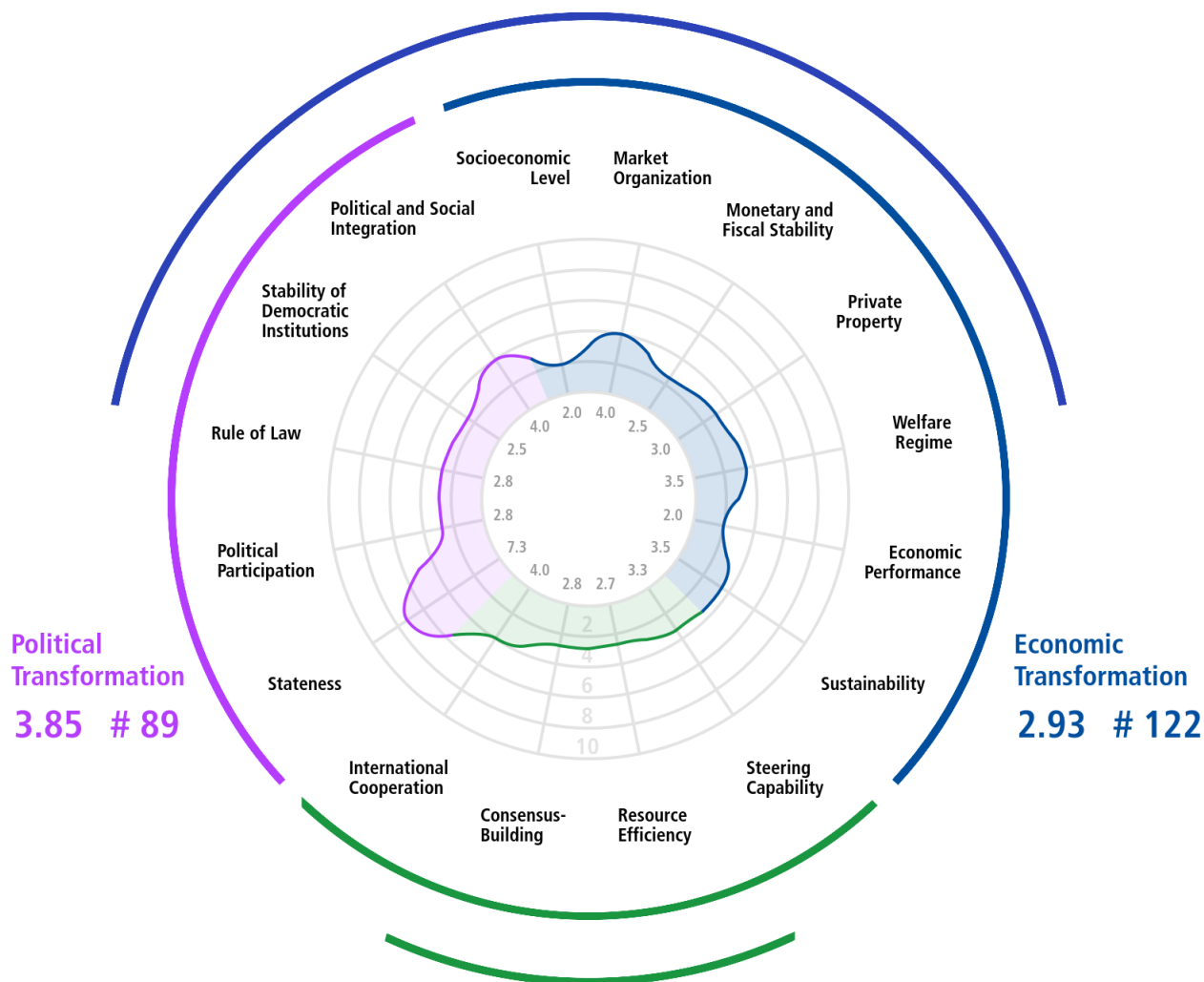


# Zimbabwe

## Status Index

**3.39 # 116**

on 1-10 scale out of 137



**Political Transformation**  
**3.85 # 89**

**Economic Transformation**  
**2.93 # 122**

## Governance Index

**2.94 # 116**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2026 Country Report – Zimbabwe. Gütersloh: Bertelsmann Stiftung, 2026.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

## Contact

Bertelsmann Stiftung  
Carl-Bertelsmann-Strasse 256  
33111 Gütersloh  
Germany

### **Sabine Donner**

Phone +49 5241 81 81501  
[sabine.donner@bertelsmann-stiftung.de](mailto:sabine.donner@bertelsmann-stiftung.de)

### **Hauke Hartmann**

Phone +49 5241 81 81389  
[hauke.hartmann@bertelsmann-stiftung.de](mailto:hauke.hartmann@bertelsmann-stiftung.de)

### **Sebastian Plate**

Phone +49 5241 81 81263  
[sebastian.plate@bertelsmann-stiftung.de](mailto:sebastian.plate@bertelsmann-stiftung.de)

### **Sabine Steinkamp**

Phone +49 5241 81 81507  
[sabine.steinkamp@bertelsmann-stiftung.de](mailto:sabine.steinkamp@bertelsmann-stiftung.de)

**Key Indicators**

Population	M	<b>16.6</b>	HDI	<b>0.598</b>	GDP p.c., PPP \$	<b>3922</b>
Pop. growth <sup>1</sup>	% p.a.	<b>1.8</b>	HDI rank of 193	<b>153</b>	Gini Index	<b>50.3</b>
Life expectancy	years	<b>62.8</b>	UN Education Index	<b>0.605</b>	Poverty <sup>3</sup>	% <b>64.5</b>
Urban population	%	<b>32.7</b>	Gender inequality <sup>2</sup>	<b>0.519</b>	Aid per capita \$	<b>48.4</b>

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

Over the past two years, Zimbabwe's multifaceted crisis has continued as most of the country's challenges have remained unaddressed. The 2023 elections fell short of international standards, and the subsequent question of legitimacy contributed to the ongoing political and economic impasse. In 2024, repression of opposition members, civil society and other actors continued, which should be understood as a continuation of a long trend of sustained pressure on democratic space in Zimbabwe since President Emmerson Mnangagwa's assumption of power in 2017. The continued intertwining of the political elite, business cartels and the military remains a worrying characteristic that undermines Zimbabwe's prospects for democratic and economic transformation.

President Mnangagwa has concentrated power through several constitutional amendments and made greater use of statutory instruments without the direct involvement of parliament. Placing political allies and relatives in key positions further attests to his increasingly centralized form of governance. These measures, together with increased militarization of the state, severely limited the capacity of pro-democratic forces in Zimbabwe to hold the government to account. The much-contested Private Voluntary Organization (PVO) Amendment Bill remains one of the most notable examples of increasingly repressive legislation, as it imposes strict registration requirements on CSOs and criminalizes civil society work. One prominent example of the continued closing of space was the arrest of three activists who were forcibly removed from a plane, tortured and beaten, and then held in pretrial detention for 35 days.

During the review period, the regime used a series of measures calculated to systematically dismantle the opposition. In addition to continued arrests and repression, it is assumed that the regime used its influence on the judiciary to ensure rulings in favor of the breakaway opposition faction, which led to the appropriation of party resources and the recall of lawmakers. Opposition leader Nelson Chamisa ultimately gave up his newly established Citizens Coalition for Change (CCC) party and announced his (temporary) withdrawal from politics. Because of the

parliamentary recalls, the Zimbabwe African National Union-Patriotic Front (ZANU-PF) party was able to ensure itself a parliamentary majority, which observers fear will be used to extend presidential limits, and thus extend Mnangagwa's rule.

After a post-pandemic recovery with strong GDP growth, the economy slowed again in recent years. Zimbabwe was one of the countries most significantly affected by El Niño-related droughts in 2024. It continued to experience macroeconomic instability, with high inflation rates, exchange rate pressures and a large debt overhang. In 2023, Zimbabwe recorded one of the highest inflation rates in the world, with annual inflation peaking at 243%. Against this backdrop, the central bank introduced a new currency, the Zimbabwe gold (ZiG), in 2024, but within eight months it too had suffered a dramatic loss of value, highlighting the country's enduring struggle with economic instability.

Zimbabwe's discussions with its creditors and development partners under the Structured Dialogue Platform – aimed at reaching agreement on a debt restructuring – are an important pillar of its international reengagement agenda. The process gained momentum at the end of 2024, resulting in historic compensation for several white former farmers. However, the lack of substantial political and economic reforms and the shrinking of democratic space continue to seriously limit opportunities for international engagement and support.

## History and Characteristics of Transformation

When Zimbabwe gained independence in 1980, the abolition of the Rhodesian system of apartheid awakened hopes for political transformation. However, in the years that followed, Zimbabwe effectively transformed into a de facto one-party state led by President Robert Mugabe and his Zimbabwe African National Union – Patriotic Front (ZANU-PF) party. One of the first and most severe glimpses of the violent nature of the new regime was the Gukurahundi massacres in Matabeleland, in which an estimated 20,000 people, mostly members of the Ndebele minority, were killed. However, Zimbabwe's economy continued to perform well in the first decade after independence, and Zimbabwe remained the “breadbasket” of Southern Africa.

The formation of the Movement for Democratic Change-Tsvangirai (MDC-T) in 1999 by a wide range of civic movements created the first opposition party to pose a serious threat to ZANU-PF rule. Not only did the MDC-T win a significant number of parliamentary seats in 2000, but it also successfully mobilized a “no” vote in a referendum on proposed constitutional amendments. In response, the period from 1999 to 2008 was marred by state repression and severe human rights violations against MDC-T supporters and civil society as well as highly contested and extremely violent elections.

The Fast Track Land Reform program, which ZANU-PF initiated shortly after its constitutional referendum defeat in 2000, exacerbated an economic crisis that began with Zimbabwe's adoption of the Economic Structural Adjustment Programs (ESAP) in the mid-1990s. Combined with economic mismanagement and other factors, the crisis led to a 40% decline in GDP between 1998 and 2009, as well as to notorious hyperinflation and shortages of almost all commodities in 2008.

The 2008 elections were marred by extreme violence during a contested run-off, in which many opposition leaders and supporters were beaten, tortured, kidnapped and killed. To avoid further violence, opposition leader Morgan Tsvangirai withdrew from the run-off. Following the international community's refusal to accept ZANU-PF's obstruction of an apparent MDC-T victory, a government of national unity (GNU) was formed, the first such coalition government since independence. The GNU ensured political and economic stability, halted inflation and ensured economic growth. Another major gain of this period was the drafting of a new constitution, which was overwhelmingly approved after years of negotiations.

The GNU ended with the 2013 elections, which, following extensive intimidation of the opposition, resulted in a contested ZANU-PF victory. Incumbent President Robert Mugabe won 61% of the vote, and ZANU-PF moved from a parliamentary minority status to a resounding majority (from 99 to 160 of 210 seats). In the years afterward, the political landscape was dominated by intense factionalism within ZANU-PF, continued political and economic paralysis, and a lack of substantial reforms. The factionalism ultimately culminated in the military intervention called Operation Restore Legacy in November 2017, which led to the departure of President Mugabe.

The 2018 elections were historic because they were the first in which neither Mugabe nor Tsvangirai had participated. In another contested election, ZANU-PF's Emmerson Mnangagwa defeated young Movement for Democratic Change Alliance (MDC-A) leader Nelson Chamisa, who had become opposition leader after Tsvangirai's death earlier that year.

The departure of Mugabe after his 37-year rule led to renewed hope for political and economic transformation, fueled by Mnangagwa's public remarks that his "new dispensation" was "open for business" and that he was willing to implement democratic reforms. However, the past seven years have been marked by increasing repression, a lack of reform, severe corruption and a deteriorating economic crisis. The systematic and widespread attacks on the opposition and civil society have severely narrowed democratic space.

Regional and international observers said the 2023 elections did not meet international standards, but Mnangagwa and his ZANU-PF ultimately consolidated their power.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The government's monopoly on the use of violence is broadly accepted by Zimbabwe's population. In recent years, however, violence has increased in Zimbabwe's mining sector, where the rise of machete gangs linked to political actors has led to hundreds of deaths among artisanal miners.

Although the population is largely divided into two ethnic groups (Shona and Ndebele), there are no major political actors or movements seeking secession. However, decades of discrimination against the Matabeleland provinces have led to the resurgence of the Mthwakazi Republic Party (MRP), which seeks to create a sovereign state free from Shona political control. This sentiment is strengthened by the fact that the Gukurahundi massacres in the 1980s, in which an estimated 20,000 people were killed, were never resolved.

The legitimacy of the nation-state is rarely questioned, and the right to citizenship is guaranteed under Zimbabwe's constitution. The 2013 constitution provides for three classes of citizenship: by birth, by descent or by registration.

However, the issue of citizenship and belonging has been a major area of contestation, manifesting mainly along lines of race and national origin. Zimbabwe's land reform program in the 2000s not only led to the eviction of thousands of white farmers but also exacerbated racial tensions, questioned the citizenship of white Zimbabweans and illustrated how citizenship can be politicized.

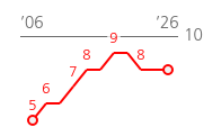
It is further estimated that more than 300,000 residents are legally or de facto stateless. These individuals are mostly regional migrant workers or their family members who have lived in Zimbabwe for generations, as well as those affected by the Gukurahundi massacres. Many descendants of Gukurahundi victims have failed to secure birth certificates because they could not obtain their parents' death certificates.

The inability to adequately demonstrate citizenship has affected some people's ability to register for school, access formal health care, obtain a passport to travel and participate in democratic processes.

Question  
Score

Monopoly on the  
use of force

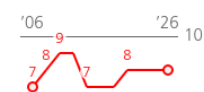
8



1

State identity

8



1

Zimbabwe has a secular constitution that guarantees the freedoms of religion and worship. Religion is important to most Zimbabweans, and Christianity is the dominant faith. The 2022 Demographic and Health Survey (Zimbabwe National Statistics Agency) stated that 85.3% of Zimbabweans followed a Christian denomination: 40.3% were Apostolic, 17% were Pentecostal and 13.8% were members of other Protestant faiths. As highlighted in the 2023 Report on International Religious Freedom, a growing share of the Christian population combines traditional practices with Christianity.

Given the church's important role in Zimbabwe, there has long been a close intertwining of religion and politics. ZANU-PF has tried for years to exert various forms of control over churches, leading to tensions among denominations. Indigenous churches, especially the white-garment "Vapostori," are particularly targeted and involved during election campaigns, as was evident during the 2023 elections, when a group of church leaders called Vapostori for ED (the president's initials) promised to deliver more than 2 million votes. Religious actors and civil society groups have also reported increased government monitoring of prayer rallies and church congregations.

Following the 2023 Delimitation Exercise, Zimbabwe's 10 provinces are divided into 69 districts (up from 54), with 1,970 wards (up from 1,200). The area covered by towns and cities is managed by 28 urban local authorities, while the rest is managed by 55 rural district councils. Regulatory and administrative frameworks are in place, but implementation continues to be a challenge.

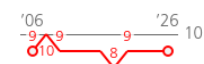
Zimbabwe's crisis has weakened the capacity of national and local authorities and institutions, further reducing their ability to provide key social services. Particularly in urban areas, this crisis is also fueled by tension between the ZANU-PF national government and opposition-controlled city councils.

The education and health sectors are in a dire state, and the government's inability to provide adequate resources has led to conflicts with practitioners. Both teachers and health care workers have been on strike on several occasions, protesting low pay and a lack of equipment and medical supplies.

According to the World Bank's 2022 World Development Indicators, 62.3% of the population has access to a basic water source (and 26.5% to a safely managed source), 34.6% has access to basic sanitation (31.8% safely managed facilities), and 50.1% has access to electricity.

No interference of religious dogmas

9



1

Basic administration

4



1

## 2 | Political Participation

Zimbabwe holds harmonized elections (presidential, parliamentary and local government) every five years. The outcomes of successive elections between 2000 and 2023 were highly contested, and the elections were marked by gross human rights violations (particularly in 2002 and 2008) and election irregularities. Although Zimbabwe's constitution guarantees universal suffrage and a secret ballot system, successive elections since 2013 have been characterized by more subtle forms of intimidation and violence. These included the politicization of food aid and the use of traditional leaders and ZANU-PF candidates to remind rural constituencies of the 2008 wave of violence.

As highlighted by the EU Election Observation Mission (EU EOM), Zimbabwe's legal framework, if properly implemented, provides an adequate basis for conducting elections in line with international standards Zimbabwe has ostensibly adopted. However, the EU EOM concluded that "curtailed rights and a lack of a level playing field led to an environment that was not always conducive to voters making a free and informed choice in Zimbabwe's 2023 elections." For the first time, the regional SADC Election Observation Mission (SEOM) issued a similarly critical statement, highlighting aspects of Zimbabwe's 2023 elections that fell short of the requirements of Zimbabwe's constitution and Electoral Act, as well as the SADC Principles and Guidelines Governing Democratic Elections.

Among the key issues raised by domestic and international election observers were the passage of regressive legal provisions and acts of violence and intimidation that resulted in a climate of fear. Serious concerns about the Zimbabwe Electoral Commission's (ZEC) lack of independence and transparency were highlighted, including unreasonable registration criteria, ZEC's inconsistent and discretionary implementation, unduly high registration fees, and further obstacles to inclusivity (e.g., one-fifth of aspiring candidates were rejected). The EU EOM also reported that state-controlled media allocated substantially more airtime and print space to the ruling party and President Mnangagwa. Finally, Zimbabwe's large diaspora, believed to be opposition-oriented, remains excluded from voting.

Despite the overall calm and peaceful environment on election day, voter frustration was evident in some areas because of long waits caused by extensive delays in opening numerous polling stations. These delays, many exceeding 10 hours, resulted from late distribution of ballots and voter rolls by the ZEC, and occurred mostly in urban opposition strongholds.

Free and fair elections

3

'06 '26 10

3

1

1

There are two major areas of concern with regard to the undermining of democratic processes and procedures. First, the removal of Mugabe in 2017 was a clear indication of the important role that Zimbabwe's military plays in political processes. Since the 2018 elections, there has been increased militarization of the state, with several (former) army generals appointed to cabinet positions, leading to increased party-military-state conflation. Second, the increased concentration of power is seen as a threat to constitutionalism and democratic processes. President Mnangagwa passed Amendment Bill No. 2, which allocates more power to the president while diluting mechanisms to hold the president accountable.

The case of business tycoon Kuda Tagwirei is the most notable example of the influence of economic elites on decision-making. According to the United States – which placed Tagwirei and his firm Sakunda Holdings under sanctions – he supported specific government programs in return for state contracts.

The prolonged and varied attacks on the largest opposition party affected the ability of opposition policymakers to carry out their governing duties. During the review period, many opposition lawmakers were recalled or faced prolonged pretrial detention, with the case of Job Sikhala being the most notable.

President Mnangagwa's administration has been marked by a restrictive environment that stifles civic and political participation. As outlined in the 2024 Freedom in the World Country Report, the state of the freedom of assembly in Zimbabwe remains highly restricted, with the government continuing to impose significant limitations on public gatherings and protests. The freedom of assembly is guaranteed under Zimbabwe's constitution but is poorly upheld in practice and often undermined by authorities, especially for political opposition groups and civil society organizations.

In recent years, restrictive laws in Zimbabwe have been amended or enacted, posing significant threats to civic space. Of particular concern is the much-contested Private Voluntary Organizations (PVO) Amendment Bill, which was passed by parliament in October 2024 and was awaiting the president's signature as the review period closed. The bill will affect the work of all non-profit organizations operating in Zimbabwe, including those engaged in development and humanitarian work. It imposes strict registration requirements on CSOs and grants authorities the power to suspend or deregister organizations that do not comply with the bill's provisions, severely limiting their ability to operate. The work of civil society on "political issues" (which are vaguely defined) is criminalized, with a penalty of up to 10 years in prison. Overall, the PVO Amendment Bill will disrupt what CSOs can do and will rearrange the way CSOs have traditionally worked in the country.

Although the PVO Amendment Bill stands out as the most critical proposed legislation to significantly restrict CSO operations, the State of Civic Space in Zimbabwe report (2024) notes that it is part of a broader trend of legal reforms and enactments that collectively constrict civic space in Zimbabwe. The Criminal Law

Effective power to govern

2

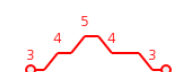
'06 \_\_\_\_\_ '26 10



Association / assembly rights

3

'06 \_\_\_\_\_ '26 10



(Codification and Reform) Act was amended (2023) to criminalize any actions or speech deemed to undermine the dignity and sovereignty of Zimbabwe, creating an environment in which dissent and criticism of the government can be prosecuted. The Cyber and Data Protection Act (2021) raises concerns about potential surveillance of online activities, which could target activists and curtail digital dissent. The Maintenance of Peace and Order Act (formerly POSA) imposes stringent regulations on public gatherings, requiring prior police approval for demonstrations. Collectively, these laws foster an environment of fear and repression, making it increasingly difficult for civil society, human rights organizations and citizens to engage in political discourse, protest and advocacy in favor of democratic rights and freedoms.

The effects were evident throughout 2024. On June 16, for example, 78 people (who became known as the “Avondale 78”) including opposition leader Jameson Timba were unlawfully arrested, assaulted and detained after gathering at Timba’s house in the Avondale suburb of Harare to commemorate the International Day of the African Child. Those attending were accused of holding an “unauthorized gathering.”

As outlined in the CIVICUS Civic Space Monitor, police arrested 44 members of the Zimbabwe National Students Union (ZINASU) on June 24, including its president, Emmanuel Sitima, and forced them to pay fines for “disorderly conduct” before releasing them. The students were arrested after police broke up a meeting at which they discussed education policies, leaving some injured following allegedly severe beatings. Student organizations calling for better living conditions, reduction of fees and an end to corruption at state universities also faced continued crackdowns later in the year. In September, a student protest at the University of Zimbabwe calling for improved living conditions was met with heavy police repression.

Opposition groups continued to organize meetings, but their efforts were routinely frustrated by authorities, and their campaign rallies were often denied authorization or violently disrupted.

Zimbabwe’s constitution provides for the freedoms of expression and of the media, but adherence to these protections – especially regarding the treatment of the media and alternative voices – remains weak. The state-controlled Zimbabwe Broadcasting Corporation (ZBC) has historically dominated the country’s broadcast media sector. The government’s refusal to allow independent community radio stations remains a key challenge for media diversity and the democratization of the airwaves.

In recent years, a number of legislative amendments have affected the media environment. The replacement of the controversial and much-criticized Access to Information and Protection of Privacy Act (AIPPA) with the Freedom of Information Act (FOI) was viewed by Zimbabwean media organizations as an improvement despite the latter measure’s shortcomings. The Cybersecurity and Data Protection Bill, introduced in 2021, included several provisions that consolidated mass

Freedom of  
expression

3

'06 '26 10

4 4 3 3

1

surveillance, which can be seen as a further attempt by the state to gain greater control over social media platforms. Moreover, both the PVO Amendment Bill and Criminal Law Amendment Bill have major implications for freedom of expression for journalists and citizens.

As Zimbabwe headed toward the 2023 elections, the work of journalists became increasingly challenging. The Media Institute of Southern Africa (MISA) noted almost 40 violations against journalists and media workers in 2022. MISA also signaled increased online surveillance by the government, which has led to the arrests of journalists, opposition members and civic activists. Zimbabwe's deteriorating media environment was also reflected in Reporters Without Borders' World Press Freedom Index, on which it dropped seven positions in 2022 compared with 2021, to 137th place.

### 3 | Rule of Law

The principle of separation of powers is one of the founding values of the Zimbabwean constitution. Zimbabwe has three branches of government: the executive (the president and cabinet), the legislature (the parliament) and the judiciary (the courts). The legislature includes 270 members of the National Assembly of Zimbabwe and 80 members of the Senate. After decades of autocratic rule, the de facto situation is that the executive is stronger than the parliament and the judiciary, and the independence of institutions is strongly affected by partisan politics.

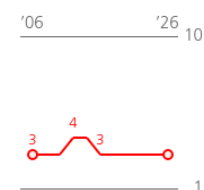
Since taking office in 2017, President Mnangagwa has further concentrated power through several constitutional amendments that have, for example, given him the power to appoint his deputies and top judges. In a controversial move in October 2023, the president placed 13 acts (including the Anti-Corruption Commission Act and the Sovereign Wealth Fund Act) under his personal control and administration, signaling a deeper consolidation of power within the presidency. This raised concerns about the erosion of checks and balances and democratic backsliding.

The constitution provides for an independent judiciary, but executive influence and interference remained problems. Throughout 2023 to 2024, the law and judiciary were increasingly used as a tool against dissenting voices, particularly through the magistrates' courts.

Zimbabwean human rights organizations, such as Zimbabwe Lawyers for Human Rights (ZLHR) and ZimRights, have highlighted the further undermining of an already compromised judiciary. They have particularly noted that, in politically charged cases, opposition members, activists and journalists have experienced arbitrary arrests without substantial prior investigation, along with lengthy pretrial detentions and unfair bail conditions, all of which effectively limit the freedom of expression. The case of opposition Senator Jameson Timba was illustrative in this

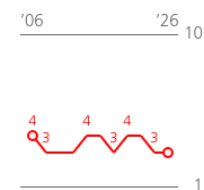
Separation of powers

3



Independent judiciary

3



regard. He was arrested in June 2024 on controversial charges of “participating in an illegal gathering,” kept in pretrial detention for nearly six months and denied bail three times.

Zimbabwean civil society has reported widespread cases of judicial corruption in recent years in which judges received homes, money, farms and other perks from senior government officials. Ahead of the 2023 elections, judges and magistrates received loans of up to \$400,000 from the executive branch.

Lower court justices in particular make politicized decisions due to the use of threats and intimidation intended to force magistrates to rule in the government’s favor. As a result, civil society groups have argued that the chief magistrate has often routed cases involving human rights defenders to lower courts where they are less likely to receive a fair trial. There have been instances, mainly at the high court level, in which the judiciary has demonstrated its independence despite intense pressure to conform to government policies. This has included granting bail to members of the opposition and activists.

While a key principle of the rule of law is that it must be enforced without fear or favor, the application of the law in Zimbabwe has been largely selective. With regard to civil judicial procedures, legal experts note that the judiciary has been subject to political influence and intimidation, particularly in cases involving high-ranking government officials, politically connected individuals, or individuals and organizations seeking remedies for violations of human rights.

While opposition members, activists and journalists have faced politically motivated arrests and detentions, ruling party officials and officeholders rarely face adequate prosecution. After Al Jazeera’s “Gold Mafia” documentary in 2023, which implicated several high-profile, politically connected individuals in extensive gold smuggling and money-laundering, no arrests have been made. Similarly, many officials and ZANU-PF individuals were named in the alleged mismanagement and misappropriation of funds intended for agricultural development, but few have faced substantial legal consequences.

Impunity remains a concern in prominent human rights violation cases. At the end of 2023, aspiring opposition lawmaker Tapfumaneyi Masaya was abducted, tortured and killed while campaigning ahead of by-elections. Despite police being given the names of suspects connected to ZANU-PF, no action was taken. In general, Zimbabwe’s police have been hesitant to investigate the abductions of opposition members and activists, including that of young member of parliament Takudzwa Ngadziore, who was abducted and tortured in November 2023.

Moreover, no officials or security personnel have been arrested or prosecuted for the violent campaign by state security forces in response to protests in January 2019 or the excessive post-election violence on August 1, 2018.

Prosecution of  
office abuse

3

'06 '26 10

3 2 3

1

Zimbabwe's constitution expressly guarantees civil and political rights in line with regional and international human rights instruments, such as the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the African Charter, all of which have been ratified by Zimbabwe. As highlighted in ZimRights' 2024 report "The State of Civic Space in Zimbabwe," civic space in Zimbabwe continues to shrink under the weight of systemic repression and hostility toward CSOs, activists and grassroots movements. Although President Mnangagwa has repeatedly stated his commitment to democratic reforms, the Zimbabwean regime has remained highly intolerant of dissenting voices, who are increasingly subjected to harassment and human rights violations.

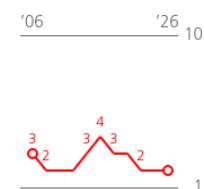
In a crackdown ahead of the Southern African Development Community (SADC) heads of state meeting in Harare in August 2024, more than 160 human rights defenders, journalists, opposition members and students were arrested, according to Amnesty International. The most prominent case was that of Namatai Kwekweza (young activist), Robson Chere (union leader) and Samuel Gwenzi (local opposition councilor), who were forcibly removed from a domestic commercial flight at Harare airport on July 31, 2024. Their case is illustrative of disregard for the rule of law, as they were detained incommunicado by state agents for at least eight hours, beaten and tortured before lawyers from Zimbabwe Lawyers for Human Rights (ZLHR) found them. They were then held in pretrial detention on arbitrary charges for 35 days before finally being granted bail. This use of lengthy pretrial detentions is meant to scare off civil society and opposition actors from speaking out against injustices, and has led to increased fear and self-censorship in civil society.

The criminal justice system and judicial processes have increasingly been used to restrict fundamental civil rights. As Zimbabwean activists often say, "In Zimbabwe, we have no rule of law but rule by law." The recently adopted repressive legislation seriously undermines the work of human rights defenders and NGOs, especially those working on governance issues.

Zimbabwe has a very high rate of sexual and gender-based violence, with one in three women affected. The vulnerability of women and girls is heightened by Zimbabwe's multifaceted humanitarian crisis, and harmful traditional practices, religious beliefs and patriarchal systems preserve women's subjugation in all spheres of life. Same-sex relations are criminalized in Zimbabwe, and LGBTQ+ individuals face widespread discrimination, violence and exclusion.

## Civil rights

# 2



#### 4 | Stability of Democratic Institutions

Public administration in Zimbabwe is guided by the interplay among the legislative, judicial and executive arms of government. Parliament usually performs its oversight role through portfolio committees. While some of those committees have sought to hold the government to account, senior officials have resisted scrutiny on several occasions.

Zimbabwe's chapter 12 commissions (including the Zimbabwe Human Rights Commission) were designed to promote democracy and to carry out specific governance and human rights functions, and it was hoped they could contribute to the country's democratization. However, like many Zimbabwean institutions, they have suffered from a severe lack of funding, logistical constraints and political interference.

In the past few years, President Mnangagwa has made increasing use of statutory instruments that allow him to exercise his executive powers to make laws and regulations without the direct involvement of parliament. In doing so, he bypassed democratic checks and balances for several currency reforms, tax reforms and land policies. This overly centralized form of governance further weakened the role of Zimbabwe's institutions.

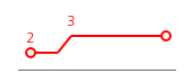
With regard to local government in Zimbabwe, current legislation grants unfettered power to the minister of local government. These rules allow the minister to reverse or rescind local council resolutions and require councils to seek the minister's approval before taking certain actions. This leads to continued tension between urban authorities (often dominated by the opposition CCC) and the ZANU-PF-led national government, particularly on issues of budget ratification and the appointment of key officials. ZANU-PF's centralized style of governance also results in top-down decision-making in rural governance, which creates friction with rural district councils.

Another key challenge, which has been highlighted repeatedly by the auditor-general's report, is weak institutions plagued by poor leadership, bad corporate governance, conflicted leadership, corruption and technological lag. These problems also occur at the level of local authorities, which are subject to corruption, misplaced priorities and poor-quality councilors.

Performance of democratic institutions

3

'06 '26 10



After the 2018 and 2023 elections, the opposition has consistently argued that the crisis in Zimbabwe is the result of an unresolved question of the presidency's electoral legitimacy. This has complicated various political processes because the ruling ZANU-PF has been unwilling to engage opposition leader Chamisa unless he acknowledges Mnangagwa as the legitimate president.

Both the opposition and civil society have continued to question the legitimacy of particular institutions. For example, they argue that the Zimbabwe Electoral Commission (ZEC) has been captured by the state. Various election-observer missions, both domestic and international, highlighted the ZEC's lack of independence and transparency in their 2023 election-observation reports.

Such sentiments are fueled by the intertwining of ZANU-PF and the state, and by the party and leadership's ambivalent position toward the independence of Zimbabwean institutions. The Zimbabwe Human Rights Commission experienced this over its 2018 and 2023 election reports. The minister of justice labeled these reports as "biased and inaccurate" and "politically motivated." This illustrates the attitude of ZANU-PF, particularly the military elements in government, toward being held accountable by specific institutions. These institutions are deliberately weakened through a lack of funding, leaving most Zimbabwean institutions with severe resource constraints.

The increased use of statutory instruments by the president reflects frequent disregard for Zimbabwe's institutions. His placement of political allies and relatives in various institutions is further evidence of his increasingly centralized form of governance.

## 5 | Political and Social Integration

The operations of political parties remain largely unregulated in Zimbabwe, making it easy to register a party. More than 130 political parties contested the 2023 elections. Yet for over two decades, Zimbabwe's political landscape has been shaped by the Zimbabwe African National Union-Patriotic Front (ZANU-PF), the ruling party, and the Movement for Democratic Change (MDC), the main opposition party. Throughout this period, there has been a consistent rural-urban divide, with rural areas dominated by the ruling ZANU-PF and urban areas by the opposition. Furthermore, both ZANU-PF and the MDC experienced frequent leadership tensions and factionalism – particularly in the case of the MDC after the death of former leader Morgan Tsvangirai – which are characteristic of Zimbabwe's political landscape.

In recent years, the Mnangagwa regime has intensified its predecessor's employment of repressive policies against the political opposition. It has used a mix of strategies and measures designed to systematically dismantle the opposition. Aside from the arrests mentioned earlier, it is generally assumed that the regime has used its influence with the judiciary to ensure rulings in favor of breakaway opposition

Commitment to democratic institutions

2

'06 '26 10



1

Party system

4

'06 '26 10



1

factions. These court interventions led to the appropriation of the MDC headquarters and party resources and the recall of more than 30 MDC-A legislators from parliament and city councils in the period from 2020 to 2022.

This led opposition leader Nelson Chamisa to drop the MDC name and establish a “new” political party, the Citizens Coalition for Change (CCC). The 2023 elections affirmed the CCC as the main opposition party, with Chamisa garnering 44% of the vote. However, one important characteristic of the CCC was that it lacked formal structures, such as party positions. Soon after the 2023 elections, this made it vulnerable to external interference, as opposition politician Sengezo Tshabangu claimed to be the CCC’s secretary-general and used Zimbabwe’s courts to recall 15 CCC parliamentarians and 26 councilors. Many view Tshabangu as a regime ally, and he frequently visits the president. In early 2024, Chamisa resigned from the CCC, saying his party had been “contaminated” and “hijacked” by the government. It is believed he will return to active politics in the coming years.

After years of intense factionalism within ZANU-PF between the so-called G40 faction and Team Lacoste (around current President Mnangagwa), reports of factionalism within ZANU-PF continue. The increased presence of military elements in the state has led to new friction within ZANU-PF, with the relationship between President Mnangagwa and Vice President Constantino Chiwenga (a former army general) said to be volatile. This is fueled by an ongoing campaign to have President Mnangagwa’s rule extended beyond 2028, when his second and final term under current term limits ends.

This intense factionalism in both the ruling party and the opposition means Zimbabwe’s political landscape remains extremely polarized. The resulting political impasse before and after the 2023 elections halted various initiatives aimed at strengthening multiparty processes. Zimbabwe’s party system is further weakened by the very personalized nature of Zimbabwean politics, which are centered on the party leaders.

Moreover, running for any political position in Zimbabwe requires resources, as clientelism remains an important feature of politics, specifically in elections. Shortly before the 2023 elections, the registration fee for presidential candidates was raised to \$20,000 and that for parliamentary candidates to \$1,000 (both 20-fold increases, leading to the highest such sums in the region). Given the ruling party’s access to resources, this measure mostly affected opposition politicians.

Zimbabwe has a wide range of industrial and commercial associations, as well as associations of employers, miners and farmers, although some are not independent but are (partly) incorporated by the government. Over the past three decades, a wide range of civil society organizations (CSOs) and social movements have emerged in a bid to fight for social justice and political change.

The roots of antagonism between the ruling party and civil society organizations (CSOs) can be traced to the period around 2000. The government's authoritarian style, increasing repression, electoral irregularities and a worsening economic crisis led to accelerated growth of CSOs in the governance and human rights sectors.

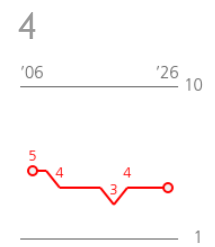
CSOs in this “hard sector” of governance and human rights were targeted by the state most directly, resulting in significant human rights abuses against activists. However, most CSOs working in development and social service sectors such as health maintained fairly positive working relationships with the state. Conversely, groups from regions outside the capital, Harare, especially those from Matabeleland, frequently report feeling marginalized.

While relations with ZANU-PF were, at best, difficult during this period, there was a “special relationship” between some of these CSOs and the MDC, especially during the period from 1999 to 2005. This relationship was built on shared values and an opposition to authoritarianism. Furthermore, several social movements (such as organized labor) and CSOs were involved in the founding of the MDC. This special relationship affected CSOs' effectiveness as watchdogs, as for a long time they faced difficulties criticizing internal democracy and leadership issues within the MDC itself.

One of the regime's responses was the establishment of government-operated NGOs (GONGOs) that were aligned with the regime. The run-up to the 2023 elections saw a surge in interest groups campaigning for the president under the so-called 4ED (president's initials) movement. This included Vendors4ED, Teachers4ED and even Trees4ED. Recent years also saw a rise in the political influence of “Mbingas” (wealthy elite individuals), whose wealth has been sustained by clientelism and political loyalty.

The ongoing economic crisis, continued repression and lawfare, and a severe decline in donor funding have severely weakened Zimbabwean CSOs' capacity and programs over the past decade.

Interest groups



While Zimbabwe currently qualifies as an authoritarian system, 85% of Zimbabweans said in the 2024 Afrobarometer Survey that they considered democracy to be preferable to any other form of government, with the overwhelming majority rejecting non-democratic norms such as one-man rule (88%), one-party rule (72%) or military rule (72%).

Notably, 50% said in the survey that it would be legitimate for the armed forces to take control of the government when elected leaders abuse power for their own ends.

There is a gap between approval of democracy as a system of government and the supply of democracy and the functioning of institutions. More than half (56%) of the country’s respondents said Zimbabwe was “not a democracy” or was a “democracy with major problems.” More than half (56%) of Zimbabweans said they disapproved of the performance of their member of parliament, while 50% disapproved of the performance of their local councilor. President Mnangagwa had an approval rating of 48% in the survey. The least-trusted institutions and political figures were the police (trusted by 48% of respondents) and the opposition political parties (trusted by only 32%), likely due to their internal frictions and splits.

In Afrobarometer surveys conducted between 1999 and 2022, adult Zimbabweans were regularly asked, “Generally speaking, would you say that most people can be trusted or that you must be very careful in dealing with people?” On average, more than eight in 10 adult citizens said they felt they had to be very careful. In the 2022 survey, 89% of respondents indicated the need to be careful, which suggests Zimbabweans do not tend to trust one another. The survey further noted that most adult Zimbabweans (75%) were not members of voluntary associations, although rural residents were more likely than their urban counterparts to join voluntary groups. The ongoing and deteriorating economic crisis is likely to play a role here.

Despite the severity of the economic crisis, Zimbabweans throughout the country mobilized support for the victims of Cyclone Idai, which affected the area around Chimanimani, in 2019. This illustrated the various private initiatives that respond to urgent calls for support in times of distress, as was also witnessed during the 2024 drought.

Approval of democracy

n/a



Social capital

4



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

According to the latest World Health Organization data published in 2022, life expectancy in Zimbabwe was 58.5 years (down from 60.7 in 2020), with 56.2 years for men (57.5 in 2020) and 60.5 years for women (63.6 in 2020). Zimbabwe's life expectancy is significantly lower than the averages for Africa (63.6) and the world (71.4).

The national extreme poverty rate has declined from its 2020 post-pandemic peak of 49% to 43% in 2022 (ZIMSTAT). Yet poverty and vulnerability remain high against a background of cyclical agricultural production, climate shocks and elevated food prices. In particular, Zimbabwe was among the countries worst hit by the El Niño-induced droughts in southern Africa. This resulted in widespread crop failure, affecting the economic and social conditions of the majority of Zimbabweans.

World Bank projections indicate the poverty rate will rise in 2024. The elasticity of poverty reduction to growth has proved very low in Zimbabwe, undermining the outlook for poverty reduction amid a projected growth slowdown in 2024. In the medium term, vulnerability to poverty is expected to increase further as climate change alters temperature and rainfall patterns.

The UNDP reported Zimbabwe's Human Development Index at 0.550 in 2022, ranking Zimbabwe 159th of 189 – a decline of 13 places compared to 2021. According to the World Economic Forum's Inclusive Development Index, Zimbabwe's net-income Gini coefficient was 50.3 (2019). In 2022, Zimbabwe's Gender Inequality Index (GII) stood at 0.519.

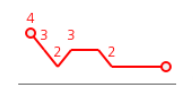
Economic indicators		2021	2022	2023	2024
GDP	\$ M	27240.5	32789.7	35231.4	<b>44187.7</b>
GDP growth	%	8.5	6.1	5.3	<b>2.0</b>
Inflation (CPI)	%	98.5	104.7	-	-
Unemployment	%	9.5	10.1	8.8	<b>8.6</b>

Question  
Score

Socioeconomic  
barriers

2

'06 '26 10



Economic indicators		2021	2022	2023	2024
Foreign direct investment	% of GDP	0.9	1.0	1.6	<b>1.4</b>
Export growth	%	47.0	43.4	-8.4	<b>-1.3</b>
Import growth	%	61.5	54.0	-11.0	<b>2.0</b>
Current account balance	\$ M	348.2	305.0	133.9	-
Public debt	% of GDP	39.9	66.8	76.1	<b>73.0</b>
External debt	\$ M	13817.6	13829.5	14213.4	-
Total debt service	\$ M	607.4	454.2	1162.0	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	14.9	16.6	15.1	<b>12.5</b>
Public education spending	% of GDP	-	-	0.4	-
Public health spending	% of GDP	0.9	1.2	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.5	0.8	0.2	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

Foreign and domestic private entities have the right to establish and own business enterprises. A 2020 government amendment to the Indigenization and Economic Empowerment Act removed the requirement for majority indigenous Zimbabwean ownership. However, in sectors such as primary agriculture, transport services, and retail and wholesale trade and distribution, foreign investors may not own more than 35% of an entity's equity.

As outlined in the U.S. Investment Climate report (2024), the Zimbabwean government welcomes foreign direct investment (FDI) to support its economic growth. According to the 2023 World Investment Report by the United Nations Conference on Trade and Development (UNCTAD), Zimbabwe's FDI inflows amounted to \$342 million in 2022, a significant 36.6% increase from 2021, although still well below the pre-crisis level seen in 2018 (\$745 million). The majority of FDI (70%) was in the mining sector, a significant share of which came from China.

Market  
organization

3

'06 '26 10



1

The FDI figures reflect the severity of the economic crisis Zimbabwe continues to experience. As a consequence, the economy has undergone rapid deindustrialization and informalization. According to the IMF, informal activities account for 62.6% of GDP, and Zimbabwe has the world's third-largest informal economy. ZIMSTAT (2024) states that informal employment constitutes 85.5% of total employment, up from 75.6% in 2019. Although increasing formal employment is a key policy target, the opposite has occurred in recent years.

Zimbabwe offers incentives such as tax breaks for new investments; full tax deductibility for capital expenditures on new factories, machinery and improvements; and waivers of import taxes and surtaxes on capital equipment. Although progress has been made in reducing regulatory costs, policy inconsistency and weak institutions continue to pose challenges for businesses. Corruption remains widespread, and property rights, especially in the case of agricultural land, are inadequately protected. In a 2024 report, the Confederation of Zimbabwe Industries (CZI) warned that rising costs associated with regulatory compliance are undermining industry competitiveness, deterring investment and stalling growth.

The 2024 Index of Economic Freedom gave Zimbabwe an economic freedom score of 38.2 (a five-point decrease from 2020), ranking it at 172nd place worldwide. Zimbabwe was ranked 46th out of 47 countries in sub-Saharan Africa. The accompanying report states that Zimbabwe's overall regulatory environment is highly inefficient and not conducive to entrepreneurial activity. Scores for business, labor and monetary freedom are all far below the world average. The report also notes that pervasive non-tariff barriers limit trade freedom and that significant government interference undermines investment opportunities. Entrepreneurial risk is exacerbated by a corrupt and inefficient judicial system.

Public enterprises were among the worst performers, and have become the epicenter of rent-seeking behavior, to the extent that their contribution to the economy has fallen from about 60% to 2% of GDP, with 70% of parastatals deemed technically insolvent.

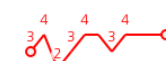
The competition law was introduced in Zimbabwe in 1996 through the Competition Act, Chapter 14:28. The autonomous Competition and Tariff Commission is the statutory body mandated to implement the competition law, which primarily prohibits restrictive and unfair business practices. However, while the competition policy advocates nondiscrimination in the treatment of business enterprises, there are certain entities that receive preferential treatment. The involvement of very senior political and military figures in a range of cartels limits effective enforcement because these heavyweights often use their political power to promote their business interests.

Government financial and administrative support for certain state-owned enterprises inhibits fair competition in the markets where private firms compete. Moreover, the government frequently uses subsidies, particularly in the agricultural sector, which

#### Competition policy

4

'06 '26 10



1

often lead to market distortions. Partly because of the dire financial situation, current Finance Minister Mthuli Ncube removed a number of subsidies in recent years, for example, on fuel, electricity, grain and wheat. This immediately led to a steep increase in costs for Zimbabweans, which forced the government to reinstate subsidies.

Since the 1990s, Zimbabwe has largely pursued a trade liberalization agenda, following immense pressure from the World Bank and the IMF to liberalize the economy. This led to the launch of the Economic Structural Adjustment Program (ESAP) in the 1990s to create a freer market and liberalize imports and exports. The adoption of the ESAP entailed a fundamental shift from a state intervention system to one largely driven by market forces, which many economists believe was one of the triggers for the country's later economic crisis. The reorientation of public spending meant that the government had to remove subsidies on socially important sectors such as health, education and agriculture.

Zimbabwe is a member of the World Trade Organization. It also belongs to the 22-nation Preferential Trade Area (PTA) of Eastern and Southern Africa. Zimbabwe is a member of several other regional trade agreements, which provide frameworks for trade liberalization. In February 2020, Zimbabwe officially joined the African Continental Free Trade Area (AfCFTA) and has bilateral trade agreements with most of its neighboring countries.

In 2012, Zimbabwe signed an Economic Partnership Agreement (EPA) with the European Union (EU), which aims to remove trade barriers with the European Union – one of Zimbabwe's major trading partners – and provide Zimbabwe with duty-free, quota-free access to the EU market. However, Zimbabwe lacks manufacturing and export diversity because of a lack of competitiveness and the high cost of exporting. Despite continued sanctions rhetoric from ZANU-PF, Zimbabwe enjoyed a positive trade balance with the European Union in the period from 2011 to 2023.

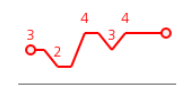
In recent years, Zimbabwe has taken several steps to liberalize foreign trade, aiming to attract investment, boost exports and integrate more fully into the global economy. This has included attempts to reengage with the international community aimed at enhancing trade relations, securing foreign investment and accessing international markets.

Zimbabwe's banking sector has faced significant instability, especially due to hyperinflation experienced in the late 2000s. In recent years, the banking system has been somewhat more stable, with an increasing number of banks offering electronic and mobile banking services. However, the sector continues to face liquidity challenges, a lack of foreign currency reserves and the widespread use of parallel (black) market exchange rates for the new Zimbabwe gold (ZiG) currency, undermining the stability of the banking system. Levels of trust in local banks remain relatively low, and many Zimbabweans prefer to hold assets in foreign currencies or use digital forms of currency.

#### Liberalization of foreign trade

4

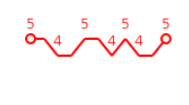
'06 '26 10



#### Banking system

5

'06 '26 10



Zimbabwe's banking sector consists of 14 commercial banks, four building societies and one savings bank. In total, in December 2023, they accounted for 34.4 trillion Zimbabwe dollars (ZWL) in assets, as denominated in the now-disused currency, equivalent to 55% of GDP. Of the 19 banks, seven have foreign shareholders and collectively have a market share of more than 51%. Other banks are local or (partly) state-owned. The sector is governed by the Banking Act and is under the direct supervision of the Reserve Bank of Zimbabwe (RBZ), the country's central bank. Zimbabwe adopted the Basel Capital Accord in 1988.

In recent years, banks have significantly reduced the number of branch networks because of declining business opportunities. However, the RBZ stated that the banking sector continues to demonstrate resilience and adequate capitalization, and that 15 of 19 banks were compliant with the minimum capital adequacy requirements as of December 31, 2023. The level of financial intermediation, as measured by the ratio of total loans to total deposits, stood at 56.93% as of September 30, 2023, and banking-sector asset quality was reported to be satisfactory, as the share of non-performing loans (NPLs) in the sector's total loan portfolio has remained stable at low levels. As of December 31, 2023, the average ratio of NPLs to total loans for the banking sector was 2.09%, comparing favorably with the generally acceptable international threshold of 5%. Banking-sector core capital has continued to grow gradually, mainly because of revaluation gains from foreign exchange-denominated assets and investment properties. Loans to the productive sector constituted 72.68% of total banking-sector loans as of December 2023, compared with 76% in 2022. Furthermore, in its 2023 annual report, the RBZ reported that banking-sector profits in 2023 amounted to ZWL 5.77 trillion, 10.5 times more than in 2022 (ZWL 503.13 billion).

However, leading Zimbabwean economists have questioned the government's descriptions and classifications, as nearly all indigenous banks have collapsed. The most important critique was that banking statistics through the end of 2023 were denominated in Zimbabwean dollars (ZWL), which were susceptible to erosion. Furthermore, the so-called profits are derived not from banking's core business, which is lending, but from non-core activities, especially in the form of bank charges. In its Staff Monitoring Report in October 2023, the IMF also raised a number of concerns, particularly highlighting the RBZ's quasi-fiscal operations. The report stressed concerns about continued high parallel-market rates and the need to accelerate foreign exchange market reform. International analysts further pointed to the harsh operating environment for banks, characterized by high levels of credit risk, high inflation rates and foreign exchange constraints. A majority of Zimbabwean correspondent banking relationships have either been severed or are in jeopardy due to international banks' de-risking efforts. Furthermore, Zimbabwe's cash-based economy is largely driven by informal transactions, which limits the circulation of funds through formal banking channels.

The widespread distrust in the formal banking system among Zimbabweans has paved the way for mobile money services. The introduction of mobile banking and other digital financial products has significantly improved financial inclusion because many Zimbabweans do not have access to traditional banking services. Yet Ecocash, a mobile money service, is used by close to 90% of Zimbabweans, making it a crucial part of the economy.

## 8 | Monetary and fiscal stability

Since the early 2000s, Zimbabwe has experienced turbulent years in monetary policy, with continued instability, significant currency devaluations and skyrocketing inflation. Despite the government's repeated efforts to introduce new currencies, these measures have often been short-lived and have failed to inspire lasting confidence in the local currency.

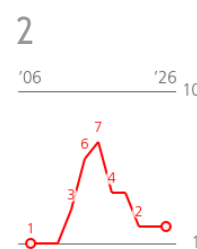
In 2023, Zimbabwe experienced one of the highest inflation rates in the world, with annualized inflation peaking at a rate of 243%. The government responded by adopting a blended inflation measure that combined USD and ZWL prices in an 80:20 ratio and by rebasing its inflation statistics. This led to a significant decline in inflation, with average annual inflation over 2023 as a whole falling to a rate of 29.4%.

However, the Zimbabwe dollar depreciated by 89.8% in 2023 and then by a further 260% in the first months of 2024. Against this backdrop, the central bank introduced a new currency in April 2024, the Zimbabwe gold (ZiG), in an attempt to restore trust in the local currency and the country's monetary policy, stabilize the volatile exchange rate, and reduce heavy reliance on foreign currencies. According to the RBZ, the ZiG was backed by a \$100 million cash reserve and 2,522 kilograms of gold, equivalent to \$185 million.

Initially, the official ZiG exchange rate remained stable, and the inflation rate fell substantially, ending a period of macroeconomic instability. Unfortunately, toward the end of 2024, the currency suffered a dramatic loss of value, forcing the government to devalue the ZiG and again highlighting the country's enduring struggle with economic instability.

The Zimbabwe National Chamber of Commerce (ZNCC) noted that even before the devaluation of the ZiG in September 2024, the ZiG faced rejection in informal markets, where up to 70% of transactions were conducted in U.S. dollars. Rural areas were nearly 100% dollarized. This was reflected in Afrobarometer research from 2024, which found that 62% of respondents had no confidence in the ZiG. The ZNCC noted that the formal sector consequently struggled severely with pricing structures because of disparities between official and parallel-market exchange rates.

Monetary stability



Key drivers of recent inflation have included growth in the money supply, exchange rate developments (black market premiums), and developments in energy and fuel prices. In addition to the RBZ's quasi-fiscal operations, the IMF identified suppliers' over-invoicing and subsequent large payments as a source of pressure on the parallel market. Official inflation figures do not fully capture price developments in the economy, owing to the high levels of informality.

The IMF classifies Zimbabwe as being “in debt distress.” Domestic debt has grown in recent years due to large fiscal deficits; the central bank's quasi-fiscal activities, which have included the accumulation of parastatal debt; a large public wage bill; negligible access to external finance; and severe leakages in public finance spending.

At the end of 2024, Zimbabwe's total public debt stood at \$21.06 billion, up from \$17.6 billion reported in 2022. The reported GDP-to-debt ratio of 96.7% is well above the 60% threshold recommended by IMF and SADC, as well as the 70% recommended by Zimbabwe's Public Debt Management Act.

Domestically held debt, which was negligible around 2013, reached \$3.5 billion in 2022 and \$7.8 billion by the end of 2024, according to the 2025 national budget. Whereas the inclusion of compensation for former farm owners was a major factor in the sharp increase in 2022, the rise in domestic debt in 2023 and 2024 was driven primarily by the issuance of Treasury bonds (more than \$1 billion) and a \$1.92 billion capitalization loan for the newly established Mutapa Investment Fund.

At the end of 2024, Zimbabwe's external debt stood at about \$12.35 billion, of which about 60% were arrears and penalties. About 50% of this debt was owed to bilateral creditors and 26% to multilateral creditors (mostly the World Bank and the African Development Bank).

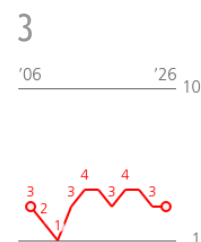
Zimbabwe's debt situation remains an impediment to both external sustainability and economic development. It has constrained access to concessional financing and international markets, slowed economic growth and hampered socioeconomic development.

## 9 | Private Property

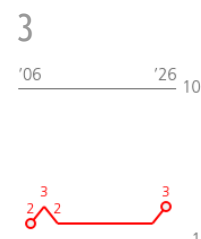
The free movement of assets and trade in private property are guaranteed but have been among the most contentious issues in Zimbabwe. The land reform program, in which thousands of white farmers were violently evicted from their land without compensation, was one of the most divisive policies of the Mugabe era. Furthermore, years of threats to enact indigenization laws posed a risk to international investors.

In a historic move, Zimbabwe approved compensation for 92 farmers in October 2024, and by January 2025, a significant number had received full or partial compensation. These payments are a key component of Zimbabwe's debt clearance with international creditors and development partners. However, land-related tensions and disputes persist, particularly in rural areas.

### Fiscal stability



### Property rights



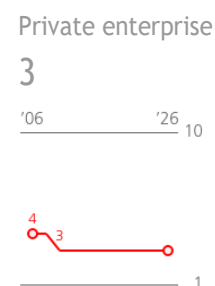
On the International Property Rights Index, which measures the degree to which a country's laws protect private property rights and how well those laws are enforced, Zimbabwe ranked 116th out of 125 countries globally (up from 121 in 2020). This places the country among the lowest-scoring countries in the sub-Saharan Africa region (22nd of 30).

Although the government committed to privatizing most state-owned enterprises (SOEs) in the 1990s, it successfully privatized only two parastatals. In 2018, the government announced it would privatize 48 SOEs, but the privatizations have not yet concluded. Through the Transitional Stabilization Program (TSP), the government committed to introducing a set of reforms to improve the governance of public enterprises and reduce their recourse to state coffers. Although some reforms took place, progress on public enterprise reforms has been slow.

SOEs face several challenges, including persistent power outages, mismanagement, a lack of maintenance, inadequate investment, a lack of liquidity and access to credit, and debt overhangs.

Zimbabwe's private sector continues to face a wide range of challenges, including policy inconsistency, high inflation, currency challenges, administrative delays and corruption. The continued economic crisis has fueled deindustrialization in Zimbabwe and severely affected the manufacturing sector. The decision to introduce an auction system a few years ago led to a significant increase in Zimbabwe's manufacturing activity because it gave companies access to U.S. dollars. However, high inflation rates and the currency crisis remain major threats to the economy. Following the closure of a number of long-established companies in Zimbabwe in 2024, the Confederation of Zimbabwe Retailers (CZR) released a report warning that more bankruptcies were likely unless significant measures were taken. The government requirement that formal retailers set prices based on the official exchange rate is especially problematic, because the "forced" use of an overvalued rate makes their products far more expensive than those in informal shops.

The government officially encourages competition in the private sector under the Zimbabwe Competition Act through the Tariff and Competition Commission, which is responsible for investigating restrictive practices, mergers and potential monopolies. In 2020, the government established the Zimbabwe Investment Development Agency (ZIDA), a one-stop investment services center housing several agencies, such as the Zimbabwe Revenue Authority (ZIMRA) and the Environmental Management Agency (EMA), which play a role in the establishment, licensing and implementation of investment projects.



## 10 | Welfare Regime

In the first 15 years of independence, Zimbabwe had a well-functioning social security system. However, successive crises, beginning with the effects of the Economic Structural Adjustment Program (ESAP) in the 1990s, wreaked havoc on the social protection system. As stated in the 2021 national budget document, “the challenging environment facing the country has resulted in increases in the number of vulnerable households while the capacity of the existing social safety nets has equally deteriorated.” Two decades of economic crisis and severe currency shifts have led to a significant loss of pension value.

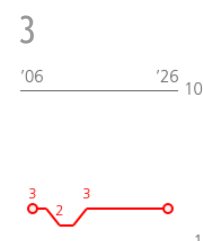
As outlined in a 2024 policy brief on social spending by the Zimbabwe Coalition on Debt and Development (ZIMCODD), Zimbabwe’s social spending averaged 0.5% of gross domestic product (GDP) during the period from 2019 to 2023, despite an increase in the poverty rate from 30% in 2017 to 42% in 2023. This was much lower than the 1.5% of GDP average across sub-Saharan African countries. Even though the social-spending budget allocation increased from \$47.1 million in 2018 to an average of \$82.9 million, this was inadequate, as a program coverage rate of 37% in 2019 left half of the population living in conditions of extreme poverty without assistance.

Further worsening the situation is low budget utilization rates, even below the national average, for social protection programs. Moreover, overreliance on development-partner funding is one of the weaknesses of Zimbabwe’s social system, particularly given concerns about the increased politicization of food aid. A lack of coordination, fragmentation and high administrative costs further undermine the efficiency of social protection programs.

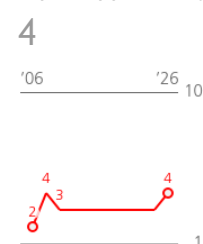
Zimbabwe’s constitution provides a strong framework for protecting and promoting rights that support “full participation of women in all spheres of Zimbabwean society on the basis of equality with men.” Zimbabwe is a signatory to several international agreements on gender equality, including U.N. conventions and SADC declarations. However, women and girls in Zimbabwe continue to face significant gender disparities and strong societal notions.

After the 2023 elections, only 84 seats (30.1%) in parliament were held by women, mostly through the proportional representation system, which reserves 60 seats for women. Furthermore, President Mnangagwa appointed only six women (23%) to his 26-member cabinet. According to 2021 U.N. statistics, 54% of adult women have completed least a secondary level of education, a share similar to that of their male counterparts. The labor-force participation rate among women is 60.4%, compared with 72.6% for men (2023).

Social safety nets



Equal opportunity



As noted by UNICEF (2019), 40% of women ages 15 to 49 have experienced physical or sexual violence, or both, at the hands of an intimate partner. One problem with regard to gender-based violence is that the state has itself been a deliberate perpetrator of violence against women, especially young women of the opposition.

Regarding racial equity, the legacy of colonialism and segregation has left deep scars in Zimbabwe. Land reform programs aimed at redistributing land to Black Zimbabweans have further fueled significant tensions and accusations of unfair allocation and corruption.

Equal opportunity concerns also arise in access to economic opportunities. Overall economic instability and high unemployment rates, especially among young people, have compounded the challenges faced by marginalized groups.

## 11 | Economic Performance

Following double-digit contractions in key sectors between 2018 and 2020, Zimbabwe was among the fastest-growing SADC economies in 2022 and 2023. GDP is estimated to have grown by 5.5% in 2023 after 6.5% growth in 2022, driven by expansion in agriculture and mining and by remittance-fueled growth in services.

Nevertheless, Zimbabwe's economic performance is hampered by continued macroeconomic instability and power shortages. High inflation rates, substantial exchange rate distortions and a difficult business environment raise the cost of doing business, in turn leading to underinvestment, a rise in informal activity and erosion of the fiscal revenue base. The investment climate is further hampered by inadequate electricity supply, with power shortages estimated to cost Zimbabwe 6.1% of GDP a year.

GDP growth was projected to slow to 2% in 2024. Growth is further affected by persistent macroeconomic instability, high inflation rates and exchange rate distortions, an El Niño-related drought, and projected lower export prices. Furthermore, the Labor and Economic Development Research Institute of Zimbabwe (LEDRI) reports that, despite episodes of significant economic growth, this growth has not translated into notable generation of decent employment.

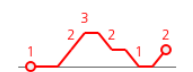
In the 2025 budget presentation, the finance minister said total diaspora remittances rose by 16.5% to \$1.9 billion between January and September 2024, accounting for 25% of Zimbabwe's total foreign currency earnings.

Zimbabwe continued to experience rapid inflation during the review period, recording one of the highest rates in the world in 2023, when annual inflation peaked at 243%. A set of government measures increased fiscal stability and gradually reduced inflation to 17.7% in August 2023, the period's lowest level. However, because of the steep depreciation of the local currency exchange rate, inflation had climbed to 55.5% by March 2024.

Output strength

2

'06 '26 10



After years of significant deficits, Zimbabwe recorded current account surpluses of \$920.5 million in 2019 and \$1.1 billion in 2020. In recent years, the current account surplus has decreased again, with the balance at \$140 million (2023).

According to Zimbabwe's 2023 national budget, cumulative revenue collections for the first nine months of 2024 stood at ZWG 62.4 billion against a target of ZWG 63.32 billion. Tax and non-tax revenue totaled ZWG 58.4 billion and ZWG 4 billion, respectively.

At the end of 2024, Zimbabwe's total public debt stood at \$21.07 billion, up from \$13.7 billion reported at the end of 2022. The debt-to-GDP ratio of 92.6% reported by the IMF (2022) is well above the 60% threshold recommended by both the IMF and SADC, as well as the 70% recommended by Zimbabwe's Public Debt Management Act.

Unemployment statistics have long been controversial because authorities count people working in the informal sector and in communal agriculture as employed. While the official unemployment rate was 5.2% in 2021, independent economists' estimates range around 85% – 90%.

## 12 | Sustainability

The Environmental Management Act provides for the sustainable management of natural resources, environmental protection, and prevention of pollution and environmental degradation. However, the government has failed to demonstrate a strong commitment to environmental issues, as evidenced by a lack of implementation and enforcement of existing laws, policies and regulations.

Mining in protected areas and other critical ecosystems is often allowed, with both large-scale and artisanal operations taking place in national parks and rivers. The Environmental Management Authority (EMA) lacks regulatory powers, as evidenced by inaction against miners who damage the environment. In a report that assesses the impact of Chinese investments in Zimbabwe's extractive sector (2024), the Center for Natural Resource Governance (CNRG) highlights how Chinese mining companies have caused widespread environmental degradation, leading to a widening rift between these companies and their host communities. Hwange National Park, known for its elephant populations, has experienced a dramatic increase in pollution from coal mining. In 2022, the Forestry Commission of Zimbabwe reported that approximately 200,000 hectares of forest are lost annually because of mining activities, while the EMA states that over 70% of rivers in mining regions are contaminated and pose health risks to communities and animals.

In July 2024, Zimbabwe launched a program to generate and trade carbon credits in line with internationally recognized standards. Zimbabwe is developing a comprehensive legal framework to achieve full readiness under Article 6 of the Paris

Environmental  
policy

3

'06 '26 10



1

Agreement. With 30 active carbon-offsetting projects, Zimbabwe is already the third-largest source of carbon credits in Africa and the 12th-largest in the world. Despite these initiatives, its forest cover has continued to decline at an alarming rate. Between 2001 and 2022, the country lost 16% of its tree cover, according to Global Forest Watch. In 2023, Zimbabwe granted a relatively unknown UAE-based firm conservation rights over 7.5 million hectares of its forests – about 20% of the country’s landmass. Under the deal, the UAE company will receive 70% of the revenue from the sale of carbon credits.

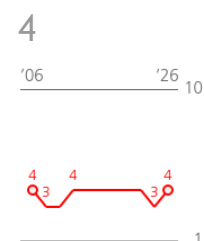
Solar energy has become increasingly popular among the private sector and consumers in Zimbabwe, given the unreliability of the traditional power supply.

One of Zimbabwe’s main post-independence achievements was the quality, expansion and equality of the nation’s education system. For decades, Zimbabwe was believed to have one of the best education systems on the African continent, contributing to a literacy rate of more than 90% (the highest on the continent). This is reflected in the U.N. Education Index, on which Zimbabwe scores higher than most other sub-Saharan African countries. Today, Zimbabweans continue to consider education important, but years of economic crisis have resulted in inadequate public investment at both the primary and secondary levels of education.

Allocations to primary and secondary education increased from 10.2% of the budget in 2019 to 13.3% in 2020, then fell to 12% in 2022. In the 2023 budget, 14% of spending was allocated to education, still below the 20% stipulated in the Dakar Declaration. Notably, 87% of the budget was allocated to employment costs. Underfunding has negatively affected the quality of education, which has deteriorated sharply over the years.

Part of the reason for this decline has been frequent teacher absences, as the deadlock between teachers and the government has persisted after relations soured following a series of teacher strikes. The introduction of the Zimbabwe dollar and hyperinflation eroded teachers’ salaries. When they were suddenly paid in the local ZWL, their salaries were cut from about \$500 to \$30 in 2019. Today, teachers continue to say their salaries are not enough to cover basic needs and their own children’s education. Several teacher union leaders have faced repeated arbitrary arrests; this has included leaders of the Amalgamated Rural Teachers Union of Zimbabwe (ARTUZ), whose secretary-general, Robson Chere, was arrested and tortured in July 2024.

Education policy /  
R&D



## Governance

### I. Level of Difficulty

Zimbabwe is a landlocked country that depends largely on neighboring countries for bulk imports and exports. This dependence on external trade results in high transaction and transport costs due to inadequate infrastructure and bottlenecks. For example, Zimbabwe has only one land border post with its largest trading partner, South Africa.

Zimbabwe is further affected by climate change and resulting climate shocks, as it increasingly faces severe droughts, natural disasters and episodes of heavy rainfall, all of which undermine agricultural production and livelihoods. Although adult HIV prevalence among those ages 15 to 49 has fallen from a peak of 26.5% in 1997, Zimbabwe still has one of the highest rates in southern Africa, at 11.6%, with 1.3 million people living with HIV in 2022.

Although Zimbabwe has one of the region's highest reported literacy rates, at about 90%, a lack of investment in education is affecting the quality of education. The continued economic crisis has led to several rounds of brain drain, meaning that many of Zimbabwe's highly educated professionals are abroad. The Zimbabwean diaspora comprises an estimated 3 million people, and in the past two years, a new wave of educated Zimbabweans has left the country. In 2023, more than 20,000 Zimbabweans were granted Health and Care Worker visas in the United Kingdom, with an additional 18,000 admitted as dependents.

Currently, coal and hydroelectric power plants provide most of Zimbabwe's electricity, with Chinese firms dominating this market. Zimbabwe's installed power generation capacity of 2,800 MW falls short of the 5,000 MW it needs to fully support existing industry and households, meaning Zimbabwe must import electricity from neighboring countries. Both Zimbabwe's main hydropower plant at Kariba Dam and the Hwange coal-fired power station operate at one-third of their capacity, largely due to aging equipment and low water levels.

There are several projects underway to increase Zimbabwe's power generation. The \$1.5 billion expansion of the country's largest coal-fired facility in Hwange is set to increase capacity by 600 MW. In addition, Zimbabwe is seeing growing demand for solar power and is investing in renewable energy sources, with targets of an additional 1,100 MW by 2025 and 2,100 MW by 2030. ZimStats states that the average share of the population nationally with access to electricity was 62% as of 2022, with urban and rural access rates of 86% and 37%, respectively.

Structural  
constraints

8



1

During the 1990s, two major developments led to the emergence of a wide range of social movements and civil society organizations (CSOs) in Zimbabwe. First, deteriorating economic conditions due to the Economic Structural Adjustment Programs led to strong labor- and student-led civic campaigns. These drew great support from their articulation of socioeconomic grievances that included hyperinflation, unemployment, a high cost of living and deterioration in basic social service delivery. Second, the formation of a constitutional reform movement under the National Constitutional Assembly (NCA, led by Morgan Tsvangirai) in the late 1990s showed the growing influence and resonance of CSOs, particularly given that the government lost the constitutional referendum in 2000. Furthermore, most of the active CSOs during this period formed the base of the opposition movement that created the Movement for Democratic Change (MDC) in 1999.

The growth of CSOs in the governance and human rights sector accelerated starting in 2000 in response to an upsurge in repression and election irregularities. Substantial donor support for Zimbabwe's civil society during the 2000s is widely believed to have further contributed to its thriving. During this period, Zimbabwean CSOs created several influential coalitions and networks that coordinated the efforts of the broader civil society on specific topics.

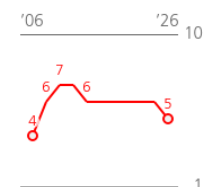
A combination of declining donor funding, economic crises, state repression and lack of civil society engagement has severely weakened civil society in recent years. However, the crackdown against civil society ahead of the SADC summit in August 2024 illustrated the continued strength of certain civil society organizations and the response mechanisms they have established, with the Zimbabwe Lawyers for Human Rights (ZLHR) playing a particularly important role.

The 2024 Afrobarometer survey found that NGOs/CSOs were the most trusted institutions among Zimbabweans (74% of respondents indicating such trust). In Afrobarometer surveys, Zimbabweans were asked, "Generally speaking, would you say that most people can be trusted or that you must be very careful in dealing with people?" On average, more than eight in 10 adult citizens said they had to be very careful. The survey further noted that most adult Zimbabweans (75%) were not members of voluntary associations, although rural residents were more likely than their urban counterparts to join voluntary groups.

With the emergence of an opposition movement, the post-2000 period in Zimbabwe saw increased polarization of politics and society between ZANU-PF and the MDC. One of the worst examples of this was seen in the state-sponsored violence in the aftermath of the first round of the 2008 elections. The run-off that year was marred by violence against opposition leaders and supporters, who were beaten, tortured, kidnapped and killed. Campaigns of violence by Zimbabwe's security forces instilled fear among Zimbabwe's citizens, which continues to influence their political participation to this day. The disproportionate response of soldiers to a post-election protest on August 1, 2018; the violent crackdown on the opposition and activists in 2019 by state security agents; and the 2024 repression against civil society actors were all examples of the continued use of instruments of coercion by the state.

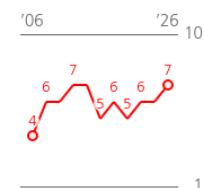
#### Civil society traditions

5



#### Conflict intensity

7



Whereas the first two years after the 2018 elections were characterized by discussions about the need for and possible establishment of a national dialogue, these initiatives have largely subsided in recent years. President Mnangagwa’s Political Actors Dialogue (POLAD) platform failed to include the main opposition party, and other dialogue processes did not materialize because key political actors were unwilling to join. Since assuming power, the Mnangagwa regime has intensified repression of the opposition through a series of measures calculated to systematically dismantle it. Throughout 2023 and 2024, several high-profile opposition members, including parliamentarian Job Sikhala and Citizens Coalition for Change (CCC) Organizing Secretary Amos Chibaya, faced arbitrary arrests and sometimes lengthy pretrial detentions.

Whereas former President Mugabe was known for delicate ethnic balancing in his appointments, political analysts have warned that President Mnangagwa has increasingly appointed members of his Karanga group to vital positions, leading to increased tribalization and an ethnification of politics in Zimbabwe. The fact that many appointments have included the president’s family members, friends and clanspeople has upset many in the ZANU-PF, also fueling renewed factionalism in the party. Whereas those aligned with the president are campaigning to extend his term, a faction aligned with Vice President Constantino Chiwenga fiercely opposes this idea.

## II. Governance Performance

### 14 | Steering Capability

Zimbabwe’s history has been marked by instances in which short-term power calculations and the self-interest of the ruling regime have overridden longer-term national interests. Mugabe’s 37-year-long rule is littered with cases of political expediency that seriously affected Zimbabwe’s development trajectory. Serious discontent among Zimbabwe’s war veterans in 1997 posed a threat to the regime and led Mugabe to award an estimated 50,000 war veterans a one-off payout of more than \$4,000 and a monthly pension of \$140. Because these expenditures were not budgeted and amounted to 2.6% of GDP, this compensation package served as one initial trigger of the economic decline of the subsequent decades. Similarly, the controversial Fast Track Land Reform program of 2000 had a devastating effect on Zimbabwe’s agricultural sector and contributed heavily to Zimbabwe’s economy shrinking by 15% in the following two years.

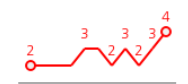
After assuming power in 2017, President Mnangagwa’s government developed a Vision 2030 agenda, which outlines Zimbabwe’s intention to attain the status of an “empowered and prosperous upper middle-income society” by 2030. To achieve this,

Question  
Score

Prioritization

4

'06 \_\_\_\_\_ '26 10



the government launched the National Development Strategy 1 (NDS1; 2021 – 2025). Critical components include a wide range of transformative measures, international reengagement efforts, and the development and utilization of domestic growth sectors such as the country’s natural resource endowment.

Zimbabwean economic think tanks have argued that NDS1 is well crafted and commendable in several respects that previous economic blueprints failed to consider. They particularly highlight the clearly articulated implementation matrix, which allows for better monitoring and evaluation. At the same time, they emphasize that previous economic blueprints had similar targets that the government failed to meet. Moreover, according to the World Bank, achieving these goals would require a substantial average growth rate of 15% over the period from 2023 to 2030, a prospect that is highly unlikely (the forecast growth rate in 2025 was 3%).

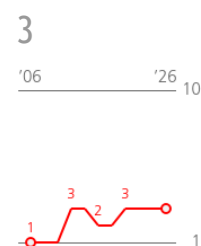
Zimbabwe’s efforts through the Structured Dialogue Platform to reengage with creditors and development partners are an important step. However, a lack of political will to implement necessary political and economic reforms seems to override strategic policymaking and prioritization.

Policy implementation remains a challenge and has been marred by policy reversals and inconsistencies. These are in turn shaped by a range of constraints, including inadequate financial resources, corruption, a lack of political will, poor sequencing of events, and mismanagement. The failure to implement most long-term policy frameworks has meant that respective governments have mostly resorted to short-term, makeshift policy responses. The current Mnangagwa regime has failed to fulfill its promises of economic and democratic reforms, and appears to be mostly driven by self-preservation imperatives.

One of the most notable examples of the current administration was the failure to implement the ZimAsset policy framework. Limited funding capacity, mismanagement and policy inconsistencies affected implementation. A key example of policy inconsistency was that ZimAsset was anchored in a free-market premise, while Zimbabwe’s \$3 billion state-led Command Agriculture program was the exact opposite.

Other recent examples of policy frameworks adopted by the current government include the Transitional Stabilization Program (TSP), the Motlanthe Commission recommendations and agreements with international financial institutions. However, there has been widespread disappointment domestically and internationally regarding the lack of implementation.

#### Implementation



The ZANU-PF government's policy learning has focused mainly on preserving power and maintaining its system of control. The 2013 election was an illustration of ZANU-PF's ability to adapt. The overt and visible violence that characterized the 2008 elections, and which was not accepted by the international community, was replaced with more subtle yet effective forms of intimidation and violence. Because preserving power is the key objective, there is less interest and willingness to apply a similar approach to national governance. Under the government of national unity (GNU), a number of successful policies were implemented. For example, fiscal discipline was strengthened through cash budgeting, which in turn resulted in minimal inflation, limited domestic borrowing and no deficit. However, the post-GNU period saw a return to the fiscal indiscipline that had fueled earlier hyperinflation, resulting in rapidly rising budget deficits, increased domestic borrowing and a repeat of past mistakes.

It is important to continue to note distinctions even within the system. Within various government institutions, technical capacities as well as a willingness to learn, improve and reform can be found. However, the current centralization of power is also evident in these institutions, where there has been increased top-down decision-making at the expense of innovation and input from below. The current regime enforces its policies quite rigidly and is less open than previously to criticism and accountability, whereas transparency is a precondition for policy learning. Outside the realm of politics, there have been many examples of fruitful international cooperation in different development projects over the past three decades. However, two decades of economic and political crisis have led to a backlog of knowledge in both the public and private sectors.

## 15 | Resource Efficiency

The 2025 budget allocated 56.4% of revenue to the state's employment costs, exceeding the fiscal threshold of 50%. In addition, 85.7% of expenditures in the 2025 budget are allocated to public service compensation (salaries, pensions, insurance, etc.).

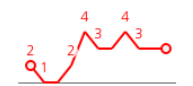
To rein in rising public spending, Finance Minister Ncube announced a hiring freeze across all sectors except health and education during his 2025 budget presentation – part of a broader strategy to allocate resources toward critical needs such as food imports and economic stability amid tightening fiscal space. The measure underscores the severe tension between the government's austerity measures (fiscal reality) and their impact on civil servants (daily life reality), as persistently high rates of inflation have continued to erode real incomes.

In 2021, fiscal consolidation was achieved with an almost-balanced budget and current account deficits turning into small surpluses. However, the 2022 budget had a 0.61% deficit, and the 2023 and 2024 budgets featured deficits of 1.5% and 1.4%, respectively. Furthermore, overall domestic debt remains at unsustainable levels, rising alarmingly to \$8.7 billion in 2024.

### Policy learning

3

'06 '26 10



### Efficient use of assets

3

'06 '26 10



Zimbabwe's highly centralized administrative structure severely affects local governments, which often struggle with limited financial resources, insufficient capacity and a lack of autonomy to operate efficiently. Moreover, Zimbabwe's bureaucracy is often slow and inefficient, with lengthy processes for renewing or approving permits and services.

The Civil Service Commission is charged with civil service recruitment, but most senior officials are political appointees, with allies of President Mnangagwa posted to key positions across government and ministries. The constitutional amendments enacted in 2021 granted President Mnangagwa more power to appoint senior public officials, leading to the increased politicization of public institutions.

A key characteristic of the ZANU-PF government during and after Mugabe's presidency has been policy clashes and inconsistencies. Under the government of national unity (GNU), these revolved around conflicting positions between ZANU-PF and the MDC, while the post-GNU period was characterized by policy paralysis due to conflicting interests and factionalism within ZANU-PF.

Frictions within top policy organs persisted after Mugabe's departure, continuing to fuel policy inconsistencies. In 2020, it was reported that the ZANU-PF Politburo summoned Finance Minister Ncube to explain the economic meltdown and austerity measures, especially the removal of subsidies on maize meal and rice, which it feared could cost ZANU-PF the 2023 elections. In past years, consecutive IMF missions highlighted the need to strengthen coordination between fiscal and monetary authorities as an overarching policy priority.

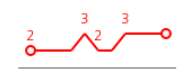
Zimbabwe's centralized style of governance has led to continued friction between the CCC-led urban authorities and the ZANU-PF national government. Central government interference affects local authorities through limited budget allocations, policies that are overruled, and increased harassment of mayors and councilors. These divisions also contribute to poor planning and to the collapse of social service delivery.

Corruption continues to pose risks to Zimbabwe's macroeconomic performance. The Zimbabwe Anti-Corruption Commission (ZACC) has the constitutional mandate to fight corruption. However, political interference complicates the work of the anti-graft body, with ZACC officials stating on the record that they have received threats from cabinet ministers. As a result, ZACC has been accused of being selective in its inquiries, primarily targeting low-level individuals while high-profile figures, particularly those with political connections, remain untouched. ZACC has also refused to investigate allegations by the Public Accounts Committee (PAC) that an estimated \$3 billion was misused under the government's Command Agriculture program. A study by the Zimbabwe Democracy Institute explained how proceeds of the Command Agriculture program led by ZANU-PF and securocrats are a powerful means through which regime loyalists are financed and rewarded, from the national to village levels.

### Policy coordination

3

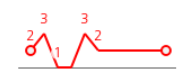
'06 '26 10



### Anti-corruption policy

2

'06 '26 10





ZANU-PF has a history of socialist economic thinking. President Mnangagwa’s “open for business” mantra and his perceived liberal ideas about a market-based economy are to a considerable extent endorsed by the opposition CCC. However, there are a number of civil society organizations that, drawing on memories of the structural adjustment programs promoted by the international financial institutions (IFIs) during the 1990s, challenge the envisioned neoliberal policies. Both the opposition and civil society have criticized the severe austerity measures of the past two years, along with their effects on social services and the majority of Zimbabweans. They also oppose the current cartel-based, predatory economic system. It should be noted that corruption is not limited to ZANU-PF circles, as there have been several reports of corruption among opposition councilors.

The hope for meaningful change in Zimbabwe, sparked by President Mnangagwa’s initial rhetoric promising democratic and economic reforms and a “new dispensation” upon assuming power, has evaporated because of the events of the past six years. The increased militarization of the state has led to further centralization of power and severely limited the capacity of pro-democratic forces in Zimbabwe to use relevant institutions, processes and mechanisms to hold the government to account. As such, it remains clear that the army – particularly through the Joint Operations Command (JOC) – is a decisive power broker and kingmaker. The increased militarization has not been limited to the cabinet, as it has also been seen in other public institutions, state agencies, the judiciary and even ZANU-PF party structures, with senior army members increasingly assuming positions in the public domain. The military is also believed to be deeply involved in cartels that control key sectors of the economy and are mostly aligned with ZANU-PF actors. This has in effect led to further conflation of the military, business and political interests of a powerful ruling elite.

Reform-minded elements within the ruling party are difficult to identify, but some high-ranking officials and the more technocratic civil servants in various government departments are said to be more open to reforms. However, they have little power over their leadership. Business leaders aligned with the ruling party – such as the influential tycoon Kuda Tagwirei – can influence government decision-making, further strengthening the role of cartels.

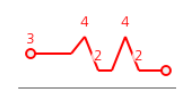
Zimbabwe’s history since independence has created cleavages in society along political, ethnic and class lines. Most of these cleavages stem from unresolved violent conflicts in the past. Some observers note that the characteristics of the liberation struggle – intense intrigue, factionalism, violent purges and assassinations – nurtured a culture of violence and instability in Zimbabwe. The liberation struggle also plays an important role in some of the ongoing divisions. The ZANU-PF leadership has a sense of ownership of the state and a strong belief that only those with liberation credentials can assume power.

The Gukurahundi massacres led to a deep divide between the ethnic Ndebele minority and the Shona majority. The lack of healing and the continued marginalization of Matabeleland have caused trauma and anger that have been passed down to the next generation.

Anti-democratic actors

2

'06 '26 10



Cleavage / conflict management

3

'06 '26 10



ZANU-PF thrives on divide-and-rule politics, with national wealth shared among a small elite, thereby creating fragmentation between the haves and have-nots. The state routinely engages in violence, particularly around elections. Moreover, a culture of impunity has taken root that affects political stability and democratic processes. The current political leadership is unable to depolarize and resolve most structural cleavages, mainly because of its own involvement in the origin and course of these violent conflicts. In fact, its recent actions have only deepened polarization in society.

The achievements of Zimbabwean civil society are often underestimated today. Since the 1990s, Zimbabwe has had a strong civic movement that has played a significant role in creating the political opposition movement, shaping the constitutional process and addressing socioeconomic issues and human rights violations. Ever since the emergence of CSOs in Zimbabwe, the attitude of the government has been negative and hostile, particularly toward CSOs working on governance and human rights, who have often been labeled “regime-change agents” or “puppets from the West.” Development organizations and social service providers work closely with different government departments, which the government often appreciates.

Despite difficult circumstances, civil society has influenced government agenda-setting, policy formulation and implementation in several ways. These include litigation, activism, monitoring mechanisms and policy discussions. Zimbabwe has a strong legal civil society that has successfully reversed government actions or decisions in the more independent higher courts (although the government also ignores court orders).

Today, Zimbabwe’s civil society faces increased military surveillance, repression, harassment, arrests and long pretrial detentions. Several repressive laws have been introduced that severely affect the operational environment for civil society groups. These developments have severely weakened Zimbabwean civil society and its ability to influence policymaking, and it is today facing government institutions that are far less open than previously to engagement.

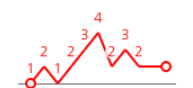
Healing and reconciliation efforts in Zimbabwe continue to face substantial challenges, as a range of historical injustices remain unresolved. These include the Gukurahundi massacres of 1982 to 1987 (when 20,000, mostly Ndebele, were killed), the violent evictions from white-owned farms in 2000, Operation Murambatsvina (which displaced hundreds of thousands of urban dwellers) and the electoral violence in 2008 (when opposition supporters were beaten, tortured, raped and killed).

To create a mechanism to address the burdens of past violent conflicts, the 2013 constitution mandated the establishment of the National Peace and Reconciliation Commission (NPRC). However, the NPRC received limited funding and political backing, and when its mandate ended in August 2023, it had achieved little.

Public consultation

2

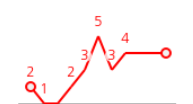
'06 '26 10



Reconciliation

4

'06 '26 10



Following several meetings in 2022 between the president, traditional leaders and CSOs on how to resolve issues related to the Gukurahundi massacres, it was decided that traditional leaders would take the lead in resolving the issue, again sidelining the National Peace and Reconciliation Commission (NRPC). Although some welcomed the president's effort and engagement on Gukurahundi, his involvement also drew criticism. Critics fear the current setup might intimidate victims, and have questioned whether traditional leaders are properly equipped to handle the emotional and legal aspects of the Gukurahundi issue. The question remains whether the perpetrators, who include current ZANU-PF leaders, will be held accountable.

Despite these fears, President Mnangagwa launched the long-awaited Gukurahundi Community Engagement Outreach Program in July 2024, which was intended to facilitate dialogue and provide a platform for victims and survivors to voice grievances and seek redress through traditional leaders. Despite its potential to address historical injustices, the program faced criticism over its structure and pace. In January 2025, the program had yet to commence, and continued to face logistical challenges, with no clear budget allocation or timeline for implementation.

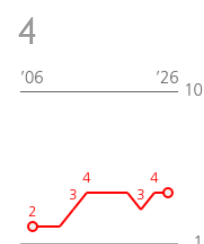
As Heal Zimbabwe Trust has highlighted, civil society actors argued that the launch came at a time when efforts to address Gukurahundi have been thwarted in several ways. Memorial plaques have been repeatedly vandalized, and many civil society actors have been denied space to engage with communities affected by Gukurahundi. As a result, citizen trust in the government's willingness and sincerity to deliver true justice, healing and reconciliation has diminished.

## 17 | International Cooperation

The first decade of independence saw Zimbabwe guided by a socialist development agenda aimed at redressing colonial imbalances. Development planning was a key feature of the command-oriented economy, which changed after the adoption of the economic structural adjustment policies (ESAP) in the 1990s. Economic blueprints became central to Zimbabwe's political and economic landscape, but their implementation mostly failed. Combined with years of economic mismanagement and policy inconsistencies, these failures complicated international engagement and led to low levels of trust. During this period, misuse of international donor support contributed to an increase in debt.

International relations were further complicated by increased violence and state repression in the early 2000s, which led the European Union and United States to impose sanctions. Western donors mostly channeled their support through multilateral agencies and CSOs, and relations were characterized by confrontational rhetoric and mutual mistrust. In the following decades, the Mugabe regime incorporated the sanctions issue into its anti-imperialist and Pan-Africanist discourse. Zimbabwe also adopted a "Look East policy," but proclamations of major projects and substantial investments often failed to produce results.

Effective use of support



Despite its imposition of sanctions, the European Union and its member states have provided more than \$1 billion in development assistance since 2009, mostly for social services and food security. The most significant shift in European policy occurred after the 2013 elections, when the European Union moved toward an agenda of reengagement and Zimbabwe became eligible for various EU support instruments, including the €234 million European Development Fund (EDF). Regardless of the nature and orientation of European engagement with Zimbabwe, European actors have provided significant humanitarian assistance over the past two decades. In this regard, orders from the new U.S. government regarding USAID in January 2025 might pose serious challenges, as the United States is an important donor to Zimbabwe's health and education sectors.

Because of its lack of reforms, Zimbabwe has continued to be perceived as a high-risk country, limiting the government's access to external lines of credit. In 2022, the government adopted an Arrears Clearance, Debt Relief and Restructuring Strategy to address the country's debt distress, backed by a comprehensive reform agenda. This was accompanied by the launch of a Structured Dialogue Platform with creditors and development partners to institutionalize structured dialogue as part of Zimbabwe's reengagement agenda, with the aim of using arrears clearance, debt relief and restructuring to access concessional support from bilateral development partners and creditors including IFIs. In many ways, this process has been more effective than previous attempts because it is more inclusive and encompassing, and is led by the African Development Bank. The platform is organized around three strategic pillars (economy, governance, land) each associated with specific reforms and timelines, leading to the adoption of jointly agreed policy reform matrices.

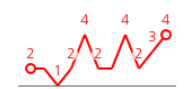
Zimbabwe's failure to uphold its international commitments has affected international confidence in the country. The Zimbabwean government's failure to respect the Bilateral Investment Promotion and Protection Agreements (BIPPAs), which should have protected evicted white farmers during the land reform program, has led to bilateral disputes with many Western countries. Domestic and international investor confidence has further weakened due to uncertainty about the protection of property rights, Zimbabwe's indigenization policy and Zimbabwe's failure to pay its arrears to IFIs. Decades of economic mismanagement and gross human rights violations have also undermined the credibility of the Zimbabwean regime, which has failed to commit to SADC treaties on human rights and elections.

Mugabe's departure in November 2017 led to a period of hope in the international community, bolstered by the new administration's initial rhetoric. There was a willingness to assist in the transition and provide significant support. International goodwill was such that Zimbabwe was offered help to clear its arrears, provided it changed course toward a democratic dispensation. However, the strong interest in European capitals quickly faded, given the lack of substantial political and economic reforms and the closing of democratic space. There was a strong sense that Zimbabwe

Credibility

4

'06 '26 10



did not make use of the opportunities provided after Mugabe’s departure, and a growing realization that preservation of the political-economic system of control has remained the regime’s overarching goal. Whereas Mnangagwa publicly urged Zimbabweans to “stop blaming sanctions” in the early days of his presidency, he revived the confrontational sanction rhetoric in 2020.

Toward the end of 2024, the Structured Dialogue Platform discussions gained momentum. Zimbabwe set aside \$20 million to compensate former white farmers in both the 2024 and 2025 budgets, and several BIPPA farmers received the first substantial payments in January 2025. However, this major milestone coincides with continued doubts due to a lack of progress in other areas, although a more open attitude toward financial data and policy has been reported. Even though the Mnangagwa administration emphasizes its desire to reengage with the international community, strong doubts remain about the regime’s economic management and its governance and human rights record. This was illustrated during Zimbabwe’s bid to rejoin the Commonwealth. After the Commonwealth Secretariat recommended Zimbabwe’s readmission, the U.K. announced it would not support this, saying Zimbabwe must first address its governance and human rights record before any consideration of readmission, effectively blocking Zimbabwe’s return.

The international community has often been confronted with mixed signals, and the failure to implement substantial economic and political reforms continues to halt Zimbabwe’s substantive reengagement efforts. Continued progress under the Structured Dialogue Platform – likely including an IMF Staff-Monitored Program in 2025 – could improve this. Geopolitical developments might influence the positioning of international actors; the European Union, for example, worries about Zimbabwe’s positioning in the United Nations, where it has been reluctant to condemn its long-standing partner Russia.

As a landlocked country, Zimbabwe borders Botswana, Malawi, Mozambique, South Africa and Zambia. In particular, Botswana and South Africa host many Zimbabwean refugees, which has led to several diplomatic disputes in the past decade. There has been repeated uncertainty about the extension of Zimbabwe Exemption Permits (ZEP) held by about 180,000 Zimbabwean migrants in South Africa.

Members of the Southern African Development Community (SADC), particularly countries in which former liberation movements are in power, have traditionally been reluctant to condemn repression and human rights violations in Zimbabwe. For many years, the regional bloc has preferred “quiet diplomacy” in response to escalations and has expressed its solidarity against Western sanctions on Zimbabwe.

ZANU-PF relations with neighboring Zambia became more complicated following the 2021 presidential election victory of then-opposition leader Hakainde Hichilema, who maintains good relations with Zimbabwean opposition leader Nelson Chamisa. More importantly, the SADC Election Observation Mission (SEOM) report on

Regional  
cooperation

4

'06 '26 10



1

Zimbabwe's 2023 elections were historic because they firmly stated that the elections were marked by irregularities and fell short of regional and international standards. This led to a diplomatic rift between Zimbabwe and Zambia, as the Zimbabwean government attacked the head of the SEOM mission (a former Zambian vice president) and accused Zambia of harboring a regime-change agenda. The rift deepened in 2024 when, during a meeting with Russian President Vladimir Putin, President Mnangagwa expressed concerns about U.S. influence in Zambia, claiming the United States was consolidating its power in Zambia through security and financial aid, which he suggested was aimed at isolating Zimbabwe.

Zimbabwe's relations with its influential neighbor South Africa were also reconstituted after the formation of a coalition government in South Africa. While the African National Congress (ANC) has been a traditional ally of ZANU-PF, echoing its propaganda on sanctions, other coalition partners have been more critical of Zimbabwe.

As the current chair of SADC, President Mnangagwa and his ZANU-PF party continue to maintain strong relations with former liberation movements (and governments). Recent elections in the region have reshaped the political landscape in a few countries following transfers of power. Furthermore, there has been discontent about ZANU-PF's alleged election interference in some countries, particularly in Namibia and Mozambique. At the same time, ZANU-PF places great value on its role and position in SADC, as evidenced by the resources devoted to hosting the SADC heads of state in August 2024.

## Strategic Outlook

At the start of 2025, the short-term outlook for Zimbabwe was gloomy, with the country facing a multifaceted crisis and significant reforms appearing unlikely in the near future. The continued intertwining of the political elite, business cartels and the military remains a worrying characteristic that undermines Zimbabwe's possibilities for democratic and economic transformation. ZANU-PF's systematic repression of civil society and the opposition in past years has led to a severe narrowing of democratic space. The centralization of power and weakening of independent oversight institutions are evidence that the country is sliding further toward authoritarianism.

Zimbabwe's economy faces exchange rate volatility, a weak currency, an energy crisis, low investment levels and continued policy inconsistencies. Structural economic reforms are needed to ensure the economy benefits most Zimbabweans, but they remain unlikely given the lack of competitiveness, widespread corruption, massive debt overhang, continued international isolation and lack of political will.

Addressing Zimbabwe's crisis effectively will ultimately require an inclusive national dialogue. This dialogue should move beyond political actors and include a variety of non-state actors such as civil society, churches, unions and business. The process should explore ways out of the economic crisis and address the issues of democratization and a shared national vision. Independent facilitation will be crucial if this process is to succeed. Implementing political and economic reforms would further support the country's recovery. If Zimbabwe aims for a more stable economic future, it will be vital to break the cartels' hold over the state and economy. Strengthening the independent functioning of oversight institutions will also be key. However, realism is needed regarding the nature and interests of the state, as a number of critical reforms run counter to its interests and pose a direct threat to its power.

There is a need for a coherent international approach to Zimbabwe. The differing positions and approaches between the region and the wider international community have been unproductive. The sanctions issue continues to complicate relations between the region and Western actors. The new U.S. leadership's initial decision will have major implications for Zimbabwe, as both the government (health, education, humanitarian aid) and civil society largely depend on USAID funding. The Structured Dialogue Platform is a significant process that has already yielded important results, but international actors should not be too fixated on maintaining this process. There is a risk of lowering the bar, but international actors should maintain that there needs to be progress on all fronts, including democracy and governance.

The international community can still play an important role, but it should accept that most engagements will not be straightforward, will require investment of time and resources, entail high levels of risk, and are far from guaranteed to succeed. The history of Zimbabwe's leadership requires a balanced and cautious, yet surely value-based and principled, approach when engaging the ZANU-PF government. In their engagements, it is crucial that international actors strengthen the position of non-state entities in Zimbabwe by using their leverage to promote these local entities' inclusion in high-level discussions.