions. This is true even for the first and best defined part of the program: the removal of trade barriers between the EEC member states. The EEC Commission is at present working out 279 directives to remove existing trade barriers. But even if all these directives would be approved before the December 31, 1992 (which is by no means sure), there is much left to be done in implementing them.

While the Newly Industrialized Countries (NICs) have to fear most from the creation of a "Fortress Europe" several other groups, above all the ACP and the Mediterranean countries, are facing a different problem: the unrestricted liberalization would deprive them of their preferential access to the European market.

The European market is extremely heterogeneous, for example, as far as bananas are concerned. Whereas France covers her needs from her overseas territories, as well as through imports from Malagasy, Cameroon, and Ivory Coast, Great Britain has an agreement for imports from the Caribbean. The fact that bananas are cheaper in Germany than in all other EEC countries is due to an amendment of the Treaties of Rome, on which the then federal chancellor Adenauer insisted. It guarantees the Federal Republic the unique privilege to import bananas duty free from the dollar zone in Central America. All other EEC countries



have to pay 30% import duty on bananas imported from the dollar zone in Central America. With the completion of the internal market, all special import regulations of the member countries are lifted and within the EEC there shall be free import and export of goods. Under these conditions, the Caribbean countries fear for their markets in Germany, which so far have been secure.

Coming to the question of aid, the fact that the European Development Cooperation is regionally concentrated in Africa - two thirds of the ACP countries are in Africa, 90% of the ACP population are Africans - mainly results from the special French interests in Africa. France and some African governments fear that the internal market could diminish this involvement in francophone Africa and ACP countries in general, although French politicians feel obliged to reassure that France "has neither the moral right nor the political intention, to drop Africa" and that she will see to it that the cooperation as agreed in the Lome-Convention shall continue. There is no reason to doubt the seriousness of such statements. But the economic facts point in a different direction. In the light of the pressures for modernization, which the French economy is exposed to and as a result of the negative trade balance, the economic relevance of Africa for the French economy is constantly declining. Since 1984, Africa's contribution to France's foreign trade has been halved. In addition, private investment is declining.

The project of an European internal market confronts the European policy towards the ACP countries as well as the French Africa policy with similar problems. Whereas the economic relations and the competition between industrialized countries and the NICs shall expand as a result of the internal market, it is most likely that regions with traditional affiliations to France and the EEC in the Third World - francophone Africa and the ACP countries - will rapidly lose importance.

In conclusion, it may be stated that debates which reduce these difficult questions to the traditional contradiction between *protectionism* and *liberalism* under the headline "Fortress Europe" are less helpful than ever before. It is most likely that a "free trade protectionism", which is a mixture of steps of deregulation and liberalization on the one side, and strongly protectionist components on the other side, as a result of different interests and structures in the EEC, shall determine the future relationships between the EEC and the ACP countries.

*Zimbabwean Statement: Lawrence Vambe*

There is no doubt that Africa is worried about the effects of the developments in Europe. It is anticipated that the European Community will necessarily become more inward-looking and exclusive to deal with its own economic interests and the new tasks in Eastern Europe. France, the United Kingdom, and Germany have indeed constantly confirmed that the Europeans will not cut their ties with Africa and that Europe will stick to its obligations. But we shall see what the future has to offer. We assume in any case that Europe will give priority to its own economic interests and that, as a result, the economic ties with Africa shall suffer.

But there is a positive side to these developments. It will force us to a greater degree of self-reliance and to expand inter-African trade. In Southern Africa we will put more emphasis on the Southern African Development Coordination Conference (SADCC) and the Preferential Trade Area (PTA) and will make it a success. All SADCC member states want a post-Apartheid South Africa to become a member of the community.

As far as Zimbabwe is concerned, we are prepared for the problems and chances which come out of the present developments in Europe. Zimbabwe has made major changes in her economic policies. We are implementing a programme of economic liberalization to attract investment and to create jobs for our population. This programme was announced in April 1989, and was backed by an investment conference in London, in May 1990. The result was the establishment of an investment centre to speed up the decision making process on investments and to abolish the frustrating bureaucratic procedures.

After all, one can say that Zimbabwe is moving away from the "era of slogans".

*Discussion*

Representatives from the private sector in Germany emphasized that it was wrong to expect negative consequences for Third World countries from the EEC internal market in 1992 only. The abolition of internal trade barriers for example would improve the possibilities for imports by external partners. As Zimbabwe has a relatively diversified spectrum of goods she could benefit therefrom.



Two factors, however, were of major importance in securing market shares in Europe: high quality standards and reliable supply.

Zimbabwean participants said that it was not the internal market but the redirection of investment to Eastern Europe that was worrying. Such a redirection was most likely as Eastern Europe was geographically, culturally, and racially closer to Western Europe than Africa. In addition, Eastern Europe was politically more stable despite the difficulties these countries were facing at present.

This assessment was questioned by German participants. For private sector investment the legal framework was of great importance and this framework was better in a number of African countries than in Eastern Europe. But Zimbabwe and other Third World countries had to realize that state intervention in the price structure scared away investors. An investment code as such would not solve the problem.

In difference to the past, the question of a one- or a multi-party system had become an important factor for investors. In the past, private companies had indeed not based their decisions on the degree of democracy in a country, i.e. whether it has a multi-party system or not (see Ivory Coast and Kenya). But after the events in Eastern Europe one-party systems were no longer considered as politically stable by private investors and therefore considered as a risk for investment. As a result, the human rights record and the existence of a functioning legal system had gained importance for Western investment.

Zimbabwean participants stressed the need to improve regional cooperation as an important step to improve the economic position of the region and to meet the European challenge. Africa had the resource base to do well. It would not make sense to exclusively aim at the European markets. Africa itself provided numerous market opportunities which were not fully used by African countries.

The question whether a post-Apartheid South Africa will have a positive impact on Zimbabwe remained controversial. South Africa would not only provide an accessible market for Zimbabwe but be a competitor too. After all, a post-Apartheid South Africa might come out as a giant although on shaky feet due to its internal problems. It was therefore at present difficult to assess to which extent South Africa will be able to contribute to the economic development of the region. One Zimbabwean participant expressed hope that Southern Africa might enter an impres-

sive take-off at the beginning of the next century. The precondition was that the region, like other parts of Africa, will be able to control population growth.

## 2. Implications of Developments in Eastern Europe

*German Statement:* Friedemann Müller

1989 was the year of the revolution, the year of drastic changes in Eastern Europe. In Poland, Hungary, Czechoslovakia, the GDR, Bulgaria, and Romania new governments came into power, partly through elections, partly through revolutionary changes which were legitimized in the following year by free elections. In the Soviet Union, for the first time a parliament was elected in free elections and with real choices between different candidates.

Despite the fact that all these changes took place within one year, the roots go far back into the history of these countries. Hungary started her economic reform in 1968, and continued it without interruption to the present. In Poland, the labour movement started in the 70s. In 1980, Solidarity was recognised by the government as a political force. Between 1985 and 1989, the Soviet Union under Gorbachev spearheaded the reform process but was suddenly overtaken by the changes in other Eastern European countries.

The common goal of the reform process by now is: abolition of a centrally planned economy and the establishment of a pluralistic, democratic order with a market economy. With the introduction of a market economy, a decision has been taken in favour of efficiency, flexibility, and the ability to modernize, but this does not say anything about the social justice of the future society.

Planning is in principle not inefficient or alien to a market economy. But central planning is related to monopolistic power which tends to become inefficient and corrupt as a result of lack of competition, incentives and control.

The transformation from a monopolistic to a competitive system cannot be done by decrees only. It requires a learning process, as the ability to take risks and show flexibility, etc., has to become part of the "way of life". On the other side, social priorities have to redirect public funds for cushioning off the social hardships, which result from the introduction of



the competitive system. Contrary to a planned system one needs a well targeted social policy in a market economy. Finally, a sensible monetary system in the hands of an independent central bank and the creation of rules for a competitive system are pre-conditions for a functioning market economy.

#### Economic relations between East and West in Europe

The joint declaration of the EEC and Council for Mutual Economic Aid (COMECON) signed on June 25, 1988, is the starting point for a net of bilateral agreements on trade and cooperation between the EEC and countries in Eastern Europe (with Hungary in September 1988, CSFR in April 1989, Poland in September 1989, Soviet Union in December 1989).

At the world economic summit in Paris, in July 1989, the EEC was commissioned with the coordination of an aid programme for the democracies in Eastern Europe. Hungary and Poland received food aid and got, for the first time, access to credits from the European Investment Bank. The IMF and the World Bank indicated that they are prepared to support the changes in Eastern Europe with credits. Finally, in May 1990, the European Bank for Reconstruction and Development (EBRD) was established in London. It shall provide credits for Eastern Europe with a share of more than 50% of its capital coming from EEC sources.

The crisis COMECON is facing is mainly due to its inadequate trade structures, as it works mainly as a clearing house for bilateral barter trade. In the meantime, a growing part of the COMECON trade is done under free market conditions and on the basis of convertible currency. But it is still far away from a sophisticated integration with a free flow of goods, services, capital, and labour. Economically progressive countries like Hungary therefore lean more towards the EEC or European Free Trade Association (EFTA).

Which developments may be expected for the next few years?

- The GDR will leave COMECON by the end of 1990. COMECON might dissolve.
- The Western industrialized countries will preferably invest in countries with an adequate legal framework, above all in Hungary, Poland, to some extent in the Soviet Union, in future probably in the CSFR.



- The Eastern European countries will aim for their integration into the west-European economic system. The EEC will be open for those with a democratic and market-oriented economic system. Hungary stands the best chances to meet these conditions, but membership of the EEC can not be expected before the end of the 90s. Poland and the CSFR are the next candidates.

As the Soviet Union and the East European countries do not have the capital needed for a fast modernization it will take a long time to level the disparities in productivity and per capital income between East and West Europe.

With respect to Africa and other Third World countries, it should be emphasised that the dynamics in the relationship with Eastern Europe does not necessarily imply that there can be no dynamics in the relationship with other regions.

*Zimbabwean Statement: Jonathan Moyo*

As a result of many internal problems, the countries in Southern Africa did not have enough time to reflect thoroughly on the events in Eastern Europe. In Zimbabwe a conference dedicated to this topic, in February 1990, was cancelled. The information on the collapse of the regimes in Eastern Europe is insufficient and as a result the discussion on the effects of these developments on Africa is superficial.

The developments in Eastern European countries were discussed with differing intensity as a result of the differing bilateral relationship of these countries with Zimbabwe. The changes in Poland, the CSFR and even the GDR received less attention than the changes in Romania and Bulgaria.

There are at least four schools of thought in Zimbabwe on the relevance of the events in Eastern Europe for Africa:

- there are no implications or consequences as the conditions and the stages of historic developments in Eastern Europe and Africa cannot be compared;
- the events mean the collapse of socialism. The realization of communism finally becomes utopic. Those African countries like Mozambique, Ethiopia, Angola, Benin, etc, who implemented this model will not have any choice but to part from this model;
- the events in Eastern Europe are just a strategic retreat to save socialism and to give it the opportunity to sort out its relationship to

democracy for socialism lacked a clear democratic orientation in the past;

- the events are a response to social-imperialism. The Eastern European countries wanted to liberate themselves from Soviet imperialism like China did. Now the way is open for a true democratic mass movement instead of a dictatorial Marxist-Leninist avant-garde.

Independent of the question which school of thought one follows, the revolutionary changes in Eastern Europe will have the following consequences on Africa:

- the question of democracy and human rights will in future be high on the geo-political agenda;
- the ground swell of discontent in Africa will come into the open as the downfall of the regimes in Eastern Europe encourages those in Africa who stand for democracy;
- there is no longer a Cold War rationale for the support of dictatorial regimes in Africa. The Soviet Union is no longer interested in support for ideological reasons. The same applies for the USA.

The conclusion is that the events in Eastern Europe acted as a catalyst in Africa. In addition, there is a tendency of marginalizing Africa, including Southern Africa (the United Kingdom, among others, shows tendencies of withdrawal). South Africa might be an exception if the race conflict can be solved by peaceful means in the near future.

Economically the needs of Eastern Europe and of the Soviet Union will restructure the availability of and the rules for the distribution of aid. Africa will have to choose a development strategy which is based on its own internal conditions and possibilities and which at the same time takes the IMF and World Bank demands for structural adjustment into consideration. There should be no illusion that in the short and medium term this can lead to more internal instability in African countries.

### *Discussion*

The assessment of the events in Eastern Europe and their effects on Africa varied widely among German and Zimbabwean participants. Zimbabwean participants showed understanding for the fact that Europe will be more concerned with the solution of its own problems in the next few years.



Concerning the consequences for Africa, a German participant said that after the East-West conflict the North will be only marginally interested in the Third World. Investments will go down and so will any aid, despite all other statements. Only the churches will remain interested in Africa.

Another German participant only partially agreed with this view. It is true, on the one side, that the old system of aid and cooperation with the Third World will come to an end. But this does not necessarily mean the end of all cooperation. The positive aspect of it was the growing awareness for global problems in the North as well as in the South. On this basis, a completely new rationale for cooperation can and will be worked out.

### 3. Additional Ad-hoc Statement on the Economic Implications of Change in Eastern Europe on Africa

*German Statement: Veronika Büttner*

The economic consequences of the changes in Eastern Europe and in the Soviet Union are relevant for three dimensions of the North-South relationship:

- the flow of credits, above all bilateral and multilateral funding for development;
- foreign direct investment;
- trade.

#### Credits and Development Funding

USSR: the Soviet Union will reduce her aid. The aid programme in the 1990 budget is 30% lower than in 1989, for various reasons: reduction of ideological and military confrontation with the West; enormous internal economic difficulties; the need to reduce the budget deficit.

The economic relevance of Soviet aid for Africa is limited, as the non-military aid was not important in the past. Africa's debt amounts to 195 billion US dollars in 1989. The Soviet share is merely 8 billion US dollars. Soviet aid mainly concerned military aid (2/3 of the total) and concentrated on five countries: Ethiopia, Algeria, Angola, Egypt, and Libya. The Eastern European countries have reduced their aid in 1989 by 10%, the oil exporting Arab countries by 50%.

USA: the USA will reduce her aid, too. The budget deficit has to be reduced drastically. At the same time the aid for South America (drugs), Central America, Eastern Europe and the Soviet Union will be increased. The preferential treatment of Israel, Egypt, and the Philippines will most probably continue.

Japan is now on top of the donor countries. She plans to spend 31 billion dollars in the next few years in Third World countries. Although Japan's main interest is Asia, Africa will get its share.

Europe: the financial burden of German unity for the FRG was already mentioned. There are various reasons why aid will be of lesser importance in European politics:

- concentration on the integration and development of Southern Europe and economic restructuring in Eastern Europe and in the Soviet Union (Holland, Denmark, and Sweden have already stated that their aid for Eastern Europe will partly be taken from the aid budget);
- frustration about the failures of development aid as an instrument to combat poverty and to achieve economic development;
- decreasing economic importance of the Third World for the industrialized countries (marginalization of raw materials, decrease of trade and investment).

Against these reasons for a decrease in development aid stands the growing awareness of "global risks".

IMF and World Bank: both institutions receive a massive injection of capital. They are heavily involved in Africa. In future, they will be even more involved in Eastern Europe. Consequently, there will be a stronger competition for credits between Third World and Eastern European countries.

## Investment

The effects resulting from the changes in Eastern Europe will, in the short and medium term, be less drastic than expected. The legal and institutional conditions for foreign investment are only slowly improving in Eastern Europe and in the Soviet Union. There is some investment by American and Japanese companies. But this might change concerning Hungary and Poland, where the legal conditions for foreign investment are changing faster than in other countries.



Whereas there was a shift in investment in the 70s in favour of Third World countries, the trend is being reversed in the 80s, above all in the highly indebted countries of South America and Africa. The reasons for this trend are, however, not related to the events in Eastern Europe:

- a decrease of the demand for raw materials and agricultural products with a resulting decrease of investment in these sectors;
- decreasing comparative advantage of countries with low wages as a result of technological progress in industrialized countries;
- the debt and economic crisis in the Third World countries with negative effects on the investments by foreign companies in areas of supply for local demand.

One cannot ignore the simple fact that the main reason for investment is the expectation of positive results in business. This depends on the growth of the economy in the respective country (or region), and in the specific sector of the economy. If the prospects for economic growth are bad, the best investment incentives like guarantees for the transfer of profits, tax incentives, etc., do not help.

### Trade

If the reforms in Eastern Europe are successful these countries will be competitors for developing countries. At the same time there should be better chances for exports to these countries (agricultural products, raw materials, simple manufactured goods). In the short term, the reduction of trade preferences by Eastern European countries will cause problems for countries like Ethiopia and Angola.

### *Discussion*

Participants agreed that the economic and political marginalization of Africa will be unavoidable. At the same time, this could be a chance for the internal reorganization of the continent, as the marginalization would force the population and the governments in Africa to concentrate on their own resources.

As far as Zimbabwe is concerned, it was important to invest more internal capital, as one participant from Zimbabwe pointed out. Appeals based on humanitarian and developmental grounds to foreign investors might not be very successful. It was decisive to make the country attractive for foreign investment through national efforts, as Botswana and others

did successfully. After all, trade and investment, not aid, was important for Zimbabwe.

The end of the East-West conflict, and the progress made in the negotiations on arms reduction, lead to hope that the influx of arms and the number of military conflicts in the Third World may be reduced. A German participant warned against such an expectation and stressed the danger of the Third World being flooded by cheap "disarmed" weapons from Europe. This had already started. The temptation to earn foreign currency through the sale of obsolete weapons might be too strong for the Soviet Union and other Eastern European armament producers, who are short of foreign currency. In addition, there were viable arms producers in the Third World (Brasil, South Africa, etc.), who have started an aggressive sales policy.

This situation had to be seen in the context of the risk of increased social and political instability in Africa and in other parts of the Third World. The number of small bloody conflicts would increase in this decade. This raised the question of limiting the international arms trade and improved methods of regional and international peace-keeping. A positive development was that delivery of arms on a large scale, as in Afghanistan, Ethiopia, and Angola will most probably stop.

It was difficult to assess the long term perspectives and problems of economic restructuring in Eastern Europe and in the Soviet Union. Is the crisis of supplies in the Soviet Union, for example, a result of the reform policy or of the serious mistakes of the past? The social consequences of the reform are not clear either. It was stated that social unrest was possible but not unavoidable. Other participants were more pessimistic, above all concerning the Soviet Union. The social burden from the past Marxist-Leninist policy was enormous. It was frightening to which extent the infrastructure in the Soviet Union is underdeveloped and neglected. Disastrous accidents (gas, oil, and nuclear) will increase in future. The danger of massive social disruption and clashes was great.

#### *V. Zimbabwe's and Germany's Bilateral Economic Relations*

##### *German Statement: Martin Krämer*

The commercial cooperation between Germany and Zimbabwe is characterized by a large trade surplus in favour of Zimbabwe. In 1989,



Zimbabwe exported for 494 million DM<sup>2</sup> to Germany and imported for 170 million DM from Germany. Zimbabwe takes the 59th place among German import partners and 79th place in German exports. The export grew by 32% as compared to 1988, the imports dropped by 6.4% compared to the previous year. The surplus in favour of Zimbabwe grew from 192.1 million DM in 1988 to 324 million DM in 1989.

In 1988, the structure of Zimbabwe's export was as follows: gold 105.5 million DM, ferroalloys 81.9, nickel 48.6, cotton 30.8, tobacco 30.3, meat 18, coffee 14.5, asbestos 8, copper 6.6, semi-finished cotton, graphite, other mineral products, and garments 4.4, fruit and horticulture 1.6, and tea 0.8.

German exports: cars 40.5 million DM, machinery 30, plastics 15.1, electro-technic articles 13.5, chemical products 8.4, pharmaceuticals 8.2, optical products 4.3, metal iron sheets 3.3, and fertiliser 4.

In Africa, Zimbabwe was in 1989 on the 8th place in exports to Germany with a growth rate of 61% per annum. In exports to Germany Zimbabwe holds 13th position in Africa with a decline of 15.8% per annum.

Foreign trade contributes half of Zimbabwe's GNP with 1.3 billion ECU worth of exports and 939 million worth of imports. The trade between Europe and the PTA/SADCC regions increased steadily since 1980 whereas Europe's trade with South Africa decreased. This development is supported by the Lome convention and will not change after 1992.

Zimbabwe's trade promotion is better than that of any other African country, especially in horticulture and other agricultural products, textiles, steel, and meat. Exports of flowers, fruit, textiles, and leather increased by more than 50% since 1985.

Trade liberalization may substantially improve Zimbabwe's trade turnover with Europe. The export structures are well developed by an export revolving fund, an export incentive scheme, exchange bonds, etc.

Due to the lacking bilateral investment agreement, German investment is not substantial. Further handicaps are price control and labour regulations. Trade liberalization and the lifting of sanctions against South Africa will accelerate economic growth and integration in the world market.

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2 1 US-dollar = approx. DM 1,74 in June 1990.

Government policy is not supporting sufficiently the two other pillars, administration and economics, which have an adverse impact on the investment climate.

In future, an improvement of cooperation in trade and investment is possible. Important are investment laws, etc., cutting through the bureaucracy.

There are good chances for an economic powerhouse in the subcontinent in 2 to 3 years after a peaceful transition to majority rule in South Africa. Zimbabwe could be the heart of a regional policy if problems are no longer over-politicized.

#### *Zimbabwean Statement: Primrose Kurasha*

The facts and figures of trade relations between Germany and Zimbabwe have been outlined in the previous statement and need no additions nor corrections. The trade surplus in Zimbabwe's favours enables the country to service her debt and to fuel local development, like the establishment of an own gold refinery recently.

The criteria for foreign investment - purchasing power of the local market, trade barriers by government regulations, import restrictions, and price - control are well understood and shall be addressed by trade liberalization.

A participative management between labour and employers will encourage innovative entrepreneurship and confidence of the workers.

Perspectives: Trade liberalization will reduce the risk for investors. German unity will divert German industrial interests to East Germany but provide a bigger market for Zimbabwean products. On the basis of the existing trade links Zimbabwe offers better conditions than Eastern Europe.

#### *Discussion*

In the discussion it was emphasized that the import restrictions result from the debt servicing. The system of foreign exchange regulations, introduced by Smith in 1965, has to disappear to open possibilities for trade and investment.

Commenting on the statement that the protection of workers was detrimental to the investment climate, it was said that collective bargaining has



replaced government regulations on industrial relations. The investment climate was determined by the availability of local skilled labour, not expatriate one. Zimbabwe has got the educational system on school and vocational level to provide the skills and, considering a minimum wage of Z\$200 Zimbabwe, a low wage economy. But grading system restricts upward movement and tends to make skilled labour emigrate from Zimbabwe. The restriction of the right to hire and fire lowers employment opportunities.

In the area of technical cooperation and aid, Germany has assisted Zimbabwe with 10 to 15 million DM per annum. The focus of technical assistance was transport and communication, including rural road network. At present it was shifting to agriculture and should include non-governmental organizations. A problem was that development is highly centralized in Harare whereas it should come from the grassroot and be decentralized. With the Village Development Committees, the Ward Development Committees, and other structures on district and provincial level, Zimbabwe has got the infrastructure for a decentralised development strategy.

The volunteer agencies, political foundations, and technical organizations are all represented in Zimbabwe. In this area, Zimbabwe is by far the most important partner in the region.

The opening of the Beira-, Nacala-, and Limpopo-lines was vital for the SADCC countries. Today, Beira takes 22% of Zimbabwe's trade, five years ago it was zero. The transport cost on the Beira line is only 50% of the cost of exports via Durban. The collaboration between the public and private sector like the Beira Corridor Group (BCG) was a scheme that could and should be applied in other sectors of the economy.

The statement that a one-party state debate was detrimental to the investment climate was rejected in the debate. It was said that investors do not care of the political system as long as it was stable and guarantees good revenues. There were plenty of countries where big business has supported "development" dictatorships. But the sometimes radical socialist rhetoric of the government certainly was one reason for the low level of foreign investment. Considering the fact that the rhetoric is not reflected in the economic and political realities in Zimbabwe, it was hard to understand why the government is keeping up the rhetoric.

*VI. The Situation in Southern Africa - Zimbabwean and German Analyses of the Outlook for a Negotiated Settlement*

*Zimbabwean Statement: Edward Kaseke*

The prospects of peace in Southern African depend on the developments in South Africa. The destabilization exercised through Resistência Nacional Moçambicana (RNM) in Mozambique, Uniao Nacional para a Independencia Total de Angola (UNITA) in Angola, and hit squads in Zambia, Botswana, and Zimbabwe has cost the Front Line States millions of dollars. South Africa's commitment to change must translate into good neighbourhood to create peace in the region.

The release of Nelson Mandela and the unbanning of liberation organizations raised cautious hopes in the region. President de Klerk's initiatives might be honest but could also be just an attempt to alleviate internal and external pressures and to get rid of sanctions.

Above all, the young activists were critical of the ANC's decision to enter negotiations and insisted on preconditions to be met before negotiations. It is not sure to which extent de Klerk is supported by the majority of whites. Recent events have demonstrated that there is a growing right wing movement including parts of the army and police.

The black population will not accept anything short of genuine majority rule in a non-racial and democratic South Africa. All attempts to include any sort of racial protection of minority rights in the form of group rights are not acceptable, as they translate a racial dimension into the new South Africa.

The outlook for a negotiated settlement in South Africa depends on the retention of sanctions. The pressure must be maintained to force the de Klerk government to dismantle Apartheid. The main question is if and when the process of change will become irreversible. So far, the pillars of Apartheid like the Population Registration Act, the Land Acts, the Group Areas Act, or the security legislation remained untouched by the change.

In line with the changes inside South Africa, and with the end of the Cold War, the regional situation seems to be improving. The willingness of both the Mozambican government and the RNM to talk is encouraging, whereas the Mobutu mediation between the Angolan government and UNITA has failed.



*German Statement: Theodor Hanf*

The problems the South African government is facing today surfaced in the early 80s when capital left the country as a result of the unrest and due to the economic decline. The black majority made itself heard in numbers and with confidence. Above all, the black youth initiated the unrest which resulted from increasing unemployment, with vanishing hopes that a liberation could come from outside (Nkomati-Accord). The new constitution, introducing the tricameral parliament, further fuelled the unrest which was the main factor for change.

The white minority was no longer ruthless enough to use all available means to keep Apartheid alive. Cornerstones of Apartheid like the Immorality Act and the religious justification of Apartheid were crumbling. The state of emergency has worked, but the government did not manage to push the blacks back into apathy. Government kept control but had finally lost its legitimacy.

The events in Eastern Europe are effecting the ANC as well as the government. For the ANC, the political and financial support is dwindling. For the government, the communist threat has disappeared and the ANC has lost the image as Moscow's fifth column in South Africa.

As far as the prospect of a negotiated settlement is concerned, neither ANC nor government has a blueprint for South Africa's future. The Cape Town meeting has produced an immediate "love affair" and closed the emotional gap between the two sides. The existing gap in economic plans has been narrowed since the ANC has moved a long way from nationalization. Yet, the constitutional gap between group rights and one person-one vote still seems to be wide.

The right wing will not play a significant role at the long run. There will be no more white elections. The ANC is facing criticism from the Pan Africanist Congress (PAC) and the Black Consciousness Movement (BCM) for selling out their aims of the struggle.

It seems that the process of negotiations is more important than the result. If the process is democratic things will come right. The main problems after Apartheid will be the economic inequalities and the total mismatch as a result of unequal access to education and training over a century. Furthermore, South Africa will be an "ideological museum"

harbouring Stalinism, Trotskism, racism, etc. The assets will be the "pluralism" of forces for a civil society.

### *Discussion*

The debate was opened by a discussion on the relationship between ZANU and ANC, which was rather cool in the past, whereas the links with the PAC were close and cordially. Mugabe was now supporting the ANC position on negotiations and criticizing the PAC. The ANC position on negotiations coincided with Zimbabwe's interest to bring an end to the conflict in South Africa. Mandela's early visit to Zimbabwe has underlined the improved relationship between the ANC and ZANU. As a result, the relationship between the government of Zimbabwe and the ANC seems to be better than relations with the PAC.

As far as de Klerk's support among the whites is concerned, it was said that he enjoys the support of the majority. There was a change of hearts and minds among Afrikaaner academics, businessmen, and clergymen, who are supporting de Klerk. Despite the problems within the police and some other pockets of the whites, de Klerk would come out with a comfortable majority if there were white elections now. De Klerk could win elections at any time. If needed, he might adjust the existing constituencies. A coup d'état from the military was out of question and the right wing will sooner or later join the negotiations band wagon. On the black side, a multi-party spectrum (ANC, PAC, AZAPO, SACP, etc.) was developing. There was even a possibility that there will be no clear-cut majority in non-racial elections.

As far as sanctions are concerned, the majority of conference participants felt they should not be lifted at this stage. The international pressure should be maintained to secure that the momentum of the new dialogue was not lost. If the negotiation process derailed, for one reason or another, it would be very difficult to get it back on track. Too early lifting sanctions could have such a destabilizing effect.

Other discussants argued for sanctions to be lifted as an economic upswing would support the process of change. The ANC cannot ask for funds for the return of exiles and demand at the same time that sanctions should stay. The returned exiles needed jobs requiring economic growth.

It was debated if the process taking place was irreversible. It was argued that the point of return was passed and de Klerk had to show the



benefits of the process in order to take the whites along. Therefore, it might be sensible to lift the cultural or the sport boycott, which may easily be reestablished if the negotiations broke down.

With respect to the negotiations, several participants emphasized the need to speed them up. And as far as Zimbabwe is concerned, she had a role to play. She could make her own experience available in the transitional period and in areas like reconciliation and unity. In the process of the dismantling of Apartheid confidence building measures in South Africa and in the region were required.

Finally, the debate turned to the reasons for the improvement of the relationship between Zimbabwe and Malawi. The notion that it should be seen in the context of the one-party state debate was rejected. The rapprochement was a result of Malawi's changed role in the region. President Banda has accepted that he is part of the Southern African region and has to get on with the Front Line States. Zimbabwe's aim was to draw him closer into this alliance, above all with respect to the situation in Mozambique.

Annex

## A G E N D A

German-Zimbabwean Dialogue

Ebenhausen, 25 - 27 June 1990

09:00 - 13:00

Session I

09:00

Introduction: Winrich Kühne

09:15

**The Foreign Policy of Zimbabwe:  
Problems and Perspectives**

German Statement: Peter Meyns

Zimbabwean Statement: Judy Todd

10:30

Coffee Break

10:45

**Zimbabwe's Political System**

Zimbabwean Statement: Geoff Nyarota

German Statement: Goswin Baumhögger

13:00

Luncheon

Conference Center

14:30 - 18:00

Session II

14:30

**The Foreign Policy of the Federal Republic  
of Germany: Problems and Perspectives of  
German Unification**

German Statement: Christian Deubner

Zimbabwean Statement: Dennis Norman

16:00

Coffee Break



- 16:30 - 18:30      **Developments in Europe and their  
Implications for Africa**  
**1. The Internal Market in 1992**  
 German Statement: Stefan Brüne  
 Zimbabwean Statement: Lawrence Vambe
- 18:30                Drinks, Clubroom
- 19:00                Buffet Dinner  
 Conference Center

**Wednesday, June 27**

- 09:00 - 13:00      **Session III**  
**Developments in Europe and their  
Implications on Africa**  
**2. Implications of Development in Eastern  
Europe**  
 German Statement: Friedemann Müller  
 Zimbabwean Statement: Jonathan Moyo  
**3. Additional Ad-hoc Statement on the  
Economic Implications of Change in Eastern  
Europe on Africa**  
 German Statement: Veronika Büttner
- 11:00                Coffee Break
- 11:15                **Zimbabwe's and Germany's Bilateral  
Economic Relations**  
 German Statement: Martin Krämer  
 Zimbabwean Statement: Primrose Kurasha
- 13:00 - 14:30      Luncheon  
 Conference Center

14:30 - 17:30

Session IV

14:30

The Situation in Southern Africa -  
Zimbabwean and German Analyses of the  
Outlook for a Negotiated Settlement

Zimbabwean Statement: Edward Kaseke

German Statement: Theodor Hanf

16:15

Coffee Break

16:30 - 17:30

Concluding discussion

17:30

End of Conference

17:30

Reception

given by Michael Stürmer,

Director of the SWP

Hall, Main Building



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German-Zimbabwean Dialogue

Ebenhausen, 25 - 27 June 1990

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Yvonne BADAL, SWP

*Abbreviations*

|           |   |
|-----------|---|
| ACP       | African-Caribbean-Pacific                           |
| BCG       | Beira Corridor Group                                |
| BCM       | Black Consciousness Movement                        |
| COMECON   | Council for Mutual Economic Aid                     |
| EBRD      | European Bank for Reconstruction and Development    |
| EEC       | European Economic Community                         |
| EFTA      | European Free Trade Association                     |
| FLS       | Front Line States                                   |
| NAM       | Non Aligned Movement                                |
| NIC       | Newly Industrialized Country                        |
| PAC       | Pan Africanist Congress                             |
| RNM       | Résistencia Nacional Moçambicana                    |
| UNITA     | União Nacional para a Independência Total de Angola |
| ZANU (PF) | Zimbabwe National Union (Patriotic Front)           |
| ZAPU      | Zimbabwe People's Union                             |
| ZUM       | Zimbabwe Unity Movement                             |





