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THE LION - BEAR ALLEGORY: IMPACT OF SANCTIONS ON ZIMBABWE AND THE RELATED NEO-IMPERIAL NARRATIVES

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ABSTRACT
Zimbabwe is a landlocked Southern African country that formerly gained independence and statehood in 1980, ending ninety years of settler colonialism. The country has been under the US - EU sanctions since the turn of the millennium. There are diametrically opposing views with regards to the question of why sanctions were put in place in the first place. This study, however, does not dwell on the circumstances behind the imposition of economic sanctions but explores their impact on the generality of Zimbabweans and why they are categorised as a neo imperial tool. Neo-imperialism, also known as neo-colonialism, is a policy that seeks to perpetuate the domination of the previously colonised regions. The researcher employs the biblical lion - bear allegory to explore the impact of sanctions on developing countries in the context of Zimbabwe. The study used qualitative techniques of data collection and analysis. The implementation of the US- EU sanctions have made it very difficult for Zimbabwean businesses to operate both within Zimbabwe as well as with other foreign institutions. This has led to significant haemorrhage of the Zimbabwean economy, company closure and high levels of unemployment.

INTRODUCTION
Zimbabwe is a landlocked Southern African country that formerly gained independence and statehood in 1980, ending ninety years of settler colonialism. The country has been under the US - EU sanctions since the turn of the millennium. This paper makes the argument that the impact or the effects of the USA - EU sanctions on Zimbabwe can be explored through a neo-imperialist narrative. Citing contemporary cases, this paper seeks to substantiate the argument that the sanctions regime undermines the sovereignty of Zimbabwe and it is a form of imperialism that employs 'soft power' rather than military power to ensure that the states that are relatively powerful gain economic advantages over the developing world. The researcher uses the 'lion - bear' allegory to illustrate how neo-imperialism in the form of sanctions is equally deadly to its predecessor regime - the imperialism of the nineteenth and twentieth century.

Neo-imperialism/Neo -colonialism
For the purpose of this paper, the researcher uses the terms neo-imperialism and neo-colonialism interchangeably. Ardant (1965) attributes the origin of the term neo-imperialism to the writings of Jean- Paul Sartre - an anti-colonial activist in the twentieth century. Crozier (1964) goes way back to identify the origin of the concept of neo-imperialism in Leninist philosophy of the first quarter of the twentieth century where it was used in reference to a new form of domination applied after the colonial period in the would-be independent states.

Vajrushev (1974) defines neo-colonialism as a colonial policy that is put in place by the imperialist powers with new hidden mechanisms to reinforce capitalism, maximise profits and maintain the economic, political, ideological, and military influence of the colonial times. Martin (1985, p.191) citing the All-African People's Conference of 1961 Resolution on Neo-colonialism, defined the term as "the survival of the colonial system in spite of formal recognition of political independence in emerging countries, which become victims of an indirect and subtle form of domination by political, economic, social, military, or technical means."

It is this definition that is further reinforced and explored by Nkrumah (1965). According to Nkrumah, the ultimate nature of neo-colonialism is that the state is theoretically and officially an independent and sovereign entity, while in reality its economy and political policies are directed from the outside (Nkrumah, 1965).

The Lion - Bear Allegory

A Leninist perspective identifies neo-colonialism as an adapted form of colonialism, which takes advantage of the weakness of the newly decolonised states to achieve economic, political or cultural benefits (Ardant, 1965). Badi (1991) notes that the goal would still be the same as it was during colonialism, which is to maintain the former colonies in a dependent position, which allows economic exploitation. Taking the statement by Nkrumah (1965) that neo-colonialism represents imperialism in its final and perhaps its most dangerous stage, this researcher employs the lion - bear allegory to understand the impact of sanctions on developing countries in the context of Zimbabwe.

Colonialism was deadly and undesirable (McQuade, 2017). The people in the countries that were subdued, Zimbabwe included, took up arms to regain their right to self-determination. Fanon (1963) notes that for a very long time, the natives devote their energies to ending certain definite abuses by the colonial masters, limitation of political rights, inequality, forced labour, among other issues. However, soon after the attainment of independence, the 'most dangerous stage' of imperialism soon rein in. The former colonial masters and their allies, team up to entrench the imperialist policies, this time around in a more subtle but effective manner. The researcher, therefore, assumes that, in line with the quotation from the scriptures that the situation is that of 'a man who flees from a lion only to have a bear confront him'. The researcher likens the original state of colonialism to a lion because it is given and generally admitted that it is deadly. In the same vein, neo-colonialism (the bear, in this allegory) has all the features that presents it as an easy to tame and harmless creature while in reality it is much more dangerous than the lion.

Nature of Economic Sanctions on Zimbabwe

Sanctions can be defined as 'official orders such as the stopping of trade, which is taken against a country in order to make it obey international law'. The US has a two-pronged sanctions regime on Zimbabwe. The first is the Zimbabwe Democracy and Economic Recovery Act of 2001 (ZIDERA) and as subsequently amended in 2018. The second, which the USA refers to as a 'targeted sanctions program' are enunciated in the Executive Order 13288 that was signed by US President George Bush and effectively came into being on March 10, 2003.

The US sanctions on Zimbabwe are guided by the Office of Foreign Assets Control (OFAC) that enforces economic and trade sanctions based on US foreign policy, and the Zimbabwe Democracy and Economic Recovery Act (Musarurwa, 2019). The European Union (EU) sanctions on Zimbabwe comprise of an arms embargo, as well as an asset freeze and travel ban on 'targeted people and entities.' The EU sanctions on Zimbabwe was first imposed in 2002, by Common Position 2002/145/CFSP. It is not the aim of this paper to separate or differentiate the US and the EU sanctions on Zimbabwe. This focus is on analysing the impact of the aforementioned economic sanctions on Zimbabwe.

METHODOLOGY

This study used qualitative techniques of data collection and data analysis. Qualitative research seeks to understand and explore social phenomena (Matthews & Ross, 2010). The researcher used this approach to understand and explore the impact of the US-EU sanctions on Zimbabwe. The main data collection methods that are used in this research paper are documents as well as media content analysis. This article draws and refers to newspaper articles as well as other secondary sources on the issues of sanctions on Zimbabwe. Experiential knowledge defined by Schubert and Borkman (1994) as 'information and wisdom gained from lived experience' was also applied by the researcher to critically analyse data from other sources.

Impact of Economic Sanctions on Zimbabwe

The economic embargo on Zimbabwe makes it extremely difficult for the country to attract investments. The fear of OFAC penalties often leads to a situation where US firms generally stay clear of Zimbabwe. A typical case involves a case where General Electric Africa, a major US firm, despite having and showing interest in the proposed US$1.6 billion Batoka power project in Zimbabwe, pulled out due to the threat of sanctions. After a careful cost and benefit analysis, the firm decided that Zimbabwe was not worth the risk. In another case, the Industrial Development Corporation (IDC) of South Africa at one point granted the Industrial

Development Corporation (IDC) - a state-owned entity - a US$18 million loan but eventually turned down the offer due to the fear of falling foul of the US. Similarly, earlier in 2016, the Standard Chartered Bank ordered that the IDC close its accounts with the bank. The fears by these institutions were indeed credible and not imaginary as was later discovered in the Barclays case. Barclays plc had to pay a $2.5 million settlement to the US Treasury after processing 159 IDC related transactions worth $3.4 million between 2008 and 2013 (Chitiyo, Vines & Vandome, 2016).

(a.) Restricted international Opportunities for Zimbabweans

The narrative is that the economic sanctions are targeted on certain individuals and institutions and thus it is argued that they present no harm to the generality of Zimbabweans and the 'non targeted' institutions. However, there are several examples to the contrary. The sanctions affect and have affected Zimbabwean nationals even those that are into humanitarian initiatives. Zimbabweans often get passed up by opportunities such as scholarships, fellowships, awards among others simply because 'the country does not qualify.' For instance in 2017, after a child rights campaigner, Nyaradzayi Gumbonzvanda had been nominated for a CNN Heroes Programme award for her humanitarian work was disqualified because Zimbabwe was (is still) listed among 'voided countries' whose citizens do not qualify for the CNN award .

The so-called targeted economic sanctions against state enterprises, effectively translate to sanctions against the citizens due to the significant contribution of state enterprises to the national income. It is estimated that state enterprises account for 14 percent of Zimbabwe's GDP, thus making them a key part of the economy. State utilities are key to any economy's growth and it is a fact that these institutions largely depend on foreign or international loans for their capital expenditure. Due to the economic embargo on Zimbabwe and the OFAC restrictions, access to such loans has mostly dried up.

(b.) Cut Off from World Banking System

The United States of America, being a state with significant economic capacity, effectively means that most transactions go through the US system. Some private funds belonging to Zimbabwean citizens have frequently been held up or delayed even though the individuals involved would not have been on the list of 'targeted' individuals. A case was reported in the local press, involving a Zimbabwean couple in the UK. They had transferred an amount of US$30,000 for a property in the local town of Chinhoyi. The transaction was blocked by the US, because the Chinhoyi Town Council's bank, ZB Bank, was then on the sanctions list.

The cut-off of credit lines was also mentioned by Strive Masiyiwa, the founder of Econet Wireless - a telecom giant with investments across Africa, in a 2019 meeting of Afreximbank clients:

> 'When sanctions hit the country, every credit line disappeared. You could not talk to anyone, they were shutting down...For small businesses, getting payments from foreign clients means having to jump through hoops. For instance, until 2013, you couldn't open a PayPal account from Zimbabwe. When you tried to access the system, you got the message: "Error 3028: You have accessed your account from a sanctioned country .'

(c.) Restricted Business Dealings With US Firms

Companies based in the United States are reluctant to deal with Zimbabweans, even those who are not connected to any of those individuals and entities on the sanctions list. Many Zimbabwean businesses have found themselves shut out from partnerships with American firms. A young Zimbabwean entrepreneur, Takunda Chingonzo, appealed to the then US President, Barack Obama in 2014. Chingonzo argued that although he had nothing to do with the Zimbabwe Government, his small business was still affected by the sanctions.

(d.) Severe Loss of Opportunities

As highlighted from the case of Chingonzo, sanctions come with severe losses of opportunities. Zimbabwe has not been eligible for the opportunities that are created through the African Growth and Opportunity Act

(AGOA), since this Act came into being. The African Growth and Opportunity Act (AGOA) is a United States trade legislation that significantly enhances market access to the US for qualifying Sub-Saharan African (SSA) countries which was enacted in May 2000 and has since been renewed to 2025. By losing eligibility to AGOA, Zimbabwe is not only losing the benefits to lower tariffs to the United States, but also benefits of cheaper and affordable imports from America.

The case of the Industrial Development Corporation can also illustrate how sanctions result in severe loss of opportunities. The Industrial Development Corporation (IDC), a wholly State-owned enterprise, is one of the Zimbabwean institutions that were listed under sanctions until 2016. The entity had a shareholding interest in several companies including Sable Chemicals, Chemplex, Olivine Industries, and the Zimbabwe Fertilizer Company (ZFC). Against significant odds, in 2013, the IDC successfully managed to get a loan from Trade and Development Bank, a financial arm of the Common Market for Eastern and Southern Africa (COMESA). The US$2 million loan that was meant for the Olivine plant rehabilitation and raw materials was seized by the United States' Office of Foreign Assets Control (OFAC). This immediately crippled operations at Olivine Industries. All in all, it has been reported that over the years, the IDC has lost over $20 million to seizures by OFAC. One of its subsidiaries, Zimbabwe Fertilizer Company (ZFC) has over $5 million frozen. Without the resources and financial capacity, the ability of ZFC to produce sufficient fertiliser for Zimbabwean farmers is curtailed.

(e.) High Credit Costs

Due to the economic sanctions, on average, it costs more for Zimbabwean businesses to raise capital offshore to run their businesses than it does for countries not under restrictions . The case of ZB Financial Holdings, as well as the Agribank may be useful in illustrating this point. The Government of Zimbabwe directly held 24 percent stake in ZB Holdings while the National Social Security Authority (NSSA) had a 38 percent stake. While the bank was on the list, from 2001 to 2016, it could not access affordable lines of credit for its clients, most of whom were private sector enterprises. The Commercial Bank of Zimbabwe (CBZ) was also a victim of the OFAC fines after handling the ZB bank transactions while it was under sanctions. For that the CBZ incurred a $385 million penalty from OFAC. Because of the high-risk profile, Zimbabwean companies that borrow have to pay more for the loans they need to do business. At the very least, it means that Zimbabweans have to pay more for goods and services. At most, high credit costs make it harder for companies to remain in business, let alone expand. This obviously has led to massive retrenchments and high levels of unemployment in Zimbabwe.

(f.) De-risking of Zimbabwean Financial Institutions

Durner and Shetret (2015) defines de-risking as the existing relationships among financial institutions and the practice of closing down the accounts of clients that are considered as high-risk. Under an arrangement called the correspondent banking relationships (CBRs), banks operate on the basis of relationships with other banks around the world and these CBRs are important in that they make it possible for a company in one country, to pay for goods or services outside that country.

According to the Reserve Bank of Zimbabwe (RBZ) data (cited in Erbenova, et al, 2016), Zimbabwe has lost at least 102 such relationships over the past decade (2005 to 2015) partially because of the economic sanctions. The loss of these CBRs is also one of the reasons why the cost of sending remittances to Zimbabwe is high (Erbenova, et al, 2016). Notwithstanding the fact that Zimbabwe had already been barred from accessing credit from the Bretton Wood Institutions prior to the economic embargo, ZIDERA entrenched the exclusion of Zimbabwe from accessing new funding or debt relief from the World Bank, the International Monetary Fund (IMF) or any multilateral finance institution where the US has influence. The prospects of Zimbabwe getting credit even from the African Development Bank are curtailed by the provision that the African Development Bank could be penalised if it extends any debt or debt relief program to Zimbabwe. 'The United States Government shall withhold funding for the African Development Fund equivalent to any funding provided to Zimbabwe through Pillar II for arrears clearance.'.

THE SANCTIONS REGIME ON ZIMBABWE AND NEO-IMPERIALISM

One of the reasons why the sanctions regime on Zimbabwe is considered neo-imperialist is that the stipulated requirements for removal are in practice and reality unattainable, and may significantly constitute a fundamental infringement on Zimbabwean sovereignty and municipal law. The Zimbabwe Democracy and Economic Recovery Act as amended in 2018, states that ‘Zimbabwe and the Southern African Development Community (SADC) should enforce the SADC tribunal rulings from 2007 to 2010 including 18 disputes involving employment, commercial, and human rights cases surrounding dispossessed Zimbabwean commercial farmers and agricultural companies.’

One of the notable rulings of the SADC Tribunal that the US says ought to be enforced relates to the case of Mike Campbell and 78 Others v the Republic of Zimbabwe. In that case, among other things, the SADC Tribunal ruled that the applicants (Campbell and 78 others) were entitled to compensation for the expropriation of their lands. Campbell and the 78 were some of the white farmers who were affected by the Fast Track Land Reform Program and subsequently Constitutional Amendment No 17 that gave the government the power to compulsorily acquire land without any amount payable for the land itself but the developments on the land. In relation to the SADC Tribunal decisions, the High Court of Zimbabwe ruled that the SADC Tribunal’s decisions could not be enforced in Zimbabwe because it was against the Constitution. Thus, the demand by the United States that the decision of the SADC Tribunal should be implemented so that the removal of sanctions be considered constitutes an infringement of the doctrine of state sovereignty, that is the right of a state to self-determination and control of the issues within its territory.

Furthermore, the provisions of the Constitution of Zimbabwe (2013), Section 295, only allows compensation for ‘indigenous Zimbabweans’ and those under Bilateral Investment Promotion and Protection Agreements (BIPPAs). The commercial white farmers who owned the land before the fast track Land Reform Program are only ‘entitled to compensation from the State only for improvements that were on the land when it was acquired’. The insistence on the need to reverse the land reform program against the provisions of the Constitution is arguably a neo-imperialist move that can potentially reverse the fundamental goals and achievements of the struggles against colonialism in the twentieth-century struggle.

CONCLUSION

This paper concludes that the impact of sanctions on Zimbabwe is so broad and has caused significant suffering among the various quarters of the Zimbabwean population. This paper argues that the sanctions regime on Zimbabwe is a neo imperialist tool characterised by serious attempts at directing the domestic economic system and political policies from outside. The reforms that are stipulated by ZIDERA as the basis for any consideration for sanctions removal undermines the municipal law and domestic policies of Zimbabwe. The implementation of the US- EU sanctions have made it very difficult for Zimbabwean businesses to operate both within Zimbabwe as well as with other foreign institutions. This has led to significant haemorrhage of the Zimbabwean economy, company closure and high levels of unemployment. There is a need for Zimbabwe and parties imposing sanctions on her to find each other. There have been efforts at doing so through the Zimbabwe policy of re-engagement. However, the progress seems very slow due to lack of trust and probably political will on both sides.

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