The Political Economy of Tobacco Production and Control in Zimbabwe

A Document Analysis

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tobacconomics Economic Research Informing Tobacco Control Policy

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Summary

This report provides an overview of the political economy of tobacco production and control in Zimbabwe with an emphasis on the ways that institutions, interests, policy, and markets have shaped farm level production. The report charts recent developments in both market structure and the policy landscape to provide a broad perspective on the trajectory and patterns of tobacco production in the country. While Zimbabwe has experienced fluctuations in tobacco production over the decades, there is a sustained orientation towards tobacco as a key export commodity. The country has also seen a recent surge in tobacco production shaped by a number of factors including the more prominent entry of China National Tobacco Company in the market. The following report assesses these factors in light of the global tobacco control movement and evidence from surrounding countries that suggests tobacco, although a mainstay in some countries, is limited in both its present contribution to macro- and micro-economics within countries and its future viability as a key economic development strategy.

1

The Economy, Agriculture and Tobacco

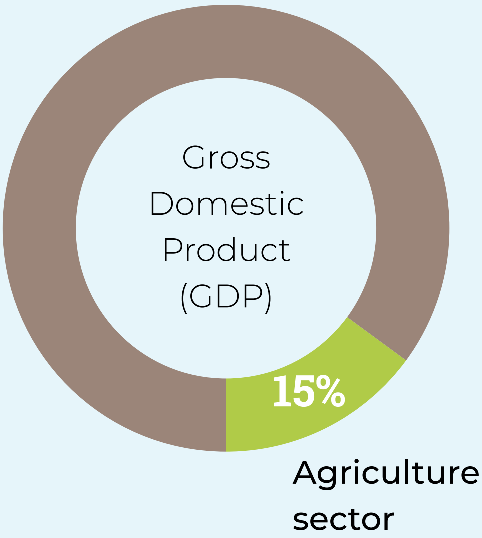
Zimbabwe's economy has undergone deep structural transformation in the past decades and continues to experience significant socio-economic challenges, including a sustained recession in 2019 and 2020, with GDP to have contracted by an estimated -6% and -4.1% respectively. Accounting for the economic contraction, were significant output losses in agriculture, mining, manufacturing, tourism and electricity generation. This decline in economic output reflects mainly the negative effects of prolonged drought episodes, Cyclone Idai which hit in March 2019, and the impact of the COVID-19 pandemic (Government of Zimbabwe, 2020).

Zimbabwe has a long history of producing and exporting tobacco. Agriculture as a sector occupies a significant role in the country's economy, contributing on average around 15% of Gross Domestic Product (GDP) over the past three decades (Ministry of Agriculture, 2018, p. 9). Roughly 70% of the population derive their livelihood directly or indirectly from agriculture. One-third of the formal labour force is employed in this sector (Zimbabwe National Statistics Agency, 2017, p. 16). Since 1985, the contribution of agriculture to GDP have varied from a low of 6% to a high of 24%, with its contribution to Zimbabwe's GDP reaching its zenith at 24.2% in 2008. This had declined to just over 11% in 2016 (Ministry of Agriculture, 2018, p. 9). Despite the fluctuation from year to year, in 2018 agriculture accounted for 30% of export earnings and around 10% of GDP. Of total agricultural export earnings, tobacco earned 25%, followed by livestock (24%), maize (14%) and cotton (12%) (Ministry of Agriculture, 2018, p. 2).

Within Zimbabwe's farming scheme (explained in more detail later in the report) there are roughly 70,000 communal growers, 50,000 small-scale A1 growers, 9,000 medium- to large-scale A2 growers, and 8,000 small-scale commercial growers of tobacco (TIMB, 2018, p. 18). Communal growers refer to farmers who are largely from the peasant class, who hold customary rights to arable and homestead plots and common grazing areas in Common areas. Similarly, A1 growers hold state-permits for family and common land rights. A2 growers, on the other hand, are often middle or large-scale capital-oriented farmers who hold their land through tenures amendable to market transactions, mainly through leases, while some retain freehold title (Moyo, 2011b, p. 945). Finally, agro-industrial corporations and other large-scale capital enterprises still own estates, but these are far fewer since the Fast-Track Land Reform Programme (FTLRP) (Moyo, 2011b, p. 945). The FTLRP refers to the land reform program of the early 2000s that shifted the tobacco farming model from primarily large-scale white owned farms to small and medium-scale farms that were to be owned by the Black peasant and working class. Most tobacco growers are located in agro-ecological farming region two and three within Mashonaland West and Mashonaland Central Province (see Table 1 and Map of Zimbabwe).

Agriculture as a sector occupies a significant role in the country's **economy**, contributing on average around 15% of Gross Domestic Product (GDP)

Roughly 70% of the **population** derive their livelihood directly or indirectly from agriculture.



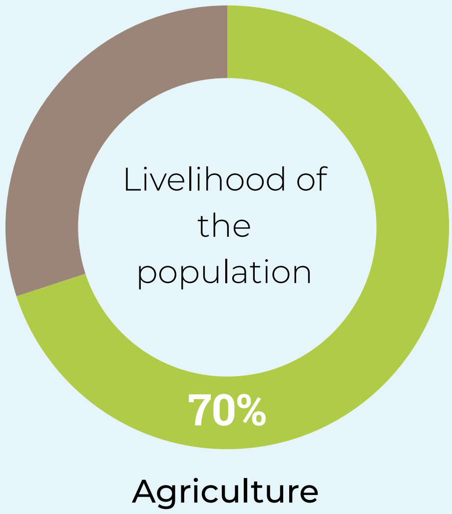


TABLE 1 | 2017/2018 Season Production by Province

Province	Mass Sold	US Value	USD/KG	# of Growers	Yield - KG/HA
Mashonaland West	89,736,973	262,195,361	2.92	50,462	1,995
Mashonaland Central	74,218,619	215,148,041	2.90	51,086	1,574
Mashonaland East	49,689,877	152,596,957	3.07	17,253	2,063
Manicaland	38,199,321	105,579,009	2.76	21,517	2,321
Midlands	588,620	1,512,782	2.57	397	2,868
Masvingo	166,262	391,759	2.36	166	1,550
Matebeleland	3,578	7,328	2.05	3	3,889
Grand Total	252,603,251	737,434,479	2.92	140,895	1,899

(Source: TIMB, 2018, p. 19)

TABLE 2 | Summary of Land Tenure in Zimbabwe

Land Category	Tenure system and description	Total Area	Individual Size	Ownership/ number of farmers/farms
Large Scale Commercial farms	Title deeds guarantee exclusive rights, with legal provisions that may limit exclusive control of watercourses, wildlife. Sector well financed and capitalised. Land reform programme in past two decades has resulted in decrease in both numbers and areas of large-scale commercial farms.	1,377,000 ha (about 32% of the country's lad under individual ownership)	2,200 ha	+/-300 white and black farmers
Small Scale Commercial farms	Title deeds-land previously a lease with an option to purchase.	Occupy about 4% of all land	148 ha	9,655 farmers
A2	Leasehold: Offer letters and 99-year leases. Commercial model of the FTLRP. Farm sizes depend on natural farming regions.	2,918,334.08 ha	318 ha	16,386 farmers
A1	Permits/Offer letters for cropping area, farm size depends on natural farming region. Shared grazing areas.	5, 759,153.89 ha	6 ha (excluding grazing)	145,775 farmers
Old Resettlement	Adopted just after independence in 1982 to 1998 as GoZ bought commercial farmers and resettled people (as individuals or cooperatives) using 5 different models (i)	3,500,000 ha	46 ha (including grazing)	76,000 farmers
Communal	Farmers live in villages and have areas for subsistence cropping and common grazing lands. The population in the Communal Lands makes up to about 51 percent of Zimbabwe's population.	16,400,400 ha 42% of total area	12 ha (includes grazing & forest)	1,300, 000 farmers

(Sources: ZIMSTAT, 2019; Chimbwindi, 2018)

(i) Model A: 5ha farm holdings and a common grazing land. Homesteads are built in villages and fields are in designated areas. Model B was for cooperatives but with time some have ceased to function and now operate as individuals. Model C: The model no longer exists. Farmers from Communal Lands were given additional land in the neighbouring large scale commercial area where they operate as a co-operative in two districts of Manicaland Province. Model D: Model no longer exists. Farmers were resettled in cattle ranching areas particularly in the southern parts of Zimbabwe in Matabeleland South province. Model E: Farmers resettled similar to the Small-Scale Commercial Farms (crop and livestock production within the same unit/farm). The average farm size is 50 hectares.

Although the volume of tobacco production declined following the FTLP to a low of 48 million kg sold in 2008, it had recovered to 252 million kg sold in 2018 (TIMB, 2018, p. 26). While there were 8,500 growers in 2000, there are now 141,000 farmers growing tobacco as of 2018 (TIMB, 2018, p. 26). Two out of the three major tobacco growing provinces experienced above 90% increase in total registered farmers between the 2015/16 and 2017/18 season (see Table 3).

TABLE 3 | Trends in total registered tobacco farmers by Province: 2015/16 to 2017/18 season

Province	Registered 2015/2016 (a)	Registered 2016/2017 (a)	Registered 2017/2018 (b)	Total new farmers post 2015	% Growth 2015 to 2018
Mashonaland Central	31,362	37,901	51,591	20,229	64.5
Mashonaland West	28,228	35,788	54,085	25,857	91.6
Mashonaland East	11,055	12,986	21,713	10,658	96.4
Manicaland	10,622	11,921	17,759	7,137	67.2
Masvingo	339	245	153	(186)	-54.9
Midlands	150	81	422	272	181.3
Matabeleland (North and South)	5	5	2	(3)	-60.0
Total	81,761	98,927	145,725	63,964	78.2

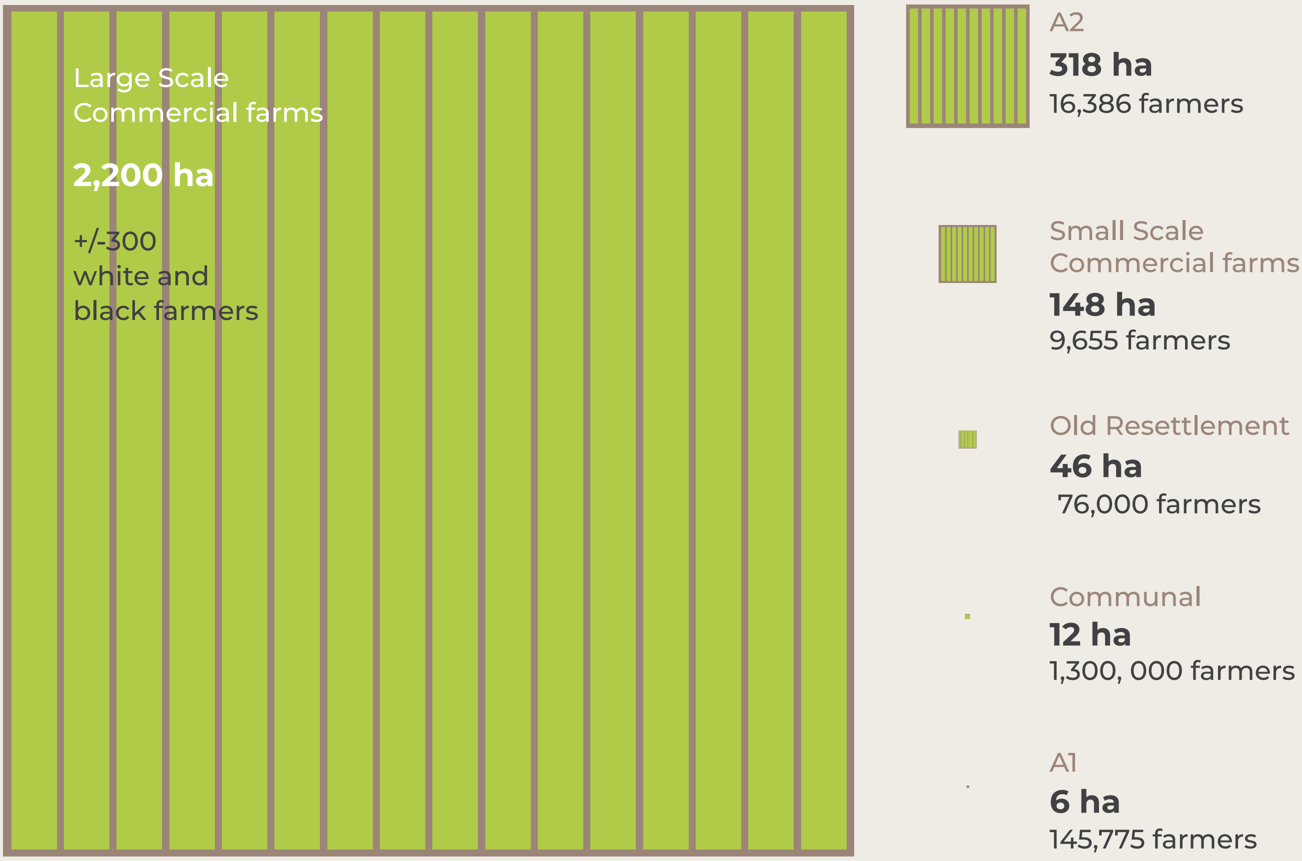
(Sources a. TIMB, 2017; b. TIMB, 2018)

The increase in tobacco farmers is partly a result of the FTLRP that created new farmers from the A1 and A2 sectors, as well as an increase in new farmers from the communal farming sector. Between the 2016/17 and 2017/18 farming seasons, the largest growth in new farmers was realised from communal farmers who increased by 57% from 47, 000 to 73,000 (TIMB, 2018, p. 3). Tobacco historically had been sold through an auction system, but this shifted to include contract farming arrangements (explained in more detail later), which has grown considerably since its introduction. As of 2018, 78% of tobacco was sold through contract arrangements, with only 22% sold through an auction floor (TIMB, 2018, p. 4).

Since the introduction of commercial tobacco production, three main sources of energy have been used in Zimbabwe: electricity, coal, and firewood. Producing, curing, and processing of tobacco is highly energy demanding. Across the production groups, mechanization of land preparation is a common phenomenon. Similarly, for those who produce tobacco under irrigation and those who supplement on a need basis, energy is a substantial input in production. For the A1 and communal area farmers, tobacco curing is done using firewood. Deforestation is a major challenge in tobacco producing areas where no fuel substitute to firewood is available for use for tobacco curing. In 2003, tobacco related deforestation was estimated to be about 16% of total annual deforestation, and by 2014 this was reported to have increased further (Munanga et al., 2017).

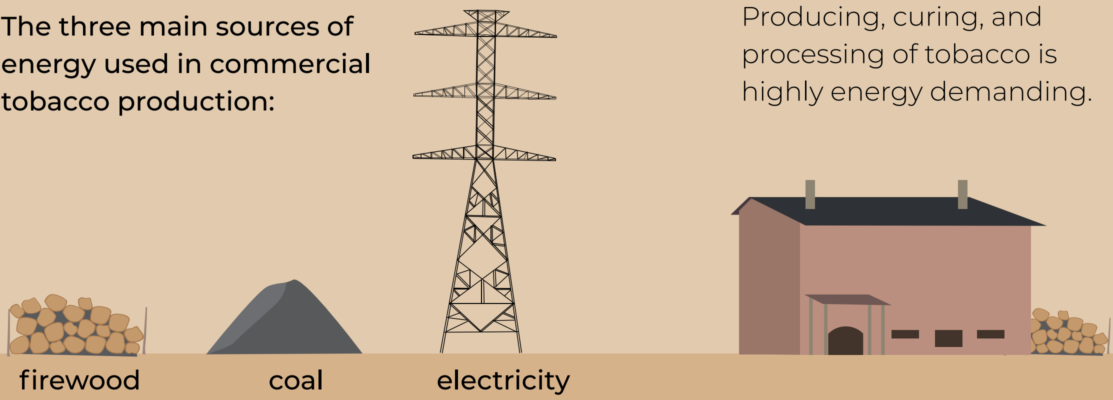
Several pieces of legislation concerned with the use of firewood by farm families in Zimbabwe, such as the Communal Land Forest Produce Act [Chapter 19:04] of 1987 (2001) and the Forestry Act of 1996 (1998), have not been effectively

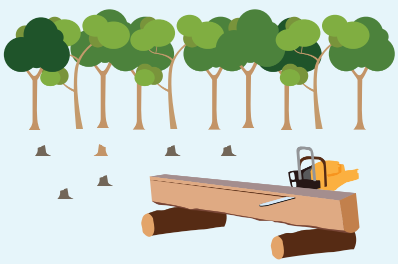
Land Tenure in Zimbabwe (a summary)



The three main sources of energy used in commercial tobacco production:

Producing, curing, and processing of tobacco is highly energy demanding.





Deforestation is a major challenge in tobacco producing areas where no fuel substitute to firewood is available for use for tobacco curing.

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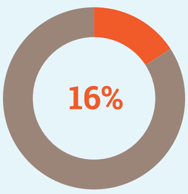


There have, however, been attempts to encourage tobacco farmers to implement reforestation programmes promoted by government agencies such as the TIMB, Tobacco Research Board and the Environmental Management Agency.

used to control the use of forests and forestry products by tobacco farmers. Similarly, there have been reported challenges with the enforcement of several legislative acts and their interpretation to guide and control the negative effects of using firewood in tobacco curing. These acts include the Environmental Management Act [Chapter 20:27] of 2002 (2005), read together with the Parks and Wild Life Act [Chapter 20:14] of 1975 (2002), Atmospheric Pollution Prevention Act [Chapter 20:03] of 1971 (2001), Natural Resources Act of 1941 (1996), Communal Land Act [Chapter 20:04] of 1983 (2002), Agricultural Land Settlement Act [Chapter 20:01] of 1970 (2002), Rural Land Act [Chapter 20:18] of 1963 (2002) and Forest Act [Chapter 19:05] of 1949 (2002). Environmental impact assessments of tobacco production in A1, A2, communal areas and large-scale commercial farms have not been conducted at a national level to guide utilization of forestry products. The increase in tobacco production by smallholder farmers has caused large scale environmental degradation, including erosion and siltation of water bodies. There have, however, been attempts to encourage tobacco farmers to

MAP 1 | Zimbabwe Map

implement reforestation programmes promoted by government agencies such as the TIMB, Tobacco Research Board and the Environmental Management Agency. But these measures are not widely implemented and are largely inadequate given the urgent and enormous demands to halt and reverse the negative environmental impacts from tobacco farming.

Zimbabwe is divided into five agro-ecological zones which are distinguished by annual rainfall, temperature, agricultural productive potential of the soils, and vegetation (See Table 4). In 2020, Zimbabwe redrew and updated the boundaries of the agro-ecological zones due to changing climate patterns: some boundaries were significantly shifted as a result of changed rainfall patterns.

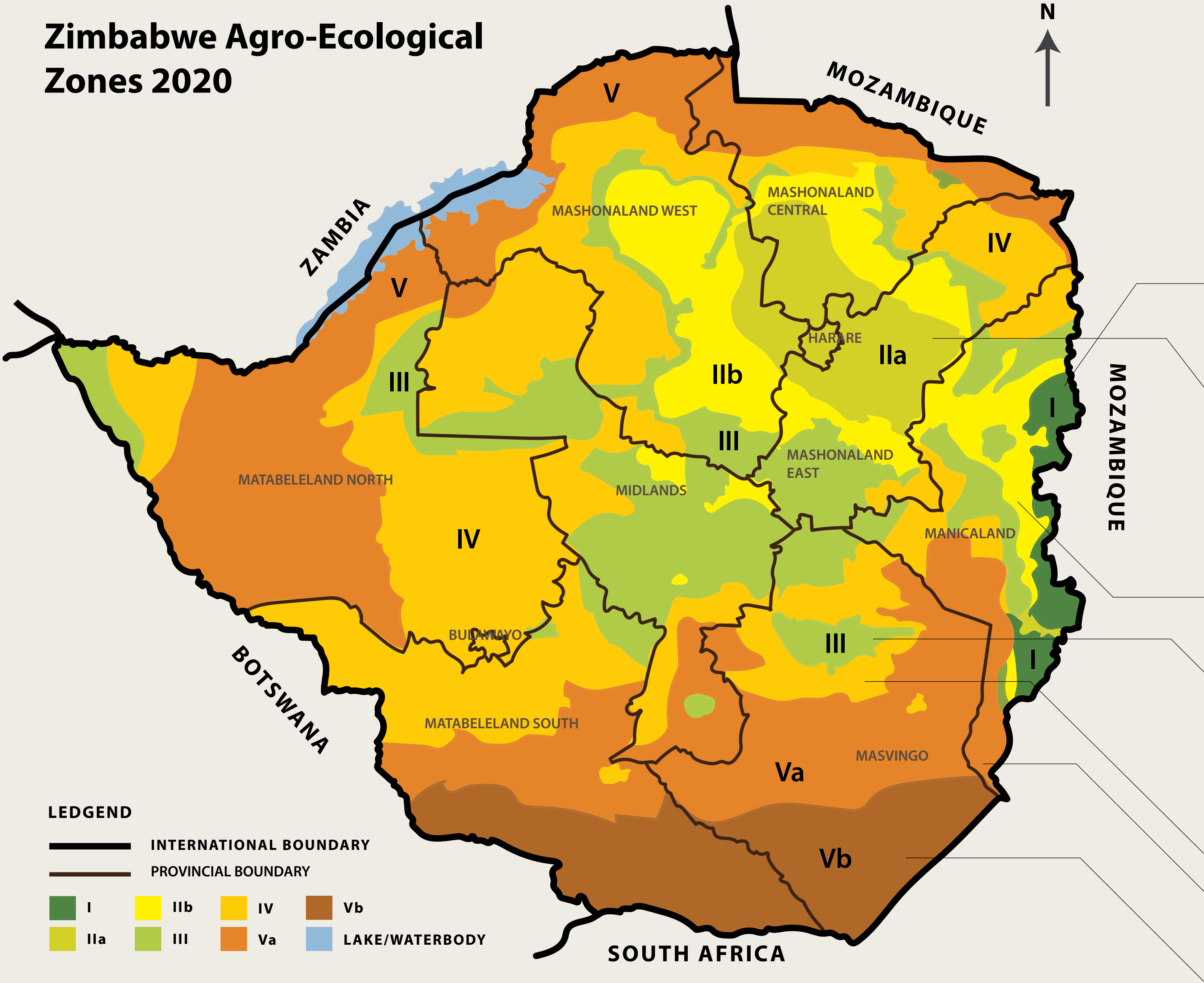
TABLE 4 | Zimbabwe agro-ecological regions

Agro-ecological region	Area in Km^2 and (% of total area covered)*	Mean annual rainfall (mm)	Agricultural activities
Region 1	7,000 (<2%)	1000+	Specialized and diversified intensive farming, forestry, fruit production and intensive livestock rearing.
Region 2	58 600 (15%)	750-1000	Intensive farming, specializes in crop farming and intensive livestock rearing.
Region 3	72,900 (19%)	650-800	Semi-intensive farming: specializes in livestock rearing, fodder and cash crops, some marginal production of maize, tobacco, and cotton.
Region 4	147,800 (38%)	450-650	Extensive farming; specializes in extensive livestock breeding and the cultivation of drought-resistant crops.
Region 5	104,400 (27%)	<450	Semi-extensive farming: receives too low and erratic rains for even drought-resistant crops and specialises in extensive cattle and game ranching.

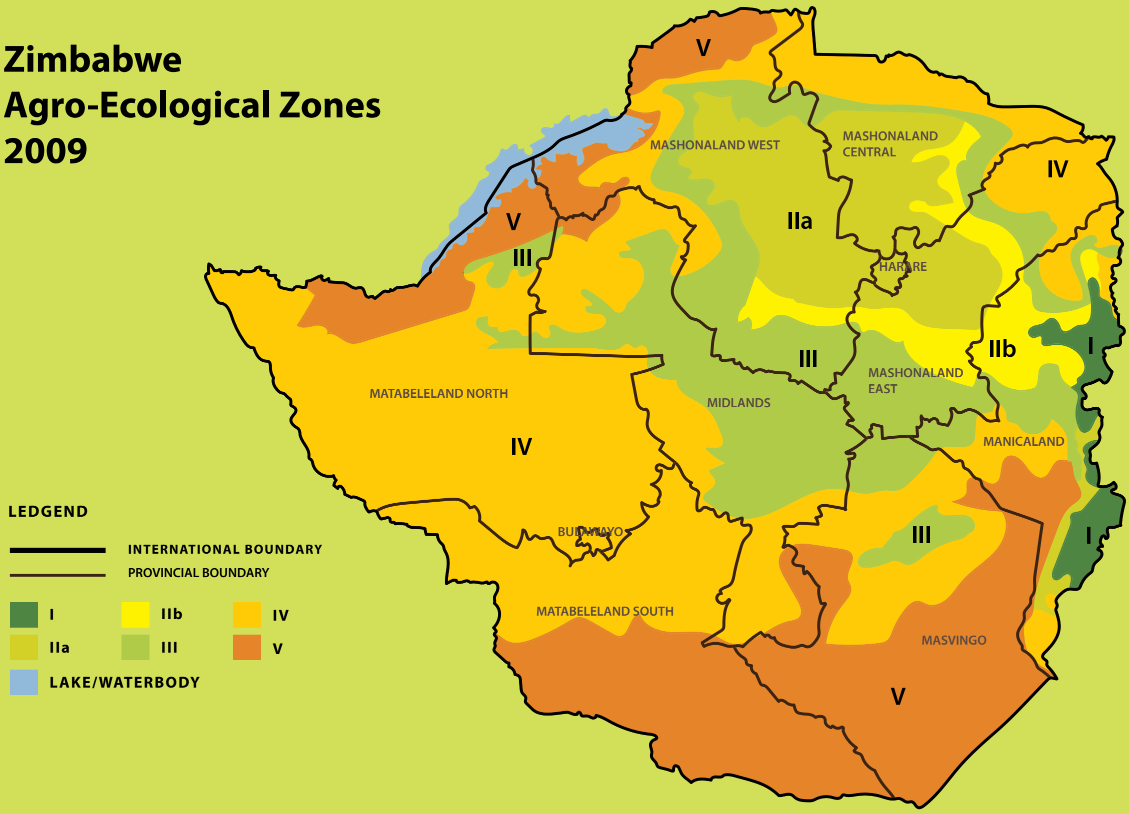
*Land area based on old (before 2020) zoning. Information on land area after the new (2020) classification is not available.

(Source: ZIMSTAT, 2019)

Zimbabwe Agro-Ecological Zones 2020



Zimbabwe Agro-Ecological Zones 2009



Zimbabwe agro-ecological regions

Agro-ecological region		Mean annual rainfall (mm)	Agricultural activities	Area in Km2 and (% of total area covered)*
Region 1	I	1,000+	Specialized and diversified intensive farming, forestry, fruit production and intensive livestock rearing.	7,000 (<2%)
Region 2	IIa	750-1000	Intensive farming, specializes in crop farming and intensive livestock rearing.	58 600 (15%)
	IIb	750-1000	Intensive farming, specializes in crop farming and intensive livestock rearing.	58 600 (15%)
Region 3	III	650-800	Semi-intensive farming: specializes in livestock rearing, fodder and cash crops, some marginal production of maize, tobacco, and cotton.	72,900 (19%)
Region 4	IV	450-650	Extensive farming; specializes in extensive livestock breeding and the cultivation of drought-resis-tant crops.	147,800 (38%)
Region 5	Va	<450	Semi-extensive farming: receives too low and erratic rains for even drought-resistant crops and specialises in extensive cattle and game ranching.	104,400 (27%)
	Vb	<450	Semi-extensive farming: receives too low and erratic rains for even drought-resistant crops and specialises in extensive cattle and game ranching.	104,400 (27%)

*Land area based on old (before 2020) zoning. Information on land area after the new (2020) classification is not available.

(Source: ZIMSTAT, 2019)

2

Historical Evolution of Tobacco Production and Control: Land Reform, Political Context, and Structural Adjustment Programs (SAPs)

The institutional arrangements governing tobacco and the general orientation towards this commodity have a longstanding history in Zimbabwe. Beginning with the arrival of the British South Africa Company and its occupation of Mashonaland in 1890, tracts of land were awarded to potential settlers. These became the large commercial farms that continued operating into the 2000s (Woelk G, et al., 2001, p. 181). The British colonizers saw this region as one conducive to tobacco growing and saw an opportunity to scale up tobacco supply within the empire and reduce reliance on tobacco from the United States of America, which at the time was the main supplier. These settlers cemented their position within the political institutions of what was then called Southern Rhodesia. Full independence from Britain was unilaterally declared by the white-minority government in 1965 and the country was renamed to Rhodesia. The Unilateral declaration of independence resulted in Britain, and later the United Nations, imposing sanctions on the white settler Rhodesian government.

Tobacco was one of the crops white settlers grew, with farmers forming the Rhodesia Tobacco Association (RTA) (later to become the Zimbabwe Tobacco Association) in 1928 to represent their interests and to lobby the government for greater investments in the tobacco sector (Woelk G, et al., 2001, p. 181). It was through this lobbying that institutions such as the Tobacco Industry Marketing Board (TIMB) and the Tobacco Research Board (TRB) were developed (discussed later in this report), creating the infrastructure for the continued success of the crop (Woelk G, et al., 2001, 182).

The nexus between politics, economy and tobacco production is evident even during this pre-independence phase. For instance, white tobacco farmers understood the far-reaching implications of the sanctions on their tobacco industry, even commissioning an investigation on their negative effects on the industry. Yet the majority of the farmers were supporters of the Rhodesian government. Ncube (2018) observes that publication of the RTA commissioned report on the (negative) effects of sanctions was delayed to give the Rhodesian government leader at the time, Ian Smith, time to negotiate with Britain. The sanctions resulted in the number of tobacco farmers falling from nearly 3000 in 1965 to about 1500 in 1979. The area dedicated to tobacco growing also fell from about 110,000ha in 1963 to around 45,000 in 1979 (Ncube, 2018). In addition, the Rhodesian government moved towards tight control of the tobacco industry as evidenced by the enactment of the Tobacco Corporation Act in 1966, under which purchasing of tobacco migrated from 'free auction system' to a government determined two step system of farmers being paid a reserve

Photograph by Richard Zulu

price and an additional amount at a later period if exports realised profits. The government assumed any downside risk (losses) with a production quota system also introduced to manage supply (Ncube, 2018). The influence of global economic isolation on domestic tobacco policy was experienced again post 2000, when the independent state of Zimbabwe faced sanctions following the land transfer program (FTLRP) and issues around human rights violations.

From the 1920s through to 1980, the political economy of tobacco production was dominated by an estate system built upon abundant cheap labour and administered by a white settler class (Woelk G, et al., 2001, p. 184). This neo-colonial system changed radically with the end of white-rule in 1980, following 15 years of armed conflict with Black nationalist forces. Under the subsequent leadership of ZANU-PF (Zimbabwe African National Union - Patriotic Front), one of the two groups that deposed white-minority rule and the winner of the elections in 1980, Zimbabwe went through three periods of agrarian reform in its attempt to remedy the inequitable distribution of land to European settlers during colonization. These circumstances were addressed in the 2000s with the government's policy of the FTLRP (see Table 5).

TABLE 5 | Timeline of changes resulting from agrarian reform (Moyo, 2011b, p. 942)

Farm categories	Farms/households (000s)						Area held (000 ha)						Average farm size (ha)*		
	1980		2000		2010		1980*		2000*		2010*		1980	2000	2010
	No	%	No	%	No	%	ha	%	ha	%	ha	%			
Peasantry	700	98	1,125	99	1,321	98	16,400	49	20,067	61	25,826	79	23	18	20
Mid-sized farms	8.5	1	8.5	1	30.9	2	1,400	4	1,400	4	4,400	13	165	165	142
Large farms	5.4	1	4.956	0.4	1.371	0.1	13,000	39	8,691.6	27	1,156.9	4	2,407	1,754	844
Agro-Estates	0.296	0.1	0.296	0.02	0.247	0.02	2,567	8	2,567	8	1,494.6	5	8,672	8,672	6,051
Total	714	100	1,139	100	1,353	100	33,367	100	32,726	100	32,878	100	46.7	28.7	24.3

The first phase of land reform (1980-1985) was characterized by the sale of land through state-led acquisition and redistribution, but also by forced occupations (Moyo, 2011, p. 495). From 1986 through 1999, the state kept acquiring additional land and, in the 2000s, launched an aggressive expansion of land reform through further state-led acquisitions and citizen land occupations (Moyo, 2011, p. 495). Politically, the goal of these reforms was straightforward: redress past racial and class-based imbalances that had caused severe inequalities and historical loss. Ultimately, between "1980 and 2009, over 13 of the 15 million hectares of land, which in 1980 were controlled mostly by 6,000 white farmers, had been transferred to over 240,000 families of largely rural origin" (Moyo, 2011a, p. 497). The FTLRP in particular by 2008 had "benefited 168,671 families, comprising mainly the rural poor and their urban counterparts across 9.2 million hectares" (Moyo, 2011a, p. 497). These families each acquired an average 20 hectares of land, eventually holding 70% of the transferred land, through the A1 scheme. By 2010 over 22,000 new small, medium, and large–scale farmers had also benefited with relatively larger plots, averaging about 100 hectares under the A2 scheme. By redistributing the large white-owned estates to the peasantry and medium-scale farmers, the state was able to break the hold of the white colonial class and, for its largely peasant supporters, fulfill the goals of the liberation war (Moyo, 2011, p. 501).

At the same time, these reforms put mostly A1, but also A2, farmers in a difficult position because they lacked the inputs and infrastructure such as machinery, skills and market linkages necessary to fully succeed (Claudia & Khumalo, 2013, p. 25, Bamber et al, 2014, p. 30). These infrastructure constraints were further intensified by the isolation of Zimbabwe among many governments of the world, including formal sanctions imposed on Zimbabwe by various governments, in response to the FTLRP. This alienation from global politics and markets resulted in limited aid and access to credit, preventing the state from being fully able to support these farmers (Mukwereza, 2013, p. 116).

Indeed, this alienation intensified the impact of the previous decade's structural adjustment program (SAP) (discussed later) by disrupting Zimbabwe's financial and agricultural sector. A formal statement made in 2019 by the government asserts that the United States "imposed illegal and unjustified sanctions under the so-called Zimbabwe Democracy and Economic Recovery Act (ZIDERA) of 2001" (Ministry of Foreign Affairs and International Trade, 2019). Additionally, "Supplementing the US' legislative sanctions of ZIDERA are Executive Sanctions (Executive Order 13288) of March 2003 renewable on a yearly basis. The European Union (EU) also introduced its own sanctions in February 2002" (Ministry of Foreign Affairs and International Trade, 2019).

These sanctions have impacted the economy of Zimbabwe. ZIDERA blocked Zimbabwe's access to international credit markets, forcing the state to operate on what it calls a "hand to mouth" basis (Ministry of Foreign Affairs and International Trade, 2019). The government also does not receive support from the African Development Bank, and Zimbabwe's own Agricultural Bank was also placed under sanctions, with these only being lifted from the European Union in 2016 (Ministry of Foreign Affairs and International Trade, 2019). This restriction from financial markets and supports amidst the FTLRP damaged the government's ability to control the agricultural sector as the state could no longer afford to finance inputs, a vital element of any successful agricultural reform program (Mbanje & Mahuku, 2011, p. 5, Ministry of Foreign Affairs and International Trade, 2019). This lack of long-term financing also heavily impacted the manufacturing sector, eroding the viability of the sector and leading to an inability on the part of the state to provide input support to farmers. The government explains this when it writes that:

> *The lack of investment and lines of credit made it difficult for these industries to retool and invest in better plant and machinery. Plants to produce agricultural inputs such as fertiliser and seed are operating below capacity due to dilapidation and lack of repair and maintenance. This has resulted in high cost of inputs leading Zimbabwe to be uncompetitive on the regional and international market*
>
> (Ministry of Foreign Affairs and International Trade, 2019)

Ultimately, these sanctions severely impacted the government's control over the agricultural sector. While further research is needed to determine the direct connections between these sanctions and tobacco-growing dependence, the lack of ability on the part of the government to provide support to farmers could be linked to the opportunity for the contract farming model to emerge and to fill this gap. Secondly, the existence of the western imposed sanctions re-calibrated the Sino-Zimbabwe relationship. Zimbabwe leaned more towards China for support to resuscitate the ailing economy with one of the investment areas from China being in the tobacco industry.

The impact of structural adjustment programs (SAPs) on the political economy of Zimbabwe in relation to the global market also has bearing on tobacco production. Beginning in the 1990s, the World Bank and the IMF both pushed a policy of market liberalization, particularly focusing on reform of State-Owned Enterprises (SOEs) within their focus on agricultural liberalization (Moore, 2003, p. 130-164). Ultimately, these reforms led to greater insecurity for national maize suppliers and pushed many families who had formerly produced food into cash crop production (Moore, 2003, p. 130-164). The pressure to shift from traditional or other food crops typically consumed by households or sold in the domestic market to cash crops oriented for export was significant. The need to engage in new markets with new actors, coupled with the challenges of obtaining necessary inputs increased farmer dependence on tobacco production, a known and institutionally embedded commodity, for export (Chantornvong et al., 2000, p. 194).

This historical context provides a necessary backdrop to inform future research into the current landscape of tobacco policy and production in Zimbabwe. As we will illustrate in the following sections, there has been a marked increase in tobacco production in Zimbabwe, in part due to the new presence of China National Tobacco Corporation in the country. The following sections will outline the institutional factors that serve to promote tobacco production as well as the evidence on the microeconomics of tobacco growing.

3

Production Incentives for Smallholder Farmers

According to the Government of Zimbabwe, tobacco continues to operate as a profitable crop, especially for Zimbabwe's communal, small-scale commercial and A-1 farmers. Data presented in Table 6 from Zimbabwe's National Statistics Agency on Smallholder Agricultural Productivity shows that Zimbabwean farmers received on average the highest incomes from tobacco sales (between USD 1,1000 and 4,1000), more than ten times higher than what farmer receive from most other crops (Zimbabwe National Statistics Agency, 2017, p. 50). Despite deriving significant income from tobacco production, studies have shown that when household labour is included in profit calculations, smallholder tobacco farmers appear to fare much worse, often operating at a loss (Makoka, Drope, Appau et al 2017, p. 634-640; Magati, Lencucha, Li et al 2019, Chingosho, Dare, and van Walbeek, 2020). Several studies now argue that most contract tobacco farmers incur losses over multiple years when accounting properly for all input costs (e.g., Appau et al., 2019; Chingosho et al., 2020). When household labour is included, the relative profits in relation to other crops also changes given that tobacco is one of the most labour-intensive cash crops. Additionally, research from Zimbabwe published in 2018 found that although some farmers would prefer to grow other crops, they still choose to grow tobacco because of the reliable demand and access to production inputs that it provides (Sakata, 2018, p. 133). Sakata's study found that 90% of farmers interviewed stated that the only reason they entered into contracts was for the purpose of securing inputs (Sakata, 2018, p. 132). This is a common pattern among smallholder tobacco farmers across different tobacco growing countries. Farmers often do not have the capital to procure inputs and thus are amendable to contractual relationships that provide inputs on loan, even if the inputs are loaned at rates much higher than market value (Nino, 2016; Makoka et al., 2017; Magati et al., 2019). This has left some farmers caught in debt-traps because a bad season could mean these already financially vulnerable farmers are unable to recapture these expenses. As Chingosho et al (2020, p. 4) argue in a recent study on tobacco growing in Zimbabwe:

> *"Extensive discussions with farmers in the course of conducting the survey indicated that most contract farmers incur losses, which perpetuates their indebtedness to the contracting company. The debt compels them to grow tobacco in the following farming season, in an often-vain attempt to repay the debt. The cycle is usually repeated, making tobacco growing a debt trap, leading to a vicious cycle of poverty."*

Such findings suggest that it is not profitability but rather destitution and debt-dependence that are driving forces behind continued tobacco growing by many smallholder contract farmers. This circumstance, where growers depend on a good season to meet loan repayment, creates significant vulnerabilities for Zimbabwe's new class of small-scale farmers, regardless of what crop is harvested. The government's choice to further entrench private means of financing for farmers as articulated in its Transitional Stabilisation Programme (Ministry of Finance, 2018, 119, discussed below) raises questions about how this might cause farmers who are already precariously positioned to become even more dependent on input financing.

TABLE 6 | Average Income Received by Households in US$ from Sale of Crop by Type of Crop and Sector

Crop Name	CL	SSCF	A1 Farms	ORA
White Maize	146.4	443.8	396.2	379.8
Yellow Maize	119.2	-	-	60.0
Red Sorghum	18.3	18.0	12.7	11.0
White Sorghum	89.3	-	125	95.3
Pearl millet	49.0	75.0	61.3	48
Finger millet	23.3	252	-	45.6
Rice	13.5	-	8.0	7.0
Sesame	72.0	50.0	-	-
Tobacco	1,161.1	3,312.0	2,498.5	3,175.9
Cotton	205.9	207.2	212.5	190.8
Groundnuts	59.5	59.1	70.1	77.8
Sunflowers	15.0	48.0	-	24.3
Soya beans	99.6	12.0	403.6	130.7

N.B. Pearl millet is mhunga or nyawuti; Finger millet is rapoka or rukweza; Sesame is Uninga
N.B. CL is Communal Lands; SSCF is Small Scale Commercial Farms; ORA is Old Resettlement Areas.

(Source: Zimbabwe National Statistics Agency, 2017, p. 50)

The government of Zimbabwe continues to support the agriculture sector in general and tobacco production in particular though a variety of programs and budgetary measures. Post 2000, the majority of support has been towards attainment of food security through enhancement of food production. Inputs support such as through the Presidential Inputs Support Scheme, concessionary loans to farmers such as through the Productive Sector Facility (PSF) in 2004 and the Agriculture Sector Productivity Enhancement Facility (ASPEF) in 2005 which also covered aspects of irrigation development, early forms of 'command agriculture such as the Operation Maguta and others. Support has also been provided to sectors such as the tobacco sector as part of economic resuscitation and stabilisation measures, for instance, the tobacco export incentives of the late 2000s. Other programmes were meant to improve the agriculture sector as a whole, such as the 2007 farm mechanisation programme.

In recent years, a major agriculture support programme in Zimbabwe has been the *Command Agriculture Program*. This is a sector specific program of central planning with the aim of import substitution-led industrialization, which has since 2016 channelled over USD 3 billion into the agricultural

sector to ensure food security and economic stability (IMF 2020). It was initially meant to empower local producers of cereal crops (especially maize) to ensure food security and in the process creating employment for thousands of people in the sector but was extended to include tobacco production in 2018, as well as livestock, fisheries. The program oversees the distribution of inputs to farmers for free (or at highly subsidized rates) and aims to protect vulnerable households but suffers from a lack of targeting, i.e., rather than identifying vulnerable households that would most benefit from such targeted support measures supporting households for political reasons of patronage (IMF 2020). Command agriculture is the main vehicle for the Zimbabwean authorities to spur agricultural production, mostly by focusing on the provision of loan guarantees to farmers for the purchase of inputs. Despite successful agricultural seasons in recent years, the default rate on these loans has been very high (above 35 percent), with strategic default and off-selling playing an important role (IMF 2020). Despite these drawbacks, and the large fiscal costs, the Ministry of Lands, Agriculture, and Rural Resettlement remains bullish on the program and the possibility of further expanding it into other agricultural commodities. The program potentially represents an important source of state financing of production inputs for tobacco farmers, but it is unclear how much of the total funds extended by the program is going into the tobacco sector.

The *Presidential Input Support Scheme* is another subsidy program potentially relevant to tobacco farming as it provides vulnerable farmers with social protection through free or subsidized agricultural inputs. It is unclear to what extent tobacco farmers are eligible or have received support through his program which, and according to the IMF, continues to suffer from deficiencies in identifying and targeting vulnerable farmers, leading to inefficient spending (IMF 2020, p. 41). In addition, Zimbabwe's 2020 budget outlined a variety of new programs designed to tackle the issue of a lack of inputs faced by small and medium scale farmers. These investments include irrigation development, fiscal buffers against droughts, agricultural extensions, and advisory services, but there is no information on uptake of these programs specifically by tobacco farmers (Ministry of Finance, 2020, p. 7). In 2020, of the estimated US$71 million (ZWD 6.1 billion) support to agriculture as part of the COVID-19 Economic Recovery and Stimulus Package, 52% (ZWD3.2 billion) was provided to support production of Wheat, and the remainder went towards supporting small scale and communal farmers under the Vulnerable Farmers Input Support Programme (MoF, 2020).

The Government of Zimbabwe has continued to place tobacco as a key export crop and incentivises farmers through export proceeds retention. At current levels, tobacco farmers are permitted to retain 50% of their income/payments as foreign currency in Foreign Currency Accounts (FCA). This is significant, since the actual premiums on the alternative foreign currency market can be as high as 50%. The option to earn part of income in forex acts as a huge incentive for farmers (existing and potential), to grow or venture into tobacco farming. However, the effectiveness of such retention schemes, especially given restrictions that may be imposed by the central bank on use of such funds, may need to be further explored.

In this context, it is important to note that tobacco does not seem to have the same central standing in Zimbabwe's 2021 National Development Strategy (Republic of Zimbabwe, 2020) as in previous development plans, such as the Transitional Stabilization Programme (Ministry of Finance, 2018). Up to 2020, various policy documents have detailed the government's continued commitment to supporting the growth of tobacco production, particularly through support for the contract farming model. Economic policy documents from the Medium-Term Plan 2010-2015 (MTP), the Comprehensive Agricultural Policy Framework 2012-2032 (CAPF), the 2013 Zimbabwe Agenda for Socio-Economic Transformation (ZIMASSET), the Zimbabwe Agricultural Investment Plan (ZAIP), to the National Agricultural Policy Framework 2018-2032 (NAPF) all detail plans to increase tobacco production through developing the contract farming model amongst all of the farming classes.

The Medium-Term Plan (MTP) for Economic development, with the targeted timeframe 2010 to 2015, lays out the tobacco wood energy programme which is meant to encourage farmers to plant trees for the tobacco curing process, with the expected outcome of increased production (Government of Zimbabwe, 2010, p. 48, 169). The emergence of environmental considerations in tobacco policy may be linked to the rising prominence of environmental and ecological goals and outcomes within government planning, with climate change impacts beginning to be felt in Zimbabwe. In 2020-2021, the presidential inputs scheme was 'climate proofed' through adoption of a water conservation framing practice called 'Pfumvudza" (Moyo 2022).

In addition, the MTP articulates the intent to support tobacco, among other commodities, by linking suppliers with buyers through exhibitions and network sharing, with the intended goal of promoting export competition (2010, p. 48). This document also states, without further detail, that the government intends to support contract farming (2010, p, 45). Similar details can be found in the CAPF which states that the government will promote contract farming, particularly through incentivising firms to engage in contract farming activities and designing a regulatory environment that promotes contract farming (Government of Zimbabwe, 2012, p, 9, 15). This document also articulates its intention to promote timber plantations and encourage the construction of efficient tobacco curing facilities (2012, p. 15), noting that the high costs associated with curing are also a challenge to the overall sector (2012, p. 14). ZAIP notes that the government intends to work with the private sector to provide agricultural credit to farmers with the expected outcome of increasing the use of the contract farming model. Indeed, ZAIP notes that the government mobilized $400USD million in concessionary finance through public private partnerships to meet this goal (Ministry of Agriculture, Mechanization and Irrigation Development, 2013, p. 105). Additionally, ZAIP notes that the government plans on encouraging farmers to plant trees for tobacco production, but also notes that follow-up on the part of the state has been weak thus far (2013, p. 18). It also implements the Special Initial Allowance (SIA), which is a capital allowance that operates as a deduction on allowed expenditures such as construction of new industrial buildings, farm improvements, railway lines, staff housing, tobacco barns and other production or infrastructure supports (2013, p 55). The NAPF continues this theme of woodlot production and expressed support for contract farming.

As noted, tobacco is a not a prominent emphasis of the most recent development plan. Whereas tobacco was widely discussed in the Transitional Stabilization Program (2015-2019), it barely enters into view in the just released National Development Strategy (2021-2025). It appears only 5 times in the entire document (compared to 21 times in the Transitional Stabilization Program), with the only reference to tobacco production related to "Intensifying implementation of the tobacco wood energy programme" (Republic of Zimbabwe 2021, p. 212). Importantly, and despite the apparent decentering of tobacco, the strategy does set as a goal to double tobacco production from 2020 to 2025. Another major change is implementation of a financial services-led agriculture development model which will gradually phase out the Government Command Agriculture Program to switch to a wholly private sector driven financing model for agriculture (Republic of Zimbabwe 2020, p. 67). This will have significant impacts on tobacco farmers that are currently relying on the various government funded input subsidy programs. The reasons for the decentering of tobacco in the most recent development strategy, coupled with the shift to private provision of agricultural supports, requires further exploration. As the new policy documents are silent on weaning the country away from tobacco dependence, it remains to be seen if this decentering signals any policy shifts in practice, or if the reliance on the private sector to finance tobacco contracting relationships will foster additional growth in tobacco production.

4

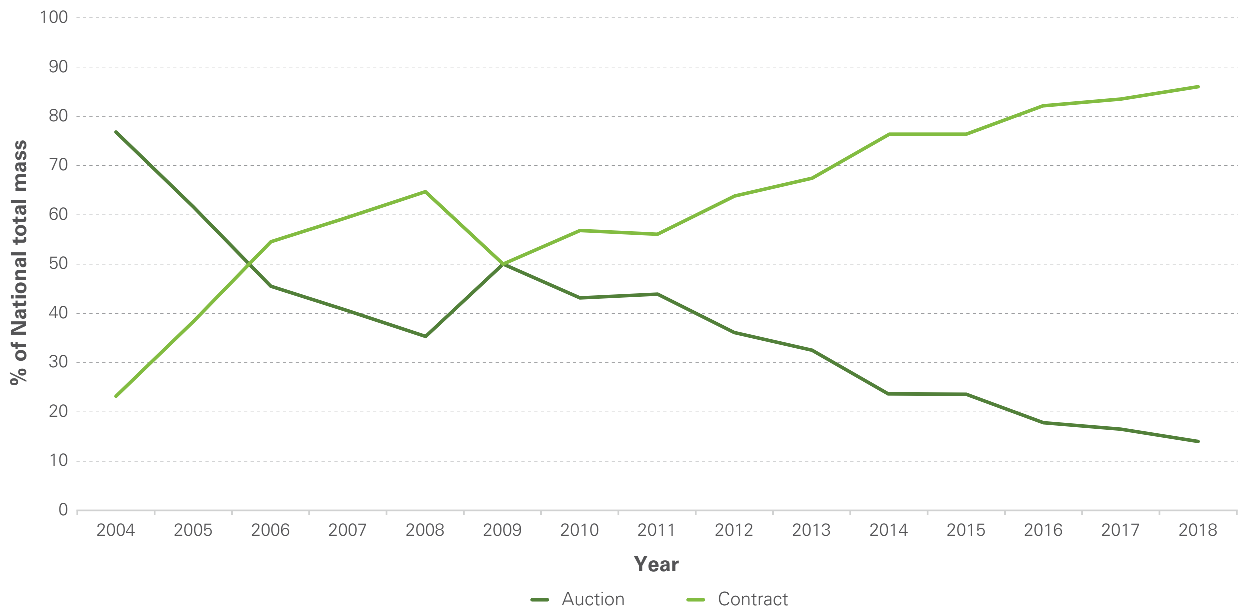
Tobacco Sector and Tobacco Control Stakeholders

STAKEHOLDERS: TOBACCO SECTOR

Private Sector

Tobacco production in Zimbabwe is regulated under the *Tobacco Industry and Marketing Act 2001*. This legislation governs the growing and selling of tobacco in Zimbabwe and establishes the rules for all stakeholders involved. Prior to 2004, tobacco was sold through the auction house system; however, since then contract farming arrangements have become the dominant form for selling tobacco.

FIGURE 1 | Contract Farming Versus Auction Production



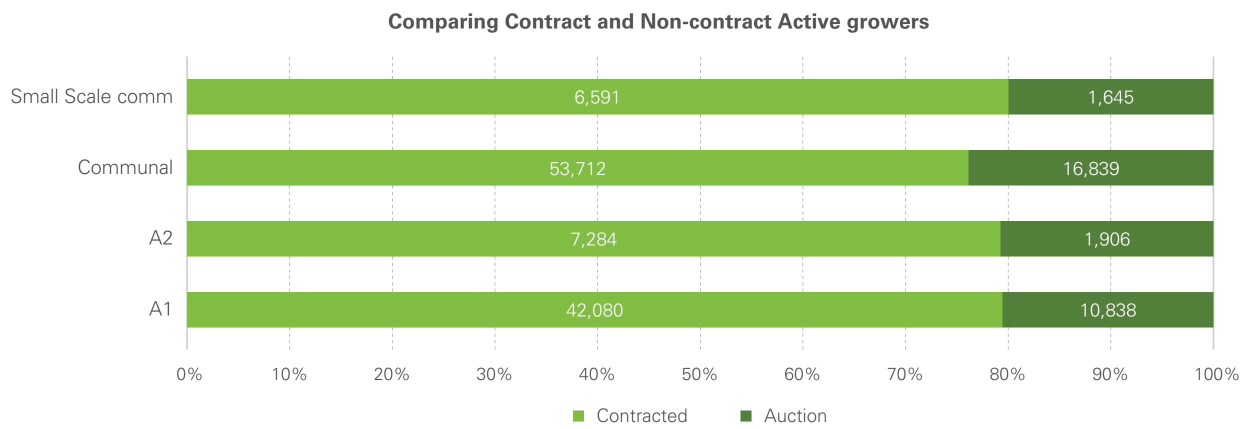
(Source: TIMB, 2018, p. 4, 20)

Contract farming, a central element of Zimbabwe's tobacco production, began large scale implementation in 2003/4. Contract farming refers to the arrangement made between traders and growers whereby traders (in the case of tobacco, tobacco leaf buying companies) provide certain inputs and or cash loans at the start of a season for no cost, in exchange for these costs being deducted from the farmer's eventual sale of the product. Currently, most of the farmers from each class are selling their tobacco through contract arrangements (TIMB, 2018, p. 4, 20). The rise in contract farming is attributed to both demand and supply side factors, ranging from the globalization of standards for agricultural exports to the liberalization of production and the entry of the private sector along the supply chain (Prowse, 2012). Prowse notes that for firms, contract farming provides six key advantages:

> *1) increased reliability of supply chain quantity and quality; 2) the off-loading of production risk onto farmers; 3) greater control over production process and crop attributes, to meet standards and credence factors; 4) reduced co-ordination costs, as a more regular and stable supply permits greater co-ordination with wider activities; 5) greater flexibility in expanding or reducing production; 6) economics of scale in procurement, via the provision of packaging of inputs. (Prowse, 2012, p. 22)*

In Zimbabwe, access to capital and inputs plays a key role in the shift to contractual relationships with leaf buyers. As banks in Zimbabwe were faced with turmoil following Western sanctions in response to the FTLRP, farmers needed to find alternative means of financing agricultural production; ultimately, farmers and the state turned to contract farming to solve this problem (Claudia & Khumalo, 2013, p. 19). Early attempts by the Government to provide loans to farmers post 2000 proved disastrous: for example in 2004, a Reserve Bank of Zimbabwe's Productive Sector Facility (PSF) funding that extended loans with concessionary interest rates through commercial banks performed poorly (Pazvakavambwa, 2011). Contract farming has strengthened the role of tobacco companies, such as producers of tobacco products, and leaf-buyers, in the country. Contract companies in Zimbabwe actively recruit farmers, particularly small-scale farmers, and often visit the sites where these farmers operate to assess whether they are capable of or amenable to contracting with their leaf-buying company (Sakata, 2018, p. 130).

FIGURE 2 | Comparing Active Growers



(Source: TIMB, 2018, p. 20, 4)

According to TIMB's 2018 report, the private companies that had the largest market share in Zimbabwe were Zimbabwe Leaf Tobacco Company (ZLTC) with 13.2%, Northern Tobacco (NT) with 12.2%, Mashonaland with 11.7%, Premium with 9.7% and Tian Ze with 9.2%. Documentary evidence on tobacco corporations and their subsidiaries is sparse; however, the information that has been retrieved reveals valuable information on the behavior of these companies. Of particular interest is the collaboration that occurred between ZLTC, a subsidiary of Universal Tobacco, a multi-national tobacco leaf-buying company, and the Ministry of Education.

In 2012, ZLTC began collaborating with contracted farmers to grow woodlots in an effort to encourage farmers to use these lots in their tobacco curing. This program entered a new phase in the 2016/2017 season when schools were formally integrated into the program, encouraging school children to learn the skills necessary to care for the trees which were planted around the school waiting for contracted farmers to eventually harvest. Implemented in consultation with the Forestry Commission, the Environmental Management Agency, and Rural District Councils, this program by 2017 had reached "291 schools… and woodlots covering 331 hectares… across the provinces of Manicaland and Mashonaland East, West and Central, with more than half concentrated in Mashonaland Central where the majority of ZLTC smallholder farmers are based" (ZLTC, p. 1). Northern Tobacco notes that it, too, is financing NGO efforts to promote "sustainable afforestation" efforts amongst contracted farmers. Ultimately, these efforts coincide with state efforts to also support the development of woodlots with the end goal of increasing tobacco production through providing farmers with more reliable streams of resources to support the curing process. The afforestation initiative also points to the negative impact tobacco curing has on the forests, local vegetation and the environment in general (IRIN News 2014).

Secondary research provides additional information regarding corporate behaviour. China is an important actor within Zimbabwe's tobacco production economy and, as investments and access to foreign credit shrank, China provided a variety of supports to tobacco farming, including access to loans. Key investments were made by China to help Zimbabwe to rebuild its agricultural sector, including extension and input supports to farmers (Mukwereza, 2013, p. 118., Fang, 2020, p. 5-7). The tobacco operations are run through China National Tobacco Corporation (CNTC) which is a state monopoly and the world's largest tobacco company. In 2005, Tian Ze Tobacco Company, a subsidiary of CNTC, was formed in Zimbabwe with the expressed purpose of "helping revive the country's tobacco output" (Fang, 2020, p. 5).

These developments have led to China becoming one of the most significant actors within Zimbabwe's tobacco production. In 2018, China became the top destination of Zimbabwean flue-cured tobacco, accounting for 32% of its export (TIMB, 2018, p. 11), a large jump from 21% in 2011 (Mukwereza, 2013, p. 119). Tian Ze also paid the highest rate to major merchants, averaging since 2015 $3.90/kg (TIMB, 2018, p. 6). It is worth noting that Tian Ze, which works primarily with larger farms, funds Mashonaland Tobacco Company to work with smallholder farmers which pays only $2.80/kg (TIMB, 2018, p. 8). Furthermore, China Tobacco International Company Limited (CTICL), a subsidiary of CNTC, notes that CNTC and its subsidiaries intend to expand their purchasing of tobacco from Zimbabwe by USD 52 million by 2023 (CTICL, 2019, p. 86). The presence of China in the tobacco sector and the broader political economy of Zimbabwe is an important point of future inquiry.

Photograph by Richard Zulu

Non-Governmental Organizations (NGOs), International Non-Governmental Organizations (INGOs) and International Organizations (IOs) in Zimbabwe's Tobacco Control

Available research on the efforts of NGOs to promote the regulation of tobacco within Zimbabwe is minimal, with some exceptions. We are not aware of any NGOs with a primary mandate for tobacco control, although the Cancer Association of Zimbabwe and the Seventh-Day Adventist church are both concerned with its health impacts and contribute to tobacco policy discussions in the country. There appears to be a lack a concerted effort by civil society to challenge the role of tobacco in the country and to promote the regulation of its consumption.

This contrasts with the influential role played by non-state actors representing tobacco producers and manufactures. Indeed, those representing tobacco producers often have connections with the International Tobacco Growers Association (ITGA), a powerful pro-tobacco lobby. The Zimbabwe Tobacco Association (ZTA), an organization of tobacco producers and manufacturers, continues to promote the state's support of the crop. Founded in 1928 as the Rhodesian Tobacco Association (RTA), the ZTA has become a force to "promote and support research and training to ensure the continued development and expansion of the flue-cured tobacco growing industry" (Lown, 2016, p. 3). This organization has served as a means to oppose international efforts to reduce tobacco production within Zimbabwe, ostensibly by advocating for the interests of tobacco farmers. It has done this in a variety of notable ways such as framing the Framework Convention on Tobacco Control (FCTC) as an attack on Zimbabwe's sovereignty, and undermining Zimbabwe's tobacco control efforts by, in part, downplaying the health impacts of smoking in contrast to other diseases (Lown, 2016, p. 4). The ZTA was instrumental in founding the International Tobacco Growers Association in 1984 (Lown, 2016, p. 3).

Farmers unions also play a role in supporting tobacco production. The Zimbabwe Commercial Farmers Union (ZCFU), the Zimbabwe Farmers Union (ZFU), and the Zimbabwe National Farmers Union (ZNFU), the Tobacco Association of Zimbabwe (TAZ), and the Tobacco Farmers Union Trust all have interests in the future of tobacco production in Zimbabwe. The first three of these unions cited have been mentioned in central agricultural policy documents as agencies the government coordinates with when implementing programs. This included the tobacco wood energy program which establishes central nurseries to provide a source for seedlings with the expected outcome of increased tobacco production for processing and export (Government of Zimbabwe, 2010, p. 169). Indeed, the 2010-2015 Medium Term Plan notes that farmers associations will play a central role in operationalizing the wood lot tree program designed to prevent deforestation due to harvesting for curing tobacco leaf, but also to increase tobacco production, competitiveness, and exports (Government of Zimbabwe, 2010, p. 169). This is significant given that the ZCFU, which coordinates with its counterparts, mentioned in its annual reports from both 2016 and 2018 that it had increasing concerns with deforestation and wood access (Commercial Farmers Union, 2016, p. 36; 2018, p. 21).

Corporate social responsibility projects are becoming prominent within the sphere of pro-tobacco interests. Tobacco corporations are sponsoring organizations that ultimately promote the construction of tobacco production infrastructure. For example, Northern Tobacco Zimbabwe, which is a subsidiary of Rift Valley, which claims to be the country's largest tobacco contracting business, has contributed "over $1m per annum to the Sustainable Afforestation Association (SAA), who in turn are planting over 12 million trees each year to provide a source of curing wood fuel for small-scale tobacco growers in Zimbabwe." In is worth mentioning that the SAA is a registered non-profit funded by the tobacco industry whose sole activity is planting trees for tobacco curing. This mirrors not only the program noted earlier of ZTLC involving the production of woodlots for fuel, but also the government program that is focused on the same goal (Government of Zimbabwe, 2010, p. 169). While protecting indigenous forests is a priority, these NGO projects are clearly oriented to sustaining and likely increasing tobacco production in the country (Lecours, Almeida, Abdajjalah et al 2012).

Internationally, the International Tobacco Growers Association (ITGA) is an INGO that operates to promote the continued use of tobacco on an international stage. Its role as the public face of tobacco growers and its interests have been well-researched. As Woelk et al, noted in 2001, "Industry documents for 1989, disclosed as a result of litigation in Minnesota, have demonstrated that the motivation in forming the ITGA was 'to create a more cohesive and active international growers organization — one which could assist in defending the tobacco industry's interests.' In 1993 the then Chairman of the Tobacco Research Board of Zimbabwe secured the willingness of the ITGA, of which he was a former Chairman, to serve as 'front line troops' in collecting and collating scientific data to be used in aggressively countering anti-smoking lobbies" (2001, p. 185). The ITGA serves as a means for domestic producers to coordinate with multinational companies to resist regulation, while at the same time channeling domestic interests to amplify the voice of opposition at the international level. Additional research is needed to examine the role of ITGA's in Zimbabwe's policy environment. Specifically, it will be important to determine the ways that ITGA supports pro-tobacco policy and mobilizes opposition to tobacco control efforts.

International organizations like the International Monetary Fund and World Bank continue to play a significant role in the national policy space of Zimbabwe. Recently, the IMF notes that increased fiscal instability in Zimbabwe beginning in 2016, with a rapid increase in the fiscal deficit, is causing significant strain on both servicing old debts and finding new sources of revenue (IMF 2019). In response, the government has begun to work with the IMF in an attempt to create the conditions for increased support and reintegration into the international community. Under the IMF's Staff Monitored Program with Zimbabwe (adopted in 2019), it has made its support conditional on a broad program of monetary and structural reform, in particular privatization of state-owned-enterprises. As discussed above, through Zimbabwe's Transitional Stabilisation Programme, many of the joint plans were already underway, such as shifting the Command Agriculture program, designed originally to support maize producers, from a public model to a public-private partnership model with the involvement of commercial banks (International Monetary Fund, 2020, p. 1., Ministry of Finance, 2020, p. 13). This reorientation towards implementing IMF-supported privatization plans for agricultural financing may have significant implications for the production of tobacco. Export-oriented agriculture production tends to involve scaling up rather than pursuing new crops, making tobacco a proximal target. As noted earlier, research conducted by the WHO in the early 2000s found that the SAPs of the 1990s resulted in Zimbabwe's increased dependence on tobacco production (Chantornvong, S, et al., 2000, p. 914).

STAKEHOLDERS: TOBACCO CONTROL

Ministry of Health

The Ministry of Health and Child Care has developed tobacco control strategies through both policy and legislation. *The Public Health (Control of Tobacco) Regulations 2002, SI 264 2002 [CAP. 15:09]* restrict smoking in public areas and on public transport, enforces no smoking signs in public areas, prohibits selling or trading tobacco to or by children, and determines tobacco advertisements and ingredient listing on products.

Throughout the range of policy documents produced by this ministry, the central stated goal is to decrease tobacco consumption in Zimbabwe. The instruments prioritized throughout these documents have primarily involved: sin-tax concepts (excise or sales taxes), increased enforcement of existing tobacco regulations, and improving public awareness about the dangers of smoking. In 2012 a policy workshop that was coordinated amongst leading civil servants in the ministry, and with Public Health Advisory Board members, identifies two key challenges: the increase of smoking among school age children, and poor enforcement of advertisement regulations (Ministry of Health and Child Care, 2012, p. 12-14). Following this meeting, the Ministry published two key documents in 2013, *The National Cancer Prevention and Control Strategy for Zimbabwe*, and the *Feasibility and Projections for Selected Earmarked Taxes as a Source for Health Financing* (Ministry of Health and Child Welfare, 2013a, 2013b). Table 7 provides an overview of key policy actions outlined in the Cancer Prevention and Control Strategy. As anticipated, none of the MoHCC strategic goals directly aims to reduce tobacco production at the farmers level (acting upstream), as this would be a contradiction with MoF and GoZ policy goals of sustaining tobacco production as a key foreign currency earner.

TABLE 7 | The National Cancer Prevention Strategy Policy Goals

	Action	Measure
To reduce population exposure to tobacco	Limit access through raising taxation	Proportion of people who stop smoking
	Better enforcing existing tobacco legislation	Adherence levels
	Creating an enabling environment for tobacco cessation	Number of facilities providing tobacco cessation programs
	Lobby for the ratification of the Framework Convention on Tobacco Control (FCTC)	Accession to the FCTC

(Source: Ministry of Health and Child Welfare, 2013a, p. 42)

In late 2014 the government of Zimbabwe submitted its application for accession to the Framework Convention on Tobacco Control, becoming the 180th party to the treaty. The 2020 report submitted by the government of Zimbabwe indicates that a number of key tobacco control measures have yet to be established. Importantly, no mechanisms have been put in place to manage influence of commercial and other vested interests of the tobacco industry on government action, as required by Article 5.3 of the FCTC (FCTC 2020). The country also still lacks a comprehensive national tobacco legislation that addresses the minimum provisions set out in the FCTC.

In 2015 the Ministry of Health published a conference report on how to advance universal health coverage, once again calling for the imposition of sin taxes to strengthen health financing (Ministry of Health and Child Care, 2015, p. 18). The government's 2017 *Zimbabwe Health Financing Strategy* again reiterated the government's policy plan for raising sin-taxes to finance health policy (Ministry of Health and Child Care, 2017, p. 26). Additionally, the *Zimbabwe School Health Policy* provides instructions to educators to inform their students of the dangers of tobacco, and to enforce smoking prohibitions (Ministry of Primary and Secondary Education, 2018, p. 2, 18). The 2020 the National Budget Highlights finally outline detailed plans to raise the excise duty on tobacco from ZWL50$ to ZWL100$ per 1000 cigarettes (Ministry of Finance, 2020, p. 11). Before the introduction of this tax increase, total taxes on the most sold brand of cigarettes in Zimbabwe were static at 35.9% of retail price (see Table 8).

TABLE 8 | Price of Most Sold Brand of Cigarettes (Standardized as a Pack of 20)

	WHO's estimate for 2018
Price of most sold brand of cigarettes (standardized to a pack of 20)	
In currency reported by country	USD 1.75
In international dollars (purchasing power parity adjusted)	3.28
In US dollars at official exchange rates	1.75
Taxes on this brand (% of retail price) *	
Total taxes	35.9%
Specific excise	22.9%
Ad valorem excise	0.0%
Value added tax (VAT) or sales tax	13.0%
Import duty	0.0%
Other taxes	0.0%

* Individual categories of tax may not add to total due to rounding.

(Source: World Health Organization 2019)

A detailed overview of tobacco control measures implemented in Zimbabwe can be found in the WHO 2019 Tobacco Country Profile on Zimbabwe (WHO 2019) which summarizes the implementation of all MPOWER measures taken in Zimbabwe to date (see Table 9).

TABLE 9 | MPOWER Measures Implemented in Zimbabwe

Monitoring tobacco use and prevention policies	Limited actions have been taken	Survey of youth smoking conducted in 2018; no survey of adult smoking since 2015
Protects people from tobacco use	Some places are protected	Smoke-free laws implemented in healthcare facilities, educational facilities, universities, public transport; but not in government facilities, restaurants or bars. Laws require fines for smoking levied on the individual smoker
Offer help to quit tobacco	Limited actions have been taken	Nicotine replacement therapy is sold but only partially covered by health insurance, and difficult to access Professional smoking cessation support only available in the offices of some health professionals
Warn about the dangers of tobacco	Some actions have been taken	The law mandates health warnings on tobacco packages, and includes fines for violating this policy There have been no anti-tobacco mass media campaigns in Zimbabwe since accession to FCTC
Enforce bans on tobacco advertising	Very limited actions have been taken	There are no bans on direct tobacco advertising or tobacco promotion and sponsorship, except that prescribed anti-tobacco advertisements are required to be presented before, during, or after the broadcasting or showing of any visual entertainment media product that depicts tobacco products, use or images; there are however restrictions on advertising near schools
Raise taxes on tobacco	Limited actions have been taken	Cigarettes have not become more expensive since accession to FCTC, but introduction of new tobacco tax in 2020 budget will change this No earmarking of tobacco taxes for health reported

While some progress has been made in terms of policy efforts to curb domestic consumption of tobacco, efforts to do the same in the area of production have been lacking. This is most notable in the conference report on universal health coverage which states overtly that efforts to regulate tobacco whatsoever are difficult due to the significant role tobacco production occupies in the state's political economy (Ministry of Health and Child Care, 2015, p. 18, 30). Additionally, the government essentially asserted this position to the FCTC in 2014 when stating:

> *Zimbabwe supports the draft guidelines on Article 6, in view of the recognition of the principle of fiscal sovereignty of States. Revenue needs and prioritization are imperatives of developing countries and different circumstances need to be appreciated. Zimbabwe, however, has concerns with efforts to exclude tobacco from international trade and investment agreements. Our conviction is that free trade agreements and bilateral investment treaties should not be seen as obstacles to public health regulations as they also have public health provisions. The objectives of finding economically viable alternative crops to tobacco are highly appreciated. However, for sustainability, the livelihoods of farmers and their local communities should be given priority in any such policy development. To this end, any move to such alternative crops must be as a result of evidence-based, well-funded and workable solutions based on the realities of the domestic markets and how they relate to regional and international markets. Policies must be locally relevant and be contextualized in a smooth, gradual transition process to alternative crops. This cannot*

be achieved overnight, because we believe that the whole value chain has a contribution in making the policy relevant and workable. Mr. President, once again I wish to thank you for this opportunity. (FCTC, 2014, p. 71).

While this quote suggests that Zimbabwe might be open to a gradual phasing out of tobacco production, the continued emphasis on tobacco as an important contributor to export earnings raises questions about how sincere this effort will be.

5

Tobacco Growing: Health and Social Impact

HEALTH IMPACTS

A significant problem with tobacco production, particularly in relation to child labour, is the health impacts that result from working with the crop. HRW's investigation examined the health-related impacts of working with tobacco and found many of the children suffered from symptoms related to acute-nicotine poisoning ('green tobacco sickness') and pesticide exposure (HRW, 2018, p. 6). Children reported experiencing "at least one symptom consistent with acute nicotine poisoning—nausea, vomiting, headaches, or dizziness—while handling tobacco" (HRW, 2018, p. 6). Additionally, despite

Photograph by Richard Zulu

companies claiming otherwise, many small-scale farmers described insufficient education on how to protect their workers form dangerous pesticide exposure, while few reported receiving protective equipment from their contracting companies (HRW, 2018, p. 51). Domestic consumption of tobacco in Zimbabwe is remains high with 33% of men smoking (Lown, 2016, p. 4). An immediate research need is a more comprehensive assessment of the impact of 'green tobacco sickness' and pesticide poisonings that occur during production.

CHILD LABOUR

Child labour continues to be a problem within tobacco production globally. Much of Zimbabwe's history of tobacco production has involved family labour, and naturally this means child labour (Bamber 2014 p. 16, Scoones, 2018, p. 29, 35). Given that tobacco production now largely involves small-scale operations, the use of family labour is intensified because farming tobacco is expensive not only in terms of inputs, but also in terms of labour (Sakata, 2018, p. 133), leading many families to depend on "free" family labour (Scoones, 2018. P. 37). A report from Human Rights Watch (HRW) found that in tobacco producing regions during the harvesting period there were significantly higher rates of truancy from school classes, suggesting that parents were depending on their children for help with the harvest (HRW, 2018, p. 101). HRW also documented through extensive interviews that more than half of the 64 small-scale farms they researched had employed children under the age of 18 (HRW, 2018, p. 5). When HRW contacted multinational tobacco companies regarding their findings, a significant number did not respond, but those that did stated they have rigorous policies designed to prevent the use of child labour (HRW 2018, p. 74-86).

6

Overview and Research Priorities

This document analysis has provided insights into the political economy nexus in Zimbabwe by highlighting the various roles of domestic and international stakeholders and their interests in tobacco production and control policy. Our findings indicate that transnational tobacco corporations are able to exert influence over the political economy of tobacco production within Zimbabwe. The most significant evidence of this is how the numerous state policy documents identified in this report tend to prioritize the construction of timber lots, offer capital tax deductions, and promote the contract farming model, with the expected outcome of increased tobacco exports and increased export competitiveness. As we noted, multinational corporations benefit from such contracting arrangements, which are rapidly growing and are now the dominant form of tobacco production, as these agreements provide predictability and greater control over all aspects of supply chain quantity and quality and allow for the off-loading of production risk onto farmers. There are also credible concerns about how such contracting arrangements are creating a cycle of debt dependence as workers are lured into contracts that might not benefit them.

There also remain questions about some aspects of TNC operation in Zimbabwe, including the role of Chinese corporations, as information about their operation in Zimbabwe is limited and should be probed further during the interview phase; as well as the relationship between domestic and transnational tobacco producers (e.g. through subcontracting arrangements which are generally not accessible online). There also needs to be more information collected about specific instances of lobbying by tobacco companies. For example, interviews should probe the extent to which tobacco companies were able to influence Zimbabwe's negotiating position during accession to the FCTC. Finally, little information has been found regarding the indigenization law of 2008 (i.e. a requirement to transfer majority ownership of foreign companies to local operators), and what impact its introduction had on tobacco production in the country. However, one article suggests that some Chinese companies were exempted from the indigenization law, including Chinese Tianze Tobacco, which has not been required to change its ownership structure due to making significant contributions to the local economy (Sun, 2016).

While TNCs are important pro-tobacco actors in tobacco production and control, NGOs tend to play an important balancing role to counter TNC lobbying in most LMICs. In Zimbabwe, however, NGO involvement in tobacco production and control seems very limited, with only two NGOs directly identified through our analysis. However, this could be related to a lack of online presence of some anti-tobacco actors. Hence, interview analysis should probe the NGO landscape in more depth, to verify the existence of additional anti-tobacco actors in Zimbabwe and identify informal and undocumented ways in which non-state actors exert influence over tobacco production and control policies. In this context it is crucial to stress that the country currently lacks a comprehensive national tobacco legislation that addresses the minimum provisions set out in the FCTC.

Our analysis detected a number of agricultural support programs some of which are open to tobacco producers and thus might incentivize tobacco production. These programs include: the Command Agriculture Program, the Presidential Inputs Support Scheme, concessionary loans to farmers such as through the Productive Sector Facility (PSF) and the Agriculture Sector Productivity Enhancement Facility (ASPEF) which also covered aspects of irrigation development, as well as early forms of 'command agriculture such as the "Operation Maguta'. Support has also been provided to sectors such as the tobacco sector as part of economic resuscitation and stabilisation measures, for instance, the tobacco export incentives of the late 2000s, or more recently through the Vulnerable Farmers Input Support Programme as part of COVID-19 Economic Recovery and Stimulus Package. However, it is unclear from the document analysis to what extent general agricultural support programs were taken up by tobacco farmers, and interviews should probe specifically for the sectoral distribution of such support measures, to assess the importance of these measures in incentivizing tobacco production.

In terms of tobacco control efforts, while some progress has been made on the part of health sectors within the state to increase taxes on tobacco and promote education on its harmful effects, these efforts are ultimately miniscule in comparison to the state efforts recorded in this report that prioritize tobacco production. The policy instruments currently prioritized have involved: sin-tax concepts (excise or sales taxes), increased enforcement of existing tobacco regulations, and improving public awareness about the dangers of smoking through public awareness campaigns. Recent tax increases are promising, but even with a significant rise, taxation levels will remain far below the threshold identified by WHO as necessary to influence consumption behavior. This means that additional research should probe for public and policy support of more meaningful regulation of tobacco products, and to identify and counter-act potential barriers to tobacco regulation.

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