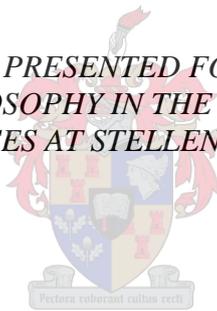


**A CRITICAL ASSESSMENT OF THE CONCEPTUALISATION OF POLITICAL RISK
ANALYSIS FOR HYBRID REGIMES: THE CASE OF ZIMBABWE**

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Declaration

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Abstract

The conceptualisation of Political Risk Analysis (PRA) has traditionally been influenced by democratic principles. There was an observable increase in academic literature discussing changes in the traditional democratic system from 2006. Interestingly, there was an increase in literature conceptualising the hybrid regime. If the noticeable decline in democracy continues, how would PRA be conducted and conceptualised? The study took a proactive approach to find out if PRA for foreign investors could be adaptable to be measured using principles of the hybrid regime. *“To what extent are the traditional conceptual perceptions of political risk in hybrid regimes still applicable, with specific reference to Zimbabwe from 1990 to 2018?”* was the main research question. A single case study research design was employed, to the case of Zimbabwe.

To conceptualise the hybrid regime, a hybrid regime conceptual framework was developed utilising indicators from Wigell (2008) and Gilbert and Mohseni (2011). This study added political elite cohesion as an additional hybrid regime indicator, hypothesising that the agreement among political elites had an impact on the nature and durability of the hybrid regime. This study finds the hybrid regime to show diverse forms within a single state. Zimbabwe exhibits five types of hybrid regimes. Furthermore, the hybrid regime was observed to be fluid and, noted to be durable.

A political risk framework to analyse the hybrid regime was developed drawing inputs from hybrid regime indicators and some political risk indicators. 28 key informants were interviewed from six categories of respondents who were relevant to the discussion of political risk observed in Zimbabwe. This study found that perceptions regarding illegitimacy, corruption, staleness of leadership, adverse government regulation, election violence, and the home-host state relations between the Multi-National Corporation parent country and the host state had the impact of increasing the perception of political risk in a hybrid regime, thus confirming existing literature. Regarding military tutelage, weak institutions, relatively flawed elections (absent of violence), military generals in power, undemocratic means to retain power, minimum horizontal accountability and weak rule of law did not automatically increase political risk as in times past.

This study found that the levels of political risk differ within the diverse forms of hybrid regimes, which is contrary to literature that postulated a positive relationship always. If democracy declines, PRA was concluded to be adaptable and, in effect, accurate, taking into consideration the fluidity of the hybrid regime and the presence of specific risk factors, relevant to the analysis of risk in such regimes. As in any discipline, timely re-conceptualisation is crucial and this study provided that for both hybrid regimes and political risk analysis.

Opsomming

Die konseptualisering van politieke-risiko-analise (PRA) is nog altyd aan die hand van demokratiese beginsels gedoen. Akademiese literatuur wat oor veranderinge in die tradisionele demokratiese bestel handel, het sedert 2006 waarneembaar toegeneem. Dit is beduidend dat literatuur wat die hibriede bestel konseptualiseer eweneens toegeneem het. Indien die waarneembare kwyning van demokrasie voortgaan, hoe sou PRA uitgevoer en gekonseptualiseer word? Hierdie navorsing het 'n proaktiewe benadering gevolg om te bepaal of PRA vir buitelandse beleggers aangepas kan word sodat dit volgens die beginsels van die hibriede bestel gedoen kan word. Die hoofnavorsingsvraag was: "In watter mate is die tradisionele konseptuele persepsies van politieke risiko in hibriede regeeringsvorme steeds toepaslik, met spesifieke verwysing na Zimbabwe vanaf 1990 tot 2018?" 'n Enkele gevallestudie-ontwerp is toegepas, met Zimbabwe as geval.

Ten einde die hibriede bestel te konseptualiseer is 'n hibriede konseptuele raamwerk ontwikkel aan die hand van aanwysers uit Wigell (2008) en Gilbert en Mohseni (2011). Die navorsing het kohesie onder die politieke elite as bykomende aanwyser van 'n hibriede bestel ingesluit op die veronderstelling dat die samehörigheid onder politieke elites 'n uitwerking op die aard en bestendigheid van 'n hibriede bestel het. Hierdie navorsing het bevind dat die hibriede bestel diverse vorme binne 'n enkele staat kan aanneem: Zimbabwe vertoon vyf soorte hibriede regeeringsvorme. Verder is waargeneem dat die hibriede bestel vloeibaar is en kan oorleef.

'n Politieke-risiko-raamwerk om die hibriede bestel mee te analiseer, is ontwerp deur aanwysers van hibriede regeeringsvorme en sekere aanwysers van politieke risiko te gebruik. Onderhoude is gevoer met 28 sleutelinformante uit ses respondentekategorieë wat tersaaklik is vir 'n bespreking van die politieke risiko wat in Zimbabwe waargeneem word. Die navorsing het bevind dat persepsies oor illegitimiteit, korrupsie, futlose leierskap, vyandiggende regeeringsregulering, verkiesingsgeweld en die tuisstaat-gasheerstaat-verhouding tussen die stamland se multinasionale korporasies en die gasheerstaat 'n verhoogde persepsie van politieke risiko in 'n hibriede bestel meegebring het. Dit bevestig bestaande literatuur. Militêre onmondigheid, verlamde staatsinstellings, relatief gebrekkige (hoewel niegewelddadige) verkiesings, militêre generaals in magsposisies, ondemokratiese metodes van magsbehoud, minimum horisontale verantwoordbaarheid en verswakte oppergesag van die reg het nie – soos in die verlede – vanselfsprekend politieke risiko laat verhoog nie.

Die navorsing het bevind dat die vlakke van politieke risiko binne die verskillende manifestasies van hibriede regeeringsvorme wissel – 'n weerspreking van die literatuur wat voorhou dat daar altyd 'n positiewe verband is. Waar demokrasie kwyn, is bevind, is PRA aanpasbaar en kan dit, om die waarheid te sê, akkurate risiko-analising vir sulke regeeringsvorme oplewer – mits die vloeibaarheid

van die hibriede bestel en die teenwoordigheid van sekere risikofaktore in ag geneem word. Soos op enige vakgebied, is tydige herkonseptualisering noodsaaklik, en dit is wat hierdie navorsing bied – beide vir hibriede regeeringsvorme en PRA.

Dedication

To my three ‘sunshines’, Albert, Ethan and Brandon Makone:

You are my priceless, timeless and indispensable gifts.

This journey was worth every effort because of you!

I love you with no reservations.

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List of Abbreviations

| | |
|--------|---|
| AG | Attorney General |
| AIG | American International Group |
| AIPPA | Access to Information and Protection of Privacy |
| AU | African Union |
| BERI | Business Environment Risk Intelligence |
| BMI | Business Monitor International |
| BRICS | Brazil, Russia, India, China and South Africa |
| CAQDAS | Computer-Aided Qualitative Data Analysis Software |
| CAZ | Conservative Alliance of Zimbabwe |
| CIO | Central Intelligence Organisation |
| DRC | Democratic Republic of Congo |
| EIU | Economic Intelligence Unit |
| ESAP | Economic Structural Adjustment Programme |
| EU | European Union |
| FDI | Foreign Direct Investment |
| FLS | Front-Line States |
| FTLRP | Fast Track Land Reform Programme |
| G-40 | Generation Forty |
| GDP | Gross Domestic Product |
| GMB | Grain Marketing Board |
| GNU | Government of National Unity |
| ICT | Information, Communication and Technology |
| IEEA | Indigenisation Economic and Empowerment Act |
| IMF | International Monetary Fund |
| JOC | Joint Operations Command |
| KII | Key Informant Interview |

| | |
|-------------|---|
| LDC | Least Developed Country |
| MDC | Movement for Democratic Change |
| MDC-A | Movement for Democratic Change - Alliance |
| MDC-M | Movement for Democratic Change - Mutambara |
| MDC-N | Movement for Democratic Change - Ncube |
| MDC-Renewal | Movement for Democratic Change - Renewal |
| MDC-T | Movement for Democratic Change - Tsvangirai |
| MIGA | Multilateral Investment Guarantee Agency |
| MNC | Multi-National Corporation |
| MP | Member of Parliament |
| NCA | National Constitution Assembly |
| NGO | Non-Governmental Organisations |
| NPP | National People's Party |
| NRZ | National Railways of Zimbabwe |
| OPEC | Organisation of The Petroleum Exporting Countries |
| OPIC | Overseas Private Investment Corporation |
| PDP | People's Democratic Party |
| PF | Patriotic Front |
| PF-ZAPU | Patriotic Front-Zimbabwe African People's Union |
| POSA | Public Order and Security Act |
| PRA | Political Risk Analysis |
| PSR | Political Risk Services |
| RBZ | Reserve Bank of Zimbabwe |
| RDZ | Renewed Democrats of Zimbabwe |
| RF | Rhodesian Front |
| SADC | Southern African Development Community |
| SI 64/2016 | Statutory Instrument 64 of 2016 |

| | |
|-------------|---|
| TB | Tuberculosis |
| UANC | United African National Council |
| UDI | Unilateral Declaration of Independence |
| UK | United Kingdom |
| USD | United States Dollar |
| USA | United States of America |
| WB | World Bank |
| WPRF | World Political Risk Forecasts |
| ZACC | Zimbabwe Anti-Corruption Commission |
| ZANLA | Zimbabwe African National Liberation Army |
| ZANU | Zimbabwe African National Union |
| ZANU-Ndonga | Zimbabwe African National Union - Ndonga |
| ZANU-PF | Zimbabwe African National Union-Patriotic Front |
| ZAPU | Zimbabwe African People's Union |
| ZBC | Zimbabwe Broadcasting Corporation |
| ZCTU | Zimbabwe Congress of Trade Unions |
| ZDERA | Zimbabwe Democracy and Economic Recovery Act |
| ZDF | Zimbabwe Defence Forces |
| ZEC | Zimbabwe Electoral Commission |
| ZESA | Zimbabwe Electricity Supply Authority |
| ZIPA | Zimbabwean People's Party |
| ZIPRA | Zimbabwe People's Revolutionary Army |
| ZNA | Zimbabwe National Army |
| ZNLWVA | Zimbabwe National Liberation War Veterans Association |
| ZPF | Zimbabwe People First |
| ZRP | Zimbabwe Republic Police |
| ZUD | Zimbabwe Union for Democrats |

| | |
|------|-------------------------|
| ZUM | Zimbabwe Unity Movement |
| ZW\$ | Zimbabwean Dollar |

Chapter 1: Introduction

1.1 Background and rationale

Political Risk Analysis (PRA) gained recognition and relevance as a multi-disciplinary concept during the 1970s. This was triggered by the aftermath of the oil crisis of 1973¹ which showed the significance of including political factors in risk assessments (Chermak, 1992: 164; Brink, 2004: 5). There was an increase in political risk consulting firms and political risk insurance coverage for governments and investors that sought to invest in foreign host-countries after the oil crisis and the Iranian Revolution (Simon, 1982: 66), which signalled the importance of PRA.

PRA traditionally served to warn foreign investors about places that were potentially risky to invest in (Kobrin, 1979: 71; Simon, 1982: 66; Sethi & Luther, 1986: 60; De la Torre & Neckar, 1988). If foreign investors ventured into these destinations, PRA would inform them of the possible mitigation strategies they could use. In the 1980s, there was a dominant perception termed the ‘event school of thought’ (Jarvis & Griffiths, 2007: 14). The event school of thought did not forecast the potential political risk in specific states; rather, it provided insight into events that could be used to pre-empt political instability or events that derailed modernisation (Jarvis & Griffiths, 2007: 14). Ten factors were listed as signals of possible increase in political risk. The ten political risk events were: sudden expropriation, creeping expropriation, adverse tax changes, civil disorder, war, production restrictions, repatriation limitations, domestic price controls, devaluation risk and export restrictions (Bunn & Mustafaoglu, 1978: 1558–1559). These political events were suggested to be derived from modernising fragile states and developing states, unlike developed states (Bunn & Mustafaoglu, 1978; Jarvis & Griffiths, 2007: 14). Developed democratic countries were therefore perceived to present lower political risks, while developing non-democratic countries were perceived to accrue higher political risks to foreign investors.

PRA has also traditionally adopted the norms and values of democracy and has thus been conducted based on the hypothesis that democratic, liberal and capitalist states present low political risks to investors, while states that have low democratic levels, non-capitalist and illiberal systems present

¹In 1973, members of the Organisation of Arab Petroleum Exporting Countries (OPEC) proclaimed an oil embargo which limited the number of oil barrels they would supply. The embargo led to an increase in oil prices. OPEC used the embargo, which was an economic factor, as political leverage.

high political risks to investors. This claim was first hypothesised by Green (1974: 35). Simon (1984:127), Jensen (2008:1050), Sottiolotta (2016:74) and authors that subscribed to the event school of thought (Jarvis & Griffiths, 2007: 15) validated the guiding hypothesis.

Diamond (2015: 144) claims that the world has been in a mild but protracted democratic recession since 2006. Plattner (2015:4) suggests that the minimal gains of countries adopting democracy as a political system in the 21st century could be because there were many countries which had transitioned to democracy in previous times. However, Plattner (2015: 4) acknowledges that there was a growing perception of the decline of democracy in the world. The Economist Intelligence Unit (2019: 7), which compiles the Democracy Index, noted that after a protracted stagnation, from 2015 to 2017, there was a gradual decline in the number of democratic countries. However, in 2018 it observed that there were no regressions for democracy. In preparation to submit this thesis², the researcher did a Google Scholar search of the following terms: the decline of democracy, democracy in recession and the demise of democracy. *Some of the titles that appeared and were highly cited were: The aborted revolution: The demise of Bahrain's democracy movement (Mitchell, 2012); Democracy in decline: How Washington can reverse the tide (Diamond, 2017); Liberalism in threat: The demise of a dream (Niblett, 2017); The decline of liberalism as an ideology (Hallowell, 2013); The demons of the liberal democracy (Pabst, 2019); Facing up to the democratic recession (Diamond, 2015) and Is democracy in decline? (Plattner, 2015).* Some of these titles are daunting, for example, 'The demons of the liberal democracy' which suggests the end of democracy.

The pre-eminence of democracy as the leading political system that aids development is being criticised for several reasons. First, there is a high perception that advanced democracies are not competently performing, both economically and politically, as they should (Plattner, 2015: 8). Scholars have raised concern that democracy in the United States of America (USA) has not been functioning effectively enough to address the major challenges of governance (Diamond, 2015: 153). Secondly, there are authoritarian states that are performing better economically. China, for example, has made huge economic strides without implementing democratic reforms and has presented a seemingly lucrative model for other states to follow (Plattner, 2015: 8). China was the world's second-largest Foreign Direct Investment (FDI) earner in 2018, receiving United States Dollars (USD) 139 billion (UNCTD, 2019: 4). China has grown to a level comparable to the USA in trade and artificial intelligence, however, the USA exceeds China in its investment in security (Bremmer & Kupchan,

²The Google Scholar search was undertaken on the 16th of September 2019. The time specified was between 2010-2019.

2018: 4–5). Singapore was rated the fifth-largest FDI recipient, while Russia was rated number 14 (UNCTD, 2019: 4). Singapore and Russia have been classified to follow a hybrid political regime (Morlino, 2009: 284; Gilbert & Mohseni, 2011: 294). Hence, democracy is perceived as being in decline because some non-democracies are performing better economically.

This study does not aim to research on how democracy is in recession or stagnation. Rather, the study notes that there has been a growing conversation about the stagnation and decline of democracy that is being debated in the literature. This study does not envision that democracy will cease to be the ideal developmental model soon; if it happens, it will likely occur over a protracted number of years. The potential recession of democracy is important to political risk because PRA has been undertaken using democratic norms and values. This study implores political scientists to start thinking of how PRA will be conducted if, suppose, there is a change or a decline in the dominant system of governance.

This study takes the proactive position to undertake research to potentially answer how PRA may be conducted in a political system and development model that is dissimilar to democracy. The researcher cannot predict which system of governance may potentially be the most dominant. Possibly, there will be the evolution of a new system or the advancement of a current political regime that becomes more dominant. This study prefers to select a currently known political system to research if PRA can be adaptable to be measured using principles of a political system different from democracy. The three broad political regimes³ identified by this study were democracy, authoritarian regime and hybrid regime (Diamond, 2002: 23; Bogaards, 2009: 415; Morlino, 2009: 282; Vukovic, 2011: 13; Cassani, 2012: 4; Akkoyunlu, 2014: 34).

The study does not perceive the world as increasingly becoming more autocratic in the near future, hence the reason for not selecting it. However, some research has been undertaken on political risk in an authoritarian regime. Research output on how an authoritarian regime influences political risk indicates contradictory findings. It is traditionally argued that authoritarian rule is politically unstable (Robock, 1971: 16; Green, 1974: 35), as there may be high levels of public discontent (Venter, 1999: 78), and that the regime cannot commit to securing property rights (Jensen, 2003: 592). Therefore, authoritarian regimes ascribe higher levels of political risk. On the contrary, Howell & Chaddick

³A political regime is a set of procedures and guidelines that identifies who has access to power; who can select the government, given specific conditions by which authority is exercised within a specific state (Kailitz, 2013:39).

(1994: 76) argue that the authoritarian regime contributes to the stability needed by foreign investors as there is minimum turnover of elected officials. The stability and predictability given in an authoritarian regime should be considered as short-term and not precedence for long-term stability (Brewer, 1981: 8).

To critically assess how PRA can be adaptable to a different world system, this study selects the hybrid regime. The hybrid regime has been selected for this study for three chief reasons. First, the hybrid regime became more prevalent after the ‘third wave of democratisation’ alluded to by Huntington (1991a). The political regime was initially viewed to be in transition rather than a permanent political regime (Huntington, 1991a: 137). A hybrid regime has both tenets of democracy and autocracy co-existing in one political regime type (Diamond, 2002: 23; Bogaards, 2009: 415; Morlino, 2009: 282; Vukovic, 2011: 13; Cassani, 2012: 4; Akkoyunlu, 2014: 34). A democracy and an authoritarian regime have different and antagonistic objectives, which makes the hybrid regime peculiar. The conceptualisation of the hybrid regime in literature has resulted in diverging views with regards to its origins, features, functioning and endurance (Cassani, 2014: 543). Hence, by selecting the hybrid regime, this study will attempt to contribute to its conceptualisation.

Secondly, the hybrid regime is argued to be the most common political regime in the developing world in contemporary times (Brownlee, 2009: 25; Vukovic, 2011: 5). There is a high likelihood that a potential foreign investor will invest in a hybrid regime among developing countries. Thirdly, regarding political regimes, research has concentrated on democracy and authoritarian. When it comes to the hybrid regime, the levels of political risk are inferred to be high from the guiding hypothesis of political risk. Extensive research that focuses on political risk in a hybrid political regime has not been undertaken.

To analyse the hybrid regime, this study will start by using the frameworks developed by Wigell (2008) and Gilbert and Mohseni (2011). The hybrid regime is characterised by relatively competitive, multiparty, regular elections with some degree of unelected tutelary bodies imposing limitations on elected officials (Levitsky & Way, 2002: 55). Furthermore, this regime has varying levels of horizontal accountability with practices of clientelism, patronage and nepotism existing (O’Donell, 1994: 61; Merkel, 2004: 49). The hybrid regime sets limitations on freedom of expression and access to alternative sources of information. There are low levels of citizen participation in the political process outside elections, and various other coercive factors that tilt the playing field in favour of the incumbent political party (Karl, 1995; Menocal *et al.*, 2008). A detailed conceptualisation of the

hybrid regime will be discussed in Chapter Three Contemporary examples of hybrid regime states include Russia, Turkey, Guatemala, Venezuela, Malawi and Zimbabwe (Morlino, 2009: 284; Gilbert & Mohseni, 2011: 294). This study selects Zimbabwe as the hybrid regime case study.

Zimbabwe exhibited a hybrid political regime between 1990 and 2018. The period between 1980, when Zimbabwe attained independence, and 1990 will be excluded because Zimbabwe had one dominant party from 1985 and, between 1985 and 1990, the incumbent political party, the Zimbabwe African National Union-Patriotic Front (ZANU-PF), aggressively pursued the formation of a one-party state (Sithole & Makumbe, 1997). In September 1990, Zimbabwe abandoned the one-party state rhetoric and started to open democratic space for other political players. Over the 28 years that followed, the levels of competition for political office varied, with some periods showing more competition than others. The political system shows a constant negotiation between democratic and autocratic tendencies, which is indicative of a hybrid regime. The facet that is most dominant between democracy and autocracy largely depends on the incentives and deterrents that political elites sought to achieve in differing periods. A thorough contextualisation of Zimbabwe as a hybrid regime will be given in Chapter Four.

This study has been stirred by the perception in the academic literature that democracy could be in recession. How will PRA be conceptualized and conducted if the noticeable decline in democracy continues? The rationale for undertaking this study is to critically assess if PRA can be adaptable to a different world system from democracy. The hybrid regime was the selected world system and Zimbabwe, from 1990 to 2018, was chosen as the preferred case study.

1.2 Problem statement and research questions

The central guiding hypothesis for political risk and political regimes has been traditionally stated as: democratic, liberal and capitalist countries present lower risks to foreign investors than any other political regime type (Green, 1974: 35; Simon, 1984: 128; Jarvis & Griffiths, 2007: 15). By deduction, this means that anything dissimilar to the liberal democratic regime is perceived to present higher political risks to foreign investors. This is the traditional way of thinking between world systems and political risk. The framework in which PRA is undertaken is influenced by democratic norms and values. However, democracy could be facing stagnation (Diamond, 2015: 144) and if it continues, political scientists are compelled to think of PRA conceptualisation in the absence of democracy. This

research is concerned about PRA conceptualisation and how it will be conducted if, one day, what the world knows as democracy today is no longer available. If democracy declines or changes, the framework for conducting PRA will have to change. The research does not suggest that democracy will decline rapidly; if it happens, it will be over a protracted period. The research takes a proactive approach in researching if PRA could be adaptable in a different world system.

The hybrid regime is selected as the alternative world system because it is argued to be the most common political regime in the developing world (Brownlee, 2009: 25; Vukovic, 2011: 5). In addition, the hybrid regime exhibits features of both autocracy and democracy (Diamond, 2002: 23; Bogaards, 2009: 415; Morlino, 2009: 282; Vukovic, 2011: 13; Cassani, 2012: 4; Akkoyunlu, 2014: 34). This study, therefore, makes a critical assessment of whether PRA could be adaptable in a hybrid regime.

Thus, the main research question that will guide this study is: *To what extent are the traditional conceptual perceptions of political risk in hybrid regimes still applicable, with specific reference to Zimbabwe from 1990 to 2018?*

Given the above research question, political risk is the dependent variable (what is being explained) and the hybrid regime is the independent variable (the variable that is causing a change in the dependent variable).

1.3 Significance of this study

This research potentially makes two contributions to literature. First, the output of this study contributes to the conceptualisation of the hybrid regime. As noted earlier, the conceptualisation of the hybrid regime in literature has resulted in diverging views with regards to its origins, features, functioning and endurance (Cassani, 2014: 543). To contribute to the hybrid regime conceptualisation, as a starting point, this study adopts the hybrid regime frameworks developed by Wigell (2008) and Gilbert and Mohseni (2011). One hybrid indicator, political elite cohesion, is added to these hybrid regime frameworks. This hybrid regime model will be applied in the case of Zimbabwe, the results of which contribute to the conceptualisation of the hybrid regime.

Secondly, this study will potentially contribute to the literature on the interaction between political risk and political regimes. Democracy has been the ideal foundation upon which PRA has been conducted (Green, 1974: 35; Simon, 1984: 128; Jarvis & Griffiths, 2007: 15). This research takes a critical view of investigating whether political risk could be adaptable to the hybrid regime, which is a political system that has different norms and values from democracy. Hence, by analysing political risk in a hybrid regime this study could reveal if PRA is adaptable to be measured using to another world system. A PRA and hybrid regime framework will be developed that will be applied to the case of Zimbabwe from 1990 to 2018. The results of applying this framework will show whether PRA could potentially be applied in an alternative world system that is not democracy.

1.4 Research design and methodology

1.4.1 Research design

A research design is an overall strategy that the researcher implements to answer the set research questions (Mouton, 1996: 175). Its objective is to provide a plan or blueprint to answer the research questions in a manner that ensures the validity and reliability of the findings. A single case study research design has been selected for this study. This allows the researcher to focus on a specific case, thereby deriving detailed and extensive information about it while retaining a holistic and real-world perspective (Yin, 2014: 16). The ability to obtain rich and detailed information is one of the reasons for selecting the case study. This study seeks a comprehensive understanding of the political risk in a hybrid regime.

When considering a case study research design, there are five components to consider, according to Yin (2014: 28–44). These are: defining the research questions, theoretical propositions, the unit of analysis, logically linking of the data to the propositions and having a criterion to interpret the findings. This study will conform to these components of a case study research design. This chapter discussed the research questions based on the theoretical propositions of political risk and hybrid regimes. The subsequent chapters will show the link between political risk and hybrid regimes and interpret the results.

The findings from case studies are analytically generalisable (Yin, 2014: 14). This means that the findings contribute at a theoretical level by confirming, modifying, rejecting or advancing theoretical propositions. The findings from this study will be used to either confirm, expand or contradict the theoretical propositions of political risk in the hybrid regime. Zimbabwe is selected as the hybrid

regime state. The perceptions of political risk for foreigners operating in Zimbabwe will be sought. Thus, this study's case is defined as political risk for Multi-National Corporations⁴ (MNC) and foreign investors in Zimbabwe, a hybrid political system, from 1990 to 2018.

1.4.2 Research methodology

A research methodology is a systematic way of solving a research problem in a valid and reliable manner. The different types of research methodologies available for this study to employ were quantitative, qualitative and participatory (Mouton, 1996: 37). From these options, the qualitative research methodology will be employed because it is mostly associated with the case study research design (Yin, 2014: 19). Moreover, the qualitative research methodology presents a rich and detailed account of the social phenomenon (Yin 2014:19, Parson 2011:407). Using the qualitative research methodology, the study seeks to examine the perceptions, attitudes and experiences of political risk for foreign investors operating in Zimbabwe. A qualitative approach is expected to generate a comprehensive description of the social phenomenon of political risk in Zimbabwe.

Two data collection methods will be employed in this study. First, secondary data analysis will aid the surveying of existing literature on PRA and hybrid regimes. Relevant existing literature will be sourced from books, journal articles, newspapers and publications from government and international organisations. Secondary data analysis will aid the writing of Chapter Two, which deliberates on the theoretical framework and literature review of this study. It will also be utilised in Chapter Four which contextualises Zimbabwe as a hybrid regime and in informing the study on the appropriate research design and research methodology to use.

Primary data will be collected from key informants; this is the second data collection method. Interviews with key informants will be conducted using a semi-structured, in-depth interview guide. An interview guide is flexible, can be organised around topics, and an interviewer has room to probe and get more information or verify answers (Babbie, 2010: 318). Tremblay (1957: 688) suggests that when interviewing key informants, many sectors must be interviewed to capture the varying perspectives of an issue. Following this suggestion, this study selects six categories of respondents to capture the multidimensions of political risk for foreign investors in Zimbabwe. These actors create,

⁴MNC can also be referred to as Multi-National Enterprise, Trans-National Enterprise or Trans-National Corporation. This study will use the term MNC.

measure, review, assess, study or adapt to the changes in political risk. The categories of respondents are the government, the private sector, academia, embassies, civil society and political risk companies. A minimum of 25 key informants will be targeted by using purposive non-probability sampling. This number may grow through the process of snowball sampling. Purposive sampling involves a deliberate selection of respondents based on their expertise in the subject matter under review, while snowballing is when interviewed participants are asked to refer additional people that the researcher can interview (Babbie, 2010: 193). The study makes use of Computer-Aided Qualitative Data Analysis Software (CAQDAS), specifically ATLAS.ti in managing the fieldwork data. CAQDAS enables better management of the data; the analysis and interpretation of the data remain the role of the researcher (Rambaree, 2007: 3). Thematic analysis will be utilised as the data analysis method for this study.

1.4.3 Unit of analysis and level of analysis

The unit of analysis is defined as the who and what the study intends to analyse (Long, 2011: 2). This study has one unit of analysis, which is the level of political risk. Zimbabwe, as a hybrid regime, will be the state from which perceptions of political risk for foreign investors will be elicited and analysed. These perceptions of political risk for foreign investors will be elicited focusing on macro-level analysis and not micro-level analysis.

1.5 Delimitations and limitations

To delimit the study, Zimbabwe, between 1990 and 2018, is the only state selected as a hybrid regime. Therefore, any events that have the potential to influence this study after 2018 are beyond the scope of this study. The data collection for this study was conducted from June to October 2018, while the write up was undertaken from February 2017 to October 2019. Secondly, the perceptions of political risk for foreign investors and MNCs conducting operations in Zimbabwe are central to this study. This study excludes political risk for domestic enterprises. Although the study takes a multi-dimensional approach in interviewing six categories of respondents, the researcher will elicit views of political risk for foreigners operating in Zimbabwe and not how political risk affects the respondents' categories. For example, Non-Governmental Organisations (NGO) will give views of political risk for foreign businesses operating in Zimbabwe and not how political risk corresponds to NGOs. Thirdly, political risk is explored at the macro-level; this study is not conducting a micro-risk study.

The study is limited by two factors. First, the single case study has the weakness that the findings are analytically generalisable and not statistically generalisable (Yin, 2014: 14). This means that the findings of this study cannot be generalisable to populations or the universe, but the findings are generalisable to theoretical propositions. This study challenges a theoretical proposition; hence this limitation does not hinder the purpose of the study. Secondly, the perception of political risk for foreign investors operating in Zimbabwe is sought from different actors. The researcher cannot guarantee the accuracy of the information given by respondents; the information given will be regarded by the researcher as truthful and honest.

1.6 Outline of the study

The rest of the study is organised as follows:

Chapter Two articulates the research design, research methodology and data collection methods that will be employed by this study. The chapter discusses the ethical considerations that govern the study. The chapter also gives the reflections of the researcher during fieldwork and the research process.

Chapter Three critically discusses the theory of PRA and hybrid regimes. The traditional conceptualisation of the hybrid regime will be critically discussed to develop a hybrid regime framework. A discussion on the relationship between PRA and political regimes will be undertaken. This chapter develops a conceptual framework that this study will use to critically assess the conceptual perceptions of PRA in a hybrid regime. Decision-making theory is discussed as the theory for PRA. Factors that have influenced the traditional conceptualisations of PRA and factors that are contributing to the shift in PRA conceptualisation will be discussed.

Chapter Four applies the hybrid regime framework developed in Chapter Three to the case of Zimbabwe. The chapter will give a historical contextualisation of Zimbabwe as a hybrid regime. It discusses the different forms of hybridity that Zimbabwe exhibited from 1990 to 2018. This chapter answers why Zimbabwe's hybrid regime has been durable for 28 years without disintegrating into an outright authoritarian or maturing into a consolidated democracy.

In Chapter Five, the study applies the political risk framework that was developed in Chapter Three to the case study of Zimbabwe. The findings from the case are discussed and the chapter concludes by answering the main research question.

Chapter Six is the concluding chapter which gives an overview of the study. It summarises the main findings and discusses how the findings answer the research question. Lastly, the chapter discusses the main contribution of this study and recommends areas for further study.

1.7 Conclusion

The purpose of this chapter was to introduce the reader to the study. The underlying motivation for conducting this study was discussed. The key concepts of this study, which are PRA and the hybrid regime, were discussed briefly and the potential contribution of this study was explained. The chapter provided insights into how the research process will be undertaken. It gave the reader a forecast of what to expect in each chapter so that the reader is fully aware of how each chapter fits into the research process.

Chapter 2: Research Design, Methodology and Reflections

2.1 Introduction

This chapter aims to confirm the validity and reliability of the study's research design and methodology. It also gives the researcher's reflections on selecting the appropriate research design, the data collection methods and the experiences of the researcher during the data collection process. The chapter is organised as follows: it initially discusses the case study research design, the unit of analysis and the purpose of the study. The chapter then discusses the qualitative research methodology. Secondary data analysis and key informant interviews are discussed as the study's two data collection methods, as well as the ethical considerations of the study. In conclusion, the chapter reflects on the data collection process in a manner to advise future researchers who want to conduct research of political risk analysis in hybrid regimes.

2.2 Research Design

2.2.1 Research design: Single Case Study

A research design is viewed as the blueprint of any given research because it minimises the possibility of the findings not addressing the set research question (Yin, 2014: 29). A case study is undertaken to understand a social phenomenon. The case can focus on a single point in time or a prolonged duration. This study selected a single case study as the most appropriate research design to answer the research questions. This study sought to comprehensively understand PRA in a hybrid regime. As such, the single case study research design enabled the researcher to focus on political risk in the real-life context of Zimbabwe, a hybrid regime. By focusing on a single case, the study could explore the perceptions, experiences and attitudes of political risk for foreign investors in Zimbabwe while retaining the holistic and real-world perspective.

Case studies enable researchers to link micro-level analysis to macro-level analysis (Neuman, 2011). Moreover, the findings generated from case studies are analytically generalisable at the theoretical level (Yin, 2014: 14). This means that the findings contribute to theoretical propositions by collaborating, modifying, rejecting or advancing theoretical concepts. Retrospectively, this characteristic of the case study design being analytically generalisable validated the selection of this

research design because the results of this study, at the level of theory, can be used to either confirm, expand or contradict the existing theoretical propositions of political risk in a hybrid regime.

The case study research design is criticised for having a few weaknesses. It is vulnerable to researcher bias and the findings are not statistically generalisable to populations and the universe, which are the two main weaknesses (Yin 2014: 44). Researcher bias is when the researcher can potentially influence the results of the study to have the desired outcome. The study combined data collected from primary sources and secondary sources to mitigate and reduce the possibility of researcher bias. Primary data, collected through elite key informant interviews, was pivotal in confirming or contradicting data that was collected through secondary sources. In addition, the primary data collected had six categories of respondents to capture the multi-dimensions of political risk. Having many categories of respondents had the impact of reducing any biases from the researcher. The second weakness of the case study, that the findings are not statistically generalisable to populations and the universe, is of minimum concern to this study. Findings from a case study are analytically generalisable at the level of theory; therefore, the case study was selected because the research question addresses theoretical propositions of political risk in a hybrid regime. The findings of the study will confirm, reject or expand on theoretical propositions, making it analytically generalisable. As such, the findings from this study do not need to be statistically generalisable.

Zimbabwe was selected as the hybrid regime for this study. Choosing Zimbabwe was motivated by the hybrid regime indicator of political elite cohesion of the dominant party. The researcher was interested in analysing if political elite cohesion had any impact on political risk. Thus, when selecting a hybrid regime, the research sought one with a dominant party which had been in power for a long time. In Zimbabwe, ZANU-PF had been the dominant political party for 38 years, which made Zimbabwe interesting to analyse. In addition, the military assisted change in government of November 2017 made Zimbabwe a more appropriate case to analyse in relation to political risk. This is because the military intervention was mainly stimulated by the factional differences within ZANU-PF, which pointed to fragmenting political elite cohesion. Being a native of Zimbabwe, the researcher's nationality enabled her to easily gain access to some respondents. In the few cases where respondents spoke their mother tongue, Shona, the researcher could understand what the respondents were saying without need of a translator.

The perceptions of political risk, specifically for MNCs and foreign investors in Zimbabwe, were sought. The object of analysis is the political risk for MNCs and foreign investors operating in the context of Zimbabwe, a hybrid political system. Therefore, the case is defined as the political risk for

foreign investors and MNCs in Zimbabwe between 1990 and 2018. The case study employed a qualitative research methodology which will be explained in Section 2.3.

2.2.2 Unit of analysis

The purpose of the unit of analysis is to help the researcher to focus and delimit what is of greatest concern for the study to analyse, as well as the underlying assumptions and concepts to be used. The unit of analysis is the level of political risk in Zimbabwe. The unit of analysis is different from the unit of observation. A unit of observation is the level at which data is collected (Long 2011: 2). Data is collected at the macro-level, making the unit of observation the state level.

2.2.3 Purpose of this study

Research is conducted to explore a new topic, to describe a social phenomenon and to explain why it occurs (Neuman, 2011: 38). This research satisfies these three reasons. The primary reason for conducting exploratory research is to examine a phenomenon that is little understood and to move towards more specific questions about the concept. It seeks to address questions of “what is” (Neuman, 2011). This study explores if PRA can be adaptable to be measured using the hybrid regime principles.

The purpose of describing is to give a detailed representation of the social phenomenon. The goal is to clarify and provide an in-depth understanding of the social setting. Descriptive research asks questions of ‘how’ and ‘who’ in relation to the social phenomenon (Neuman, 2011: 39-40). This study will comprehensively describe Zimbabwe’s hybrid development between 1990 and 2018 in the contextualisation that will be given in Chapter Four. It will describe how the country transformed from one type of hybrid regime to another and the associated features of each hybrid regime.

Explanatory research builds up descriptive and exploratory research. The purpose of explanatory research is to provide answers to questions and to build, test or extend theory. The aim is to answer why things are the way they are (Neuman, 2011). The study will explain PRA in the hybrid regime and make some theoretical linkages of the relationship in Chapters Five and Six. In addition, this study proffers reasons why the hybrid regime in Zimbabwe has been durable over a 28-year period in Chapter Four. The next section discusses the qualitative research methodology and the data collection methods used in the study.

2.3 Research Methodology and Data collection methods

A research methodology is a systematic way of answering the research questions in a manner that is most unbiased (Kothari, 2004: 7). This study employed a qualitative research methodology approach. The quantitative and participatory research methodologies were among the pool of approaches that the study could have taken (Mouton, 1996: 37). The qualitative research methodology was chosen because it was expected to reveal a rich and detailed account of the social phenomenon (Parsons, 2011: 407; Yin, 2014: 19). In this study, the social phenomenon was understanding, in depth, PRA in a hybrid regime using the case of Zimbabwe. The quantitative research methodology could have answered the research question, but it would not have revealed the in-depth experiences and attitudes of the perception of political risk for foreign investors in Zimbabwe.

Retrospectively, employing the qualitative research methodology was the most ideal manner of answering the research question. The hypothesis for this study was continuously reworked during the research process, which is one advantage of using the qualitative approach. The researcher, during the data collection period, was able to elicit the attitudes, perceptions and experiences of the respondents of political risk in Zimbabwe. The accounts given were rich, varied and nuanced. The researcher was able to draw out new ways of analysing the PRA in a hybrid regime. Furthermore, if the study had taken a quantitative approach in Zimbabwe, it would have been difficult to get published documents from the period 1990 to 2018 from the MNCs or from their websites. This study employed two data collection methods, that is, secondary data analysis and key informant interviews. These two techniques are discussed in the subsequent sections.

2.3.1 Secondary data analysis

Secondary data analysis was the first data collection method employed by this study. The survey of existing literature led to identifying the gap in literature and the drafting of the research questions. The relevant literature was collected from books, journal articles, newspapers, government departments, international organisations, and published dissertations. Secondary data analysis was used to do the critical assessment of political risk and hybrid regimes literature in Chapter Three. The construction of the two frameworks used by this study are informed by secondary data analysis. Chapter Four contextualises Zimbabwe as a hybrid regime and discussed the country's hybrid regime progression which was inferred from existing literature. Furthermore, secondary data analysis informed the researcher of the most appropriate research design, methodology and data collection methods to use for this study.

It was not difficult to access books and journal articles that the Stellenbosch University library hosted, either physically or electronically. Some journal articles, especially recent publications, required payment for the researcher to access them. The researcher was able to access some journal articles that had required payment in 2017 were for free in 2019. Key texts for the study that were not located in the Stellenbosch University Library were accessed through the interlibrary loan facility. Brink (2004), *Measuring political risk: Risks to foreign investment*, was only available in the library on short loans of up to three hours, however, through the interlibrary loan facility, the researcher was able to have this text for six weeks. The researcher recommends future researchers studying at universities to make use of the interlibrary loan facilities at their universities. Researchers who are not situated at a university could lobby their institutions to buy the key texts and journal articles that they need for their research. Much of the existing literature is written in English which advantageous for the researcher to easily understand and critically engage with the texts.

2.3.2 Primary data collection: Key Informant Interviews

Primary data was collected in Zimbabwe using key informant interviews. Key informants have specialised knowledge about a concept or a community (Tremblay, 1957: 689). This data collection method was chosen because it would give an in-depth description of the data (Parsons, 2011: 407). Using key informants was the only primary data collection method employed by this study to elicit the views of political risk in Zimbabwe. The study could not employ other qualitative data collection methods, for example, focus group discussions or direct observations, mainly because the nature of the topic was not ideal for focus group discussion. Politically motivated topics are regarded with much suspicion in Zimbabwe, hence meeting with respondents individually was deemed less intimidating. Meeting one individual at a time allowed the respondents to be open about how political decisions in Zimbabwe had an impact on MNC activities without fear of being victimised or potentially labelled in a group. In addition, it would have been difficult to synchronise the diaries of the potential target respondents to conduct a focus group discussion on political risk in Zimbabwe. If the study focused on a specific organisation, direct observation could have been applicable, but the study focused on the macro-level perspectives of PRA in Zimbabwe. Therefore, this study recommends future researchers seeking to elicit perceptions of political risk, especially in a hybrid political regime to conduct interviews with key informants as the data collection method.

This study conducted face to face interviews, which has been recommended as an effective way to elicit information from respondents (Parsons 2011: 407). An advantage of face-to-face interviews is

that mutual trust is developed between the researcher and the respondents. Furthermore, there is room for the researcher to probe and seek clarity on specific issues if necessary. A total of 28 key informant interviews were conducted between June and October 2018. Of the key informant interviews, 25 were conducted face to face, two were administered over the telephone⁵ and one respondent emailed their responses to the researcher. The telephone interviews were necessary because the key informants were located in a different and far city from Harare where the researcher was based. Creswell (1998: 124) asserts that a telephone interview is ideal if the researcher does not have direct access to the respondent. If future researchers cannot directly access their respondents, they could adopt the telephone interview strategy; it enables the researcher to probe to elicit information.

The interviews were conducted at the respondents' workplaces and only one was conducted at the respondent's residence. The interviews took between 35 and 50 minutes, while one stretched for over two hours because the interview was conducted at the respondent's home where they were more relaxed and not busy. Interviews were conducted using a semi-structured in-depth interview guide⁶. The interview guide aided the researcher to have an entry point into the conversations. Once the interviews started, the issues discussed on political risk in Zimbabwe guided the flow of the conversation. The researcher had room to probe on matters that needed further explanation. The interview guide was necessary because at the end of each interview, the researcher referred to the guide to ensure that all relevant issues had been discussed. The researcher recommends future researchers conducting in-depth key informant interviews to have a loosely structured guide; it reminds the researcher of the key matters to include in the discussion and ensures that all relevant issues are adequately discussed. When the same themes kept recurring, the researcher deemed that saturation had been reached.

The study was motivated by the suggestion of Tremblay (1957: 688) that a wide range of sectors must be interviewed to capture the varying perspectives and underlying issues or problems. Six categories of respondents were selected to capture the multidimensions of PRA in Zimbabwe. The categories selected participated by creating, measuring, reviewing, assessing, studying or adapting to the changes in political risk. The selected categories of respondents were the government, the private sector, academia, embassies, civil society and political risk companies. The government was viewed as the main creator of political risk through its actions and decisions. It is not the only actor as non-

⁵A total of 29 interviews were conducted, but one was withdrawn as the participant requested to pull out of the study.

⁶The interview guide is attached as Appendix B.

state actors such as individuals and groups could also contribute to creating political risk for MNC, however, in this study the government is recognised as the main creator of political risk. Two government ministries provided one director and four senior government officers knowledgeable on political risk to be interviewed.

MNCs operating in Zimbabwe were the target for the private sector. MNCs were selected over local enterprises because these directly represent the views of foreign investors operating in Zimbabwe. This category measures, reviews and adapts to the impact of political risk levels in Zimbabwe. The study focused on political risk perceptions of MNCs operating in a hybrid regime, hence it was pivotal to include this group. Local privately-owned companies, although affected by political risk were not included in this study. In some MNCs, there was no risk department, hence the alternative was to interview finance or human resources personnel. A total of five respondents were interviewed. Academia was included because this category studies the concepts of political risk and hybrid regimes. Six academics drawn from three state universities were interviewed; these comprised one dean of a faculty, two professors and three senior lecturers.

Embassies advise potential MNCs and individual investors from their home countries on investment opportunities that arise in Zimbabwe. Therefore, their perceptions of political risk in Zimbabwe were essential for this study. Five political officers from five different embassies were interviewed. NGOs were included because they are neutral in the debate of political risk, unlike MNCs and the government. NGOs provide an observer's perspective because they are not directly impacted by the political risk of MNCs operating in Zimbabwe. NGO's views were sought in order to have a diverse view of political risk in Zimbabwe. Three executive directors and three senior programme officers were interviewed. The last category is political risk companies. There were no political risk companies operating in Zimbabwe; the study sought interviews from companies based in South Africa. This category is integral because it measures political risk and advises clientele on possible courses of action to take. This category's understanding of political risk in Zimbabwe was perceived to enrich this study. An officer who worked on the Southern African portfolio for one company was interviewed.

The study employed the use of gatekeepers. Creswell (1998: 60) defines a gatekeeper as an individual who can provide access to the research respondents for the researcher. There was no gatekeeper required to access academics, government and political risk companies. In retrospect, the researcher

expected the government to be inaccessible and planned to find a gatekeeper. Contrary to this expectation, the government was reasonably accessible. The researcher had to make an application in writing to the relevant government ministries. The government ministries responded after four weeks, authorising the appropriate officers to meet with the researcher. Political risk companies were willing to have discussions with the researcher, but the challenge was getting an available meeting time due to their busy schedules. Academics understood the value of research, as such, no respondent declined to be interviewed. It was next to impossible to speak to anyone from the embassies, private sector and NGOs without using a gatekeeper. The challenges and lessons learnt about using a gatekeeper are articulated in Section 2.6 which discusses the reflections of the researcher.

2.4 Data analysis

The study made use of CAQDAS to assist in thematic analysis. ATLAS.ti is the specific CADQAS programme used by this study. CAQADS enables better management of the data, however, the analysis and interpretation of the data is the role of the researcher (Rambaree, 2007: 3). The research followed Braun and Clarke's (2006: 60–69) six steps to undertaking a thematic analysis. The six steps involve familiarising with the data, initial coding of the data, generating themes, reviewing and defining themes and lastly, producing a report. First, the researcher transcribed the recorded interviews into written form, which was the initial step of familiarisation with the data. Transcribing started during fieldwork and was time-consuming. The researcher advises future researchers to transcribe as they conduct fieldwork as transcribing is repetitive and time-consuming. It can take three months or more to transcribe the data set.

Secondly, each interview script was read several times with the researcher adding reactions and side notes to the initial reactions to the data. The data was then subjected to open coding. Open coding is a process of examining each line, noting reactions and, in the process, the data becomes better organised than the raw data (Boychuk Duchscher & Morgan, 2004: 608). Codes generated using open coding were grouped and regrouped continuously to fit the most appropriate major codes, which is referred to as axial coding. Axial coding has greater descriptive power as it can answer questions regarding when, where, why, who, and what (Boychuk Duchscher & Morgan, 2004: 608). Themes emerging from axial coding were grouped and, in some cases, some codes were split while others were merged. Selective coding is the process of selecting the core code that emerges from axial coding (Rambaree, 2007: 5). To illustrate axial and selective coding here is an example: the researcher had four themes which were elections-general issues, elections-violence, elections-disputed and elections-free and fair. These

preceding themes were generated from axial coding, and they describe the impact of elections on political risk. The researcher grouped these four into the selective codes of election processes.

The researcher did not have predetermined codes, instead, themes were generated from the data set. This was to avoid the researcher overlooking issues that could be evident from the data because of a predetermined coding list. To come up with codes, the researcher was guided by the political risk framework for hybrid regimes and general political risk literature. The merging and breaking up of codes required the researcher to be very familiar with the data. When the coding process started, it was slow and cumbersome; nevertheless, by continuously reworking the codes and familiarising with the dataset, the process became easier. The three stages of coding were undertaken in ATLAS.ti version 8. The final list of selective codes comprised of 13 group codes and 69 individual codes. The coding process stopped when the level of saturation in relation to the research question was reached. The last stage of the thematic analysis is to produce a concise, coherent, logical and nonrepetitive report (Braun & Clarke, 2006: 24). Chapter Five presents the findings from the primary data and interprets the results in relation to the main research question which critically assesses if the traditional perceptions of political risk are still applicable in hybrid regimes. The next section discusses the ethical considerations.

2.5 Ethical considerations

Every participant was given the Stellenbosch University Ethical Clearance reference letter reassuring them that the information was going to be used solely for academic purposes. Procedurally, the researcher emailed the ethical clearance to the participants in advance then carried a hard copy to the meeting. The ethical clearance clarified to the respondents who had authorised or cleared the researcher to conduct the research. It gave the researcher credibility for the respondents. Government, MNCs and embassies needed institutional clearances before the researcher could speak to any representatives. As a result, most of the MNC interviews were conducted towards the end of the data collection period. The purpose of the study and the respondents' right to withdraw at any time were thoroughly explained before the interviews started to ensure the respondents' voluntary participation.

Anonymity and confidentiality were explained and guaranteed to the respondents. A considerable number of respondents were keen to understand how the researcher would protect their identity. It was explained to the respondents that the study would refer to them using codes, for example, Key Informant Interview (KII) Academia, Respondent 1. In addition, it was emphasised that names and anything directly identifiable to the respondent's identity would not be referred to by this study; only

contributions on political risk for MNCs in Zimbabwe would be discussed. The resultant effect was that the participants liberally discussed their perspectives regarding political risk in Zimbabwe without fear of potentially being victimised if their contributions were directly linked to them. From the researcher's observations, respondents in academia and the NGO sector were not threatened by disclosing their personal identities.

The researcher made each respondent sign two informed consent forms. One consent form was for the researcher's records and the other was to be kept by the respondent. When anonymity and confidentiality were explained to the respondents the expectation was that the respondents would sign the informed consent forms confirming that their participation in the study was non-coerced and voluntary. This was not experienced by the researcher in all cases. In three interviews⁷ the respondents refused to sign the informed consent forms until the interviews were concluded. They wanted to give their full consent after going through the entire list of questions. Only then did these respondents agree to sign the informed consent forms. KII Academia, Respondent 5 requested that the transcription of the interview be sent to them via email, which the researcher respected and adhered to. One interviewee pulled out of the research and, as prescribed by the ethical clearance, that respondent's views were not captured in any part of this thesis. For the two respondents who conducted telephonic interviews, the informed consent forms were sent via email. They were signed and returned to the researcher via email before research was conducted. The one respondent who emailed their responses attached their informed consent.

The interviews were conducted in places that were comfortable for the respondents; 25 interviews were conducted in the respondents' offices and one was conducted at the respondent's residence. No financial compensation was offered in exchange for the respondents' contribution; this was clarified in the introductory phase. Five respondents⁸ requested that the final version of the report of this study to be emailed to them for them to learn more about PRA in hybrid regimes. The raw data was stored in the researcher's password-protected laptop with the individual files also encrypted with a password. The importance of institutional ethical clearance needs to be emphasised. The researcher advises future researchers to seek their institutional ethical clearances before commencing fieldwork. It gives the researcher credibility from the respondent's perspective. In addition, it also provides

⁷ KII Academia, Respondent 5; KII MNC, Respondent 2 and 5.

⁸ KII Academia, Respondent 2, 5; KII Embassy, Respondent 5; KII MNC, Respondent 2 and KII Political risk company, Respondent 1.

guidelines that govern how the research must be conducted. The next section will focus on the lessons learnt from the data collection phase

2.6 Reflections of the data collection process

Conducting research which elicits the political views in Zimbabwe was a difficult task. The researcher observed that the environment was generally risk-averse; many potential respondents declined because they feared being politically victimised later. Maswikwa (2015: 67) also observes that people in Zimbabwe are generally unwilling to have their political views recorded. The culture is not accommodative of research on politically related matters, which was echoed by the different respondents the researcher approached. One example of how intolerant the environment is to academic research was a response given by one potential organisation. The researcher applied for institutional permission to conduct an interview in June 2018. In August 2018, via a telephone follow-up, the organisation said that the period was not the best to conduct research, the researcher could try calling again in January 2019. The researcher's experiences prior to and during the data collection period can serve to guide future researchers who seek to undertake research on politically sensitive information in a hybrid regime. The advice is structured into two broad categories, first in terms of procedural matters and secondly, non-procedural issues with regards to how to question interviewees. This section begins with the procedural advice then moves on to the non-procedural advice.

First, when attempting to interview an MNC operating in a hybrid regime about politically motivated matters, it is imperative to seek authorisation at regional or global level and not at state level. MNCs operating in a country report to a regional or global office that has authority on procedural matters. When permission to conduct the research was sought at state level, the response was usually that the MNC was not at liberty to disclose any information, citing that it would be in breach of their information risk policy which, as a branch, they could not contravene. The researcher assumes that the regional or global office has more power to grant permission for the MNC to participate in research. Potential MNC, Respondent 1 replied to the researcher's request for permission to conduct research at their company by saying, *"Thank you for your email. After consultations, unfortunately, this is not something we are able to assist with at this time, as we are governed by global regulations with regards to the information we are able to give out ..."* This shows that the global office can better assess whether the potential research contravenes their regulations than the branch level MNC.

Another response, given by Potential MNC, Respondent 2, was, “*After careful consideration, we regret to inform you that your request has not been successful, in light of our **Information Risk Policy**. Even if you confirm that all information provided will be kept in the strictest confidence, the report contains our name and confidential company information will have been made public. We value your course requirements for the completion of your degree, but it is unfortunate that we would be found in breach of information security in our company. We wish you all the best in your endeavours...*” This respondent shows that another potential reason why the localised MNCs deny permission is that they assume that their competitors will be able to identify their responses in the report and use the information, hence they deny access to researchers. Therefore, this study encourages future researchers to seek permission at global or regional level where the information policies are crafted; they can directly assess if the potential research will lead to any disclosure of trade secrets. Most projects are for a specific time frame; hence the researcher recommends that permission be sought from the global or regional office at least four months before the actual data collection is set to commence. This is because of the bureaucratic nature of large organisations which can result in lengthy approval processes.

Secondly, the researcher cannot overemphasise the need for a gatekeeper in some sectors when conducting research on politically inclined issues in a hybrid regime. To gain access to respondents from NGOs, private sector and embassies, the researcher made use of gatekeepers. The government, academia and political risk companies were accessible without a gatekeeper. The researcher anticipated the need for gatekeepers to speak to government’s officials if their initial application was denied. Contrary to this expectation, the government was willing to speak to the researcher. Notably, the change in government in November 2017 may have influenced the government’s enthusiasm to approve the research. The researcher was given contacts of a person from the NGO sector by a colleague. Only after mention of the colleague’s name did the potential respondent agree to meet with the researcher.

The researcher applied for interviews to approximately 25 MNCs operating in Zimbabwe. From these applications, only one gave approval for the researcher to speak to a company representative. Permission to speak to the other four MNCs was only granted when the researcher used their network to find people that could assist with access to MNCs. Four different people acted as gatekeepers for four different MNCs. One person gave the researcher contact details for political officers from five embassies, three of these agreed to speak with the researcher. The respondents were confident that, because of the gatekeeper’s recommendation, the researcher was not a government of Zimbabwe spy.

The fear of the researcher being a spy was reiterated by the respondents during the interviews. Hence, the researcher recommends the use of gatekeepers to access potential respondents for politically motivated information in a hybrid regime.

Equally important to note is that having a gatekeeper is not a guarantee that the participants will agree to participate in the research. One embassy which had been referred by a gatekeeper declined to participate in the research. The following is their response to the researcher's request: "*However, because of diplomatic protocol, we are not able to grant you the interview as requested because the information would be largely commercial-in-confidence or commercially speculative (diplomatic language). So, based on that, it puts us in a very difficult position to grant you the interview....*" This response was sent via email a few weeks before the July 2018 harmonised elections. The home-host relations between this consulate and the Zimbabwean government were to some extent severed, which could have motivated the decision by the consulate to decline.

Snowballing was also utilised by the researcher to look for respondents in the NGO sector and academia. After concluding the interview with KII NGO, Respondent 1, the researcher asked them to refer potential NGO respondents and received contact details for four potential respondents. One respondent who was referred by KII NGO, Respondent 1 participated in the study and, in turn, referred one potential respondent who agreed to be interviewed. The faculty dean at one university referred a professor from another university as a potential respondent in this study. This can be a strategy that future researchers working on political issues could utilise if they are facing challenges of accessing potential respondents for their study.

The last procedural advice is regarding the most effective method of communication for future researchers conducting research on political risk in a hybrid regime. The researcher attempted to drop off hard copies of applications for interview candidates at different organisations without prior communication. In most cases, the security personnel at the entrance or gates denied the researcher access to the premises because they did not have the name of the person they sought to speak to. If the researcher successfully dropped the application at the potential organisation's reception, the follow-up on the request was, in most cases, ineffective. Applications sent to the general email address in the format "*info@xxxxx*" were hardly responded either. Thus, from the researcher's experience, the best way to gain access to potential target organisations is by first making telephone calls to the organisations. From the conversation, the researcher should establish the name and contact

details of the desired potential respondent and the name of the person to whom the official request seeking permission should be addressed. After procuring these names, the researcher can submit a hard copy, as well as an email, to the organisation. Large organisations are bureaucratic, which leads to the approval process taking much time, hence the researcher should aggressively check for feedback at least once a week, in person or via a telephone call.

The procedural challenges were also heightened by Zimbabwe conducting harmonised elections on the 30th of July 2018, which was during this research's data collection. This served as an advantage because there was general excitement about the election and the respondents were liberal in discussing information about how the election resultantly impacted on political risk in Zimbabwe. The election process also deterred some respondents from even considering participating in the study due to uncertainty about the election outcomes. The main disadvantage was that the researcher was regarded with much suspicion by some potential respondents who thought the researcher was seeking to elicit their views as a government spy and would later use the information against them. In other instances, potential respondents thought the researcher was aligned to the main-opposition party, MDC-A, because the researcher's surname was similar to some high-ranking MDC-A politicians.

To solve the challenge of being misconstrued as a spy for the government and opposition political party, the researcher emphasised the purpose of the study and provided the Ethical Clearance Reference letter from Stellenbosch University. The researcher tried to be transparent by providing their student number, student email address and their supervisor's contact details on the application letters seeking institutional clearance and on the informed consent form. The Ethical Clearance had the university's research ethics committee coordinators contact details, which was another layer of transparency. In addition, confidentiality and the anonymity of the respondents were emphasised by the researcher before the interviews commenced. Future researchers are recommended to be transparent and to share as much information as they can about where they are coming from to facilitate trust between them and potential respondents. This also eliminates any misconceptions the respondents may have about the researcher that could lead them to refuse to participate in the study.

Moving on to the non-procedural issues, first, the researcher would advise that when interviewing government officials, questions must be stated in a positive or neutral manner. This enables open and liberal discussion with the officials as they represent the views of the state. The researcher asked two

questions that KII Government, Respondent 1 perceived as negatively phrased about Zimbabwe, which were:

1. Is the legitimacy of the president important? Suppose other countries cry foul, as in times past, about the legitimacy of the Zimbabwean government, does this impact the political risk of the country?
2. How has the Indigenisation Act of 2007 influenced political risk in Zimbabwe?

The researcher learnt from the discussion that the questions were wrongly phrased despite the respondent answering the questions. The researcher then revised these questions for the next set of interviews. The question of legitimacy was rephrased in a neutral manner, removing the validation that in times past Zimbabwe had an illegitimate government. The new question was phrased as: *“Suppose other countries suspect that the election results are not reflective of the will of the people, will this significantly impact political risk?”* Before asking about the possible impact of the IEEA on political risk, the researcher would praise the government’s efforts on the black empowerment initiative. After the praise, the researcher would then ask if the programme had any impact on political risk? After these changes, the officials were not offended by the researcher’s questions. Therefore, when interviewing government officials, it is important to be neutral in order to draw the respondents to engage in the conversation. Furthermore, the researcher should attempt to see the programme, policy or activity in question from the point of view of the government to enable better engagement with the government officers participating in the interview.

Future researchers must be aware that respondents represent the company’s views, but in their individual capacity, they may or may not support the political party of the incumbent government. During the conversations, the researcher could, in some cases, distinguish which political parties the respondents individually supported. When discussing potentially political issues with respondents, future researchers must understand that the respondents have individual opinions about the issues discussed. How the researcher addresses these questions can either lead to the respondent being open and liberal or withdrawn and despondent. The researcher hence recommends that the questions and opinions of future researchers always be neutral in order to gain much information from the respondents.

The research sought to examine if the ZANU-PF factional battles had influenced political risk in Zimbabwe. As stated above, individuals reflect the opinion of their organisations, but, given their own personal affiliations, they can be directly or indirectly affected by the question. To elicit the

views of the respondent in a neutral manner, the researcher would say, “*given the factional battles as cited in the media or newspapers...*” This removed the perception that the researcher was the one who had made that conclusion. Therefore, to achieve neutrality on potentially sensitive questions, future researchers could establish a valid source for the questions they seek to ask. Establishing a source for the researcher’s claim removes any potential prejudices or biases that could be levied on the researcher by the respondent.

Lastly, the research sought the perceptions of how the military assisted change in government of November 2017 had influenced political risk in Zimbabwe. The researcher noted that this military intervention had liberated people to openly talk about politics in Zimbabwe. One respondent when discussing Mugabe laughed and said, “*...we can talk about these issues now that Mugabe is dethroned...*” The researcher, to maintain neutrality, referred to it as a military assisted change in government. Respondents from embassies, academia and NGOs openly referred to it as a coup. The private sector, perhaps for fear of being misquoted, used the same term as the researcher, “military assisted change in government”. Therefore, the researcher reiterates the recommendation for future researchers to always maintain neutrality when asking questions.

2.7 Conclusion

This chapter deliberated on the research design and methodology that was employed by this study. The data collection and data analysis processes were clearly elaborated. This was undertaken so that the reader may understand the research methods employed and how the researcher derived the findings of this study which are deliberated in the next chapter. Thus, this chapter served to confirm the validity and reliability of the research design and methodology.

Chapter 3: Critical Assessment of PRA and Hybrid Regimes theory

3.1 Introduction

This chapter intends to provide a critical discussion of the hybrid regime and PRA literature. In addition, the chapter aims to develop a political risk conceptual framework for analysing hybrid regimes that will be applied to the case study to critically assess the conceptual perceptions of PRA in a hybrid regime in Chapter Five. The chapter is divided into four distinct sections.

The first section focuses on hybrid regime conceptualisation. It begins by giving a historical overview of how the debate on this new peculiar regime became prevalent after the ‘third wave of democratisation’ which was alluded to by Huntington (1991a). This is followed by an analysis of the ‘new regime’ as a diminished type of democracy after 1990 and as a diminished type of authoritarian regime after 2000. Thereafter, a critique of the diminished regime hypothesis is discussed. Next, the study critically discusses the conceptualisation of the hybrid regime. A hybrid regime framework is developed by this study, adapted from the traditional frameworks of Wigell (2008), and Gilbert and Mohseni (2011). Lastly, this section discusses the durability of the hybrid regime. This section is essential as it enables better understanding of the hybrid regime. Also, the indicators of the hybrid regime framework developed will be used as inputs in the construction of the political risk framework.

The second section discusses the relationship between the hybrid regime and PRA. This section reviews the existing literature on the relationship between the hybrid regime and PRA. The third section focuses on discussing PRA. It begins by discussing problem-solving and decision-making theories as the traditional theoretical foundation of PRA from the point of view of foreign investors and MNCs. Thereafter, factors that have influenced PRA traditional conceptualisation and factors that are potentially impacting PRA conceptualisation in the contemporary environment are discussed. In conclusion, the conceptualisations of political risk, PRA and some political risk factors are given. The political risk factors discussed will be used as inputs in developing the political risk framework for analysing hybrid regimes for this study. This section unpacks PRA and shows the progression of its conceptualisation over time.

The last section develops the political risk framework for analysing hybrid regimes. Indicators for the framework will be drawn from the political risk indicators typical exhibited in hybrid regimes as

suggested from the research output by Green (1974), Jensen (2003, 2008) Berlin, Berlin and Vrooman (2004) and Jarvis & Griffiths (2007). In addition, factors of the hybrid regime framework developed in Section 3.4 will be used as inputs in the Political risk framework for analysing the hybrid regime. The Political risk framework will be applied in Chapter Five to critically assess whether the traditional conceptual perceptions of political risk are still applicable, with the aim of researching if PRA could be adaptable to the hybrid regime.

3.2 Hybrid Regimes

Kailitz (2013: 39) defines a political regime as a set of procedures and guidelines that identify who has access to power, who can select the government, given specific conditions by which authority is exercised within a specific state. This study chooses to start the analysis of the hybrid regime after the third wave of democratisation. However, the concept of the hybrid regime did not originate then. O'Donnell and Schmitter (1986) had earlier alluded to the hybrid regime as a political regime that exhibits features of both democracy and autocracy. Diamond (2002: 23) cites examples of hybrid regimes in the 1960s and 1970s. This study focuses on the hybrid regime analysis after the third wave of democratisation because that is when the regime became most visible and its discussion became amplified.

3.2.1 A diminished democracy and diminished autocracy hypothesis

Huntington (1991a: 15) defined a wave of democratisation as “a group of transitions from non-democratic⁹ to democratic regimes that occur within a specified period of time and that significantly outnumber transitions in the opposite direction during that period of time.” A wave involved liberalisation or partial democratisation of a political system (Huntington, 1991a: 15). Notably, not all transitions to democracy in history happened during a wave of democracy (Huntington 1991a: 15). The third wave of democratisation was an era between 1974 and 1990 in which 30 countries made significant transitions to democracy, thereby increasing the number of democracies that existed then (Huntington 1991b: 12). It should be noted that preceding the third wave of democratisation were two earlier waves. The result of the earlier waves were reversals¹⁰, even in some countries that had adopted

⁹Huntington defined non-democracy as totalitarian, authoritarian, personal dictatorships and military regimes.

¹⁰The first long wave of democratisation 1826 – 1926; First reverse wave 1922 – 1942
 Second wave of democratisation 1943 – 1962; Second reverse wave 1958 –1975
 Third wave of democratisation 1974 - (Huntington, 1991a: 16, b: 12)

Diamond (2015: 153) claims that although democracy was experiencing a recession or mild stagnation from 2006 to 2015, it has not reached a level that constitutes it to be qualified as the third reverse wave.

democracy (Huntington, 1991a: 16, b: 12; Diamond, 2002: 22–23). Plattner (2014: 5) stipulates that by 1995, 40 more countries had transitioned to electoral democracy, resulting in 60 per cent of the world's dominant political regime being democracy.

The concept of democracy that the 'third wave' suggested was Western liberal democracy. Democracy focuses on having a representative government through the process of free, fair, periodic and competitive elections (Huntington, 1991a: 9; Wigell, 2008: 234), whereas political liberalism focuses on limiting the power of the government so that citizens' rights are protected and government does not degenerate into majority tyranny or outright anarchy (Wigell, 2008: 234). Morlino (2009:277) defines a minimum democracy as reflective of the following key elements: a) universal adult suffrage; b) free, fair, competitive, and periodic elections; c) multiple parties; and d) different, independent and alternative media sources. Huntington (1991a: 9), Merkel (2004: 49) and Wigell (2008: 237) agree with Morlino (2009:277) on the minimum requirements of a democracy.

Zakaria (1997: 22) and Wigell (2008: 237) define the concept of liberalism to encompass: a) the protection of the basic human rights of speech, assembly, association, property and religion to all citizens; b) equality before the law; and c) separation of powers between the arms of government. Diamond (2002: 25), Armony and Schamis (2005: 115), and Plattner (2014: 8) agree with the conceptualisation of liberal democracy as explained by Zakaria (1997:22), Wigell (2008:237) and Morlino (2009:277). The researcher adopts the definitions of liberalism by Zakaria (1997: 22) and Wigell (2008: 237) and the conceptualisation of democracy by Morlino (2009:277) for the rest of this study because the definitions give a criterion that is measurable and allow for comparison between the different states of the nature of liberal democracy exhibited.

Several reasons can be given for the widespread adoption of democracy during the third wave. First, from 1970 to 1980 the USA aggressively promoted democratisation around the world (Huntington, 1991b: 15; Levitsky & Way, 2002: 60). Secondly, the end of the Cold War, which ended the ideological competition between the Soviet Union and the USA, meant that the most attractive model left to adopt for developing countries was that offered by the USA in the form of liberal democracy and capitalism (Huntington, 1991b: 15; Plattner, 2014: 5). Thirdly, for developing countries to receive aid from the International Monetary Fund (IMF) and World Bank (WB) in the 1990s, they needed to adhere to preconditions attached on political reforms and economic liberalism (Mumvuma, Mujajati

& Mufute, 2004: 32; Plattner, 2014: 17). Fourthly, snowballing¹¹ contributed minimally to the democratisation process in this period. Snowballing applied to dictators in that, when one dictator adopted democracy it compelled the other dictators to consider democratising. This was evident in Bulgaria, Romania, Yugoslavia, Nepal and Albania in the early 1990s (Huntington, 1991b: 16). These reasons motivated the need for non-democratic countries to initiate the ‘transition’¹² to democracy. Thus, political scientists and development practitioners expected the transition to democracy that had started during the third wave of democratisation to result in the adoption of Western liberal democracy.

The new political regime that emerged towards the end of the 1990s did not resemble the Western liberal democracy that development practitioners and political scientist had envisioned. It is during this period that several adjectives were ascribed, mostly perceiving the new regime as a diminished¹³ democracy because it significantly differed from the Western liberal style of democracy. A plethora of adjectives to illustrate the diminished nature of democracy have been coined; among them are: delegative democracy (O’Donnell, 1994: 54), illiberal democracy (Zakaria, 1997: 22), defective democracy (Merkel, 2004: 52), partial democracy (Epstein, Bates, Goldstone, Kristensen & O’Halloran, 2006: 556, 564–565), pseudo-democracy (Diamond, 2002: 22) as well as limited and protected democracy (Morlino, 2009: 287–294).

After 2000 the debate swung in a different direction; the new regime was viewed as a diminished autocracy because it did not resemble the features of liberal democracy. This section will define an authoritarian regime and its features before continuing with the analysis of a diminished autocracy. Linz (1964: 255) defines an authoritarian¹⁴ regime as,

A political system with limited, not responsible political pluralism; without elaborate and guiding ideology (but with distinctive mentalities); without extensive nor intensive political mobilisation (except at some points in their development); and in which a leader (or occasionally a small group) exercises power within formally ill-defined limits but actually quite predictable ones.

¹¹Snowballing is defined as events in state A appear lucrative for state B to adopt the model and pattern as well.

¹²The process of democracy follows these stages of transformation. 1. The opening, which involves a shift in the dictatorial regime in the mentality between hard-liners and soft-liners 2. The breakthrough, which is the collapse of the old regime and the rapid emergence of a new democratic system. Democratic institutions are put in place by the new government 3. Consolidation, which takes place over an extended period in which there is a reform of all state institutions and society to the acceptance and observance of democracy as the new norm (Carothers, 2002: 7).

¹³A diminished subtype is a concept that does not meet the full definitional requirements of a root concept and it lacks one or more of its defining attributes (Collier & Levitsky, 1997:448).

¹⁴Authoritarian regimes are classified as one-party states, personal dictatorships, monarchies, etho-oligarchies, theocratic, sultanates, traditional, colonial or occupational regimes (Abdolmohammadi & Cama, 2015: 561).

There are four key dimensions mentioned in this definition which are useful for analytical purposes: pluralism, leadership, mobilisation and governing ideology. This definition enables measurement and comparison of authoritarian regimes. Huntington (1991b: 12) and Vukovic (2011: 12) agree with the conceptualisation of an authoritarian regime given by Linz (1964:255). Hence this study will adopt the definition for authoritarian regime given by Linz (1964:255).

An authoritarian regime is characterised by the non-existence of elections. However, if they do exist, they are a mere façade and lack any real competition (Brownlee, 2009: 518; Ekman, 2009: 9; Adeney, 2017: 124). The incumbent is re-elected by over 70% of the votes, which makes the process uncompetitive (Diamond, 2002: 32; Levitsky & Way, 2002: 55). Legislature is firmly controlled by the executive or the incumbent party, amounting to minimal or no horizontal accountability (Levitsky & Way, 2002: 55; Ekman, 2009: 9). The actions of state officials are overwhelmingly oriented towards the manipulation of procedures to preserve the power of the incumbent (Way, 2006: 167–168). The police, security officers, tax officials, directors of state schools, universities, hospitals, prisons, factories and farms may be called upon to mobilise support for the incumbent. These institutions perform their foundational duties, that is, schools educate, the police prevent and fight crime, however, these institutions engage in a set of informal tasks associated with the preservation of the incumbent's power (Way, 2006: 167–168). Levitsky and Way (2002: 57) claim that state-owned media is heavily censored and repressed, and journalists, civil society and opposition parties that oppose the government, if they exist, are harassed, arrested, deported or even assassinated by the state.

Terms offered for a diminished authoritarian regime include competitive authoritarian regime (Levitsky & Way, 2002: 52) and electoral authoritarian regime (Schedler, 2002: 37), which was split into hegemonic and competitive authoritarian regime (Diamond, 2002: 29). While the diminished democracy typologies focused on the missing elements of the regime, the diminished autocracy typologies emphasised the visible elements of the regime. Furthermore, terms such as political grey area (Carothers, 2002: 9) and foggy zone (Schedler, 2002: 37) reveal the complexity involved in attempting to understand the regime that evolved that was neither liberal democratic nor outright autocratic in nature.

The democracy with adjectives debate has not been conceptually beneficial; rather, it has degenerated into definitional gerrymandering, which is proffering a new phase each time a new anomaly is

observed (Collier and Levitsky 1997: 445). Vast research has been undertaken regarding diminished subtypes of democracy and authoritarianism. However, Cassani (2014: 544) claims that this research has not been built on existing knowledge. As a result, it has hampered a nuanced understanding of the ‘new regime’ that was visible after the third wave but could not be explained using the existing topologies of either democracy or authoritarian regime. The next section will offer a critique of the diminished democracy and diminished authoritarian hypothesis as inapplicable solutions to the new regime.

3.2.2 A critique of the diminished regime hypothesis

The expectation that the states which had begun the transition to democracy should result in Western liberal democracy is the first critique of political scientists and development practitioners. It should have been perceived as one of the possible results and not the only possibility (Zakaria, 1997: 24). The first and second waves of democratic reversals attest to the fact that it was a facade that all countries which initiated the democratisation process would end up as consolidated democracies. This could be because it takes time to go through the democratisation process. Also, each state has different actors and the motivation to follow the democratisation agenda is different. Some are perhaps more enthusiastic about the change than others, hence some states would adapt faster to democracy while others would not adapt to it completely.

Secondly, there is no such thing as a perfect liberal democracy. Offering diminished subtypes of democracy for the new regime implied the illusion that some countries can be classified as perfect liberal democracies. Armony and Schamis (2005: 115; 121) argue that there are irregularities which are inconsistent with the principles of democracy in the well-established democracies of the West, thus indicating that irregularities of democracy are not exclusive to upcoming new democracies; they also happen in well-established democracies, although there may be an observable difference in their maturity levels. They further argue that centralisation of power, bureaucratic delegation, and inequalities in the distribution of rights have crippled accountability, deliberation, and democratic rule of law in both old and new democracies. It is evident that Western states exhibit the concept of liberal democracy more, mainly because they have practised it more and democracy has consolidated over many years. However, no state in the world has achieved the status of being a perfect liberal democracy.

Thirdly, the creation of new sub-types has hampered proper analysis that can be useful to political regime classification. Collier and Levitsky (1997: 450-451), Armony and Schamis (2005: 114), and Cassani (2014: 544) argue that ample research has been undertaken about the 'new regime', but it has not resulted in greater understanding. Rather, the outcome has been confusion and conceptual ambiguity in regime classification. The subtypes should be able to offer identifiable and distinct differences; however, this has not been largely evident. For example, the major difference between illiberal democracy (Zakaria, 1997:22) and delegative democracy (Merkel, 2004:52) is that illiberal democracy exhibits a regime that compromises on civil liberties, whereas delegative democracy lacks horizontal accountability between the arms of government. Delegative democracy can be explained as a subgroup of illiberal democracy. This does not warrant the addition of another category because confusion arises when a new anomaly constitutes the creation of a new subtype.

The 'one model to fit all states and regional contexts' is the fourth critique that can be levied against the diminished concept. The expectations could have differed for different geographical regions and states due to differences in their economies, culture, religions and commonality of challenges. Different geographical regions could adopt the model of democracy while accommodating their native values, but having some similarities with the Western liberal democracy style. Huntington (1991b: 27) argues that East-Asia adopted the practice of democracy to serve its own indigenous values of consensus and stability in contrast to the Western democratic values of competition and change. Japan is a democratic state but it follows the East-Asian type of democracy that the dominant party is re-elected in every election (Huntington, 1991b: 26). Japan acts contrary to the Western democratic values of alternation of power between political parties.

Lastly, the diminished autocracy hypothesis emphasises one observable element that is democratic. This is conceptually inapplicable because suppose there are three observable democratic characteristics, how would this differ from the one with one observable characteristic? Would it qualify as, to some extent, a democracy or as authoritarian? The debate should not deliberate on the level of democracy or degree of authoritarianism. Rather, it should discuss the new peculiar regime as a separate regime with features presenting tenets of both a democracy and an autocracy.

At this point, it is critical to emphasise that there is no transition to democracy that is taking place (Carothers, 2002: 17), neither is there a diminished authoritarian or democratic regime in place. What has developed is a new regime that needs to be analysed as such. Synder (2006:227), however, argues

that the regime should be described within the existing typologies of democracy and authoritarian regimes because conceptual innovation is very costly. Therefore, in order to retain knowledge already gained, it is ideal to explain the new regime within the existing frameworks of democracy and authoritarian regimes. This results in a one-dimensional approach of viewing the new regime as a diminished type.

In contrast, Wigell (2008: 231), Bogaards (2009: 412–415), Ekman (2009: 9), Gilbert and Mohseni (2011: 271), Adeney (2017: 120–122) and Mufti (2018: 116) argue that the existing typologies of political regimes are insufficient to explain the behaviour of the new regime. Rather, a multi-dimensional approach will enhance the understanding of this new regime. First, the one-dimensional approach focuses on only one element while ignoring all other elements, for example, tutelary democracy, that is, the extent to which elected representatives are subservient to an informal power, amplifies this one element while ignoring all other key elements. This will not bring about a comprehensive understanding of the new political regime, therefore, the analysis becomes acute and limited.

Secondly, considering the new regime as a separate class from democracy and autocracy makes the analysis relevant and understandable. It also allows for comparisons and measurements within the new regime. By offering subtypes of democracy or autocracy, it measures a regime according to the degree of democratisation or authoritarianism that the regime exhibits. Hence, a separate classification for the political regime is more applicable. Thirdly, the new regime portrays features of both autocracy and democracy, hence it is prudent to analyse the regime in a manner that accommodates both features. The current typologies of democracy and autocracy cannot account for this peculiarity in detail, for example, the regime has regular and multiparty elections- a feature of democracy- and during elections, the regime partially manipulates the playing field in its favour and fully controls the media, reflective of an authoritarian. It cannot be classified as a minimum democracy because it does not satisfy all the requirements. It is inapplicable as an electoral or hegemonic authoritarian because it does not indulge in all other serious atrocities of an authoritarian regime, for example, assassinating opposition political party members. This regime is reflective of both features of an authoritarian and a democracy, therefore it is better analysed accommodating both features rather than choosing one typology.

This study agrees with the latter view of using a multi-dimensional approach to analyse this ‘new regime’. The new regime is referred to in this study as a hybrid political regime. This study rejects the position of analysing the hybrid regime as moving along a linear continuum, and as a regime transitioning to democracy or as one stuck in transition, but rather, it is an independent and different political regime from democracy and autocracy. The next section will conceptualise the hybrid regime and this understanding will be used for this study.

3.3 Conceptualisation of the Hybrid Regimes

The term hybrid regime was first coined by Karl (1995:80) as a regime that has functional attributes of both democracy and authoritarianism. The hybrid regime is not a half-finished or half-hearted attempt at democratisation or authoritarianism as some scholars would categorise it (O’Donnell, 1994; Zakaria, 1997; Levitsky & Way, 2002; Schedler, 2002; Merkel, 2004). It is a separate and independent regime from democracy and authoritarian regime. The argument of a hybrid being a distinct and separate regime has been validated by Ekman (2009), Morlino (2009: 282), Gilbert and Mohseni (2011: 294) and Adeney (2017). Thus, the hybrid regime should not be judged by the quality, degree or extent of democratisation or authoritarianism that it resembles.

This study adopts the definitions by Diamond (2002:23), Bogaards (2009:415), Vukovic (2011:13), Cassani (2012:4), Akkoyunlu (2014:34) and (Morlino, 2009: 282), and conceptualises a hybrid regime as one that responds to the following:

- *A regime that has periodic elections*
- *Results in multi-party legislature which includes members of the opposition*
- *Applies a few limits to the executive arm of government*
- *Regular violations of the citizens’ political and civil rights*

It can be highlighted that a hybrid regime displays features of democracy and autocracy which have contrasting agendas and are antagonistic towards each other. Due to this antagonism between the different elements, the durability of the hybrid regime as a political contestation is debated. In some cases, the hybrid regime has been durable, while in others the political regime has not lasted for more than ten years (Morlino, 2009: 284; Gilbert & Mohseni, 2011: 294). The durability of the hybrid regime is discussed in Section 3.6.

Hybrid regimes have increased in number from the beginning of the twenty-first century and it is argued that this political regime type is most common in the developing world (Brownlee, 2009: 25; Vukovic, 2011: 5). The Democracy Index 2018 noted that the hybrid regime constituted 24% of the number of countries surveyed (Economist Intelligence Unit, 2019: 2). The sources of the hybrid regime have been highlighted as follows: i) The decay of a full-blown authoritarian regime giving way to democratic institutions, often due to domestic and international pressure, ii) The collapse of an authoritarian regime, iii) The decay of a democratic regime, iv) A post-colonial new government, and v) Unexplainable anomalies of countries who have been hybrid even before the third wave to date, for example, Turkey and Iran (Diamond, 2002: 22; Ekman, 2009: 14; Morlino, 2009: 282; Adeney, 2017).

This section conceptualised the hybrid regime to have a nuanced understanding of the term hybrid regime. The following section critically discusses the traditional hybrid frameworks and in turn develops a conceptual framework that this study uses to analyse the hybrid regime.

3.4 Traditional conceptual framework for hybrid regime

Wigell (2008) and Gilbert and Mohseni's (2011) frameworks have been the most commonly used to analyse the hybrid regime. As such, the study will critically discuss these two frameworks before adopting their indicators to develop this study's hybrid regime framework. In analysing hybrid regimes, Wigell (2008) focused on liberalism and democracy. Democracy aimed for a representative government which was facilitated through the process of elections. The indicator of elections was judged based on being free, fair, regular and competitive as the minimum requirements. In addition, elections should guarantee electoral sovereignty, electoral empowerment, integrity and irreversibility. Liberalism was achieved through constitutionalism. The minimum requirements for constitutionalism were set as the respect of civil liberties and other extra conditions for executive, legal and local government accountability and integrity.

Gilbert and Mohseni (2011) use three dimensions to analyse the hybrid regime, these are: competition, civil liberties and tutelary interference. Competition is measured using the indicators of multiple political parties, regular and competitive elections. Civil liberties reflect the quality of competition within a regime. They suggest that the extent to which civil liberties are respected shows the quality of competition. Tutelary interference measures the extent to which elected officials are

subservient to tutelary institutions, for example, an active monarchy, and the military or religious bodies.

These hybrid regime indicators can be combined because there are similarities. The indicator of competition by Gilbert and Mohseni (2011) is similar to the indicator of elections by Wigell (2008). Furthermore, the hybrid regime indicators of civil liberties and constitutionalism are similar. Wigell (2008) specifies election empowerment and election sovereignty under the additional criterion of elections, which have similar components to what Gilbert and Mohseni (2011) refer to as tutelary interference. To discuss each indicator critically, similar classifications can be merged as follows: i) competition/elections, ii) civil liberties/constitutionalism, and iii). tutelary interference/ election empowerment/election sovereignty. The combining of these hybrid regime indicators is illustrated in Table 3.1. A critical discussion of each traditional hybrid indicator follows thereafter.

Table 3.1 Hybrid regime framework: Traditional indicators

| Traditional hybrid indicators for discussion from Wigell (2008) and Gilbert & Mohseni (2011) |
|---|
| Competition/Elections |
| Civil liberties/ Constitutionalism |
| Tutelary interference/ Election empowerment/Election sovereignty |

Source: Author's compilation (2019) adapted from (Wigell, 2008; Gilbert & Mohseni, 2011)

3.4.1 Hybrid regime indicator of Competition/Elections

Elections serve different purposes in different political regimes. For a democracy, elections are competitive, with fair competition resulting in legitimate elite succession (Wigell, 2008: 243–247; Mufti, 2018: 115); whereas for an authoritarian regime, elections are uncompetitive and unfair resulting in elite management, distribution of patronage and seeking legitimacy (Brownlee, 2009: 518; Ekman, 2009: 9; Adeney, 2017: 124; Mufti, 2018: 115). The incumbent in an authoritarian regime can receive approximately 70% of the votes (Diamond, 2002: 32; Levitsky & Way, 2002: 55), indicating the non-competitiveness of the elections. This section discusses how elections are traditionally conceptualised in a hybrid regime.

The incumbent party in a hybrid regime actively participates in elections and cannot reduce them to a mere façade; nonetheless, major political change is never certain, but remains a possibility (Diamond, 2002: 24; Levitsky & Way, 2002: 55). Unlike in an authoritarian regime, instead of using obvious tactics to violate democratic election rules, the dominant party resorts to the use of bribery and co-optation of opposition party members. In addition, the incumbent may use subtler forms of persecution such as using tax authorities, compliant judiciaries and state agencies to ‘legally’ harass, persecute, or extort cooperative behaviour from critics (Levitsky & Way, 2002: 53). An election run-off is conducted if the election results do not present a clear winner (O’Donnell, 1994: 60).

For the dominant party, the system of elections is largely to generate results, gather information and co-opt a few opposition members into the legislature, thereby fragmenting and weakening its opposition (Cassani, 2012: 5). Elections serve as a source of domestic and international legitimacy for the dominant party (Carothers, 2002: 12; Ekman, 2009: 9; Cassani, 2012: 7). Election integrity, which is one person’s vote accounted for as one and not subjected to a weighting system, is commonly adhered to in a hybrid regime. Election irreversibility means elections are the only mechanism to fill elected offices, and electoral outcomes are regarded as unchangeable. In a hybrid regime, election irreversibility is respected to the extent that the incumbent’s party’s interests are preserved.

In conclusion, Gilbert and Mohseni (2011: 285) conceptualise elections in a hybrid regime as highly competitive. In addition, they claim that there should be turnover in one out of every four election cycles for the executives or legislature indicating competitiveness. This study does not completely agree with this conceptualisation. If elections are uncompetitive but convincingly show the other features of a hybrid regime, is it disregarded as a hybrid regime. This study hypothesises that there may be cases in which there is no turnover of either the legislature or executive after four election cycles, but the regime could still be a hybrid regime. This could be because the dominant party exerts control over the state and tilts the political environment in its favour, hence limiting the level of competition that is necessary to ensure a turnover after four election cycles. Thus, it is possible that some hybrid regimes could have uncompetitive elections.

3.4.2 Hybrid regime indicator of Civil liberties/Constitutionalism

Civil liberties are enforceable freedoms granted to citizens by law. These are nation-state specific and contextual. Civil liberties determine the fairness of the competition exhibited in a political regime

(Gilbert & Mohseni, 2011: 285). Strong enforcement of civil liberties results in a fairer electoral playing field, which is expected in a democracy. On the contrary, weak enforcement of civil liberties leads to a regime being illiberal and the environment tilted in favour of the incumbent which is characteristic of an authoritarian regime. The discussion now focuses on how this indicator is conceptualised in a hybrid regime.

In a hybrid regime, there are limitations on freedom of expression and few independent alternative sources of information. Majorly, citizens rely on state media which is subject to censoring (Karl, 1995:82). The incumbent party has more access to state media than the opposition parties (Levitsky & Way, 2002: 58). Freedom of association exists, but with restrictions and apart from elections, political participation is low (Karl, 1995: 82; Menocal *et al.*, 2008: 33). Wigell (2008: 242) claims that civil society exists but its influence is limited due to being banned or controlled by the government. There is no equality of citizens before the law, with a level of public corruption prevailing in the state (Merkel, 2004: 49; Menocal *et al.*, 2008: 33-34).

Hybrid regimes are at times characterised by unaccountable strong leadership which rarely commits to constitutional norms, resulting in opaque decision-making (Merkel, 2004; Menocal *et al.*, 2008). The president can use either the legislature or the constitution to remove limitations on presidential terms because they detest them (van Cranenburgh, 2009: 63). The judiciary is weak and fails to effectively exercise limits on the executive and there is minimal horizontal accountability (O'Donell, 1994: 61; Ekman, 2009: 5). The legislature is dominated by the incumbent party which can easily advance policies favourable to itself. Although the legislature is weak, it is a focal point for opposition parties to engage the incumbent party by sharing ideas and it is also a mechanism to share power (Ekman, 2009: 5; Cassani, 2012: 5). Decision-making is centralised to close political elites and important decisions are rarely delegated (Menocal *et al.*, 2008: 33; Cassani, 2012: 5). Informal practices of clientelism, patronage and nepotism exist and sometimes take precedence over formal practices (O'Donell, 1994: 61; Merkel, 2004: 49).

Gilbert and Mohseni (2011: 285) conclude that strong enforcement of civil liberties leads to fairer competition, while less enforcement leads to unfair competition among the political players. This study agrees with this conceptualisation because institutions that enable relatively fair competition among political players in a hybrid regime exist, for example, an independent electoral commission,

a constitution, parliament, and the judiciary. However, it is only when these institutions apply selective discretion towards the incumbent political party that unfair competition exists.

3.4.3 Hybrid regime indicator of Tutelary interference/Election empowerment/Election sovereignty

Tutelage is when external bodies coerce elected officials to circumvent proper decision-making processes or lead to national legislation being circumvented (Gilbert & Mohseni, 2011: 286; Mufti, 2018: 115). Tutelage over elected officials can be applied by a person, group, family or institution which could be the military, religious bodies, a monarchy, MNCs, regional bodies, terrorist groups, as well as other sovereign states (Wigell, 2008: 239). Wigell (2008:239) claims that under tutelage, the guardian is the one in control while the elected representative acts according to the dictates of the guardian. This study suggests that tutelage is motivated by potential personal gain for the guardian.

The aim of tutelage is to limit the effectiveness of elected officials and this could be undertaken in one of the following ways. First, Schedler (2002: 45) claims that tutelage is observed when elected officials do not serve their full constitutional term, possibly because of being ousted. Another case in which tutelage is observed is when election empowerment is not upheld. Election empowerment is when elected officials have the right to govern without being subjected to any formal domains of power (Schedler, 2002: 39). The third way in which tutelage is exhibited is when election sovereignty is not adhered to. Election sovereignty is when elected officials' actions through informal channels are not subservient to actors outside the decision-making process (Wigell, 2008: 239–240). The difference between election empowerment and sovereignty is that empowerment is the possibility of constraints using formal channels, while with respect to sovereignty, informal actors constrain the ability of elected officials to make decisions.

This study emphasises that while elections and civil liberties can be observed in every hybrid regime, it may not be the case for tutelary interference. There is the possibility that tutelage can be experienced in a hybrid regime, but it is not present in some hybrid regimes. This study proposes that in a hybrid regime that is less competitive and guarantees less civil liberties, there is higher possibility of tutelage. Conversely, in a hybrid regime that is highly competitive and adheres to providing civil liberties, the possibility of tutelage may be less.

The preceding sections have critically discussed the traditional conceptualisation of the hybrid regime indicators of elections, civil liberties and tutelary interference. This study proposes one additional hybrid regime indicator which is political elite cohesion. The reason for adding this indicator is because the relationships among political elites have an impact on how long the hybrid lasts. This indicator is deliberated in the next section.

3.4.4 Proposed hybrid regime indicator: Political elite cohesion

Political elite cohesion is an indicator that seeks to analyse the unity among the key decision-makers in a hybrid regime. This indicator is contextual, and can only be analysed on a case by case basis. Menocal *et al* (2008: 35) stipulate that political elites are important in a hybrid as they are the agents of sustainable change and not the masses. It is important to understand the coalition of collective and individual actors who are significant in a hybrid as they are responsible for maintaining the regime (Mufti, 2018: 116). Political elites maintain the hybrid regime because they seek to perpetuate themselves in power by their goals and policies, thus suggesting that the recruitment and selection process of political elites is important (Mufti, 2018: 116).

Mufti (2018:116) suggests that future studies should focus on the recruitment and selection of political elites. This study, however, chooses to focus on the unity of elected officials. The assumption this study makes is that the recruitment and selection process of decision-makers is solved by the level of competition that exists in a hybrid regime. If there is stiff competition, there may be a high turn-over of elected officials, while low competition entails low turn-over of decision-makers. Political elite cohesion could answer questions about why officials agree to enact certain policies and reject others. It potentially answers the motivation behind political elites seeking to perpetuate themselves in leadership in a hybrid regime.

There are four elements that denote the proposed indicator of political elite cohesion which are political elite cooperation, factionalism, prevention of threats from external actors and leadership turnover. Political elite cooperation is the working together of the political elites towards a common goal of holding power within the incumbent party. High cooperation signifies high political elite cohesion while low cooperation indicates low political elite cohesion. Factionalism is the disagreement among different political elite groups within the incumbent political party. Political elite cooperation relates to how political elites relate with regards to external influences while factionalism

is internal to the incumbent party. Low levels of factionalism imply that there is strong political elite cohesion while high levels of factionalism indicate the possibility of low political elite cohesion. The prevention of threats from influential actors is the ability of political elites to thwart the likelihood of a coup occurring especially from the military (Cassani, 2012: 6). Low military involvement denotes high political elite cohesion while high military involvement within the incumbent party signifies lower levels of political elite cohesion. Lastly, leadership turnover refers to the rate at which there is leadership renewal of the critical institutes of the incumbent party. Low leadership turnover implies high levels of political elite cohesion while high leadership turnover is indicative of low levels of political elite cohesion.

Political elite cohesion differs significantly from tutelage. While tutelage focuses on an individual or group exerting formal or informal influence over elected officials, political elite cohesion focuses on the level of agreement between the elected decision-makers. Where tutelage is present, the cohesion of the guardians could be worth exploring as this could possibly cause changes in the hybrid regime. However, in this study, political elite cohesion of elected officials is an indicator that is added to the traditional hybrid regime conceptual framework. This study proposes that when political elite cohesion is high, the hybrid regime could be durable, but when it is weak there could be instability in the hybrid regime. The next section pulls the discussion on hybrid regime indicators together and proposes a framework to analyse the hybrid regime for this study.

3.5 Hybrid regime conceptual framework for this study

This study adopts the hybrid regime indicators suggested by Wigell (2008) and Gilbert and Mohseni (2011). To analyse the regime more comprehensively, the study adds political elite cohesion of the decision-makers to the traditional hybrid regime indicators. A summary of the conceptual framework of the hybrid regime indicators for this study is given in Table 3.2.

Table 3.2: Conceptual framework for the hybrid regime

| Wigell (2008) | Gilbert and Mohseni (2011) | Traditional hybrid indicators for discussion from Wigell (2008) and Gilbert & Mohseni (2011) | Hybrid regime indicators proposed by this study | Hybrid indicators name selected for this study |
|--|-----------------------------------|---|--|---|
| Elections | Competition | Competition/Elections | - | Elections |
| Constitutionalism | Civil liberties | Civil liberties/ Constitutionalism | - | Civil liberties |
| Election empowerment Election sovereignty | Tutelary interference | Tutelary interference/ Election empowerment/ Election sovereignty | - | Tutelary interference |
| - | - | | Political elite cohesion | Political elite cohesion |

Source: Author's compilation (2019), adapted from (Wigell, 2008; Gilbert & Mohseni, 2011)

In analysing the hybrid regime, it is assumed that the above four indicators of elections, civil liberties, tutelary interference and political elite cohesion are present. Hence, these indicators will be used to analyse the hybrid regime case for this study. This study focuses on Zimbabwe between 1990 and 2018, and analyses it as a hybrid regime. Gilbert and Mohseni (2011;294), Vukovic (2011: 10–11), Cassani (2012: 22) and Morlino (2009: 284) confirm Zimbabwe to have exhibited qualities of a hybrid regime. The hybrid regime conceptual framework developed by this study will be applied to Zimbabwe in Chapter Four when this study contextualises Zimbabwe as a hybrid regime between 1990 and 2018. Equally important, these hybrid regime indicators will be used as inputs in the construction of the political risk framework for analysing hybrid regimes in Section 3.10.

3.6 Durability of the Hybrid regime

The coexistence of democracy and autocracy in one political regime is a paradox because these two political regimes are antagonistic and have different sets of priorities, hence the notion by scholars to deliberate on the durability of the hybrid regime. Huntington (1991a: 137) argued that ‘half-way house’ political contestations, referring to the hybrid scenario, would not stand the test of time. In agreement, Levitsky and Way (2002: 58–59), Epstein *et al.* (2006: 555) and Vukovic (2011: 12) disregard the durability of the hybrid regime. They attest that the hybrid regime is volatile and more liable to break down due to the incompatible agendas of democracy and autocracy that cause tension within the regime. If a hybrid regime collapses, Cassani (2012: 19, 2014: 554) points out that it is more probable for it to democratise than to evolve into an authoritarian regime.

On the contrary, Carothers (2002: 3), Merkel (2004: 50), Morlino (2009: 282) and Mufti (2018: 115) argue that the hybrid regime shows a lot of resilience and ability to endure over an extended period, indicating that the regime is durable. Menocal *et al.* (2008: 31) attest that the stability and sustainability of the hybrid regime differs with each state; it is not uniform or constant. The aforementioned authors assert that the hybrid regime is durable without it collapsing into an authoritarian regime or evolving into a democracy. Morlino (2009: 284) and Gilbert and Mohseni (2011: 294), while they do not take a position in the debate of the hybrid regime’s durability, show cases of hybrid regimes that persisted over several years. The cases shown include Sri Lanka, Madagascar and Nicaragua, which exhibited the hybrid regime for 19 years. This indicates that the hybrid regime has capacity to be sustained for a long period.

This study seeks to contribute to literature on the debate about the durability of the hybrid regime. This study agrees with the proposition that hybrid regimes are durable. The durability of the hybrid regime is mainly accredited to the presence of democratic institutions that are exploited by the incumbent to consolidate their hold on power, thereby extending the lifespan of the regime (Cassani, 2014: 554). It suggests that the incumbent political elites are influential in maintaining the durability of the hybrid regime. This study considers the hybrid regime to be durable because the selected case study of Zimbabwe is reflective of being a hybrid regime for 28 years, from 1990 to 2018, showing that the regime has the capacity to be sustainable. Chapter Four will contextualise Zimbabwe and make inferences from the Zimbabwean case of the factors that possibly explain the durability of the hybrid regime, in turn contributing to this debate.

This section criticised the various hypotheses that were levied on the hybrid regime being a diminished democracy and a diminished authoritarian regime. It developed a hybrid regime framework from adopting the frameworks of Wigell (2008) and Gilbert and Mohseni (2011) and added political elite cohesion as an additional hybrid regime indicator. This study's hybrid regime framework has four indicators which are elections, civil liberties, tutelary interference and political elite cohesion. These hybrid regime indicators will be used to construct the political risk framework for analysing the hybrid regime. Lastly, this section briefly discussed the durability of the hybrid regime. The section discussed the hybrid regime to give a nuanced understanding of it before making any analysis between the hybrid regime and political risk. The next section will focus on the relationship between political risk and political regimes.

3.7 Relationship between Hybrid Regime and PRA

This section critically discusses the relationship between the hybrid regime and PRA. The hybrid regime became more pronounced after the third wave of democratisation after 1990, as alluded to by Huntington (1991a). However, the relationship between the hybrid regime and PRA precedes the third wave. The hybrid regime only became pronounced after the third wave, but some states were hybrid regimes even before the occurrence of the third wave.

Green (1974) conducted a foundational study on the relationship between political risk and political systems using the political risk factor of radical political change. He made four assumptions for this research. First, he selected radical political change as the only political risk factor responding to different political regimes. Secondly, he assumed that radical political change was detrimental to MNC activities (Green, 1974: 29). Thirdly, for his analysis, he assumed that the younger the political regime, the less likely it was to adapt to change, leading to a higher possibility of radical political change. Lastly, he assumed that economic modernisation put different political systems under stress, so the political institutions in modernising states must either be replaced or changed (Green, 1974: 31).

Green had seven groups of political systems which he categorised as modernised and modernising states. Two political systems were classified as modernised; one was called instrumental-adaptive while the other was instrumental non-adaptive. The term instrumental specifically described democratic countries (Green, 1974: 30). A non-adaptive system was a system that was not responsive

to the needs of the polity (Green, 1974:30). The USA and England were examples of instrumental-adaptive states, whereas France and Italy were classified as examples for instrumental-nonadaptive states. Modern political systems were states that had stable political climates, solid political structures and institutions, and were economically developed.

Green (1974: 31) claimed that the modernising group of states were politically unstable, with political institutions that were not capable of effectively governing. Due to this factor, the possibility of radical political change was imminent in this category of political systems. The modernising group had five political systems which were: i) instrumental and quasi-instrumental systems attempting adaptive politics, ii) military dictatorships, iii) modernising autocracies, iv) mobilising systems and v) newly independent states. The instrumental and quasi-instrumental systems attempting adaptive politics were states with advanced economic systems, with solid political infrastructure and institutions. Turkey, India and Mexico were examples of this political system. Radical policy change was the political risk that could possibly affect foreign investors in this political system. Green (1974: 32) claimed that this regime type presented the least risk to foreign investors in the modernising group.

Green (1974: 32) noted that military dictatorships were reflective of a society deeply divided, which was an avenue for the possibility of radical political change. Although the military as an institution could be viewed as highly disciplined, he cautioned foreign investors to make short-term investments in states under military rule. As for modernising autocracies, this group represented a highly centralised civilian regime, an economy that was developing, but the rate of growth being controlled by the political elite. These were considered politically stable, with the exception of cases where political succession was not agreed on before-hand and in the event of political radicals causing a revolutionary uprising (Green, 1974: 33–34). The fourth group, called mobilising systems, represented a political regime that was heavily controlled, with the leadership being devoted to a cause. Lastly, the newly independent states were those that had just acquired independence and had inexperienced leadership. Modernising systems and newly independent states were discussed as the most politically unstable destinations for foreign investors with political institutions and infrastructure which were relatively underdeveloped (Green, 1974: 34–35).

Green (1974:35) concluded that the instrumental adaptive and non-adaptive political systems presented lower risk to foreign investors. Quasi-instructive, modernising autocracies and military dictatorships respectively ascribed higher levels of political risk than the modernised political

systems. Mobilising political systems and newly independent states ascribed foreign investors with higher political risk than any other political system. This conclusion can be restated as democratic, liberal states presented lower risks to foreign investors than any other political regime type. The level of economic development of a country was perceived to influence how the political system would respond to radical political change. The more economically developed a country was, the less likely it was to be a threat to foreign investment.

Regarding the analysis by Green (1974), the author analysed the political risk factor of radical political change against the different political regimes. Green (1974) used a political risk factor that is most commonly found in the developing world. Suppose he had used the political risk factor of sovereign debt or civil disturbances, which are also commonly reflected in developed countries (MIGA, 2011: 18–19), the results may have been different. The conclusion that newly independent states were the most politically risky investment destinations is persuasive because the study was conducted in 1974, when most developing states were acquiring or had recently acquired independence and foreign investors were sceptical about how the new governments would treat foreign investors. This foundational study examines the relationship between political risk and political regimes; the study moves to discuss other empirical works that focused on this relationship to analyse their conclusions.

There was the rise of what was termed the ‘event school of thought’ in the 1980s (Jarvis & Griffiths, 2007: 14). It did not forecast the potential political risk in a specific state; rather, it provided insights into events that could be used to pre-empt political instability or events that derailed modernisation (Jarvis & Griffiths, 2007: 14). Foreign investment was conceptualised to originate from developed and modernised states which were invested in developing states (Bunn & Mustafaoglu, 1978: 1558). The event school acted as an early warning system for foreign investors because by analysing political events in modernising fragile states, it informed them of the possibility of harm to their investment.

Political risk was assumed to exist along a spectrum that ranged from high to low and corresponded with political systems that were under-developed than those that were developed (Jarvis & Griffiths, 2007: 15). The degree of political risk reflected the capacity of the state and its political system to: i) manage political events, ii) manage competing sectional interest, iii) exercise legitimacy, and iv) discharge the functions of statehood in a non-violent, stable orderly and democratic manner (Jarvis & Griffiths, 2007: 15). Political risk was postulated to be higher, the lower the level of modernisation

in non-adaptive political systems. The event school argued that democratic, liberal and capitalist countries presented lower risks to foreign investors than any other political regime type (Jarvis & Griffiths, 2007: 15). This conclusion confirmed what Green (1974) hypothesised as the relationship existing between political risk and political regimes. Hence, as suggested by these studies that democratic countries had low political risk levels, it influenced PRA to be analysed using norms and values adopted from democracy. This study questions whether PRA can be adaptable to using the principles of a hybrid regime if democracy declines.

Simon (1984: 127) did not offer a different opinion from the prevailing Western liberal inclination of democracy presenting lower political risks than any other regime type. Simon (1984: 127–129) claimed that the degree of openness and the stage of economic development determined the possible risks that MNCs would encounter. He claimed that industrialised societies did not have a negative perception of MNCs as exploitative entities, unlike less developed countries. Simon (1984: 127–130) asserted that open-industrialised countries were pro-Western in their foreign policy development, hence they did not constitute a serious risk to foreign western investment assets than closed-developing countries. Thus, Simon (1984) confirmed the claims made by Green (1974) and the event school of thought. Noteworthy, investment was largely viewed as originating from developed to developing countries before the 1990s. However, in contemporary times, emerging markets which are non-democracies, for example, China, Russia and Singapore, are recognised as sources of vast foreign investment.

Jensen (2008: 1050), who conducted his study 24 years after Simon (1984), concluded that democracy was associated with lower levels of political risk. Jensen (2008: 1041) accredits democratic institutions as the reason why democratic countries present lower risks to foreign investors. Jensen (2008:1041-1050) claims that it is because democracies constrain the executive arm of government so that it does not advance policies that are unfavourable to MNCs. In addition, Jensen (2003: 594, 2008: 1042) asserts that the leaders in a democracy can suffer from audience costs¹⁵ if they retract their commitments made on foreign investment. Furthermore, Jensen (2008:1041) states that in democracies, the political risk is lower because the policies are stable and MNCs have the potential to participate in the drafting of policies. Jensen (2008) validates the claims made by Green (1974), Simon (1984) and the event school. The findings of the relationship between political risk and

¹⁵Audience costs are the costs generated through the domestic political process, where politicians are punished at the polls and not voted into office again because they had a poor reputation with financial markets.

political regimes have not significantly changed over the course of time. Literature shows an inclination that perceives political risk to be lower in democratic countries and higher in anything dissimilar to democracy.

Sottilotta (2016: 72–74) suggested that political risk was not political regime neutral. By using the political risk factors of political violence and expropriation, Sottilotta (2016) validated the existing claims of political risk being low, the higher the level of democracy. Furthermore, while the majority of studies mostly grouped all non-democracies in one category, Sottilotta (2016) differentiated between non-democracies as authoritarian regime and hybrid regime. The study claimed that authoritarian regimes were more stable for foreign investment than hybrid regimes which were volatile (Sottilotta, 2016: 72). Although Sottilotta (2016) claimed that the hybrid regime was volatile, this study questions whether all hybrid regimes are volatile and if foreign investors perceive it as so much of a high risk as to avoid these investment destinations.

This study observes that the relationship between political risk and political regimes has been skewed in favour of democracies. Although the focus of this study is on the hybrid regime, it is worth noting that democracies are not rid of high political risk, contrary to the findings highlighted by the above empirical studies. The Global Financial Crisis of 2008 (Bremmer & Keat, 2009: xi) and the migration crisis and civil disturbances in Greece and the UK (MIGA, 2011: 18–19) are examples of events that increased political risk in democratic countries. The attempt by Britain to exit the EU which started in 2016, the rise of populist leaders, for example, Donald Trump as President of the USA and the USA-China trade war are examples of events in democracies that may increase the political risk for a particular group of foreign investors in these countries. Contemporary studies could conduct research to validate if it is still applicable to regard democracies as presenting lower risk to foreign investors.

In conclusion, the findings hypothesised by Green (1974) of the relationship existing between political risk and a hybrid regime were validated by Simon (1984:127), Jensen (2008:1050) and Sottilotta (2016:74) and authors that subscribed to the event school of thought (Jarvis & Griffiths, 2007: 15). The relationship between political risk and political regimes is summarised in Table 3.3. Political risk is hypothesised to increase as the political regime's categories move from left to right as indicated by the arrow.

Table 3.3: Political regimes and the political risk of radical political change

| | | | | | | |
|--------------------------|------------------------------|---------------------------|----------------------------|---------------------------|-------------------------|----------------------|
| Modernised Nation-States | | Modernising Nation-States | | | | |
| Instrumental Adaptive | Instrumental Non-adaptive | Quasi- Instrumental | Modernising Autocracies | Military Dictatorships | Mobilisation systems | Newly independent |



Source: Author's compilation (2019), based on Green (1974).

This study will not dispute that when political regimes are compared for political risk, the hybrid regime has been traditionally ascribed to have higher risk. The study seeks to critically assess if the traditional conceptual perceptions of political risk for the hybrid regime are still applicable. By answering this question, the study intends to find out if PRA is adaptable to using principles of the hybrid regime if, in future, democracy declines. This section discussed the relationship between political risk and political regimes to understand what literature proposes as the traditional relationship of political risk in a hybrid regime. The next section conceptualises PRA. It begins by discussing the decision-making and problem-solving theories as these explain PRA from the point of view of the foreign investor or MNC.

3.8 PRA Theory: Decision-Making Theory and Problem-Solving Theory

The traditional theoretical foundations of PRA are the problem-solving theory and the decision-making theory. These two theories are applied from the perspective of the foreign investor or MNC. The problem-solving theory focuses on framing the challenges, outlining the goals and developing new alternative courses of action to be taken, while decision-making concentrates on evaluating the different developed courses of action and thereby selecting the most preferred options (Simon *et al.*, 1987:17). Hence, these two theories work in a complementary manner. The initial focus of problem-solving is to begin with a large set of possibilities and then narrow down to a specific focus (Simon *et al.*, 1987: 17). In relation to PRA, the MNC is faced with an infinite set of possibilities starting with where to invest. Should it expand beyond the boundaries of its home country? If so, which specific region or country should it focus on? There is also the question of the length of time for the investment and how much capital to inject into the offshore engagement. The next step in problem-

solving is to develop the goals for the organisation. This must be done in consideration of the organisation's capabilities (Simon *et al.*, 1987: 21). This step helps the organisation to narrow down challenges from an infinite set to a few specific and concise challenges. Conducting PRA assists the organisation to focus on what is core and essential to initiate the process of solving these challenges.

The process of identifying practical solutions to problems is not a simple task because this process could create new sets of challenges for the organisation (Brink, 2004: 31). If an MNC decides to mitigate risk by adopting a joint venture, this prompts new questions, for example, who can be the local partner, for how long and what is the financial contribution of the local partner. In addition, defining the problem is not an easy task; an ill-defined problem could cause future problems for the organisation. In PRA, if expropriation is forecasted in a specific host country, measures could be taken by an MNC to manage this risk factor by purchasing political risk insurance. If the MNC does not forecast the potential political risk factor of transfer and inconvertibility and this occurs while it could have taken measures to mitigate it earlier, this would be explained as an ill-defined problem.

The third step in problem-solving is the development of alternative courses of action. Multiple options are available to solve a single problem, however, these alternatives must be in line with the organisation's acceptable risk level (Vertzberger, 1998: 18). Vertzberger (1998:18) defines acceptable risk as the level of risk representing the net costs of probable feasible outcomes that the decision-makers perceive as sustainable, given the organisation's human and financial resources, goals, experiences and objectives. When conducting PRA in industry-specific sectors, for example, petroleum, mining and natural resource extraction, the MNC must decide its acceptable level of risk because the risk for these sectors, from inception, is very high (Simon, 1982: 67; Alon & Herbert, 2009: 129). Furthermore, the process of developing feasible options needs personnel that have a deep appreciation of the history, culture and context of the host country (Brink, 2004: 30). PRA is country contextual; an in-depth understanding of the culture, history and religion of the host country will aid the development of practical feasible options. Problem-solving can be viewed as the first step in decision-making as it points out the challenges and draws up feasible alternatives, while decision-making evaluates the alternatives and selects the optimal one. PRA can be viewed as the initial step to foreign investment decisions because it makes apparent the possible problems, which aids decision-makers to evaluate and select the optimal choice (Brink, 2004: 31; Sottilotta, 2016: 18).

The primary concern of decision-making is to select the most optimal alternative among many. The assumptions made by this theory are that the decision-maker is rational, risk-averse and concerned with minimising uncertainty while maximising utility (Simon, 1979: 496; Bolan, 2009: 29). This means that the decision-maker is assumed to select the feasible option that is most logical and maximises the benefits after considering the possible losses. PRA is a practical tool which enables management to pursue rational decision-making for companies (Poirier, 1997:676). In PRA, some of the factors considered to be MNCs' constraints are the relationships between the MNC parent company and the host country, geographic location, natural resource deposits and the human and financial capital constraints of the MNC.

The aim is to maximise the achievement of goals under specified constraints, assuming that all consequences are known. Simon *et al.* (1987: 15) claim that because of uncertainty and incomplete information, all the consequences of the options cannot be exhaustively known, however, extensively increasing the search for information about each developed alternative reduces the chances of incomplete information. This enables decision-makers to judge alternatives against the given evidence and rank them accordingly. In PRA, when incomplete information exists after exhausting the possible information sources, decision-makers could delay pursuing the desired option or avoid investing in either the specific sector or specific host country. In the end, the optimum option that maximises the organisation's utility, given the capabilities and constraints of the organisation, is selected for implementation.

The business environment is dynamic. A problem identified today, over time, may not be considered a problem. PRA is a dynamic process; a risk report becomes obsolete the day it is presented because it can be overtaken by events in the host country or international arena. Alon, Mitchell and Steen (2006: 640) and Lambrechts and Blomquist (2016: 14) assert that it is paramount to continuously assess PRA at the firm, national and international level throughout the implementation of the project in the host country. This study considers problem-solving and decision-making to theoretically explain PRA. This is because problem-solving explains the process of assessing and defining the feasible investment options by PRA, while decision-making explains the process of selecting the most feasible option drawn from the assessment stage (Sottilotta, 2016: 18). The next section discusses PRA conceptualisation.

3.9 Political Risk Analysis

This section deliberates on the conceptualisation of PRA. It is essential to understand what PRA is before the study can analyse if PRA is adaptable to the hybrid regime. The term PRA is inconsistently used in literature. PRA is defined as a combination of political risk assessment and political risk management (Howell, 1998; Brink, 2004). Mshelia and Anchor (2018) ascribe PRA as equivalent to political risk assessment only. Political risk assessment is concerned with measuring the current and future level of political risk in a host-country or a specific industry¹⁶ (Howell, 2014: 308). In addition, political risk management are the measures taken to minimise the adverse impact of political risk (Bremmer & Keat, 2009: 192). This study agrees with the first conceptualisation of PRA that denotes it as the combination of assessment and management of political risk.

Several definitions of what political risk is and should encompass have been coined from the 1960s to contemporary times. Literature has two identifiable approaches to grouping the definitions of political risk. First, Lambrechts and Blomquist (2016: 1320–1321) group political risk definitions into three categories which are: i) the relationship between government and MNCs (Kobrin, 1979: 67; Fitzpatrick, 1983: 249; Howell, 1998: 3); ii) the events that are political acts and restrictions forced on companies (Fitzpatrick, 1983: 249; De la Torre & Neckar, 1988: 224); and iii) considering the whole environment, rather than a single isolated event (Robock, 1971: 7–8). This is the first manner of defining political risk.

Secondly, Sottilotta (2016: 7–9) makes reference to five categories which define political risk: i) non-economic risk (Sethi & Luther, 1986:58); ii) unwarranted government interference with business operations (Chermak, 1992:168); iii) the probability of disruption of MNC operations by political events (Brewer, 1981; MIGA, 2011: 21); iv) discontinuities in the business environment deriving from political change, which have the potential to affect the profit or objectives of the firm (Robock, 1971: 7–8); and v) as equated to political instability and radical political change in the host country (Green, 1974: 35). The above definitions have influenced the traditional conceptualisation of political risk factors which include confiscation, expropriation, operational restrictions, loss of transfer freedom, breach of contract, discrimination of taxes, coups, riots, civil wars, (Robock, 1971: 7–12;

¹⁶Macro-political risks are politically motivated changes that affect all foreign firms and domestic firms in a particular country (Sethi & Luther, 1986:60). These changes are often sporadic and make changes that are usually more permanent (Robock, 1971:9–10). On the other hand, micro-political risks are those that are explicitly focused on a single or few firms in a specific industry so that the targeted firm(s) contribute to some national programme or socio-economic activity (De la Torre & Neckar, 1988:222).

Lloyd, 1974; Bunn & Mustafaoglu, 1978: 1558). The traditional conceptualisation of political risk is correct; however, political risk has evolved to be more complex, making the traditional conceptualisation alone limiting. Before this study conceptualises how it regards PRA, the following section will discuss the factors that influenced the traditional conceptualisation of PRA. Thereafter, the subsequent section discusses the factors that have influenced changes in PRA conceptualisation in contemporary times.

3.9.1 Factors that influenced the traditional conceptualisation of Political Risk Analysis

PRA research historically began in the period between 1960 and the early 1970s. In 1973, OPEC implemented an oil embargo limiting its supply of crude oil, which increased the market price of oil. OPEC used the embargo to leverage political interests (Simon, 1982: 65). As a result, investors realised that political factors had an impact on market performance. Furthermore, the massive expropriations and nationalisation of foreign investments in Cuba (1959), Chile (1972) and the Iranian revolution (1978-9) were caused by political factors (Kobrin, 1981: 252; Simon, 1982: 63; Sethi & Luther, 1986: 58; De la Torre & Neckar, 1988: 221; Alon & Martin, 1998: 10; Jarvis & Griffiths, 2007: 7). These events were the key drivers for the initial research and interest in political risk and PRA insurance coverage. These events influenced the conceptualisation of political risk factors such as expropriation, nationalisation, transfer and convertibility restrictions, and breach of contract. This conceptualisation was relevant in this period.

The events covered by political risk insurance are argued by this study to have shaped the traditional conceptualisation of PRA. There was an increase in private and public companies providing coverage¹⁷ for political risk after the oil crisis and the Iranian revolution (Simon, 1982: 66). Lloyd (1974:31) and MIGA (2010: 19) stipulate that political risk insurance covers: i) expropriation, nationalisation and confiscation; ii) political violence, war, and revolution; iii) breach of contract and violations of any contractual agreements with the contractor of licences and concessions; and iv) transfer risks, and either the prevention of, or the delay in repatriation of capital. During the period 1960-1979, 560 foreign assets were expropriated in developing states, which was 4.4% of the developing states' FDI stock (MIGA, 2011: 30). In addition, an estimated 15.2% of the value of USA FDI abroad was nationalised (MIGA, 2011: 30). Therefore, it was persuasive to conceptualise PRA

¹⁷Political risk insurance is a type of insurance that can be taken out by businesses of any size against political risk in the event of any politically motivated risk. Examples of insurance companies that provide political risk cover are American International Group (AIG), Multilateral Investment Guarantee Agency (MIGA) of WB, Overseas Private Investment Corporation (OPIC) of the USA federal government.

as the effects covered by insurance companies. This conceptualisation was applicable during this era. It is, however, acute, narrow and limiting to only consider this conceptualisation in contemporary times.

This study contends that the ‘event school of thought’ was a factor that shaped the traditional conceptualisations of PRA (Jarvis & Griffiths, 2007: 14). The event school was not a forecasting tool, but it analysed how certain events could potentially cause political instability. Bunn and Mustafaoglu (1978: 1558), who subscribed to the event school, developed ten event categories that were assumed to have significant implications for foreign investment originating from developed and modernised states who invested in developing states. The ten political risk events were: sudden expropriation, creeping expropriation, adverse tax changes, civil disorder, war, production restrictions, repatriation limitations, domestic price controls, devaluation risk and export restrictions. These events were then linked to the probability of certain political risk factors occurring and were suggested to be derived from modernising fragile states. The event school and the events covered by political risk insurance had a similar impact on PRA conceptualisation.

When PRA started, trade was overwhelmingly perceived to flow in one direction, from the developed to developing and underdeveloped states. Developing states were a source of primary raw materials, for example, crude oil and minerals, whereas developed countries were the suppliers of finished products and services. This led to the perception that PRA was demanded by Western MNCs conducting business in overseas developing countries (Robock 1971:6; Lloyd 1974:24; Desta 1985). Developing countries with abundant natural resources needed more PRA than countries with less factor endowment. This influenced political risk factors such as nationalisation, transfer and convertibility restrictions and civil unrest, which caused the destruction of plant and oil pipelines which was applicable in this period. This conceptualisation implied that developed states were a safe destination for capital.

PRA was influenced by liberal democratic principles which caused it to be analysed using a Western liberal democratic lens. The Economist Intelligent Unit (EIU), Business Environment Risk Intelligence (BERI) and Political Risk Services (PRS)¹⁸ were among the leading political risk forecasting companies at the time political risk gained relevance. In their PRA forecasts, the risk factors included reflected how PRA was inclined to have democratic elements. Factors given by the

¹⁸PRS was formerly known as World Political Risk Forecasts (WPRF)

EIU were, for example, generals in power, authoritarian tendencies, staleness, religious fundamentalism and illegitimacy; if these were present in a country, the political risk ascribed would be high (Howell & Chaddick, 1994: 76–78). Nevertheless, authoritarianism and staleness could probably provide a predictable environment for foreign investors for a lengthy period. The EIU perceived the lack of democracy in a state as undesirable, which increased the political risk rating of a country (Howell & Chaddick, 1994: 76). Countries with higher democratic levels received more positive scores from BERI (Howell & Chaddick, 1994: 80–81). Thus, states with strong institutions had minimum possibilities of violence occurring, had no military involved in politics or dependant on a perceived hostile power and were perceived to have less political risk and better for foreign investors. These countries typified democracies. Studies conducted in this era validated that democratic liberal states were perceived as presenting lower risks to foreign investors than any other political regime (Green, 1974: 35; Simon, 1984: 128). It also implied that non-democratic regimes needed more PRA analysis than democracies.

The inception of PRA was also contextualised during the Cold war¹⁹ period between the USA and the Soviet Union, which were the two global super-powers. The Soviet Union stood for communism and its expansion in the Eastern bloc of Europe, while the USA stood for democracy and capitalism (Huntington, 1991b: 22–23). The USA and Western Europe were strategically aligned to curb the expansion of communism globally. Geo-politically, the world was strategically divided into aligning with the USA or Soviet Union. Newly independent states commonly aligned with their former colonisers. The effect of the Cold war on PRA was that an analyst, in conducting PRA for a host country, had to consider alliances. If the foreign investor was not strategically aligned with the super-power that the host country was aligned to, the investor could be exposed to a higher level of political risk.

Most developing states had acquired independence by 1970 (United States of America State Department, 2018), which impacted on PRA conceptualisation. Newly independent states exhibited similar characteristics- they had developing economies and faced internal problems that were the result of their colonial past (United States of America State Department, 2018). A few developing states were still under colonial rule during the 1970s. This backdrop influenced political risk in newly independent states to include political risk factors such as war, civil strife, riots, political instability,

¹⁹Cold war is a state of political hostility between countries, characterised by threats, propaganda and other measures short of open warfare. It was dependent on the military industrial complex of each super-power, the aggressive development of arms in anticipation of a possible war.

potential radical political change and unfavourable policies for foreign investment (Green, 1974: 35). The forecasting of PRA for newly independent states followed a precautionary trajectory in this period.

This section discussed the context in which PRA emerged and the major factors that influenced its traditional conceptualisation. Nevertheless, this traditional conceptualisation cannot fully explain PRA in contemporary times. The next section suggests factors that need to be considered to have a better understanding of PRA in contemporary times.

3.9.2 Factors that influenced changes in PRA conceptualisation in contemporary times

The environment shaping PRA in contemporary times is significantly different from when PRA was traditionally conceptualised. Developing states have become less protectionist, so as to compete for FDI (Bremmer & Keat, 2009: 124). Furthermore, the perception that political risk is demanded by foreign investors from developing states is heavily contestable as some states that were developing in the 1980s are now emerging markets and sources of FDI, for example, Singapore, China and Brazil. In addition, cases of open hostility resulting in war have reduced in contemporary times compared to the 1970s when colonisation was ending, which is a shift in the environment that shaped PRA conceptualisation. Also, the number of countries that are administered under military rule has significantly reduced from the 1980s.

PRA studies declined between the early 1980s and the end of the 1990s, then increased in the 21st century (Venter, 1999). In the 1980s, there were few studies of political risk; government intervention was perceived to be the major political risk that could negatively impact on foreign investment (Chermak, 1992: 167). The demand for PRA declined, possibly because foreign investors became more cautious in the 1980s after the expropriations that occurred during the 1970s²⁰. Lambrechts, Weldon and Boshoff (2011: 108) claim that PRA declined due to the narrow conceptualisation of PRA which had not transformed with globalisation and the changing needs of the world, as well as the inaccurate PRA forecasts that had occurred. Notably, geo-politically, the cold war ended, which meant that after the 1990s, the USA was the only global super-power. The terrorist attacks on the

²⁰Expropriation and nationalisation of foreign assets in developing countries, 1960-1979 were 560; 1980-1986 only 16; and 1996-2006 were 42 (MIGA, 2011: 30).

USA of September 11, 2001²¹ increased uncertainty and insecurity globally and acted as the main catalyst in reviving the interest and need for PRA studies.

Terrorism was not included in the traditional conceptualisations of PRA. Traditionally, government actions and policies were perceived as the major drivers of political risk. The 2001 September 11 terrorist attacks in the USA significantly changed the conventional business risks and the perception that government was the main actor of political risk in the 21st century. The influence of non-state actors, either as individuals or groups, as significant agents of political risk must be included in political risk conceptualisation. Boko Haram, ISIL, Al-Shabaab and Taliban have been the four deadliest terrorist groups between 1998 and 2017 (Institute for Economics and Peace, (2018: 15). There has been a rise in politically motivated terrorism, which has impacted on political risk (Bremmer & Keat, 2009). The USA and Western European countries were the initial targets for terrorist attacks, nevertheless, these attacks have spread to other states that are perceived to be allies of the West. Terrorist attacks have occurred in Kenya, Mali, Nigeria, Egypt, Tunisia, Libya and Somalia (Africa Centre for Strategic Studies, 2017).

Terrorist attacks may not be as devastating as adverse government policy on MNCs operations, but if an attack occurs, it could potentially be costly for the MNCs. Unlike states, MNCs and foreign investors cannot organise counter-terrorism methods, however, they can prepare for the possibility of terrorist attacks by ensuring they have proper evacuation procedures. In addition, foreign investors operating in possible terrorist hot spots can get advice before commencing work in these regions. Thus, in contemporary times, PRA must consider the political risk factor of terrorism and how it affects foreign investors for their businesses to prosper. Terrorist attacks disrupt business operations, destroy infrastructure and at times involve kidnapping of key personnel (Bremmer & Keat, 2009: 10). Terrorism has been listed as one of the top ten political risk factors for foreign investors in developing countries (MIGA, 2012: 27).

Another factor that has changed political risk conceptualisation is the rise of China in attempting to provide global leadership. After the cold war, the USA was the only global super-power. The USA

²¹The terrorist attacks are commonly known as 9/11. This was a series of coordinated terrorist attacks by Al-Qaeda in the USA. The attacks focused on crashing airplanes into the World trade centre, the twin towers, the pentagon and one targeted at Washington D.C but crashed at Stonycreek Township. The 9/11 attacks cost damages worth over USD2 trillion of infrastructure, lives and production. In addition, 2996 people were killed and over 6000 injured (Institute for the Analysis of Global Security, 2004).

has lacked political will and has been reluctant to provide global leadership that ensures global security (Bremmer & Keat, 2009: xiii). This has created a vacuum in global leadership. The USA, under the Trump administration in 2017, sought to focus on an independent ‘America first’ policy, which further deteriorated its will to provide global leadership (Bremmer & Kupchan, 2017: 3). This deterioration of the USA’s influence globally has given China an opportunity to rise and attempt to competently offer global leadership.

China economically sought to assert its presence regionally first and then globally (Bremmer & Kupchan, 2017: 2). China developed the Silk Road Economic Belt, known as the One Belt, One Road initiative, which started in 2013. The initiative builds railways connecting China by land to Asia, Europe and Africa. The project involves 65 countries, covering approximately 4.4 billion people of the world’s population. This shows the strides China has been taking in connecting itself globally (Tunningley, Eva, Trickett & Lin, 2018: 4). In 2017, after asserting its presence economically, China was bold in proclaiming its intentions to provide an alternative development model for states and offering global leadership. China has grown to a level comparable to the USA in trade and artificial intelligence, however, the USA exceeds China in its investment in security (Bremmer & Kupchan, 2018: 4–5). The USA has responded by attempting to curb Chinese influence globally. In 2019, the USA introduced tariffs exclusively for Chinese goods and services and China retaliated by also introducing tariffs for USA products²². Although this is still unfolding, the USA-China trade war potentially affects the political risk of MNCs that originate from these two countries and are geographically operating in the other’s country.

The rise of China as an alternative leader is significant to political risk conceptualisation. China and the USA operate on different sets of rules and there is a high possibility of conflict occurring between them, which is not linked to artificial intelligence or trade. The Chinese model significantly challenges how conventional business has been conducted. The democracy-capitalist model demanded economic and political reforms to be implemented in countries that sought trade with developed countries. In contrast, the Chinese state-led model emphasises non-interference with other states’ affairs, which is appealing to some states (Bremmer & Kupchan, 2018: 3–4). The conflict between the USA and China may spill over to countries that are aligned to these two countries in Asia. Japan, India and South Korea are aligned to the democracy-capitalist model offered by the

²²US-China trade war: Total USA tariffs applied exclusively to Chinese goods: USD250 billion. Total Chinese tariffs applied exclusively to USA goods: USD110 billion (Wong & Koty, 2019).

USA (Bremmer & Kupchan, 2018: 4). However, the ‘America first’ policy adversely impacts on the USA’s Asian allies to either continue to be aligned or to shift and be aligned to China for their security. Globally, states will, in times to come, be forced to align with either the USA (democracy-capitalist model) or with China (state-led capitalism). Foreign investors must be cognisant of this USA-China conflict as it impacts on decisions of where to invest, how much to invest and for how long. PRA will have to consider the nationality of the investor and factor in which super-power the host country is aligned to, to best advise foreign investors.

The threats posed to foreign investors due to the growth in Information, Communication and Technology (ICT) and the use of the internet should be included in PRA conceptualisations. Fundamental operations are linked to cyberspace, for example, marketing, communication, aviation, tourism, broadcasting and critical infrastructure such as energy, public transport, electricity and water networks (Sottilotta, 2016:129). Cybercrime, cyber terrorism and cyber warfare²³ conducted by governments, organised non-state actors²⁴ and individuals pose challenges to MNCs of any size. Risk management companies, for example, WorldAware, EIU and S-RM, offer foreign investors a detailed cybersecurity risk assessment for a fee. For a cyber-attack to be classified as a political risk, it should be politically motivated²⁵. MNCs should consider the political risk of cyber-attacks and take proactive measures that insulate it from these attacks. This can be achieved by having an up to date antivirus, data protection methods, as well as imposing tighter controls over access and storage of information, which limits the loss of classified information, trade secrets and hacking. Traditional conceptualisation of PRA did not consider cyber threats.

PRA traditionally did not consider the threat of foreign investment caused by health pandemics because for a factor to qualify as a political risk, the action or decision must be politically motivated (Lax, 1983: 9), while the effect of the decision or actions could be experienced in any sector. Infectious diseases, for example, HIV/AIDS, Tuberculosis (TB), Ebola and the Zika Virus pose

²³Cyber relates to electronic communication networks and virtual reality. Cyber-crime are criminal activities conducted using the internet (which include hacking, phishing, spamming); specifically, MNCs are more protective of losing personal information, fraud and business trade secrets. Cyber terrorism is the use of ICT to propagate fear and violence to achieve a political objective. Cyber warfare is the use of computer technology to disrupt the activities of a country, especially the deliberate attacking of information systems for strategic or military purposes.

²⁴Examples of cyber acts in history are the Panama paper leaks, NSA document leaks by Edward Snowden, Russia attacking Estonia following the removal of a Soviet-era memorial from Tallinn, Israel and USA derailing the Iran nuclear programme, NASDAQ financial attack, Qatar oil and gas attack; in 2002 Saudi Arabia oil company Aramco was hacked for Saudi Arabia’s misdeeds in Syria and Bahrain (Sottilotta, 2016:129).

²⁵Cyberattacks to critical infrastructure may be conducted for non-political reasons. However, for it to qualify under PRA, the attack has to be politically motivated.

serious threats to MNCs in the areas that these diseases have a high prevalence rate. A health pandemic becomes a possible political risk factor when the host-government affected by the pandemic does not adequately contain the disease when it has the capacity to do so. This leads to the possibility of the pandemic spreading within the host-country and across the country's borders. Hence, in such cases, conceptualising PRA could include the threat of health pandemics. Depending on the disease prevalence rate, the MNC could be forced to implement measures that assist in mitigating the burden of the health pandemic in the host country.

Extreme weather patterns in the form of cyclones, earthquakes, droughts and forest fires are factors that have not been considered in PRA conceptualisation. Extreme weather patterns are not politically motivated, however, when they occur, the costs of interrupted production, distribution, sales and travel are very high (Control Risks, 2019). Extreme weather patterns were forecasted by Control Risks as the third highest risk for 2019. Each country has an early warning system to detect the occurrence of extreme weather patterns, for example, a cyclone. For this factor to qualify as a political risk, the host government, after detecting the possible harsh weather condition, fails to either implement an evacuation of the site that could be most affected, or fails to look for assistance beforehand in order to preserve lives and infrastructure. At times, MNCs could be compelled to assist the host-state in recovering from a devastating natural disaster. For example, an MNC could assist in road construction after a cyclone to restore accessibility to its plant. Therefore, PRA conceptualisation, according to this study, should consider natural disasters.

The use of cryptocurrency²⁶ is a development that could impact on PRA conceptualisation. Cryptocurrency is a decentralised system, independent of any central bank, which uses blockchain technology. The system is secure, allows for anonymity, is easily accessible and available, and the transactions bypass state-mandated transfer systems (Till, Peters, Afshar & Meara, 2017: 2; Yu, 2018: 8). Blockchain technology is being tested by various industries which include banking, minerals, mining and food procurement²⁷, and is still being considered as a healthy financing method (Till *et al.*, 2017: 1). A total of 75 major banks participated in a project that was embracing this technology because it potentially reduces intra-organisation transaction costs and increases efficiency (Niforos,

²⁶Cryptocurrency is digital money that uses encryption techniques. It uses a peer-to-peer network where users interact directly with no intermediary and every transaction is recorded. Bitcoin was the first cryptocurrency created in 2009, several others have since been created, for example, Ethereum, Litecoin, Ripple (Niforos, 2017: 1; Petraitis, 2017: 5–7; Till *et al.*, 2017).

²⁷The World Food Programme conducted a pilot test of blockchain financial transfers to 10 000 Syrian refugees which reduced transaction fees from 1.5% to effectively zero (Till *et al.*, 2017).

2017: 2). Different governments have responded differently to cryptocurrencies as this financial system has no central coordination²⁸.

There are various evolving political risks due to the usage of cryptocurrency. First, there is a high possibility of hacking that could lead MNCs to be defrauded. Secondly, the use of digital money, which the government cannot control or apply regulations to, could potentially reduce the amount of revenue available for the government to tax. As a result, there is the potential for the host country to increase the amount of tax they collect from MNCs to make up for the low tax revenues. Thirdly, the coin prices are driven by speculation; negative speculation lowers the price of the coin. This could potentially lead to instability in the states with many cryptocurrency investors in times when the coin prices are depressed. The impact of cryptocurrencies on the political risk of foreign investment is an evolving concept, one that could influence PRA conceptualisation in the future.

This section discussed changes in the contextual environment of PRA because the changes have influenced the contemporary conceptualisation of PRA.

3.9.3 Conceptualisation of Political risk, PRA and Political risk factors

This section conceptualises the terms political risk and PRA as they will be regarded by this study. It also discusses a few political risk factors that will be used in the construction of the political risk conceptual framework for analysing hybrid regimes. Political risk is a concept rooted in risk analysis. Kobrin (1979:70), Friedmann and Kim (1988:64), Frynas and Mellahi (2003:545), and Bremmer and Keat (2009:5) define a 'risk' as the probability of incurring a loss. This definition implies that risk is measurable because the probability of the outcomes occurring is calculated. Risk is generally negatively perceived. Nevertheless, the outcomes of the risk could have a positive impact on an investment. Therefore, investors must have a neutral position on risk because the outcomes from risk could, in some cases, end up being either positive or negative (De la Torre & Neckar, 1988: 168; Howell & Chaddick, 1994: 72; Alon & Herbert, 2009: 130). This study focuses on one type of risk, political risk.

²⁸The Indian government legalised cryptocurrency usage, but the Ministry of Finance and the Central bank contested the move (Niforos, 2017: 2). Russia is considering using cryptocurrencies. The UK tasked the monetary system to monitor how the development affects them (The UK News, 2014). China banned Bitcoin in 2017, but maintains a positive outlook on how to regulate the cryptocurrency (Yu, 2018). Venezuela is considering having an oil-based cryptocurrency to circumvent USD transactions (Petraitis, 2017).

Simon (1982:68) defines political risk as, “governmental or societal actions and policies originating from either within or outside the host country and negatively affecting either a select group of, or the majority of, foreign business operations and investments.” This definition demarcates the difference between micro-political risk (a select group of) and macro-political risk (the majority of). The definition also recognises that different actors within the society, for example, minority, separatist and terrorist groups have a bearing on influencing the political risk of a country. Another definition by Sottilotta (2016: 10) defines political risk as:

The probability that the profitability of an investment will be negatively affected by circumstances ascribable either to adverse unforeseen changes (e.g. revolutions, even when linked to democratisation processes, or the outbreak of tribal ethnic conflict) in the domestic or international political arena, or to governmental policy choices affecting the international investor’s property rights.

This definition acknowledges that adverse unforeseen changes could potentially affect foreign investors property rights. In addition, Sottilotta (2016: 10) regards political risk as quantifiable when calculating risk as a probability of an event occurring. This study considers the comprehensive conceptualisation of Simon (1982: 68) and Sottilotta (2017: 10) and conceptualises political risk as *the probability that government decisions and diverse societal actions, emanating in the domestic or international environment affect a foreign investment with respect to a specific project, firm, industry or the whole country.*

Political risk actors can be the governments, individuals and organised or unorganised non-state groups. Due to globalisation, growth in ICTs and migration, governments are no longer the only major actors that can make decisions or take actions that induce political risks. Although political risk is negative, there are opportunities that could arise from political risks. For example, suppose the government imposes a politically induced high tax threshold for foreign investors and MNCs operating in that host-country, some investors may decide to leave, while others continue operations. The investors that stay could have an increased market share.

Traditionally, political risk was perceived to be calculated for foreign investors and MNCs operating in a host country (Kobrin, 1979: 71; Simon, 1982: 66; Sethi & Luther, 1986: 60; De la Torre & Neckar, 1988).. Regarding domestic firms, this study recognises that domestic firms get preferential treatment by their governments, hence the potential political risks could be minimal. Nevertheless, domestic firms are not exempted from experiencing political risk factors, for example, riots, nationalisation, war and import restrictions (Ekpenyong & Umoren, 2010: 29; Lambrechts &

Blomquist, 2016: 1). This study focuses only on the political risk to foreign investors and excludes domestic firms in analysing political risk in a hybrid regime.

In conceptualising PRA, it is pertinent to understand risk analysis. Howell (1998: 5) and Parsons Transportation Group, Touran & Golder Associates (2004: 10) assert that risk analysis is the identification and evaluation of possible threats and opportunities and the effective management thereof. Brink (2002: 25) proposes that an analysis denotes historic, current and future investigations aimed at interpreting something in terms of its effects. Based on these two definitions of risk analysis, this study conceptualises PRA as *the forecasting and management of how government decisions and diverse societal actions, emanating from the domestic or international environment, affect a foreign investment with respect to a specific project, firm, industry or the whole country.*

Poirier (1997: 676) claims that PRA is a practical tool which enables management to pursue rational decision-making for companies. This study agrees with the claims made by Poirier (1997) because PRA, identifies current and, possibly, future political risks. By identifying these political risks, MNCs and foreign investors can develop strategies of how to solve or manage these risks. After strategies are developed, they can be ranked, then management can select the optimal option. PRA is an analysis tool that gives a snapshot of the current of the political threats and opportunities that arise from a given case. PRA allows a company to map out a strategy that provides an overview of what management can expect and how to overcome the challenges. This shows that PRA is a practical tool that assists management.

Scenario analysis, prediction, political prophecy and forecasting are concepts that are used within the context of forecasting PRA. Scenario analysis is the formulation of possible political and economic pathways that a country can take over a long period. Scenario analysis assists decision makers to anticipate problems, formulate their solutions, uncover strategic options and opportunities which they may not have imagined (Bremmer & Keat, 2009: 26). It allows decision makers to understand the key drivers and underlying motives between cause and effect which causes shifts in the business environment (Sottilotta, 2017: 100). However, the input process is highly subjective to the initial information given. This study will not be undertaking a scenario analysis of political risk in Zimbabwe, however, the contextualisation provided in Chapter Four can be used as a backbone to scenario analysis.

Predict and forecast both imply future perspectives however, they are not interchangeably used in risk analysis. A prediction is foretelling and prescribing with finality that a certain future event will happen (Brink, 2002: 25). The basis of coming up with a prediction is vague, and the statement is issued with certainty that what is said will happen. Predicting is similar to political prophecy, which is when one foretells possible political outcomes. On the other hand, a forecast is probable in nature and is estimated based on a rational foundation before coming up with the projected likelihood of an event happening (Brink, 2002: 25). A forecast is not final, it is provisional and fallible nevertheless, it is estimated and derived using far better methods than a prediction (Sottilotta, 2017: 39). A prediction is much easier to discard than a forecast. This study is not conducting a forecast or future study analysis, rather it aims to analyse PRA in Zimbabwe. This will result in giving an analysis of PRA as a snapshot of the given period.

PRA is analysed using political risk factors. Political risk factors are important because these are some of the ways political risk is experienced by foreign investors. Bunn and Mustafaoglu (1978: 1558-9) define a political risk factor as any set of circumstances that, if they occur, influence a foreign venture negatively. MIGA (2012: 21;27) shortlists ten political risk factors²⁹ of most concern to investors in developing countries in order of greatest to least concern as: adverse regulatory changes, breach of contract, transfer and convertibility restrictions, civil disturbances, non-honouring government guarantees, expropriation/nationalisation, terrorism and war. From this list by MIGA (2012), this study selects the following political risk factors: adverse regulatory changes, breach of contract, transfer and convertibility restrictions, expropriation, creeping expropriation,³⁰ and nationalisation. This study proposes that these political risk factors may have been of more concern to foreign investors in the relevant case study of Zimbabwe, hence the reason for choosing to conceptualise them³¹. These political risk factors will also be included in the political risk framework for this study, discussed in the subsequent section.

Adverse regulatory changes are defined by MIGA (2011: 21) as, “Risk of losses for foreign investors stemming from arbitrary changes to regulations.” These regulatory changes include sector-specific

²⁹Traditional political risk factors include confiscation, expropriation, operational restrictions, loss of transfer freedom, breach of contract, discrimination of taxes, coups, riots, civil wars (Robock, 1971: 7–12; Lloyd, 1974; Bunn & Mustafaoglu, 1978: 1558).

³⁰Creeping expropriation is not stated explicitly in the MIGA 2012 report, but it is important to define as it is a type of expropriation that has been on the increase worldwide (Bremmer & Keat, 2009: 125).

³¹Terrorism was excluded because Zimbabwe has a low Global terrorism index, with a lowest of 0.2 in 2016 and a highest of 3.74 in 2002 on a scale of 0-10, with 10 being a high threat (Trading Economics, 2019c). The last war in Zimbabwe was the liberation struggle which ended in 1980, hence the reason for excluding war.

regulatory pressures, new regulations, frequent changes in regulations, and new regulatory oversight bodies which are specifically aimed at foreign entities. This factor is motivated by the need for the host government to have control over strategic sectors, as well as the need to increase revenue collected from foreign investors.

The political risk factor contract repudiation³² is defined by Howell (1998: 4) and (Lloyd, 1974: 14) as a loss that results from the government unilaterally terminating or revising a contract without compensation for existing investment in the project or service. Contract repudiation is possible if the goals of the host government have changed and possibly when there is a new government in power (Lloyd, 1974: 14). It is a technique for the government to increase revenue, especially in the case of depletable natural resources. Breach of contract is covered by political risk insurance from public, private and multilateral insurers.

Comeaux and Kinsella (1997: 3) define the political risk of expropriation as “the taking by a host state of property owned by an investor and located in the host state ostensibly for a public purpose”. It is legal under international law, to expropriate foreign-owned businesses, given three conditions are satisfied: non-discrimination of foreign enterprises, public usage of the expropriated property and full compensation by the host government; however, if one of these conditions is not satisfied, the expropriation is illegal (Lloyd, 1974:27; Brink, 2004:18). International law grants legality of expropriation only to foreign-owned businesses, however, if a host government expropriates against its domestic firms, international law is silent.

The political risk factor of creeping expropriation is a subtle type of expropriation. Robock (1971:13) and Comeaux and Kinsella (1997: 8) define creeping expropriation as restrictive government actions that steadily and gradually curtail the freedom of management operations in a foreign investment, making it difficult to continue in business operating at a profit. Creeping expropriation cases are more prevalent after 2000 than the direct seizure of companies (Brink, 2004; Bremmer & Keat, 2009). Not every regulation can be classified as creeping³³ expropriation. It must substantially be discriminatory against foreign businesses, be difficult to anticipate and constrain their profitability to qualify as indirect expropriation under political risk (Robock, 1971: 8). Comeaux and Kinsella (1997: 8),

³²‘Breach of contract’ is also referred to as ‘contract frustration’ or ‘contract repudiation’ or ‘unilateral revisions in contracts and agreements’

³³It can include harsh regulation increases in tax, a high minimum wage, price controls, import and export restrictions, controls of expatriation of profits, which limit profitability (Sottolotta, 2016: 14).

Bremmer and Keat (2009: 124) and Sottilotta (2016: 14) argue that creeping expropriation is specifically targeted at foreign enterprises because host governments seek to increase the revenue they receive from a foreign entity while allowing it to continue operating without damaging the economy. In extreme cases, the aim of creeping expropriation is to force the foreign-owned company to sell or abandon the project to the government or to domestic private investment.

Transfer and convertibility restrictions is another political risk factor that the study will discuss. These are losses resulting from a host government preventing the conversion of the local currency to some form of foreign exchange for transfer outside the host country due to foreign exchange regulations or physical barriers (Howell, 1998: 4). However, devaluation of the local currency is not accounted for under this type of political risk factor (MIGA, 2011: 21). Jensen (2008: 4) notes that foreign exchange restrictions are usually implemented after the initial capital outlay of major projects have been invested in a host country. This can be implemented to address capital flight within a country or to solve some macroeconomic challenges of the host government.

Lastly, this section discusses the political risk factor of nationalisation. Lloyd (1974: 24) and Comeaux and Kinsella (1997: 8) define nationalisation as a general policy which brings a whole sector of the economy under state ownership to advance social or economic reforms, usually without compensation. Nationalisation involves a whole industry becoming the sole prerogative of the government to provide, for example, oil and gas, banking, and the power supply sectors being under public management. Recorded nationalisations have significantly reduced; however, resource nationalisation is more observable. Resource nationalisation is the tendency of host governments to exert control over the natural resources endowed in its location. Resource nationalisation is more prevalent in the oil and gas, mining and natural resource extraction sectors (Simon, 1982; Alon & Herbert, 2009: 129; MIGA, 2011).

This section highlighted factors that were traditionally not accounted for in PRA conceptualisation. It discussed the need to include the threat of terrorism, the rise of China as a potential super-power, the increased dependency and usage of ICTs which are prone to cyber-attacks, the threat of infectious diseases and the devastation caused by extreme weather patterns as factors that should be considered in the contemporary conceptualisation of PRA. The use of cryptocurrencies was highlighted as a possible future potential political risk factor. Political risk, PRA and six political risk factors were conceptualised. The political risk factors of adverse regulatory changes, breach of contract, transfer and convertibility restrictions, expropriation, creeping expropriation, and nationalisation were

discussed. These political risk factors will be used in the construction of the political risk framework for analysing hybrid regimes that is presented in the next section.

3.10 Political risk conceptual framework for the hybrid regime

This section develops a political risk conceptual framework that will be used to analyse PRA in a hybrid regime. This study will hypothesise as literature has stated that the relationship between political risk and a hybrid regime is inversely correlated. Thus, being a hybrid regime increases the potential political risk. To construct the conceptual framework to analyse this hypothesis, this study will draw on factors highlighted by Green (1974), Jensen (2003, 2008), Berlin *et al.* (2004) and Jarvis and Griffiths (2007). The indicators of the hybrid regime framework discussed in Section 3.5 and some of the political risk factors typically identified for hybrid regimes are discussed in Section 3.9 are also used as inputs in the construction of this framework.

The political risk framework for the hybrid regime has three categories: i) political structure and political institutions, ii) political stability, and iii) economic development. Political structure and institutions focus on the governance within the hybrid regime. First, the hybrid regime indicator of elections is selected by this study. Elections will be analysed with regards to how they are conducted, the political environment and the outcomes in relation to political risk. Elections that are not free, not fair, uncompetitive, irregular, violent and contested are expected to increase the potential political risk to foreign investment and vice versa. Secondly, the political risk factor of legitimacy is considered in this framework under political structure and institutions. Legitimacy is the wilful acceptance of the government by the citizens, thus the government exercises authority over the citizens through mutual consent and not through coercion (Howell & Chaddick, 1994: 78). The legitimacy of the leadership of the state is considered as paramount to influencing political risk as alluded to by Berlin *et al.*, (2004: 4) and Jarvis and Griffiths (2007: 15). Illegitimacy of a regime points towards problems of accepting a government's position in power (Venter, 1999: 75). Illegitimacy of the state's leadership is expected to increase the associated political risk to foreign investors. Thirdly, the degree to which state institutions can effectively discharge their duties without political influence is another factor that will be included in the construction of the conceptual framework. It is expected that weak state institutions increase PRA. Strict adherence to the law is the last factor that is considered under political structure and institutions. A judiciary that is partial and selectively applies the law is expected to increase the level of political risk for foreign investors.

Political stability is the second category in the conceptual framework. It measures the extent to which a predictable political environment could have a bearing on PRA. Factors that could cause instability in the political environment are selected in this category. The level of corruption in a society is one element this study selects to include, as suggested by Berlin *et al.* (2004: 4). This is because foreign investors are also concerned about the level of public corruption as corruption increases delays and costs. It is expected that a high level of public corruption increases PRA. The second element under political stability is the hybrid indicator of political elite cohesion. It is selected because, as highlighted in Section 3.4.4, in most cases the political elite in a hybrid regime effect changes that are more permanent than the changes from the masses (Mufti, 2018: 116). If there is disagreement among the political elite, it is hypothesised that it could cause political instability, leading to higher levels of political risk. Tutelary interference, a hybrid regime indicator discussed in Section 3.4.3, is the last factor to be considered under political stability. It is expected that interference by any guardian increases PRA for foreign investors.

The last category in the conceptual framework is economic development. The first factor in this category is the participation of government in the economy. The extent to which the government participates in the economy is of interest to foreign investors in a host country (Chermak, 1992). High government involvement, which increases the potential political risk, is not preferable to foreign investors. Adverse government policies on foreign investment is another factor that is added under economic development. This factor is expected to increase the political risk of foreign investors. Thirdly, the economic performance of the country is considered. The less developed the economy of a country is, the more it is expected to potentially increase PRA for foreign investors. Lastly, international perception of the host government in relation to other states could have an impact on the PRA. It is hypothesised that negative perception about the host state could increase the impact of PRA in that state. A summary of the framework is given in Table 3.4 below.

Table 3.4: Political risk framework for the hybrid regime

| Category | Factor included in framework | Hypothesis to investigate PRA and the factor | Indicators |
|--------------------------------------|---|--|---|
| Political structure and institutions | Elections | Uncompetitive, not free and fair elections increase PRA | Free and fair elections, disputed and violent elections, election environment, media openness. |
| | Legitimacy | Illegitimacy increases PRA | The acceptability or not of the government, domestically and internationally |
| | State institutions | Weak institutions increase PRA | Independence from politics of state institutions, for example, parastatals, the parliament, the police, army. Horizontal accountability or not |
| | Rule of law | Weak rule of law increases PRA | The judiciary system's integrity, Application of the law |
| Political Stability | Corruption | Corruption increases PRA | Corruption |
| | Tutelary interference | Interference by a guardian increases PRA | If tutelage exists, by whom and possible impact on political risk |
| | Political elite cohesion | Weak political elite cohesion within the incumbent party's instability increases PRA | The strength of the incumbent party's political elite, staleness, succession. |
| Economic Development | Government's participation in the economy | High participation increases PRA | Tax as a percentage of the Gross Domestic Product (GDP) to measure participation, Policy consistency |
| | Adverse government policies and actions | Adverse government regulations increase PRA | Which policies have been adverse for foreign investors? |
| | Economic performance | An economically underdeveloped state increases PRA | Liquidity situation, external debt, history of expropriation and nationalisation |
| | Health pandemics | Health pandemics increase PRA | Health |
| | International relations | Strained relationships increase political risk | Home-host relationships |
| | Geographic location and natural disasters | Natural disasters/extreme weather patterns increase political risk | Geographic location and natural disasters/extreme weather patterns |

Source: Author's compilation (2019)

This political risk framework will be applied to the case of Zimbabwe. Each indicator of the framework will be analysed, discussing whether its presence or absence influences political risk. The framework is not intended to forecast PRA in Zimbabwe, rather it will be used for analysis. Also, the framework will demonstrate the political risks over the period 1990 to 2018 in Zimbabwe and be used to analyse whether the traditional conceptual perceptions of political risk in a hybrid regime are still applicable. The application of this framework will also assist the study to critically assess if PRA could be adaptable to the principles of the hybrid regime.

3.11 Conclusion

Before this study could analyse the relationship between political risk and a hybrid regime, this chapter needed to discuss and unpack these two concepts. Hence, this chapter provided the theoretical foundations for political risk and for the hybrid regime. It discussed how political risk is conceptualised in the different political regimes to understand political risk in a hybrid regime. The study revisited the concept of the hybrid regime and in turn developed a hybrid regime framework that will be applied to the case of Zimbabwe. Political risk conceptualisation included concepts of how the discipline has changed from the traditional to the contemporary environment and discussed a few political risk factors. Equally important, this chapter concluded by developing a political risk conceptual framework. This framework will be applied to Zimbabwe to answer if the traditional conceptual perceptions of political risk are still applicable to the hybrid regime.

Chapter 4: Contextualisation of Zimbabwe as a Hybrid Regime

4.1 Introduction

This chapter aims to contextualise Zimbabwe as a hybrid regime for 28 years. It intends to show the different forms of Zimbabwe's hybrid development between 1990 and 2018. The chapter answers why the hybrid regime was durable for 28 years without disintegrating into an outright authoritarian regime or maturing into a consolidated democracy. The chapter does not seek to criticise or make a moral judgement of the correctness or incorrectness of the hybrid political regime exhibited in Zimbabwe. Additionally, the chapter does not prescribe how Zimbabwe could transition from being a hybrid regime to another political regime. A contextualisation of Zimbabwe as a hybrid regime aids better understanding of the hybrid regime before the study can critically assess PRA in a hybrid regime.

The chapter begins with a brief historical background of Zimbabwe³⁴ to create an appreciation of the country's political system. Thereafter, a historical contextualisation will be given in this chapter. The chapter discusses Zimbabwe's pre-hybrid phase and the hybrid regime development using six distinct periods which are: 1978 to 1990, 1990 to February 2000, March 2000 to 2008, 2009 to June 2013, July 2013 to October 2017 and lastly November 2017 to 2018. These periods are discussed and named according to the most observable hybrid regime indicators which were discussed in Chapter Three as elections, civil liberties, tutelary interference and political elite cohesion. In conclusion, the chapter discusses why the Zimbabwean hybrid regime has been durable for 28 years.

4.2 Historical overview of Zimbabwe

Zimbabwe derives its name from one of its historic large stone monuments called Great Zimbabwe³⁵ (Mlambo, 2014: 1). It is a former British colony, which was known as Southern Rhodesia from 1923 to 1965. Thereafter, it was known as Rhodesia³⁶ until it gained independence on the 18th of April 1980. Independence was attained after a civil war between a small white settler minority favoured by the government against the black indigenous majority. The Zimbabwe African National Union

34A detailed chronology of Zimbabwe's history is given in Appendix A.

35Great Zimbabwe is situated in the southern part of the country near Masvingo town. It is the largest monument in which only stone was used in construction between 1270-1550 AD.

36Southern Rhodesia joined Northern Rhodesian (Zambia) and Nyasaland (Malawi) to be the Federation of Rhodesia and Nyasaland in 1953 for political and economic reasons. The federation was dissolved in 1963.

(ZANU), predominately compromising the Shona ethnic group and the Zimbabwe African People's Union (ZAPU), made up mostly of the Ndebele people, were the two major groups fighting against white supremacy in Zimbabwe. ZANU broke away from ZAPU in 1963, due to differences in ideology, ethnic composition and, at that time, the unsuccessful constitutional negotiations in London (Mtisi, Nyakudya & Barnes, 2009: 119).

ZANU and ZAPU collaborated as the Patriotic Front (PF) in 1976 as an initiative of the Front-Line States (FLS). The two political parties were effectively renamed ZANU-PF, led by Robert Mugabe³⁷, and Patriotic Front-Zimbabwe African People's Union (PF-ZAPU), led by Joshua Nkomo. However, ZANU-PF and PF-ZAPU operated separately and occasionally took different political positions and fought against each other (Bratton and Masunungure 2008:43). This occasionally resulted in weakening their combined efforts to fight against the Rhodesian army. ZANU-PF had a military wing called Zimbabwe African National Liberation Army (ZANLA), while Zimbabwe People's Revolutionary Army (ZIPRA) was the military wing for PF-ZAPU. ZANU-PF and PF-ZAPU political leadership both had alliances with their military leadership to cooperate in resolving internal and external threats. This interdependence between political and military leadership was a culture that began during the liberation struggle and continued after independence to 2018. There was an attempt in 1976 to merge ZANLA and ZIPRA into Zimbabwean Peoples Party (ZIPA), but the ethnic divisions and rivalry between the two military groups were too entrenched, resulting in the project being unsuccessful³⁸.

Zimbabwe has three arms of government which are the executive, the legislature and the judiciary. This chapter will demonstrate how horizontal accountability between these arms of government has varied in practice. The president is the head of state and head of government. Robert Mugabe was the prime minister from 1980 to 1987. After the constitution was amended in 1987, he became the executive president from 22 December 1987 to 21 November 2017. The military exerted pressure for him to resign; if he had not resigned, his party, ZANU-PF had planned to remove him through an impeachment process. Emmerson Mnangagwa was elected in the 2018 election as the head of state, having served in this capacity following Mr Mugabe's resignation. Presidential, parliamentary and

³⁷Robert Mugabe died on the 6th of September 2019, four weeks before the submission of this thesis on the 9th of October 2019, therefore any references to Robert Mugabe in this thesis will be made as if he is still alive.

³⁸ZANLA, ZIPRA and the Rhodesian army personnel were integrated into the Zimbabwe National Army (ZNA) after independence.

local government elections were synchronised to be conducted at the same time every five-years effective from 2008.

ZANU-PF was the dominant political party in Zimbabwe from 1980 to 2018, therefore an explanation of how the party is organised is paramount to understanding the hybrid nature of Zimbabwe. The presidium is the executive arm of the party which consists of the first secretary and president, two vice-secretaries and the national chairperson of the party (LeBas, 2016: 9). ZANU-PF's highest decision-making body is the congress which is a meeting attended by representatives from all structural levels, conducted every four years. The politburo, which is a 49-member organisation, is the second most important decision-making organ of the party. It meets frequently and makes decisions on behalf of the party. The presidium, ZANU-PF government ministers and other appointed committee members are privileged to be a part of this elite group. The central committee, comprising of 330 members, is the third level of leadership; it meets quarterly or for special meetings. Bratton and Masunungure (2008:43) claim that praise of war veterans is repeated in presidential speeches, street names, public holidays, political education and state media to serve as a reminder of the country's indebtedness to ZANU-PF. When this study refers to political elite cohesion, which is the strong sense of unity within the political elite of the ruling party, it will be referring to the presidium, the politburo and the central committee.

The Joint Operations Command (JOC), which was created in 1999, executed operations for the benefit of ZANU-PF. The JOC originated in the colonial era as a counterinsurgency-coordination organ chaired by the Rhodesian Army Commander. The role of the JOC after independence was to coordinate rapid responses to threats on national security; however, the scope of the threats have at times included the economy, politics and elections (Bratton & Masunungure, 2008: 48). It comprised of the heads of the Zimbabwe Defence Forces (ZDF)³⁹, the police, prison services and the Central Intelligence Organisation (CIO) (Moyo, 2016: 354). Notably, the security⁴⁰ sector leaders were ex-guerrillas (Sorenson, 2010: 4). Positions in the JOC were also filled by strategic civilian members. Emmerson Mnangagwa was once the chairperson of JOC, while Gideon Gono, the former governor of the Reserve Bank of Zimbabwe (RBZ) financed JOC activities (Bratton & Masunungure, 2008: 48; Marongwe, 2012: 269). Mangongera (2014: 72) argues that Mugabe relied on the JOC to provide tactical direction, human resources and logistical support, revealing Mugabe's increased dependency

³⁹ZDF is made up of the ZNA and the Airforce of Zimbabwe.

⁴⁰The security sector in this thesis will refer to the combined security service providers, that is, ZDF, the police, the air force, prison services and the CIO.

on the security sector. Moyo (2016: 361) claims that the JOC autonomously carried out several operations which were not discussed in parliament but were approved by the office of the president and cabinet. JOC operations will be discussed in detail in the subsequent sections.

This section provided a brief historical and governance overview of Zimbabwe. It also discussed the roles of ZANU-PF and JOC, as these actors were key in influencing the hybrid development of Zimbabwe. The next section focuses on Zimbabwe between 1978 and 1990 as the pre-hybrid regime phase.

4.3 Authoritarian regime: 1978 to 1990

In this section, Zimbabwe is characterised as a socialist, one party and authoritarian regime from 1980 to 1989. This study contends that the hybrid nature of Zimbabwe is more evident between 1990 and 2018. The discussion is centred on elections, civil liberties, tutelary interference and political elite cohesion from 1978 until 1990. The subsequent sections follow the same outline.

The first election that the black majority participated in was in 1979⁴¹. This was after Ian Smith and African traditionalists Abel Muzorewa, Ndabaningi Sithole and Jeremiah Chirau agreed to the Internal Settlement of 1978. The country was renamed Zimbabwe-Rhodesia after the 1979 elections. The results of the 1979 elections were disregarded by the international community because Mugabe and Nkomo did not participate in this election. The election procedures that Zimbabwe practised over the years have their grounding in the 1979 election procedures. The election procedures included: reserved seats for whites only⁴², allowing international observers, voter education, an electoral commission and polling procedures (Sithole & Makumbe, 1997: 125). Notable changes took place over the 39-year period, but the inception of these ideas was traced to this election.

The parliamentary elections of 1980 took place under a proportional representation system⁴³. ZANU-PF led the polls by 63%, PF-ZAPU was second with 24%, United African National Council (UANC) led by Abel Muzorewa was third with 8% of the popular votes, and minority parties collectively captured 5% of the votes (Sithole & Makumbe, 1997: 127). As a result of ZANU-PF winning the

41In order to vote, the black person had to satisfy the preconditions set of property, income and education.

42There were 20 reserved seats for the Rhodesian Front in the 1980 and 1985 election, but this was abolished by an amendment to the constitution in 1987 (Sithole & Makumbe, 1997: 124–125).

43There was a 5% allocation to every province so that they would each be represented.

polls, the prime minister position was filled by its party leader, Robert Mugabe. The results were accepted both domestically and internationally. Mugabe preached the message of peace and formed a government with representatives from the major opposition parties PF-ZAPU and Rhodesian Front (RF) (Thomas-Greenfield & Wharton, 2019: 6). In the 1985 parliamentary elections, ZANU-PF consolidated power as the dominant party and extended its lead to 77%. PF-ZAPU reduced from 24% to 19%, and a break-away faction from ZANU-PF called Zimbabwe African National Union-Ndonga (ZANU-Ndonga) led by Sithole got 1%. UANC won no seats in this election (Sithole & Makumbe, 1997: 129). The election was deemed credible by the domestic and international community.

From 1985, ZANU-PF aggressively pushed for the adoption of a one-party state position. In 1987, a Unity Accord joining ZANU-PF and PF-ZAPU into one party under the name ZANU-PF was agreed upon. The Zimbabwean Constitution was amended, introducing an executive president, thereby abolishing the prime minister position that Mugabe held. The president would, in turn, select two vice-presidents. Mugabe became the first executive president as well as the first secretary of ZANU-PF, while Joshua Nkomo and Simon Muzenda were appointed as vice-presidents⁴⁴ (Ndlovu-Gatsheni, 2012: 25). The Conservative Alliance of Zimbabwe (CAZ), formerly known as RF, was weak and appealed mostly to the white minority population, most of whom had left the country at independence, fearing black majority rule (Mlambo, 2014). This study suggests that the Unity Accord was a strategic tool used by ZANU-PF to eradicate PF-ZAPU, its only challenger.

In the 1990 presidential and parliamentary elections held in March, ZANU-PF emerged victorious in both. In this election, the size of parliament increased from 100 to 120 seats due to a constitutional amendment made prior to elections (Kriger, 2005: 13). For the parliamentary elections, ZANU-PF got 117 seats, Zimbabwe Unity Movement (ZUM) gained two seats and ZANU-Ndonga retained its one seat. Mugabe triumphed over Tekere, his only challenger by 83% in the presidential election (Sithole & Makumbe, 1997: 129). ZUM was a political party that was started in 1989 by former ZANU-PF secretary-general Edgar Tekere. Tekere was expelled from ZANU-PF because he criticised senior party officials for corruption, rent-seeking tendencies, greed and disagreed with the formation of a one-party state (Kriger, 2005: 14; Muzondidya, 2009: 181). The election results indicated the investment by ZANU-PF in building a one-party state. Diamond (2002: 32) and

⁴⁴Simon Muzenda was Mugabe's deputy in ZANU-PF from 1977. He became Deputy Prime Minister in 1980 and co-Vice President in 1987 until his death in 2003.

Levitsky and Way (2002: 55) assert that election results of above 70% point to an authoritarian state, which was the direction Zimbabwe was leaning towards.

ZUM appealed mostly to the urban population, but this was not reflected in the votes cast. ZUM candidates were subjected to violence, intimidation, harassment and torture, which this section discusses under civil liberties. Markedly, voter turnout dropped from 84% in 1985 to 54% in the 1990 elections (Sithole & Makumbe, 1997: 129). The 1990 elections were perceived as choiceless and skewed in the favour of ZANU-PF (Kriger, 2005: 14–20). The 1990 election results were domestically and internationally accepted. The first decade's elections consolidated ZANU-PF's power, while PF-ZAPU, CAZ, UANC were not competitive.

Regarding civil liberties, the black population's political space rapidly increased. One distinctive feature was the adoption of universal adult suffrage which began in the 1980 election. Electoral integrity⁴⁵ was practised consistently in every election after Zimbabwe's independence. The 1980 election was not discriminatory in terms of race, education or wealth of contestants, unlike the election conducted in 1979 which laid out such preconditions. The black majority enjoyed freedom in spaces reserved only for the white minority before independence. Social service delivery, education and employment indicators significantly improved for the black majority (Mlambo, 2014). In his inauguration speech in 1980, Mugabe reassured the white minority of protection from any black intimidation or victimisation (Mlambo, 2014).

There was no ethnic related conflict, however, between 1982 and 1987 there was state-sponsored violence and intimidation in the Matabeleland region, comprising mostly of the Ndebele people, which was known as the Gukurahundi era⁴⁶. The government deployed the Fifth Brigade in the Matabeleland region to quell suspected dissidents. The destabilisation in the Matabeleland region originated from disgruntled PF-ZAPU supporters and people suspected to be sponsored by the apartheid Republic of South Africa to cause destabilisation in the region⁴⁷ (Mashingaidze, 2005: 85; Mlambo, 2014: 196). During Gukurahundi, the Fifth Brigade used strategies that grossly violated human rights which included killing, torturing, raping, beating and making people disappear (Bratton

⁴⁵Electoral integrity is defined as one person's vote accounted for as one, and not subjected to a weighting system.

⁴⁶Gukurahundi is a Shona term describing a storm that destroys everything, thus establishing a new ecological order. This term was used by ZANU-PF, pre-independence, as a policy of annihilating white supremacy and blacks that supported it.

⁴⁷The South African apartheid government's foreign policy was to destabilise Zimbabwe. It set up a base to train bandits who called themselves Super ZAPU, who intended to join those in Matabeleland (Mlambo 2014:196).

& Masunungure, 2008: 50). An estimated 20 000 innocent civilians who were not part of the dissidents' activities lost their lives due to the brutality of the Fifth Brigade's operations (Mashingaidze, 2005: 84). The magnitude of force used by the government to curb civil unrest in the Matabeleland region was considerably disproportional.

The Matabeleland provinces were the epicentre of PF-ZAPU support. Joshua Nkomo exiled himself in 1983, although he had been invited by Prime Minister Mugabe at independence to be part of the cabinet as Minister of Home Affairs (Mlambo, 2014: xxvi,197). The international community did not speak against this state-sponsored violence. It was not widely reported in media. The Unity Accord between ZANU-PF and PF-ZAPU ended Gukurahundi. This study asserts that Gukurahundi was a strategic move by ZANU-PF to either dissipate PF-ZAPU totally or an attempt to force it to join ZANU-PF, thus creating the one-party state that ZANU-PF was pushing for.

ZANU-PF employed strategies that weakened and discredited opposition political parties, which is expected under authoritarian rule. Joshua Nkomo was persecuted and accused of organising a coup (Mlambo, 2014). The attacks on his life and the party's supporters led him into exile; he only returned when the Unity Accord was being negotiated. Bishop Muzorewa, leader of UANC, was detained for ten months from 1983-1984 for allegedly making derogatory remarks about the government and he was suspected of funding the dissidents in Matabeleland (Dorman, 2005: 158). Internally ZANU-PF officials had to abide by the party's position; diverging from this was a punishable offence. In 1989, Tekere was expelled from ZANU-PF, as an example of what could happen if officials did not conform. Tekere was accused of attempting to assassinate ZANU-PF leadership and intending to incite a coup if ZUM lost (Kriger, 2005: 15). Tekere's formation of ZUM angered ZANU-PF's leadership because they had eliminated PF-ZAPU and did not anticipate any opposition, especially originating from within the party.

ZUM was heavily ridiculed and shamed in state media as puppets of CAZ. ZUM was routinely denied opportunities to conduct public rallies, emergency regulations being cited. ZUM supporters were physically beaten, killed, harassed, had their property destroyed; government officials were threatened with the possibility of losing their jobs and some were denied food aid from government-funded programmes (Sithole & Makumbe, 1997: 135; Kriger, 2005: 14–19). The victimisation of ZUM supporters continued even after the 1990 elections and only ceased when senior ZANU-PF officials spoke against the intimidation and harassment (Kriger, 2005: 19). Perpetrators of violence,

when prosecuted by the courts, defied court orders because their attacks on ZUM supporters were a state-sponsored project and ZANU-PF guaranteed their protection. The political environment in this period was skewed in favour of ZANU-PF.

Political elite cohesion before 1990 was strong. Political elite cooperation was high and leadership turnover was low⁴⁸. Those who opposed the majority elite voice in ZANU-PF were expelled from the party and harassed (Sithole & Makumbe, 1997: 135). The worst penalty for diverging from the elite view was death, for example, Patrick Kombayi, an ex-ZANU-PF mayor for Gweru, who chose to be a candidate for ZUM, was shot before the 1990 election in which he was contesting against Simon Muzenda (Dorman, 2005: 154). In terms of tutelary, ZANU-PF, as the incumbent party, was an informal domain of power. This was because there were blurred boundaries between government and ZANU-PF, which led informal practices to occasionally take precedence over formal ones.

Zimbabwe was characterised as an authoritarian regime, socialist, one-party state in this period. It conducted regular elections and observed universal adult suffrage as the only two tenets that depicted democracy. Zimbabwe did not exhibit the other minimum requirements of democracy which are: free, fair and competitive elections, multiple political parties and an independent media (Morlino, 2009: 277). In addition, after 1980 the election results were above 70% in favour of ZANU-PF, which points to authoritarian rule (Diamond, 2002: 32; Levitsky & Way, 2002: 55). Furthermore, the state was aggressively pushing to limit freedom of association and expression. The state also discriminated based on ethnicity and political party affiliation. In a hybrid regime, there is a deliberate alteration between democracy and autocracy features; in this period, Zimbabwe was mostly autocratic. The features of the authoritarian regime between 1980 to 1990 were:

- Regular non-competitive elections
- Defacto one-party state after 1987
- State-sponsored violence in Matabeleland provinces
- Violence and intimidation used to suppress opposition political party members
- The government was perceived as domestically and internationally legitimate
- ZANU-PF was the visible tutelage over elected officials

⁴⁸ Joshua Nkomo died on 1 July 1999, he was replaced by John Nkomo. This was the major change to the Presidium in this period.

- High political elite cohesion

ZANU-PF abandoned the one-party state rhetoric in September 1990 and embraced more democratic institutions (Kriger, 2005: 20). Adopting more democratic tendencies was probably motivated by two reasons. First, the cold war, which Zimbabwe had followed for ten years was no longer applicable, and the fall of socialism. Zimbabwe had to consider adopting liberal democracy (Huntington, 1991b: 15; Plattner, 2014: 5). Secondly, for economic reasons, it was necessary for Zimbabwe to adopt the IMF Economic Structural Adjustment Programmes (ESAP) to curb its foreign debt and deteriorating social conditions (Zhou & Masunungure, 2006: 18). The implementation of ESAP required several reforms which included: trade liberalisation, tax, labour market, public enterprise, domestic deregulation, financial sectors and monetary reforms (Mumvuma *et al.*, 2004: 32; Plattner, 2014: 17). The ESAP reforms reinforced the adoption of democratic institutions.

Therefore, the source of Zimbabwe's hybrid political regime can be categorised under the decay of an authoritarian regime paving the way for democratic institutions due to economic and international pressure.⁴⁹ As a newly independent state, the projected political risk was expected to be high (Green, 1974); however, the political risk in Zimbabwe was substantially low. The government adopted measures that ensured the continued flow of foreign investors into the country.

This section discussed the political style that Zimbabwe adhered to before shifting towards the hybrid regime. The next section will focus on 1990 to February 2000 as the first hybrid nature exhibited by Zimbabwe.

4.4 Liberal hybrid regime 1990 to February 2000

The period 1990 to February 2000 marks the beginning of when Zimbabwe became a hybrid regime. This period was reflective of a liberal hybrid regime. Parliamentary elections were in 1995, while local government and presidential elections were conducted in 1996. The outcomes confirmed ZANU-PF's dominance, even though the number of political parties formed after 1990 had increased. Six political parties contested in the parliamentary elections and ZANU-PF, ZANU-Ndonga and independent candidates won 117 seats, two seats and one seat respectively. Mugabe contested as the

⁴⁹Sources of hybrid regime were discussed in Chapter Three.

only candidate in the presidential race because the other candidates withdrew from the election, citing an uneven playing field⁵⁰ (Sithole & Makumbe, 1997: 130-131). ZANU-PF was poised to win the election even before it started because, in 55 out of 120 constituencies, opposition parties failed to put contesting candidates (Dorman, 2005: 157). Voter turnout and citizen participation in the election decreased from the previous period (Dorman, 2005: 157). This study argues that the low voter turnout was as a result of a lack of political alternatives; the same candidates and party were poised to win the election. Remarkably, the parliamentary election was competitive for ZANU-PF in the primary elections, which is when candidates at party level are chosen to represent a constituency. Those who were unsuccessful stood as independent candidates. Elections in this decade largely reinforced ZANU-PF's dominance despite the formation of new political parties.

Pertaining to civil liberties, during the 1995 and 1996 elections, the incumbent ZANU-PF resorted to intimidation of opposition political parties. Indicative of a hybrid regime, the incumbent uses subtler forms of persecuting opposition political parties. Some of the methods used in persecuting the opposition were attempting to bribe and co-opting opposition members, using tax authorities, the judiciary and other state agencies to legally harass and persecute critics and opposition party members so as to force cooperative behaviour from them (Levitsky & Way, 2002: 53). In this period, intimidation strategies used included: verbally harassing the opponents, threatening civil servants who supported the opposition party with loss of employment, physically preventing opposition rallies and branding the opposition as unpatriotic and puppets for Ian Smith (Kriger, 2005: 20–25). The main opposition parties argued that the environment was skewed to favour ZANU-PF (Sithole & Makumbe, 1997: 131) and that the state's resources and regulations were used to give ZANU-PF the advantage (Kriger, 2005: 20). Ndabaningi Sithole, ZANU-Ndonga's opposition leader, was charged with treason and sentenced to one year in jail (Dorman 2005:159) and David Coltart from FORUM was also taken to court (Kriger, 2005: 21). These two cases were used as an attempt to politically weaken their parties before the election. Prior to 1990, ZANU-PF had employed far more punitive measures to harass the opposition, for example, death, which was not as visible in this period. Hence, this study argues that in this period, democratic space in terms of freedom of expression, association and multiple choices for political candidates had increased from the previous period.

⁵⁰Muzorewa and Tekere withdrew days before the election, but their names remained on the ballot paper (Sithole & Makumbe, 1997: 137).

In a hybrid regime, informal practices regularly take precedence over formal practices. In 1996, the war veterans⁵¹ demanded compensation for their participation in the liberation struggle. A war victims compensation fund was set up in 1980 for those deserving compensation. High ranking political elites had privileged access and benefitted from this fund, unbeknown to most members of the Zimbabwe National Liberation War Veterans Association (ZNLWVA) until it was exposed by a local newspaper (Mlambo, 2014: 201). This was known as the war victim's compensation scandal. In 1997, War Veterans held regular protests and even looted the ZANU-PF headquarters; the police did not interfere with these protests (Dorman, 2001: 118). This reveals the preferential treatment given to this group by the state. Dr Chengera Hunzvi⁵², leader of ZNLWVA, put immense pressure on President Mugabe to pay a war veteran's gratuity. Moore (2018: 4) claims that war veterans held some senior ZANU-PF officials under house arrest while their leadership was negotiating a gratuity with President Mugabe. The government approved an unbudgeted war veteran's gratuity, which was a one-off lump sum payment and a subsequent monthly allowance of Zimbabwean Dollar (ZW\$)50 000 (USD2 000) and ZW\$2 000 (USD200) respectively, to cater for their health and children's education (Moore & Raftopoulos, 2012: 248–250). The government did not have the necessary resources to finance this informal request, but the ZANU-PF government approved the gratuity⁵³. This was done so that the ZANU-PF leadership could strengthen its cordial relations with the ZNLWVA to ensure that the patron-client relationship continued for strategic reasons.

Hybrid regimes subscribe to the notion of multiple political parties and civil society can occasionally influence public policy. The formation of the National Constitutional Assembly (NCA), a civil society organisation in 1998 (Moore & Raftopoulos, 2012: 252), and the Movement for Democratic Change (MDC)⁵⁴, an opposition political party founded in 1999 (Mangongera, 2014: 69) changed the political landscape of Zimbabwe. NCA called for a redrafting of the Zimbabwean constitution using a consultative and participatory approach. The government initially ignored the NCA but eventually set up a Constitution Commission in March 1999 to conduct constitutional reforms (Raftopoulos, 2009: 206–209). In 2000, a referendum rejected the government-led draft constitution as campaigned for by the NCA and MDC. Raftopoulos (2009: 210) and Ncube (2013: 101) assert that this

⁵¹At independence, some comrades were integrated into the ZNA and those with the necessary skills were absorbed into the civil service. War veterans faced many socio-economic challenges of failing to integrate into the society, being uneducated and some had health challenges. In 1989 they established an association, the ZNLWVA (Mlambo, 2014: 201).

⁵²When he initially discovered that the fund was for a privileged few, he falsified documents claiming injuries that allowed war veterans to claim compensation, however, when it was discovered, war veterans lost their legitimacy socially (Moore & Raftopoulos, 2012: 248–250).

⁵³The economy could not cope, the ZW\$ lost its value by dropping 73% in relation to the USD in one day on the 13th of November 1997, known as black Thursday.

⁵⁴MDC was formed from a broad base of civil society organisations, women's groups, students' unions, churches and labour unions. MDC enjoyed significant support from commercial white farmers

constitutional defeat was the ZANU-PF-led government's first major defeat from any opposition party since independence. MDC became the first political party in 20 years to challenge the hegemony of ZANU-PF. The referendum 'no vote' was respected and upheld, demonstrating adherence to some democratic institutions in this period.

Citizens can protest to make their opinions heard to influence public policy and to exercise their freedom of expression and association; however, in a hybrid regime, this could be done on a discriminatory basis. ESAP reforms resulted in: privatisation, deregulation of prices, removal of subsidies, liberalisation of trade, and mass retrenchment of workers from public entities (Mumvuma *et al.*, 2004: 32). The removal of subsidies increased prices of basic commodities and approximately 30 000 people were retrenched, increasing the unemployment rate to 40% between 1990 and 1994 (Muzondidya, 2009: 188–189). All economic indicators reveal that Zimbabwe was worse off in 1993 than in 1989 (Mlambo, 1995: 81). Zimbabwe assisted in the Democratic Republic of Congo (DRC) war in 1998, as a Southern African Development Community (SADC) attempt to stabilise security in the region (Moore & Raftopoulos, 2012: 248–250). The cost of the DRC war was estimated to be ZW\$1million dollars of taxpayer's money a day. Participating in the war enriched military generals and politically connected individuals who received concessions for mining, agriculture and transportation (Thomas-Greenfield & Wharton, 2019: 8).

The cost of participating in the DRC war, coupled with the inefficiencies of ESAP, the unbudgeted war veteran's gratuities and the droughts which caused poor yields, strained the Zimbabwean economy. This deterioration in social conditions and decline in real wages led to the Zimbabwe Congress of Trade Unions (ZCTU), the largest labour union, organising a series of public and private sector protests from 1996-2000⁵⁵. Bratton and Masunungure (2008) argue that these protests had a significant impact of shutting down urban centres. Although protestors could exercise their rights, the government occasionally responded by calling the protest's illegal and deployed the police to disrupt the protestors. In addition, labour union leaders were regularly detained and harassed, which was indicative of a hybrid regime. In this period, Muzondidya (2009: 212) argues that civil society became more assertive in questioning the government's commitment to fighting poverty and ZANU-PF's growing intolerance of the opposition. This feature was more pronounced from 1996 to 1999.

⁵⁵There was a massive public-sector eight-week strike from August to September 1996, with approximately 160 000 employees participating in the strike (Saunders, 1997: 18). The ZCTU organised a public and private sector strike in December 1997, motivated by the declining economy and this strike was successful in that it stopped the government from implementing a new levy on workers (Muzondidya, 2009: 196).

Public corruption was at times unprosecuted, which is a key feature of hybrid regimes. Between 1980 and 1999, corruption in the private, public and civic sectors was widespread. The Transparency International Corruption Index of 1998 was 4.2 on a scale of 10; with 0 indicating that most public officials were dishonest and requested bribes in conducting their duties, while 10 indicated low levels of dishonesty among public officials (Trading Economics, 2018). Mumvuma *et al.* (2004: 49) note that there was a rise in corruption cases by senior government officials from 1990-2000. A few corruption cases that tainted the political leadership include the Willowvale motor scandal⁵⁶, the War victims compensation fund⁵⁷ and the VIP housing scandal⁵⁸. Mumvuma *et al.* (2004:49) assert that cabinet ministers interfered with the tendering processes, which resulted in enriching those politically connected to ZANU-PF and senior government officials. The DRC war created avenues for the political elite and military generals to be corrupt (Thomas-Greenfield & Wharton, 2019: 8). Remarkably, in most corruption cases the key perpetrators of corruption did not resign nor were they prosecuted but were reassigned to other government posts. Therefore, because public corruption was overlooked, it became more attractive to be corrupt and more people became bold in being corrupt. Furthermore, the corrupt officials became more loyal to ZANU-PF because it was guaranteeing their protection, thus ensuring the continuation of the patron-client relationship.

The judicial system in 1995 was observed to be independent. Several cases were taken to the courts to contest the 1995 parliamentary and 1996 local government election outcomes and the courts ruled unbiasedly. The case of Margaret Dongo, an ex-CIO and ZANU-PF parliamentary member in 1990-1995, was one example. As the incumbent candidate, she was not nominated by the politburo to represent ZANU-PF in her constituency in 1995. This propelled her to participate as an independent candidate (Dorman, 2001: 98). She petitioned the court for foul play and the court ordered a by-election to be conducted in which she won convincingly (Sithole & Makumbe, 1997: 135). The judiciary decided on disputed mayoral outcomes with the majority of the cases being raised from ZANU-PF (Dorman, 2005: 159). Chikwanha-Dzenga, Masunungure & Madingira (1999: 6) assert that before 1999 Zimbabwe enjoyed democratic institutions, notably, a pluralistic media, an

⁵⁶Senior government officials and politicians used their political power to obtain vehicles which were in short supply in the country from Willowvale motor industries, a government owned company and sold these at high prices for personal gain (Mumvuma *et al.*, 2004: 15).

⁵⁷A war victims compensation fund to benefit war veterans was looted by senior politicians and government officials (Mlambo, 2014: 201). When it was revealed, war veterans' pensions were stopped and a commission was set up to investigate (Dorman, 2001: 92).

⁵⁸Funds set up for low income housing schemes were diverted to benefit senior government and ZANU-PF party officials (Dorman, 2001:92).

independent court system, growth in political parties, parliament and regular conducting of elections. The environment did not result in fairer competition.

Regarding tutelary interference, ZANU-PF's objectives were observed to influence the decisions of elected officials. The ZANU-PF ideology was influenced mainly by the presidium, senior security sector officials, senior government officials, war veterans and politically connected businesspeople. JOC was resuscitated in 1999, however, the effect of JOC as an unelected body influencing policy is not visible in this period, but the subsequent periods that follow. The boundaries between the state and ZANU-PF in this period increasingly became blurred. The state's resources were occasionally used for ZANU-PF purposes. This overlap of government and ZANU-PF continued into the next period.

Lastly, political elite cohesion within ZANU-PF was strong, but it was relatively starting to fragmenting. Moore (2018: 3) asserts that in 1997, Mugabe gave in to the demands of the war veterans because he needed to make new allies as these had reduced. The politburo-imposed candidates in some constituencies who were not the incumbent Members of Parliament (MP) for these constituencies. This action had the effect of weakening political elite cooperation. Some ZANU-PF MPs were expelled from the party, for example, Dongo in 1995 and Mudehwe in 1996 (Sithole & Makumbe, 1997: 135). Diverting from being a ZANU-PF loyalist resulted in harassment and victimisation by other party members. An example is Fidelis Mhashu, an ex-ZANU-PF member who was beaten up by ZANU-PF supporters when he contested as an independent mayoral candidate for Chitungwiza (Dorman, 2005: 154). Moreover, political elites were able to manage external threats in this period resulting in relatively strong political elite cohesion. There was a failed coup attempt in Zimbabwe by a group of soldiers who had not favoured the country's involvement in the DRC war in 1999 (Moore, 2018: 4). At the level of the presidium, politburo and central committee there was relatively low leadership turnover.

Disgruntled ZANU-PF members who contested as independent candidates in the 1995 parliamentary elections created a political party in 1996 called Zimbabwe Union for Democrats (ZUD), led by Dongo. Dorman (2001: 98; 117) states that Dongo was instrumental in exposing electoral process irregularities and exposed the war victim's compensation scandal in parliament. Opposition political parties were hampered by factional battles which weakened them. After the 1990 elections, ZUM formed two splinter groups which were the Democratic Party and FORUM in 1993. ZUD, which was

expected to be the main opposition party in the 2000 parliamentary elections, had a splinter group called Transparency Front by mid-1999. Dorman (2005: 156–157) argues that the interference from ZANU-PF supporters and CIO agents, as well as personality differences, accounted for the divisions in opposition political parties. Although political elite cohesion was relatively strong; hence the hybrid regime was stable.

The period 1990 to February 2000 shows the initial period that Zimbabwe became a hybrid regime. Democratic and autocratic features were both observed in this period. The political risk for Zimbabwe during this period appeared to be low. When the hybrid regime framework was applied to Zimbabwe, the first hybrid nature that is evident is the liberal hybrid regime which has been discussed in this section. The next section focuses on the competitive illiberal hybrid regime from March 2000-2008. The features of the liberal hybrid regime shown in this period include:

- Multiple political parties formed, however there were regular non-competitive elections
- Increase in political freedom
- Parliament dominated by ZANU-PF
- Intimidation and harassment used to silence opponents
- Judiciary independent
- Occasional clamp-down on protestors
- Property rights secure
- The government is seen as legitimate domestically and internationally
- Public corruption increasing
- Strong ZANU-PF top-level political elite cohesion
- People with different opinions expelled from ZANU-PF
- Civil society active towards the end
- The economy in turmoil after 1997

4.5 Competitive illiberal hybrid regime March 2000 to 2008

Between March 2000 and 2008 Zimbabwe was conceptualised as a competitive illiberal hybrid regime. The incumbent in a hybrid regime can implement unorthodox policies to regain political support. ZANU-PF support was dwindling towards the end of the 1990-2000 period, therefore, as a strategy for political survival, ZANU-PF implemented the Fast Track Land Reform Programme (FTLRP) in early 2000. The FTLRP resulted in massive land seizures from white commercial farmers without compensation. Implementing the FTLRP had significant impact on the nature of the hybrid regime as well as diplomatic relations and the economy.

The factor of land had been a rallying point, especially around elections in the 1990s. After 1990, the Lancaster House provisions on land with regards to the willing buyer and willing seller and many others were no longer binding. The Land Acquisition Act of 1992 empowered the government to expropriate land but with full compensation. Prior land invasions had taken place in 1997 and 1998, citing that the government's official Land Reform Programme phase 2 was slow (Thomas, 2003: 700). Dorman (2001:116) argues that land invasions prior to 2000 were conducted on a non-racial basis because there were land invasions carried out on farms owned by black senior government officials. In 1998 the government held an International Donor Conference in a bid to raise ZW\$1.5 billion to resettle 150 000 families on five million hectares of land over a five-year period (Raftopoulos, 2009: 212). Unfortunately, the conference failed to secure any funds for the resettlement programme. In February 2000, a people's referendum rejected the government-led draft new Zimbabwean constitution. The draft had provisions empowering the government to expropriate white-owned commercial land without compensation (Mlambo, 2014: 234). In early 2000, ZANU-PF, seeking to revive political relevance, organised its supporters and war veterans to invade and evict white commercial farmers off their land. The land invaders called the process the Third Chimurenga⁵⁹. On 17 March 2000, Justice Paddington Garwe of the High Court gave the first verdict on the matter; he declared land invasions illegal and ordered the police to enforce the removal of the invaders within 24hours, but the police did not comply (Human Rights Watch, 2008). In May 2000, an amendment to the constitution was issued, giving the government the right to expropriate white commercial land without compensation, thereby legalising the FTLRP. This constitutional amendment was passed by the ZANU-PF led parliament a month before the June parliamentary elections.

⁵⁹Chimurenga is a Shona term that means war, the First and Second Chimurenga's were in June 1896 and the period 1966-1980 respectively.

The FTLRP displaced approximately 4 000 white commercial farmers (Raftopoulos, 2009: 212) and approximately 450 000 farm labourers (Mlambo, 2014: 235). The FTLRP had ripple effects on the economy, mainly on agriculture, manufacturing and tourism sectors. Thomas-Greenfield and Wharton (2019: 8) assert that Mugabe implemented the FTLRP because he was angry that white commercial farmers were sponsoring the new opposition party MDC. Moore and Raftopoulos (2012: 216) argue that the FTLRP violated property rights, dehumanised white commercial farmers and members of the opposition MDC. Bratton and Masunungure (2008: 46) and Ncube (2013: 100) argue that the major beneficiaries of the white-owned expropriated farms were the senior security sector officers, cabinet ministers, government permanent secretaries, senior judges and senior ZANU-PF officials and not ordinary Zimbabweans. This study argues that the FTLRP was a political tool used by ZANU-PF to regain support to avoid a defeat in the 2000 parliamentary and 2002 presidential elections.

Focusing on the hybrid regime indicator of elections, there were five rounds of elections between 2000 and 2008. These elections were conducted as follows: parliamentary elections in 2000, 2005 and 2008, presidential elections in 2002 and 2008 and lastly, local government elections in 2003 and 2008. The constitutional terms were pegged at five years for parliamentary and six years for the presidential. In 2007 all three major elections were synchronised to be conducted together with effect from March 2008, which was termed the harmonisation of elections. The parliamentarian's terms were shortened by two years. EU, the USA and the UK election observer missions were prohibited from participating by the government from 2002 (Mathlosa, 2002: 149) until 2018 when Mnangagwa became the interim president. This was because natives from the UK and the EU were affected by the FTLRP which resulted in hostile diplomatic relations between Zimbabwe and the Western countries in this period.

A hybrid regime is marked by conducting competitive elections. The previous period elections were mostly competitive within ZANU-PF primary elections. In this period, the MDC, which was formed in 1999, contested in the 2000 parliamentary elections and received 47% of the votes while ZANU-PF received 49% of the votes (Pottie, 2001: 69). Although the MDC received almost half the votes, ZANU-PF continued to dominate parliament because only 120 out of 150 seats were contested on a constituency basis and there were 30 appointments to parliament made by the President⁶⁰. Having

⁶⁰The 30 appointments were 12 non-constituency MPs appointed by the president, 10 chiefs and 8 governors (Pottie, 2002: 62) and this was effective from 1990.

MDC in parliament was adequate to stop amendments to the constitution but it was insufficient to stop legislation from being passed by the incumbent ZANU-PF. In the presidential elections of 2002, MDC leader Morgan Tsvangirai lost by a slight margin when he received 42% of the votes while the ZANU-PF candidate, Robert Mugabe obtained 56% of the votes (Raftopoulos, 2009: 215). The 2005 parliamentary elections remained competitive with ZANU-PF, MDC and an independent receiving 60%, 39% and 1% respectively of the votes cast. To cater for strategic ZANU-PF MPs that had lost their seats to MDC and to weaken the influence of MDC in parliament, ZANU-PF pushed for the adoption of two measures. First, the size of parliament was increased from 120 to 150 seats to be contested on a constituency basis⁶¹. Secondly, a 66-member Senate⁶² was re-introduced in November 2005 which had been abolished in 1985. The argument for reintroducing Senate was to have representation for marginalised groups, for example, women, youth and the disabled. Marginalised groups representation could have been done in an alternative manner than increasing the size of the cabinet. Representation could have been catered for by giving quotas for marginalised groups during the parliamentary elections.

In 2008, under the March harmonised elections, Movement for Democratic Change-Tsvangirai (MDC-T) and Movement for Democratic Change-Mutambara (MDC-M)⁶³ combined together had the majority in the parliamentary elections (Ncube, 2013: 100). Historically, it was the first time since independence that opposition parties had the majority in parliament. The presidential results were published in May 2008, five weeks after the election. This raised much concern over the credibility of the presidential results (Moore & Raftopoulos, 2012: 242). A clear 50% plus 1 majority win was not obtained by any candidate, therefore, an election run-off was conducted. This showed the level of competitiveness of the presidential election. Nonetheless, preceding the June presidential run-off, there was considerable violence directed at MDC members which caused Tsvangirai to pull out of the race. The violence was implemented under the programme operation Mavhoterepi⁶⁴ (*whom did you vote for*) (Raftopoulos, 2009: 229; Mangongera, 2014: 73). This operation will be discussed in greater detail when discussing the hybrid regime indicator of civil liberties.

61Constitution of Zimbabwe Amendment No. 17 of 2007 increased the size of parliament from 150 to 210, who were all elected with no appointments (Vollan, 2008: 8).

62The 66-member Senate was composed of 50 elected members, that is 5 elected from each province, 6 presidential appointments and 10 traditional chiefs. 20 had to be elected women, while 1 was appointed. Constitution of Zimbabwe Amendment No. 18 of 2007 provided for the further expansion of the Senate to 93 seats.

63MDC split into two factions known as MDC-T and MDC-M. These factions were differentiated by the different leader's surnames. The split occurred during the senatorial elections, but was caused by divisions in the executive with regards to structure, tribal issues and accountability (Moore & Raftopoulos, 2012: 257). After Mutambara's leadership term, Welshman Ncube became the leader and the party became Movement for Democratic Change-Ncube (MDC-N).

64Operation Mavhoterepi was organised by JOC to question the electorate who they had voted for in the March 2008 presidential election. It also instructed people, especially in the rural areas, to vote for Mugabe as president.

The FTLRP, the economic crisis, the 2008 electoral violence, pressure from SADC, and the domestic and international legitimacy crisis that ZANU-PF was experiencing, forced it to negotiate a coalition government with the combined MDC. SADC⁶⁵, through Thabo Mbeki, facilitated the mediation process between ZANU-PF and MDC which resulted in the Government of National Unity (GNU). The GNU was agreed upon and signed on 15 September 2008, however, the implementation only occurred between February 2009 and July 2013 (Eppel, 2009: 1). While elections since independence served to confirm ZANU-PF's dominance, between March 2000 and 2008 this status quo was challenged. MDC provided stiff competition to the incumbent ZANU-PF, which was consistent with the character of hybrid regimes, that elections can be competitive.

Regarding civil liberties, the period 2000 to 2008 marked the decline in freedom of association, freedom of speech and limited independent media sources. ZANU-PF had enjoyed dominating the political environment; therefore, the rise of MDC was extremely unwelcome. Hybrid regimes are known to mostly use subtler forms of intimidation against opposition members (Schedler, 2002: 44), however, in this period during elections, ZANU-PF resorted to both subtle and violent forms of intimidation. Raftopoulos (2009: 215) emphasises that the state organised widespread violence on opposition members which included murdering, attempted murder, torturing, raping, conducting disappearances and issuing death threats. These acts of violence were mostly carried out by ZANU-PF's militia. ZANU-PF also resorted to labelling, embarrassing and victimising those strongly affiliated to the MDC leadership, supporters and white commercial farmers. State media was used in propagating the rhetoric that MDC members were not nationalistic, were traitors, sell-outs and puppets acting on behalf of the whims of Western countries. Although the elections were competitive, the election environment and regulations favoured ZANU-PF.

The apex of politically motivated violence against the opposition was in 2008 under operation Mavhoterepi (*whom did you vote for*). LeBas (2014: 54), Bratton and Masunungure (2008: 50) and Mangongera (2014: 73) argue that this was an operation headed by JOC, aimed at averting a ZANU-PF presidential runoff loss, especially in the rural areas where Mugabe had lost popularity. Under this operation, organs of the state, that is, the ZDF, the CIO and the police, as well as ZANU-PF supporters and youth militia, conducted acts of massive violence. The violence included harassing, raping, torturing, beating as well as implementing the 'short-sleeve' treatment which meant cutting the

⁶⁵The SADC initiative began in 2007, when MDC and ZANU-PF had to agree to the conditions that necessitated free, fair and credible elections.

victim's whole arm while others received the 'long-sleeve' treatment which was chopping off the victims' hands (Bratton & Masunungure, 2008: 54; Mangongera, 2014: 73). These violent acts exhibited an autocratic hand. This was consistent with the conceptualisation of a hybrid regime, that democratic and autocratic features were co-existent in one political style.

The incumbent in a hybrid regime could use legislation that has the effect of giving it an advantage over its opponents. In 2002 the ZANU-PF government passed two pieces of legislation that limited citizens' freedoms, these were Access to Information and Protection of Privacy Act (AIPPA) and Public Order and Security Act (POSA). AIPPA imposed limitations on information available to the public and registration of publishing houses (Freedom House, 2013a: 417). POSA imposed cumbersome procedures that had to be followed for political parties gathering. A clearance was needed from the police for a meeting of more than 12 people. These two pieces of legislation significantly constrained freedom of association and speech and limited alternative media forms. AIPPA and POSA made it difficult for MDC to operate, especially in rural areas. In 2007, Tsvangirai was severely beaten when the police suppressed a prayer meeting that had been organised by civil society citing POSA (Mangongera, 2014: 71). Raftopoulos (2009: 214) argues that POSA was the most commonly cited Act by the police in the arrest of citizens trying to hold public meetings. POSA was used as a selective tool of intimidation because ZANU-PF rallies and meetings were not denied, unlike opposition party meetings. There was access to mostly state-owned media, which was revamped to air 75% local content and routinely flighted liberation war songs. The propaganda had the effect of intimidating citizens. During elections, the ruling ZANU-PF enjoyed mass media coverage over all competitors and assembled freely unlike the opposition. This selective use of legislation and media to favour the incumbent is consistent with how a hybrid regime operates.

In this period, the judiciary was observed to be increasingly biased towards ZANU-PF. There was a significant decrease in horizontal accountability. With reference to land reform, the initial judgments made by the High Court and subsequently the Supreme Court declared the land invasions illegal and violating the Zimbabwean Constitution (Human Rights Watch, 2008). The government responded by refusing to adhere to court orders of evicting land invaders. Furthermore, the state labelled and attacked the judges who did not rule in its favour and issued amnesties to people who committed violence on behalf of ZANU-PF⁶⁶ (Human Rights Watch, 2008; Raftopoulos, 2009: 213). Chief

⁶⁶On November 24, 2000, war veterans forcibly entered the Supreme Court building where judges were about to hear a constitutional application brought by the Commercial Farmers Union with regards to farm invasions. The war veterans shouted ZANU-PF political slogans and called for judges to be killed (Human Rights Watch, 2008).

Justice Gubbay of the Supreme Court resigned in 2001 before his term expired due to pressure from ZANU-PF and he was replaced by a more malleable and compliant judge, Chief Justice Chidyausiku, who had served as the Deputy Minister of Justice and was also a recipient of the FTLRP (Magaisa, 2016, 2019a). Several judges who resigned in 2001 and other senior jurists were forced into early retirement as part of the judiciary restructuring process (Bratton & Masunungure, 2008: 46). This process led to mistrust of the judiciary system and its ability to administer justice locally and internationally. The initial land judgments were overturned by the new Chief Justice and the new judges endorsed and legitimised the government's FTLRP (Bratton & Masunungure, 2008: 46). A subservient judiciary which is not effective in holding the executive accountable is one of the features of a hybrid regime.

There was a huge exodus of skilled labour from Zimbabwe following the FTLRP and economic recession which started in the late 1990s (Moyo, 2016: 361). FTLRP infringed on human and property rights, especially of the white commercial farmers. Natives from the UK and the EU were greatly affected by the FTLRP and this severed Zimbabwe's diplomatic relations with the Western states. In 2001, the USA passed the Zimbabwe Democracy and Economic Recovery Act (ZDERA)⁶⁷ and in 2002, the UK and the EU imposed smart and targeted sanctions⁶⁸ on Zimbabwe. Zimbabwe shifted to a Look East foreign policy that embraced Asian countries as allies, while taking Western states as adversaries. Zimbabwe implemented drastic untoward measures aimed at disengaging from the western community. Presidential speeches in 2000, were a platform to attack the UK and USA (Ncube, 2013). Zimbabwe refused to pay multilateral debts and after being suspended from the Commonwealth for human rights violations, it withdrew from the organisation. It maintained friendly relations with SADC, the African Union (AU) and Asian countries, especially China. Zimbabwe's participation in SADC helped the country immensely, especially in 2008 when Zimbabwe experienced a political and economic crisis. Thus, regarding civil liberties, the political environment in this period was skewed in favour of the incumbent ZANU-PF.

⁶⁷Smart and targeted sanctions were on travel bans, arms embargoes and commodity boycotts. ZDERA instructed international financial institutions to deny loans and credit to Zimbabwe. Further sanctions were imposed in 2003 on Mugabe and 72 senior government officials. USA companies were prohibited from signing contracts with Zimbabwe and there was freezing of assets of these senior government officials in USA banks (Mlambo, 2014: 246).

⁶⁸Travel bans and freezing of assets owned by the president, cabinet ministers and other officials to any of the 15 EU nations; an arms embargo on Zimbabwe; and suspension of bilateral contacts and consultations between diplomats of EU member states and Zimbabwe government officials (Mathlosa, 2002: 149).

In terms of tutelage, most elected representatives completed their formal terms. Election empowerment⁶⁹ and election sovereignty⁷⁰ were occasionally disregarded. The informal domains of power in this period were identified as JOC, war veterans and senior influential ZANU-PF leaders. Significant JOC operations in this period were: Operation Maguta⁷¹ (*feed the nation*) (2005), Operation Murambatsvina⁷² (*clean the filth out*) (2005), Operation Dzikisai Mutengo⁷³ (*reduce the prices*) (2008) and Operation Mavhoterepi (*whom did you vote for*) (2008). Maguta was done to cushion the officers' standards of living during the economic recession. Moyo (2016: 361) notes that 4000 soldiers of the army were absorbed by the Grain Marketing Board (GMB), while the National Railways of Zimbabwe (NRZ) absorbed 2 000. Murambatsvina was implemented after the defeat of ZANU-PF in the March parliamentary elections in urban areas. This operation could have been an attempt to destroy the support MDC enjoyed in urban centres. Operation Mavhoterepi was implemented to prevent a Mugabe defeat in the 2008 presidential run-off. Timberg (2008) argues that Mugabe informed his security chiefs that he would concede and surrender power to Tsvangirai, but ZDF commander Constantine Chiwenga, backed by the other chiefs, vetoed his proposal. They insisted that Mugabe would stay in office and they would guarantee his run-off victory. It was also alleged that a pact was made that Mugabe would be succeeded by military personnel, called the 'succession handshake' (Magaisa, 2018). Moore (2018: 17) claims that it was agreed that Emmerson Mnangagwa would succeed Mugabe for one term and hand over to Constantine Chiwenga in 2023. Mavhoterepi and the succession handshake directly interfered with democratic processes and manipulated the will of the people. Mangongera (2014: 72) argues that these operations have been used to circumvent bureaucrats, to silence opposition parties and to create rent-seeking opportunities for senior security sector officers.

Bratton and Masunungure (2008: 50) observe that in the period 2000 to 2008 all state institutions, especially the judiciary and the Zimbabwe Republic Police (ZRP), were biased towards ZANU-PF instead of being neutral. Moyo (2016: 352) argues that the security sector was ZANU-PF's most loyal supporter and was occasionally deployed strategically to ensure ZANU-PF's survival. During the

⁶⁹The right to complete a constitutional term without being subordinated to any formal enclave of power (Schedler, 2002:39).

⁷⁰Elected officials, through informal channels, are not subjected to broad tutelage powers by actors outside the democratic process (Wigell, 2008: 239–240).

⁷¹For Operation Maguta, the military deployed officers to be absorbed by government and state-owned enterprises, hence the officers received two salaries, from the army as well as from the government (Bratton & Masunungure, 2018: 49).

⁷²Operation Murambatsvina was implemented in May/June 2005. It was the demolition of informal vending sites and other informal housing premises in urban areas. Ndlovu (2012: 100) claims that approximately 650 000 -700 000 people were directly affected by becoming homeless and losing their sources of livelihood.

⁷³Operation Maguta instructed shops to reduce the prices of goods and services; nevertheless, this led to massive shortages of goods in the country (Bratton & Masunungure, 2008: 49; Mangongera, 2014: 73).

FTLRP, the police, CIO and ZNLWVA participated in the successful intimidation, harassment and displacement of white farmers. The ZRP commissioner Augustine Chihuri defied a court order to enforce the eviction of farm invaders, stating that someone more powerful had instructed him not to interfere with the land invasions (Human Rights Watch, 2008). Vitalis Zvinavashe, the late ZDF leader and member of JOC, ahead of the 2002 presidential election, issued a public statement stating that the ZDF would not accept Tsvangirai to rule (Mangongera, 2014: 67). These sentiments were again reiterated by the ZRP, ZDF and air force commissioners prior to the 2008 harmonised elections, pledging their allegiance to President Robert Mugabe and their unwillingness to be governed by a non-liberation war candidate (Vollan, 2008: 1). ZANU-PF increased its reliance on the security sector in this period by co-opting retired and serving military officers into the party's central committee and politburo (Bratton & Masunungure, 2008: 49). Retired and serving security officers were increasingly deployed in state enterprises as shareholders, directors, as part of management, as well as employees⁷⁴. Moyo (2016: 353–356) contends that this was done to financially reward the high-ranking security sector personnel, to appease them politically and to have an avenue to circumvent normal accounting procedures to finance ZANU-PF party activities. The Transparency Corruption Perception Index dropped from 4.2 in 1999 to 1.8 in 2008 (Trading Economics, 2018). This meant that Zimbabwe had increased in the number of cases in which public officers had become more fraudulent and requested bribes. Ncube (2013: 103) asserts that corruption linked to top military and ZANU-PF officials increased, especially in the mining and agriculture sectors.

The security sector was actively becoming involved in politics in this period. JOC was an unregulated autonomous body which could implement binding operations which were not discussed in parliament or cabinet. In addition, the security sector falls under institutions of government. Security institutions should administer law and order and defend the sovereignty and territorial integrity of Zimbabwe, irrespective of which political party is in control. Nevertheless, JOC influenced the outcomes of electoral processes, motivated by the need to safeguard their own interests and those of the ZANU-PF political elites. The relationship between top ZANU-PF leadership and security sector leadership was interdependent, where both relied on each other for personal gain, political relevance and survival.

As the liberal hybrid regime pointed out, political elite cohesion was slowly fragmenting. The fragmentation continued in this period due to factionalism as different groups sought to succeed

⁷⁴President Mugabe put military personnel to head strategic state-owned enterprises which include the Zimbabwe Electricity Supply Authority (ZESA), GMB, NRZ, Zimbabwe Electoral Commission (ZEC), Department of Parks and Wildlife and the Attorney General (AG) (Raftopoulos, 2009: 215; Mangongera, 2014: 68).

President Mugabe. The succession issue was further amplified by the death of Vice-President Simon Muzenda in 2003, who was the first candidate in line to succeed him. In 2004 there were two dominant factions within ZANU-PF, one led by retired general Solomon Mujuru and the other by Emmerson Mnangagwa (Mangongera, 2014: 75). Solomon Mujuru was the first ZNA general; he had the respect and backing of senior ZANU-PF and senior military officers. Mnangagwa also had significant support from the same groups, but from different actors.

The battle between the two factions escalated the period preceding the ZANU-PF 2004 December National Congress. Prior to the National Congress, Mnangagwa was endorsed as the potential vice-president by six out of eight provinces (Moyo, 2004). His nomination indicated that he was the preferred candidate. Meanwhile, Mujuru's faction, through the ZANU-PF Women's League, pushed for the amendment of the party's constitution to reserve one vice-president position for a woman. Their preferred candidate was Joice Mujuru, the wife of Solomon Mujuru. The 'Tsholotsho declaration' a few months prior to the ZANU-PF congress by the Mnangagwa faction, was interpreted by Mugabe as a move to prevent the nomination of Joice Mujuru to the post of Vice-President (Moore, 2018: 5). At the National Congress, Joice Mujuru was appointed as Vice-President of ZANU-PF and subsequently of Zimbabwe. This was a blow to Mnangagwa who had assumed that the provincial endorsements signalled an obvious victory. There was low leadership turnover and political elites managed the possibility of any external threats taking overpower.

In 2008, as was discussed under elections and civil liberties, Mugabe did not win significant votes to endorse him as the winner. A presidential run-off was conducted. It was the Mnangagwa faction that implemented Operation Mavhoterepi to ensure a Mugabe victory. Mugabe had the 'succession handshake' with the Mnangagwa faction. This succession pact was made while Joice Mujuru was the incumbent first vice-president, meaning that ZANU-PF was still hampered by factionalism which hampered strong political elite cohesion. Although, there were divisions within ZANU-PF it exhibited high political elite cooperation in relation to external opposition.

Lastly, in this period, the economy was in distress with inflation pegged at approximately 79.6 billion per cent in November 2008⁷⁵ (Hanke & Kwok, 2009: 361). There were serious shortages of basic commodities in the country. The government adopted the Indigenisation Economic and Empowerment Act (IEEA) of 2007, which mandated that 51% of shares of any public or private

⁷⁵Hyper-inflation is when there are rapid price increases which erode the purchasing power of money. The RBZ stopped publishing inflation statistics in July 2008.

company in all sectors of the economy should be owned by indigenous⁷⁶ Zimbabweans (Government of Zimbabwe, 2008: 4). The IEEA was argued to be a tool to empower Zimbabweans economically. This Act led to foreign investors becoming more risk-averse about investing in Zimbabwe. The political risk of Zimbabwe during the competitive illiberal hybrid regime was considerably higher than the liberal hybrid regime period. The FTLRP and the 2008 election violence were observed as the very high political risk phases within this period.

This section illustrated a competitive but illiberal hybrid regime which was the second hybrid type that was observed in the case of Zimbabwe. The next section will focus on unpacking the hybrid regime from 2009 to June 2013. The features highlighted of a competitive illiberal hybrid include:

- Regular, competitive multi-party elections
- Political environment tilted to favour ZANU-PF
- State-sponsored violence towards opposition political party members
- Legislature dominated by ZANU-PF
- Compliant judiciary
- Strong opposition political parties and active civil society
- Media alternatives limited
- The legitimacy of the government questioned domestically and internationally
- Strained diplomatic relations with Western countries
- White commercial farmers land expropriated without compensation
- Restrictive legislation passed: AIPPA, POSA, IEEA, FTLRP
- Property rights not secure
- Fragmenting ZANU-PF political elite cohesion caused by factionalism, fuelled by the succession issue
- Increased security-sector influence in politics
- Hyper-inflation and economic recession

⁷⁶Indigenous Zimbabweans included all ethnic black groups; mixed race, Indians and Asians are included in the Act, but those of European descent were excluded.

4.6 Competitive hybrid regime 2009 to June 2013

The coalition government between MDC and ZANU-PF was operational from 13 February 2009 to July 2013⁷⁷. This period was termed competitive hybrid because the 2008 election had been marked by stiff competition. There were no other elections conducted in this period, hence elections are not discussed in this section.

With reference to civil liberties, ZANU-PF routinely undermined formal institutions under the GNU period. Parliament and the office of the prime minister were occasionally excluded or circumvented in decision-making. 2008 to 2013 was the only period in Zimbabwe's history that the opposition formed a majority in the legislature (Vollan, 2013: 28). As a result, policies were discussed, thus ZANU-PF could not impose policies that favoured it as in times past. Horizontal accountability was considerably high because of the presence of MDC in co-governing the country. ZANU-PF occasionally bullied MDC and treated it as a junior partner in the agreement. The Human Rights Commission was established in 2012 but its application was progressive, which meant that perpetrators of past acts of violence could not be questioned. MDC exposed scandals in the diamond mining sector that did not follow the proper tendering process and was not discussed in cabinet, indicating that few individuals would benefit at the expense of the state (Moyo, 2016: 357–358). MDC also exposed the salary gate scandal where directors of state-owned enterprises paid themselves exorbitant salaries using public funds when their enterprises were not making a profit (Moyo, 2016: 359). However, after MDC exposed these scandals, no one was prosecuted. The opposition was vital in questioning ZANU-PF and was a source of new ideas in parliament.

The greatest achievement of the GNU was the participatory drafting of a new Zimbabwean Constitution. It was initially accepted by a citizen's referendum vote and then it was also adopted by parliament. The 2013 new Zimbabwean Constitution contained provisions guaranteeing the protection of human rights and reinstating the citizenship of thousands of Zimbabweans who had their citizenship revoked by the amendments made to the Citizens Act in 2001 and 2003 (Freedom House, 2017: 29). AIPPA and POSA were renegotiated under the coalition government, resulting in the registration of five new publishing houses including independent dailies (Freedom House, 2013b: 417).

⁷⁷The GNU was agreed upon and signed on 15 September 2008, but implementation only began in February 2009 to mid-2013 (Eppel, 2009: 1).

Regarding political elite cohesion, the GNU was not welcomed by some senior ZANU-PF members and military personnel, but due to pressure from SADC and Zimbabwe's economic turmoil, they agreed. In addition, ZANU-PF enjoyed the relatively good publicity that the GNU received from the international community. During the GNU period ZANU-PF got an opportunity to reformulate strategies to regain support and strengthen political elite cooperation. ZANU-PF united and worked collectively to ensure that at the end of the GNU it would have the majority, thereby, eliminating the possibility of another coalition government. The top ZANU-PF structures remained the same resulting in low turnover in leadership which meant there was no significant change in the direction of the party.

In terms of tutelary interference, senior ZANU-PF members, war veterans and senior members of the security sector continued exerting tutelage over elected officials, as was observed in the competitive illiberal hybrid regime. JOC and President Mugabe continued to conduct their weekly meetings without inviting Mr Tsvangirai, who was then prime minister, to the meetings (Mangongera, 2014: 74). MDC also showed tendencies that the officials had to agree on a party position to vote in parliament before going to discuss an issue. Elected officials when in parliament represent the people who elected them and not the political party they belong to. The constituency's needs must be prioritised over the political party's position.

The economy was stable during this period. Zimbabwe adopted a multi-currency system in 2009 which restored confidence in the market and ended hyper-inflation. Economist Intelligence Unit (2016) notes that sound economic policies were implemented between 2009 and 2013 and economic growth was at 10% per annum. They accredited having MDC as the majority in government as the reason for economic stability. The political risk for foreign investors in Zimbabwe in this period was considerably lower than in the competitive illiberal hybrid regime. This section was important as it discussed the third hybrid regime that is observable after applying the hybrid regime framework in Zimbabwe. The next section will focus on the illiberal hybrid regime exhibited by Zimbabwe. The features of the competitive hybrid observed in this period include:

- A coalition government between ZANU-PF and MDC
- Opposition the majority in parliament from 2009 to 2013
- The GNU perceived as legitimate domestically and internationally
- Judiciary partial and increased freedom of association and expression
- Independent media houses established

- New Zimbabwean Constitution adopted
- Economy stable and growing
- Increase in corruption cases e.g. salary gate scandal
- ZANU-PF political elite cohesion relatively strong

4.7 Illiberal hybrid regime July 2013 to October 2017

The July 2013 harmonised election ushered in the beginning of the illiberal hybrid regime. With reference to elections, in the 2013 presidential election, President Mugabe won 61.9% of the votes against his major rival MDC-T candidate Tsvangirai who received 33.9% of the votes (Ncube, 2013: 100). ZANU-PF retained a two-thirds majority in the 2013 parliamentary election; it received 159 seats which was an increase from 99 seats in 2008. MDC-T dropped from 99 seats in 2008 to secure only 49 seats. MDC-N received no seats, whereas it had received 10 seats in 2008. Independent candidates gained one extra seat in 2013 against a previous record of one seat in 2008 (Ncube, 2013: 100). Voter turnout increased from 32% in 2008 to 59% in 2013 (Kanyinga, 2018: 148). The 2013 harmonised election lacked the level of competitiveness that had marked the parliamentary and presidential elections since 2000.

In terms of civil liberties, the election results were disputed by civil society, opposition political parties, and the international community (Ncube, 2013: 100). MDC-T contested the election results claiming that ZANU-PF had hired Nikuv International Projects and paid them USD13 million to manipulate the voters roll by using names of deceased voters and double counting to ensure a Mugabe victory (Mambo, 2013: 23; Mangongera, 2014: 74). Mangongera (2014: 74) claims that some African heads of state were allegedly bribed to endorse Mugabe as the victor. MDC reacted by calling for fresh elections and sought justice from the courts, but it withdrew its case sighting that the judiciary was biased towards ZANU-PF (Magaisa, 2019b: 154). The 2013 election environment was tilted towards ZANU-PF as in previous periods. ZANU-PF received more state media coverage compared to other political parties. Although MDC was in government, it did not have as much media coverage as ZANU-PF.

The election was devoid of large-scale violence as opposed to the competitive illiberal hybrid regime. However, it was alleged that ZANU-PF used soft intimidation by reminding the electorate of the 2008 election related violence that had occurred. MDC support from its grassroots members significantly

reduced by the end of the GNU (LeBas, 2014: 61). This was because MDC concentrated on pushing for reforms and the drafting of the new constitution. MDC's human capacity was overstretched, it failed to actively maintain grassroots structures at a party level while being actively involved in government (LeBas, 2014: 61). In this period, horizontal accountability was minimal. The country adopted a new constitution as highlighted under Section 4.6. However, the government did not make significant efforts to ensure that the old laws were aligned to the 2013 constitution. Freedom House (2017: 4) asserts that this contradiction in the laws had severe implications for effective governance and the protecting and promoting of human rights.

ZANU-PF resorted to squashing politics, which of intimidating, harassing, victimising political opposition party members and denying political space for gathering. There was a marked decrease in freedom of association and speech that citizens had enjoyed in the competitive hybrid period. Sporadic planned and unplanned urban protests increased in this period. The government occasionally responded by using excessive force to disrupt protestors. One example was Itai Dzamara, a journalist who continuously called on the resignation of Robert Mugabe. He used the Africa Unity square opposite parliament as his podium for his anti-government protests. He was abducted in a local barbershop in 2015 and was never found (Mlambo & Zimunya, 2016: 153). Another example was Pastor Evan Mawarire who started the #ThisFlag movement, which he operated by sending videos on social media platforms. Mawarire called for a non-violent voluntary stay-away for formal and informal workers on the 6th July 2016, which was successful (Muchacha & Moyo, 2017: 234). The succeeding calls to stay away were not as successful, as the police arrested him and charged him for inciting public disorder. He was, however, acquitted of all charges in November 2017. Social media platforms, for example, WhatsApp, Facebook and Twitter, became the alternative sources of information and were used as mediums to convey the various dates and locations for protests or stay-aways.

MDC fragmented following their defeat in the 2013 elections. Influential and disgruntled members were expelled from the party in 2014. Notably, Tendai Biti and Elton Mangoma, who were the former Minister of Finance and Minister of Economic Planning and Investment Promotion respectively, were among those dismissed. Biti formed Movement for Democratic Change-Renewal (MDC-Renewal), which later reformed to be called the People's Democratic Party (PDP). Mangoma, in turn, formed Renewal Democrats of Zimbabwe (RDZ). These divisions weakened MDC, which was the major opposition party.

Regarding political elite cohesion, ZANU-PF political elite cohesion fragmented the most between 2013 and 2017. The preceding sections have highlighted the different reasons for divisions within ZANU-PF, the changes made to the presidium and the different factions within ZANU-PF. Between 2009 and 2013 factionalism was minimal because ZANU-PF focused on retaining majority power in parliament and reducing any chance of another coalition government. The succession of President Mugabe was the root cause of factionalism within ZANU-PF. It was temporarily resolved in 2004 by appointing Joice Mujuru as vice-president. However, the succession pact made between Mugabe and the Mnangagwa faction in 2008 meant that the succession issue would need to be revisited.

In 2013, there were two major factions within ZANU-PF, one led by Joice Mujuru, referred to as ‘Gamatox’ and the other by Emmerson Mnangagwa, which was called ‘Weevil’. In later years ‘Weevil’ was referred to as ‘Lacoste’ (Mangongera, 2014: 64; Magaisa, 2018). Retired General Solomon Mujuru died in 2011; he had been the backbone of the Mujuru faction. In 2014, a few days before the ZANU-PF national congress, Joice Mujuru was dismissed as the vice-president because there were reports that she was plotting against the President. It was suggested that President Mugabe was involved in removing Mujuru because he sought to replace her with Orpah Muchinguri (Magaisa, 2018). Her vacancy was filled by Emmerson Mnangagwa a long time-rival. Mujuru was expelled from ZANU-PF in 2015, as well as cabinet ministers⁷⁸ suspected to be aligned to Gamatox resulting in relatively high leadership turnover. Remarkably, these members were dismissed with no disciplinary action or hearing as stipulated in the party’s constitution. Disgruntled after her dismissal, Mujuru formed a political party called the Zimbabwe People First (ZPF)⁷⁹.

The dismissal of Mujuru did not solve ZANU-PF’s succession issue. There began another battle between Lacoste and a group called Generation Forty (G-40) which gained momentum after the dissolution of Gamatox. The Lacoste camp was more inclined to the military, war veterans and senior ZANU-PF officials. The G-40 group was more inclined to the educated, young and enterprising ZANU-PF officials (Mandaza & Reeler, 2018: 20). Jonathan Moyo, Patrick Zhuwao Saviour Kasukuwere, and Grace Mugabe were among the top officials of G-40 (Moore, 2018: 9). Grace

⁷⁸The list of influential people expelled in 2015 includes: Didymus Mutasa- Minister of Presidential Affairs, Webster Shamu- Minister of Information Communication Technologies, Postal and Courier Services, Francis Nhema- Minister of Youth, Indigenisation and Economic Empowerment, Olivia Muchena- Minister of Higher and Tertiary Education, Science and Technology Development, Dzikamai Mavhaire- Minister of Energy and Power Development, Nicholas Goche- Minister of Public Service, Labour and Social Welfare, Simbaneuta Mudarikwa- Minister of State for Mashonaland East Province and Munacho Mutezo- Deputy Minister of Energy and Power Development (Moyo, 2016: 357).

⁷⁹In 2017, Mujuru expelled seven senior members of ZPF who were challenging her within the party. Mujuru changed the name of the party to National People’s Party (NPP).

Mugabe's political career started in 2014 when she became the leader of the ZANU-PF Women's league⁸⁰. Her appointment enabled her to be a decisive member of the ZANU-PF leadership. The battle between G-40 and Lacoste intensified between 2016 and 2017. A bomb exploded on the Mugabe dairy farm, and Grace Mugabe blamed the Lacoste faction for the incident (Moore, 2018: 9). If the allegations were true, it revealed how relations had deteriorated between the long-time allies. During the 2016 to 2017 ZANU-PF campaign rallies, Grace Mugabe publicly humiliated and harassed Vice-President Mnangagwa. Initially, the harassment was not explicit but, towards the end of 2017, Grace explicitly mentioned Mnangagwa in her mockery (International Crisis Group, 2017: 3). In August 2017, Mnangagwa claimed he had been poisoned at a ZANU-PF rally in Gweru. He was airlifted from the rally to South Africa, seeking medical treatment (Moore, 2018: 10). President Robert Mugabe, on two occasions between December 2015 and 2017, rebuked the military to stay out of politics (International Crisis Group, 2017: 4). By saying these statements, he was implicitly aligning himself with the G-40 faction. The battle between G-40 and Lacoste escalated by the end of the illiberal hybrid regime. The period was marked by low political elite cooperation, high factionalism, relatively high leadership turnover and increasing military involvement which resulted in weakening political elite cohesion.

The last hybrid regime indicator this section discusses is tutelary interference. It will be discussed briefly; an extensive discussion is reserved for Section 4.8 on a military hybrid. Elected candidates from ZANU-PF failed to complete their constitutional terms. Joice Mujuru, cabinet ministers and MPs aligned to Gamatox were dismissed and could not finish their constitutional terms. As was highlighted under political elite cohesion, these members were dismissed from ZANU-PF without proper disciplinary procedures being followed. ZANU-PF was observed to have dispensed itself from all protocol of legality. The autocratic features shown in times past towards opposition members, turned inward. The security sector and senior ZANU-PF elites continued to exert informal influence on elected officials in this period.

The economy was hampered by a liquidity crisis. The government introduced bond notes in 2016 to solve the liquidity crisis. The bond note was used as local tender only, it was pegged at a one to one exchange rate with the USD (USD/Bond 1:1) (KPMG, 2017). KPMG (2017: 3) notes that the bond note, upon release, was subjected to a ten per cent discount on the parallel market, meaning that,

⁸⁰Grace Mugabe had been instrumental in the dismissal of Mujuru. In the run up to the 2014 ZANU-PF National Congress, she ridiculed Mujuru at ZANU-PF rallies.

the bond note was of less value than the USD. In addition, the government introduced Statutory Instrument 64 of 2016 (SI 64/2016) which imposed import restrictions. In this period, the government aggressively implemented the IEEA of 2007 that mandated companies to have majority shareholding from indigenous Zimbabweans. The political risk of Zimbabwe in this period was higher than the competitive hybrid regime but lower than the competitive illiberal hybrid regime.

This section focused on discussing the illiberal hybrid regime as the fourth type of hybrid regime that is exhibited by Zimbabwe. The next section will discuss the military hybrid regime which was between November 2017 and 2018. The features of an illiberal hybrid regime include:

- Non-competitive elections
- Intimidation measures employed prior to the 2013 election
- ZANU-PF formed the majority in parliament
- Minimum horizontal accountability
- The legitimacy of the government questioned internationally
- Elected officials failed to complete their terms
- Factionalism experienced within ZANU-PF
- Social media platforms as alternative sources of information
- Key ZANU-PF members expelled without a disciplinary process
- MDC fragmented; splinter groups formed
- Sporadic urban protests which are clamped down by the government using force
- IEEA implemented aggressively
- Bond note introduced due to liquidity constraints and economic recession

4.8 Military hybrid regime November 2017 to 2018

The weak political elite cohesion within ZANU-PF between 2013 and 2017 was a catalyst which led the party to transform into a military hybrid regime from November 2017. This section first discusses the hybrid regime indicator of political elite cohesion. During this period, factionalism within ZANU-PF was high. As was discussed in Section 4.6, there were two factions within ZANU-PF, one was Lacoste, led by Mnangagwa, backed by the military and war veterans. Influential Lacoste figures

included ZDF commander Constantine Chiwenga, Ambassador Chris Mutsvangwa and the leader of the war veterans, General Sibusiso Moyo. The other faction was G-40 whose prominent elites included Grace Mugabe, Jonathan Moyo, Saviour Kasukuwere and Patrick Zhuwao (Moore, 2018: 9). Mnangagwa was expelled from ZANU-PF on the 6th of November 2017, in a similar manner to that of former vice-president Mujuru, citing reasons of disloyalty, disrespect, deceitfulness and unreliability (African Confidential, 2017). This gave the indication that Lacoste was defeated. It was suggested that President Mugabe dismissed him because his faction had booed down Grace Mugabe at a ZANU-PF rally on the 4th of November 2017 (Moore, 2018: 10). Chiwenga was in China when Mnangagwa was dismissed. Chiwenga and other senior army officers' contracts were pending renewal and President Mugabe was contemplating renewing them and asking them to resign (African Confidential, 2017). Upon his return from China, at the airport, the police failed an attempt to arrest Chiwenga because the military was dressed in civilian clothing and outnumbered the police and stopped the attempted arrest (Moore, 2018: 12). On the 13th of November 2017, Chiwenga, backed by 90 senior security sector officers, issued a press statement warning that it was going to be actively involved in ZANU-PF's political affairs as the party was infiltrated by non-revolutionary elements (International Crisis Group, 2017: 4). State media was prohibited from airing the ZDF press statement, the footage was circulated using social media (International Crisis Group, 2017: 4). This was a clear warning to G40 from the Lacoste faction.

On the 14th of November 2017, the military launched Operation Restore Legacy, aimed at restoring good governance and economic stability. On this day the military disabled the presidential guard, the military wing that protected the president, which was suspected to be aligned to G40 (African Confidential, 2017). It proceeded to take control of the Zimbabwe Broadcasting Corporation (ZBC) and issued a press statement that it had launched Operation Restore Legacy. The military spokesperson, General Sibusiso Moyo, assured the country and the international community that it was only targeting the criminals around President Mugabe and guaranteed the president's safety. Operation Restore Legacy was referred to as a military intervention by the instigators because any indication of a coup would not have been supported by SADC and the AU. SADC sent a mediation team from South Africa to negotiate between the military and Mugabe. During these negotiations, the military and some senior ZANU-PF officials tried persuading Mugabe to resign (Moore, 2018: 13). On the 18th of November 2017, scores of people marched on the streets demanding the resignation of President Mugabe. This was because the military opened space and allowed people to do so. On the 19th of November 2017, the ZANU-PF central committee fired Robert Mugabe as the first secretary of ZANU-PF, although all had nominated him as their 2018 presidential candidate prior to the military

intervention. A list was compiled of people aligned to G40 that were effectively banned from ZANU-PF⁸¹. These people were dismissed without a disciplinary hearing, as had been executed to Mujuru, her allies and Mnangagwa.

The ZANU-PF central committee endorsed Mnangagwa, who was in self-exile, as the first secretary of ZANU-PF. On the 21st of November 2017, President Mugabe called for a cabinet meeting, but few people attended (International Crisis Group, 2017: 5). Due to mounting pressure from the military and the possibility of being impeached, President Mugabe resigned on the 21st of November 2017. Mnangagwa became the interim president, thus claiming victory over his G-40 rivals. Many supporters pledged allegiance to Mnangagwa over Mugabe for fear of being expelled from the party. Between November 2017 and 2018, there was significantly high leadership turnover at all leadership levels within ZANU-PF, high military participation and lower levels of political elite cooperation. ZANU-PF was unlikely to disintegrate because of weak political elite cohesion, but the ideology of the party had noticeable changes.

This study argues that the military intervention was a military assisted change of government in which power remained within ZANU-PF. In addition, this study asserts that the military intervention was unconstitutional; it led to the overthrowing of an existing government due to factional differences within ZANU-PF⁸². The military assisted change in government was endorsed by the Zimbabwe high court, which claimed that the intervention by the army was not unconstitutional (Thomas-Greenfield & Wharton, 2019: 14). The Zimbabwean constitution did not contain any provisions empowering the military to effect a constitutional change in government. SADC, AU, EU, UK, USA and China did not openly condemn the military intervention (International Crisis Group, 2017: 11). This could be because Mugabe had made many foes in his 37-year reign. ZANU-PF leadership significantly changed to exhibit a military hybrid style, which this section discusses under tutelary interference.

With reference to tutelary interference, the military was the main actor that exerted tutelage. Operation Restore Legacy by ZDF was the military implementing an unconstitutional change in government. The military deemed that Mugabe was unable to protect their key interests because he

⁸¹Mugabe Robert was reduced to an ordinary member. Key ZANU-PF members banned for life were Mugabe Grace-First Lady, Mphoko- Vice-President, Moyo- Minister of Higher and Tertiary Education, Kasukuwere- Minister of Local Government, Chombo- Minister of Finance, Zhuwao- Minister of Public Services, Mzembi- Minister of Foreign Affairs.

⁸² This unconstitutional change of government can be argued to be a military coup. Other types of coups are guardian, veto and break though. This study will not delve into the discussion of these types of coups, it will focus on how PRA was affected by the military assisted change in government.

openly backed the G-40 faction. To that effect, the military applied pressure on Mugabe to resign and installed a candidate whom they believed could safeguard their interests. Mugabe failed to complete his Presidential term because of the military's involvement. Between November 2017 and the end of 2018, the ZANU-PF led government was inclined towards the military hybrid style. First, Operation Restore Legacy was successful because the organisers had the capacity to deal with any opposition using ammunition. If the operation had been executed by civilians with no artillery, it would have failed dismally.

Secondly, Mnangagwa's two vice-presidents were former military servicemen. Constantine Chiwenga was the former commander of the ZDF and the chief architect of Operation Restore Legacy, while Kembo Mohadi was a retired colonel. Furthermore, in this period, several retired army generals and security sector officers were appointed to key ministerial and ambassadorship posts. Notable appointees included retired General Sibusiso Moyo, who read the press statement on the 14th of November 2017, who was appointed as Minister of Foreign Affairs and Perence Shiri, who was the retired Air Chief Marshal of the Air Force of Zimbabwe, was appointed the Minister of Lands, Agriculture, Water, Climate and Rural Resettlement. These appointments could be viewed as military officers being rewarded for their involvement in the successful overthrowing of Mugabe. Thirdly, Mnangagwa's administration was more reliant on the military than that of Mugabe. Mnangagwa's presidential guard appeared in public wearing army clothing, as opposed to that of Mugabe. This could have served as a constant reminder to the citizens of the power backing Mnangagwa's administration. The International Crisis Group (2017:2) notes that the military patrolled the streets instead of the police for five weeks from the 14th of November 2017. In the military hybrid regime, the military, which had been an overt player in the political affairs of Zimbabwe from 1980, became the major stakeholder driving the political direction of the country.

ZDF claimed that Operation Restore Legacy was an operation targeted at corrupt criminals around President Mugabe. However, from November 2017 to the end of 2018, no one from within ZANU-PF or the G-40 expelled members was prosecuted or convicted of any criminal acts as grave as the ZDF had purported. Ignatius Chombo, former Minister of Finance, was accused of having USD15 million in his house when Operation Restore Legacy was executed in November 2017 (Moore, 2018: 13). Nevertheless, by the end of 2018, he had not been prosecuted for any major charges. This indicates that the military intervention was not executed for the reasons stated, but was the military settling a score between the different factions within ZANU-PF.

Regarding elections, harmonised elections were conducted on the 30th of July 2018. ZANU-PF retained a two-thirds majority in the parliamentary elections (Beardsworth *et al.*, 2019: 12). It was the first time that Mugabe and Tsvangirai were not contesting as presidential candidates in 38 and 18 years respectively. Tsvangirai died in February 2018 after battling with colon cancer, while Mugabe resigned on the 21st of November 2017. Nelson Chamisa succeeded Tsvangirai as the MDC leader. Movement for Democratic Change- Alliance (MDC-A) was the major contender against ZANU-PF from a pool of 23 presidential candidates. MDC-A was an amalgamation of seven political parties⁸³ created on the 6th of August 2017. There was consensus within MDC-A that Tsvangirai would be the presidential candidate while MP candidates were equitably shared. Emmerson Mnangagwa narrowly won the election by 50.8% over his major opponent Nelson Chamisa who received 44.3% (Beardsworth *et al.*, 2019: 12). The presidential election was highly competitive as opposed to the parliamentary election. This election was marked by a high voter turn-out of 70% as compared to 52% and 32% in the 2013 and 2008 presidential elections respectively (Kanyinga, 2018: 147). The high voter turnout could be accredited to the new generation of first-time voters and the euphoria of Mugabe's ouster in the previous year. Elections in a hybrid regime are expected to be competitive, as was evident in the presidential election. MDC-A provided stiff competition for ZANU-PF.

Lastly, this section discusses civil liberties. Civil society, opposition political leaders, churches, student groups, trade unions and the international community did not condemn the unconstitutional military assisted change in government (International Crisis Group, 2017: 11). Opposition parties expected the government to implement election reforms and to conduct early elections. Mnangagwa sought legitimacy as the head of state because his rise to the presidency was facilitated by the military. Mnangagwa pursued re-engagement with Western countries where his predecessor Mugabe had pursued disengagement. In the run-up to the July 2018 election, there was increased political space and tolerance of opposition parties. There were minimum restrictions placed on political gatherings and freedom of speech in comparing 2000 and 2017 (Magaisa, 2019b: 145). Soft intimidation was reported in rural areas, but the massive violent acts reported in previous elections were absent (Kanyinga, 2018: 148). State media coverage was skewed in favour of ZANU-PF. ZANU-PF was observed to have the advantage over its rivals because it used state resources in facilitating its campaign (Magaisa, 2019b: 148–149). International election observers from Britain and the EU who had been banned from 2002 were welcomed to participate in the election process (Magaisa, 2019b: 149). In the run-up to the July 30 2018 elections, a grenade exploded at a ZANU-PF rally in

⁸³Mostly MDC splinter groups formed this Alliance. MDC-Alliance included MDC-Ncube, MDC-T, PDP, Transform Zimbabwe, Zimbabwe People's First, ZANU-Ndonga and Multi-Racial Democrats.

Bulawayo, aimed at ZANU-PF's top leadership (Beardsworth, Cheeseman & Tinhu, 2019: 9). Although Lacoste had prevailed over their G-40 rivals, ZANU-PF was still experiencing divisions.

The open and politically tolerant environment that existed before and during the election changed after the election. Two days after the election, on the 1st of August 2018, the military fired live bullets at protesters who were marching towards ZEC offices demanding the release of the presidential election results. This military intervention resulted in six people dying and several civilians being injured (Kanyinga, 2018: 147). Following this encounter soldiers were alleged to have harassed and beaten up opposition supporters in urban centres with the aim of discouraging them from protesting (Magaisa, 2019b: 153). This event marked an increased reliance on the military to maintain law and order among civilians, which should be the role of the police. A commission of enquiry was set up to investigate the military shootings that occurred on the first of August 2018. Magaisa (2019: 153) notes that the people selected to represent the commission were partisan and were aligned to ZANU-PF, thus compromising the impartiality and purpose of the inquiry.

MDC-A challenged the presidential results before the highest court in Zimbabwe, the Constitutional Court. Beardsworth *et al.* (2019: 13) note that MDC-A failed to provide enough evidence in challenging the election outcome. As a result, the Constitutional court confirmed the election results that ZEC had announced, thus making Mnangagwa the legitimate winner. International observers noted that the environment, although peaceful, was not level among all participants; it was tilted in favour of ZANU-PF. In addition, they noted that state resources benefitted ZANU-PF more and that the media and traditional leaders behaviour was biased in favour of ZANU-PF (Beardsworth *et al.*, 2019: 13; Magaisa, 2019b: 149). The post-election urban violence, international observers' comments, disputed electoral process and outcome resulted in the international community questioning the election outcomes. Hence the legitimacy crisis that Mugabe encountered was also experienced by Mnangagwa.

MDC had succession battles that were comparable to ZANU-PF; it too did not have a proper succession plan. Thokozani Khupe, Elias Mudzuri and Nelson Chamisa, as vice-presidents of the party, were vying to succeed Tsvangirai. Nelson Chamisa succeeded Tsvangirai following his death in February 2018. Mudzuri conceded to Chamisa's win, while Khupe refused. As a result, Khupe left MDC-A with some followers and contested in the harmonised elections as MDC. This further disenfranchised the party by splitting votes in the elections. These divisions in MDC made it lose some seats to ZANU-PF in constituencies where it nominated multiple candidates. The economic challenges exhibited in the illiberal hybrid regime continued in the military hybrid. The political risk

of the country was observed to have reduced when Mugabe resigned until the July 2018 elections. After the military clampdown on protestors on the 1st of August 2018, political risk was observed to steadily increase until the end of 2018. This section described the military hybrid regime. This was because when the hybrid regime framework was applied to Zimbabwe, the military hybrid was the last to be observed between 1990 and 2018. The next section discusses the different forms of hybridity as exhibited by Zimbabwe. The key features of the military hybrid are as follows:

- Regular, competitive multi-party elections
- Political environment tilted in favour of ZANU-PF
- ZANU-PF majority in parliament
- Judiciary partial
- **Before 2018 elections:**
 - Increased political freedoms, opposition clampdown minimal
 - International election observers allowed
 - Efforts to re-engage the international community
- **After 2018 elections:**
 - 6 people killed on 1 August by the military at a protest over election results
 - Clampdown on opponents, violence deployed to force acceptance of the government
 - Increased military reliance by the new government
- Factional disputes in ZANU-PF heightened
- President Mugabe resigns before his term ends due to military pressure
- Some ZANU-PF officials fail to complete their terms as Ministers and MP's
- Operation Restore Legacy implemented, which was a military assisted change in government
- Key government positions filled by retired security officers who were the organisers of Operation Restore Legacy

To conclude on Zimbabwe's hybrid development, this study notes that there were five types of hybrid regimes exhibited. The first hybrid regime was the liberal hybrid from 1990 to February 2000. The hybrid transitioned into the competitive illiberal hybrid regime from March 2000 to 2008. Thereafter, the hybrid developed into the competitive hybrid regime from 2009 to June 2013. Although the hybrid

regime was not illiberal it could not be referred to as having the same liberal standards as the liberal hybrid regime because between 2009 and 2013, the judiciary was perceived as partial, horizontal accountability was average and corruption was very high. In comparison, in the liberal hybrid regime, the judiciary was perceived as independent, horizontal accountability was higher and the perception of corruption was not as high. The illiberal hybrid regime between July 2013 and October 2017 was observed to be the fourth distinct hybrid regime type. Lastly, Zimbabwe transitioned into the military hybrid regime from November 2017 to 2018.

ZANU-PF, especially the political elites, were the main actors that dictated the trajectory of Zimbabwe's hybrid development. Other key actors were JOC, the military, politically connected businesspeople and the MDC. International pressure, especially from the Western countries and regional integration in the form of SADC and to some extent AU, was pivotal in Zimbabwe's hybrid development. Changing from one hybrid type to another was motivated by ZANU-PF's need to survive. It was also because the political elites of the party, the politically connected, and the security sectors continued having unlimited access to the state's resources and opportunities for personal gain. For example, the shift from the liberal hybrid to the competitive illiberal was necessitated by ZANU-PF's need to limit MDCs influence. In addition, the transition from the competitive illiberal hybrid to the competitive hybrid was necessitated by ZANU-PF's need for international recognition which was lacking in the former. Furthermore, the military assisted change in government was necessitated by divisions within ZANU-PF between Lacoste and G40. The hybrid thus transformed into a military hybrid regime.

This section discussed the hybrid development in Zimbabwe, thereby revealing how the hybrid transitioned into different forms. This was undertaken to understand how a hybrid regime operates when applied to a case study. The next section will provide reasons for the durability of the hybrid regime in Zimbabwe.

4.9 Why the Zimbabwean hybrid regime was durable

Carothers (2002: 3), Merkel (2004: 50), Morlino (2009: 282) and Mufti (2018: 115) argue that hybrid regimes are durable. In contrast, Levitsky & Way (2002: 59) claim that hybrid regimes are prone to break down because of the instability caused by the democratic and autocratic features co-existing in one regime. If a hybrid regime collapses, Cassani (2012: 19, 2014: 554) points out that it is more

probable for it to democratise than for it to evolve into an authoritarian regime. The question is: Are hybrid regimes durable? The durability of the hybrid is contentious in literature as such this study seeks to contribute to this debate. This study asserts that the hybrid regime is durable as observed in the case of Zimbabwe.

The Zimbabwean hybrid regime could have consolidated into a democracy or disintegrated into authoritarian tyranny between 1990 and 2018, but it did not. Zimbabwe transformed into five different hybrid regimes in 28 years, indicating its durability. There are two broad hypotheses to explain why it has been durable for 28 years. The first hypothesis is, ZANU-PF the party and the actors inhibited the hybrid from maturing into a democracy and, if left unchallenged, could have progressively turned it into an authoritarian regime. The other hypothesis is that opposition political parties, labour unions and international norms and practices applied pressure on ZANU-PF to abide by democratic principles, thereby denying it the opportunity to recede into an authoritarian regime. The resultant effect of applying both hypotheses was the creation and maintenance of a hybrid system.

To expand on the first hypothesis, the dominant political actors in ZANU-PF have, to a great extent, consistently been the same, explaining the durability of the hybrid regime. Some strategic politicians within ZANU-PF retired from politics, passed away, and succumbed to sickness. While other key stakeholders disowned ZANU-PF completely to start their own political parties, for example, Edgar Tekere formed ZUM and Joice Mujuru formed ZPF. President Mugabe was the one directing the strategic decisions of the country from 1980 to 2017. Mugabe retained and recycled mostly the same key ZANU-PF actors to hold different portfolios at different times within cabinet and politburo. There are many examples in ZANU-PF's history. One strategic example is Emmerson Mnangagwa who was a ZANU-PF politburo member from 1980 to 2018. He held different ministerial and strategic government portfolios, the highest being the vice-president and president posts between December 2014 and 6 November 2017, and 21 November 2017 and 2018 respectively. Section 4.9 showed that the ZANU-PF political elite cohesion of the top-level leadership varied in different periods. Despite the factionalism challenges experienced in ZANU-PF, the ultimate collective goal of each faction was for power to remain within the political party. Having an elite group of actors presiding over Zimbabwe's political affairs for an extensive period impacted on the minimal development of democracy and thus maintained the same political style, resulting in the durability of the hybrid regime.

In addition to the first hypothesis, ZANU-PF's political elites did not actively develop democratic institutions and maintained the hybrid political system for their personal gain. ZANU-PF members, ZANU-PF youth, war veterans, businessmen linked to political leaders and strategic members of the security sector have enjoyed unquestionable access to resources of the state. In addition, these actors had preferential access to business opportunities, loans and access to the vast natural resources of the state. During the land reform, white-owned expropriated farms were given to the senior military, ZANU-PF members, war veterans, senior judges, senior civil servants and ZANU-PF loyalists (Bratton & Masunungure, 2008: 46; Ncube 2013: 100). ZANU-PF loyalists were the major beneficiaries of the IEEA, which required foreigners to cede 51% of their shareholding to indigenous Zimbabweans. ZANU-PF, at all levels of leadership, was dependent on the party's influence and control over state resources. Political elites, by creating patron-client relationships, encouraged a lack of rule of law and spiralling corruption in the country. The liberal hybrid regime discussed the Willowvale motor scandal, the war victim's compensation fund scandal and the VIP housing scandal; these examples showed how political elites abused their offices for personal gain. The need for personal gain by political elites undermined the development of strong institutions of the state that were necessary for supporting democratisation. ZANU-PF political elites lacked motivation in developing democratic institutions, for example, a well-resourced independent anti-corruption commission represented by non-partisan individuals, a strong and credible judiciary and equality before the law. This was because if these institutions became strong and effective, it would hamper their personal privileges of unquestionably syphoning the state's resources. Thus, Zimbabwe did not mature as a democracy, but maintained a hybrid political regime.

Between 1980 and 2018, Zimbabwe was characterised by strong personalities dominating weak institutions, which is another factor explaining the first hypothesis. Mugabe was a politically strong leader and his personal bias influenced how the country was governed. His strong personality undermined the development of independent and strong institutions. He could have used his influence to develop strong institutions, but his leadership lacked the political will to do so. His leadership adhered to democratic principles and norms in most cases, if the result of doing so would be advantageous to ZANU-PF and its loyalists, for example, conducting elections. The competitive illiberal and illiberal hybrid regime have shown that the motive for conducting elections was to gain domestic and international legitimacy. Therefore, the result of strong personalities in Zimbabwe's governance issues hampered the development of strong institutions and influenced the continued practice of a hybrid political style.

With reference to the second hypothesis, MDC was one actor that applied significant pressure on ZANU-PF to adhere to democratic principles. Elections between 2000 and 2018 did not serve the purpose of confirming ZANU-PF's dominance, unlike between 1980 and 2000. This was because MDC provided stiff competition for ZANU-PF. Diamond (2002: 32) and Levitsky and Way (2002: 55) assert that election results of above 70% point to an authoritarian state. ZANU-PF did not receive a percentage above 70% between 2000 and 2018 for the presidential election results.⁸⁴ To protect the interests of ZANU-PF the state used violence and intimidation in responding to MDC's challenge to ZANU-PF's hegemony, with the climax of violence being in 2008. These actions reveal the autocratic nature within the hybrid. MDC did not fracture, especially during the competitive illiberal hybrid regime. MDC formed the majority in parliament in the 2008 elections, which compelled ZANU-PF to consider negotiating a coalition government. Thus, having a competitive opposition party was instrumental in pushing ZANU-PF to occasionally abide by democratic principles. Perhaps if MDC had not provided enough stiff competition, ZANU-PF, left unchallenged, could have evolved into an authoritarian regime.

Regional integration was critical in compelling ZANU-PF to adopt and practice democratic principles. When there was a political stalemate between MDC and ZANU-PF and high levels of political violence unleashed by the state during the competitive illiberal hybrid regime, SADC facilitated the dialogue between the rival parties. ZANU-PF was more open to the negotiations because SADC was mediating. The dialogue resulted in a coalition government. SADC's influence in Zimbabwe's political crisis of 2008 compelled ZANU-PF to consider democratic principles. In addition, SADC principles influenced the military under Operation Restore Legacy to not implement a predictable and apparent coup. The military understood that coups were not supported in SADC and the AU, hence the military resorted to applying pressure on President Mugabe to resign. In the absence of SADC guidelines, a bloody coup could have occurred. Therefore, regional integration compelled ZANU-PF to consider adopting and applying democratic principles.

The hybrid regime in Zimbabwe is observed to show much resilience and the ability to endure. The case of Zimbabwe confirms the claims made by Carothers (2002: 3), Merkel (2004: 50), Morlino (2009: 282) and Mufti (2018: 115) that the hybrid regime is durable. It contradicts the claims that the hybrid is prone to break down due to the incompatible agendas of democracy and autocracy that cause tension within the same regime (Levitsky & Way, 2002: 58–59; Epstein *et al.*, 2006: 555; Vukovic,

⁸⁴Mugabe was the only candidate in the 2008 presidential run-off election because Tsvangirai had withdrawn.

2011: 12). The factors drawn from the case of Zimbabwe to ensure the durability of a hybrid regime are:

- An incumbent political party that has been prolonged
- High elite political elite cohesion within the incumbent political party
- A strong statesman
- Low turnover in political office
- A competitive opposition political party

The Zimbabwean hybrid could have evolved into an authoritarian regime or a democracy as suggested by Cassani (2012: 19, 2014: 554). However, this study claims that the Zimbabwean hybrid regime transformed into various multifaceted hybrid regimes. It did not evolve into anything other than a hybrid regime.

4.10 Conclusion

This chapter contextualised Zimbabwe as a hybrid regime. Four hybrid regime indicators were chosen to analyse the hybrid regime in Zimbabwe; there were elections, civil liberties, tutelary interference and political elite cohesion of ZANU-PF. This chapter demonstrated that Zimbabwe exhibited five types of the hybrid political system from 1990 to 2018. The liberal hybrid from 1990 to February 2000 was the first type. It was characterised by non-competitive elections, liberal norms practised, relatively high political elite cohesion and ZANU-PF exerted tutelage. The political risk of Zimbabwe in this period was relatively low. Second, was the competitive illiberal hybrid regime from March 2000 to 2008. The period had competitive elections, was illiberal in practice, had weakening political elite cohesion and JOC, ZANU-PF and war veterans were the informal reserves of power. Subsequently, the political risk of Zimbabwe increased in this period.

The third type was the competitive hybrid regime from 2009 to June 2013. The major opposition MDC had the majority in parliament which compelled ZANU-PF to negotiate a coalition government with the opposition. JOC exerted overt tutelary interference and the political elite cohesion within ZANU-PF was not as strong as in the 1980's period. The political risk decreased from the previous period's high levels. The illiberal hybrid regime from July 2013 to October 2017 was the fourth type of hybrid. The period was marked by non-competitive elections, the denying of freedoms and low ZANU-PF political elite cohesion caused by divisions over the succession issue. The political risk

was increasing. The military hybrid was the last type of hybrid regime exhibited in Zimbabwe between November 2017 and 2018. Competitive elections, a mixture of illiberal and liberal behaviour and low political elite cohesion were the characteristics shown by this hybrid. The security sector, especially the military, moved from being an informal actor to a formal actor in governance issues. It forced the resignation of President Mugabe. Political risk fluctuated between increasing and decreasing in this period.

Lastly, this chapter argued that hybrid regimes were durable using Zimbabwe as the referent case study from 1990 to 2018. The Zimbabwe hybrid regime did not mature as a democracy or collapse to be authoritarian regime. It consistently showed the co-existence of both political styles. One hypothesis suggested that ZANU-PF the party, and the actors inhibited the hybrid from maturing into a democracy and, if left unchallenged, could have transformed into an authoritarian regime. This was because the key actors within ZANU-PF were the same over an extensive period. In addition to this, strong personalities within ZANU-PF overshadowed the state's weak institutions. There was a lack of political will to develop strong institutions by ZANU-PF political elites from 1990 to 2018 because this could have infringed on their unquestioned access to the state's resources for personal gain. The second hypothesis suggested that the MDC and influence from regional integration, especially SADC, inhibited ZANU-PF from deteriorating into authoritarian tyranny. As a result of these two hypotheses concurrently working together, the hybrid regime system was created and practised for a long period in Zimbabwe, showing its durability.

This chapter finds that there are five factors that are required for the hybrid regime to be durable. The hybrid should have an incumbent political party that has been in government for a lengthy period, which has high political elite cohesion and possibly led by a statesman with a strong personality. In addition, there should be low turnover in political office-bearers and a very competitive opposition that forces the incumbent not to degenerate into authoritarian rule. This chapter provided the context that was necessary to understand Zimbabwe as a hybrid regime. It was pivotal for this study to understand the hybrid regime before attempting to critically assess PRA in hybrid regimes. The next chapter delves into the methodology, research design and data analysis that were employed by this study.

Chapter 5: Political Risk in Zimbabwe

5.1 Introduction

This study intends to find out if PRA can be conducted using principles different from democracy. Although democracy is the preferable and leading political regime, this study observed, from academic literature, that democracy could be facing a recession. The recession affects how political risk is conducted because PRA is based on democratic norms and values. As a result, this study sought to find out if PRA can be undertaken using principles of a less known political regime by taking the hybrid regime. The study seeks to find if principles of the hybrid regime could be used to measure PRA. The study questions to what extent the traditional conceptual perceptions of political risk in hybrid regimes are still applicable.

This chapter analyses political risk in Zimbabwe. The first section of this chapter applies the political risk framework for hybrid regimes to the case study of Zimbabwe. The findings of this case study will be discussed under the three categories of the framework which are political structures and institutions, political stability and economic development. The discussion of each category is followed by a short summary. The second section analyses the main findings of the study. It will highlight what this study confirms or contradicts about political risk in a hybrid regime. Lastly, the main research question is answered.

5.2 Political risk framework for the hybrid regime

The political risk framework for the hybrid regime is applied to the case of Zimbabwe. The Political risk framework has three categories: political structure and political institutions, political stability, and economic development. The categories are equally important. The relationship postulated in literature is that a hybrid regime increases political risk, which led this study to adopt the same hypothesis. Each indicator of the PRA and hybrid regime framework will be analysed, whether its presence or absence leads to any influence in political risk. The discussion of each indicator will focus on what the majority of respondents alluded to as well as relevant observations raise about the indicator. Each indicator given could potentially have the effect of increasing or decreasing political risk and may possibly have no impact on political risk at all. After applying this framework, the analysis drawn from this case study will reveal whether hybrid regimes lead to an increase in political risk. A republication of the political risk framework for hybrid regimes for the hybrid regime is given in Table 5.1.

Table 5.1: Political risk framework for hybrid regimes

| Category | Factor included in framework | Hypothesis to investigate PRA and the factor | Indicators |
|--------------------------------------|---|--|---|
| Political structure and institutions | Elections | Uncompetitive, not free and fair elections increase PRA | Free and fair elections, disputed and violent elections, election environment, media openness. |
| | Legitimacy | Illegitimacy increases PRA | The acceptability or not of the government, domestically and internationally |
| | State institutions | Weak institutions increase PRA | Independence from politics of state institutions, for example, parastatals, the parliament, the police, army. Horizontal accountability or not |
| | Rule of law | Weak rule of law increases PRA | The judiciary system's integrity, Application of the law |
| Political Stability | Corruption | Corruption increases PRA | Corruption |
| | Tutelary interference | Interference by a guardian increases PRA | If tutelage exists, by whom and possible impact on political risk |
| | Political elite cohesion | Weak political elite cohesion within the incumbent party's instability increases PRA | The strength of the incumbent party's political elite, staleness, succession. |
| Economic Development | Government's participation in the economy | High participation increases PRA | Tax as a percentage of the Gross Domestic Product (GDP) to measure participation, Policy consistency |
| | Adverse government policies and actions | Adverse government regulations increase PRA | Which policies have been adverse for foreign investors? |
| | Economic performance | An economically underdeveloped state increases PRA | Liquidity situation, external debt, history of expropriation and nationalisation |
| | Health pandemics | Health pandemics increase PRA | Health |
| | International relations | Strained relationships increase political risk | Home-host relationships |
| | Geographic location and natural disasters | Natural disasters/extreme weather patterns increase political risk | Geographic location and natural disasters/extreme weather patterns |

Source: Author's compilation (2019). *This table is taken from Chapter Three

5.2.1. Political structure and institutions

This category in the political risk framework will focus on the following indicators:

- i. Elections
- ii. Legitimacy
- iii. State institutions
- iv. Rule of law

5.2.1.1 Elections

The indicator of elections overlaps with legitimacy; however, legitimacy is discussed in Section 5.2.1.2. Elections can be classified as free and fair, contested and there is the possibility of violence during an election. Each of these dimensions of elections has a different impact on political risk. Zimbabwe, between 1980 and 2018, conducted nine rounds of elections. It was highlighted that elections were harmonised in 2008 to cut down on expenses associated with elections (KII Government, Respondent 4). The process of conducting elections was observed to have an impact on business. The economy was observed to have slowed down during an election because of people's expectations (KII Government, Respondent 3 and KII MNC, Respondent 1 and 5). However, in the period after the election, the economy was expected to grow and businesses to be profitable (KII MNC, Respondent 1). Elections could also be used as an investment tool, which was observed to be implemented by South Africa but not Zimbabwe (KII Embassy, Respondent 1). This indicates that electoral outcomes have the potential to either increase or decrease future potential investment due to how the markets respond to the individuals selected.

Conducting a free and fair election devoid of major contestations and political violence leads to an easier acceptance of the election outcomes domestically and internationally. It was emphasised that the election outcomes must be accepted by opposition political parties, civil society, international observers, other states and international organisations (KII Political risk company, Respondent 1; KII Embassy, Respondent 2). Many respondents pointed out that a free and fair election resulted in the results being easily accepted. If an election was perceived as being free and fair, it lowered the perception of political risk of the host country (KII Embassy, Respondent 4, 5; KII Government, Respondent 4; KII MNC, Respondent 3 and KII NGO, Respondent 3, 5). Also, if an election was free, but slightly tilted in favour of the incumbent, the relationship between political risk and elections would still be positive (KII Embassy, Respondent 5).

Data for this study was collected from June to October 2018, which coincided with the July 2018 harmonised elections in Zimbabwe. Zimbabwe lacks a record of conducting free and fair elections.

KII Government, Respondent 4, commenting on Zimbabwe's election reputation said, "...*that is why our elections on Monday the 30th of July 2018 must meet that test of being free, fair and credible; because we want to get out of the ghost of the past...*" This was also reiterated by KII Government, Respondent 5 who said, "*Our image is very dirty, and we want to spruce it up. It is for that reason that we want the international community to say, 'Zimbabwe had its election and they were clean elections, the winner won because he deserved it, he had the support of the people...'*" These comments indicate that the ZANU-PF government was seeking international recognition from the 2018 harmonised elections. The 2018 election process was deemed relatively more credible than all previous elections (KII Academia, Respondent 1, 5, 6). As a result of election outcomes being perceived as unfair between 2000 and 2018 it was mentioned that Zimbabwe experienced political isolation and the imposition of sanctions (KII Government, Respondent 4); bilateral and multilateral partners withdrew aid (KII MNC, Respondent 3), and investors withheld new potential investment projects from Zimbabwe (KII Embassy, Respondent 5 and KII NGO, Respondent 3). This shows that a clean and fair election is more likely, in all situations, to reduce the associated political risk of a hybrid regime host country. In addition, a free but relatively unfair election also points to reducing the associated levels of political risk.

Regarding disputed elections, electoral outcomes could be discredited mainly because of how the process was managed or if there are allegations of votes being manipulated. The majority of respondents highlighted that Zimbabwe's electoral outcomes had been contested between 2000 and 2018. In Zimbabwe, electoral disputes were mainly identified to arise from: i) political violence on opposition members (KII Government, Respondent 4), ii) ZEC, the independent commission that oversees the election processes, being partial and seen as partisan towards ZANU-PF (KII Academia, Respondent 1), and iii) and errors in counting and procedural concerns (KII Academia, Respondent 1, 5, 6). It was clarified that errors in counting and procedural concerns were experienced in other countries but did not substantiate a basis to overturn the election outcomes (KII Academia, Respondent 5 and KII Embassy, Respondent 2). Electoral outcomes had been overturned when contested in Zimbabwe between 2000 and 2018. During the liberal hybrid regime, the courts presided on many court cases that resulted in changing the election results (Sithole & Makumbe, 1997: 159; Dorman, 2005: 135).

Many respondents established the link that contested electoral outcomes increased the level of political risk. The respondents emphasised that when contesting electoral outcomes, the whole process had to be considered (KII Political Risk Company, Respondent 1, KII Academia, Respondent

1, 5 and KII NGO, Respondent 2). During the data collection period, MDC-A was challenging the election results from the Constitutional Court in August 2018. Remarkably, given that many respondents mentioned that contested electoral outcomes increase political risk, the expectation was that MNCs would report the same conclusion. On the contrary, KII MNC, Respondent 3 and 4 highlighted that the process of elections was repetitive, their businesses had to continue operating irrespective of the electoral outcomes. They had also adjusted to the environment in Zimbabwe that the election process was going to be contested. KII MNC, Respondent 4 made the following comments:

KII MNC, Respondent 4: It has sort of made us grow a fat skin because we were now sort of used to it. Elections come, and they are disputed then we go on another 5 years, 2023 we will have another election it's going to be disputed again.

Researcher: Does it affect your calculations of risk in any way?

KII MNC, Respondent 4: In the sense that we just know that there is going to be elections, there will be an outcome, whatever outcome it is then we still buy it. We are not going to then say what if?

Researcher: So, the Constitutional Court didn't unsettle you in any way?

KII MNC, Respondent 4: It just confirmed things as they were, and nothing was changed, and we moved on. Of course, I am not sure of the other arguments coming through and what they view, it doesn't in my view. As a business that chapter is done.

This indicates that despite the theoretical expectation that disputed elections increase the level of political risk, the MNCs operating in Zimbabwe have adapted to elections being disputed and plan the future with this factor in mind.

In terms of electoral violence, it can be categorised as pre-election, during and post-election. Based on any of these three occurring, election outcomes could be dismissed. The majority of respondents highlighted that Zimbabwe had a history of unleashing violence on political opponents. The height of political violence before, during and after an election was mentioned as the 2008 June presidential run-off election (Bratton & Masunungure, 2008: 54; Mangongera, 2014: 73, KII Academia, Respondents 1, 4; KII Embassy, Respondents 2, 3; KII Government, Respondent 5 and KII NGO, Respondent 3, 6). The state was referred to as the chief architecture of unleashing violence on opposition members for the benefit of ZANU-PF (Raftopoulos 2009: 215; KII Academia, Respondent 4; KII NGO, Respondent 6 and KII Embassy, Respondent 2). The ZANU-PF government used its access to resources and power to disempower the opposition, thus tilting the environment in its favour.

The 2013 and 2018 elections did not exhibit the political violence that was experienced during the competitive illiberal hybrid regime. However, it was highlighted that in these elections, ZANU-PF exploited the infrastructure of violence that had been set up during the competitive illiberal hybrid regime (KII Academia, Respondent 1; KII NGO, Respondent 6). A few respondents mentioned that political violence had a direct and negative impact on political risk. It was emphasised that international norms and standards condoned violence during an election (KII Government, Respondent 4). MNCs were cognizant of the possibility of political violence to disrupt their operations. MNCs mentioned that they put adequate security measures for their premises and purchased insurance to protect themselves from the consequences of political violence (KII MNC, Respondent 1, 5).

For a contested election, MNCs explicitly expressed that they had adapted to the Zimbabwean situation and regarding election violence, they spoke about the measures to protect the organisation. The notion of violence during an election was perceived very negatively by a majority of respondents. Thus, although MNCs could adapt to it, it can be concluded that violence during an election will always increase the political risk in a hybrid regime. This shows that regarding elections, the concern is not about who wins or how flawed the process is; investors are more concerned about election violence erupting because this could result in loss of property, disruption of operations or harm to their staff members.

5.2.1.2 Legitimacy

Legitimacy is the wilful acceptance of the government by the citizens, thus the government exercises authority over the citizens through mutual consent and not through coercion (Howell & Chaddick, 1994: 78). It is closely related to the indicator of elections discussed in Section 5.2.1.1 in that a free and fair election leads to the easier acceptability of a political regime and government domestically and internationally. Many respondents stated that the legitimacy of the state's leadership must be confirmed domestically and endorsed by other states, regional blocks, international organisations, super-powers and international observers that participate in the election process. Without this endorsement, the state would be viewed as having an illegitimate leadership.

It was emphasised that Zimbabwe was characterised as having legitimacy deficits after 2000 (Ncube, 2013; KII Academia, Respondent 3; KII Embassy, Respondent 1, 5; KII Government, Respondent 2,

4, 5 and KII NGO, Respondent 1). Two respondents echoed that the government had occasionally resorted to the use of force to enforce public acceptance (KII Academia, Respondent 3 and KII Embassy, Respondent 5). KII Academia, Respondent 3 put it as follows, *“Zimbabwe has been haunted by disputed elections under the long-time ruler, Mugabe. A government with weak legitimacy posed a serious risk because of its authoritarian tendencies that became the only formula to enforce public acceptance of authority.”* The perception of the government being illegitimate was more amplified in relation to the international community than in the domestic community (KII Academia, Respondent 3; KII Embassy, Respondent 1, 2; KII Government, Respondent 4, 5 and KII NGO, Respondent 4).

Respondents from government highlighted the major challenges of being perceived as having an illegitimate government as the following: i) Since 2002, sanctions were imposed on the country and internationally, Zimbabwe experienced political isolation, ii) the inability to attract FDI and international donor funding to the government’s treasury, and iii) the inability to secure lines of credit internationally. Although the sanctions imposed on Zimbabwe were targeted at specific political figures, it was mentioned that having sanctions imposed on the president had been detrimental for the country because he was the Head of State and the person that represented the country internationally (KII Government, Respondent 4). It was mentioned by two government representatives that investment was low in countries that were deemed to have illegitimate leaders (KII Government, Respondent 3, 5). According to KII Government, Respondent 5, this was because, *“A country led by an illegitimate leader is a ticking time bomb. You never know when things happen; there is no stability.”* The views of the respondents indicated that sanctions imposed on Zimbabwe due to the perception of the illegitimacy of the government’s leadership internationally had been costly to the country’s development.

The link between legitimacy and political risk was established by most of the respondents as negative. An illegitimate leader increased the political risk profile of a country (Howell & Chaddick, 1994: 76; KII Academia, Respondent 3; KII Embassy, Respondent 1, 2; KII Government, Respondent 4, 5; KII NGO, Respondent 4; KII MNC, Respondent 5 and KII Political risk company, Respondent 1). The following comments made by KII Government, Respondent 5 emphasised the link between legitimacy and political risk:

Legitimacy is actually the key. For you to be considered worthy of anything, you have to be legitimate. If you don’t have legitimacy, then you are there illegally, that’s what it means. And I think legitimacy issues have been with us since 2000, when the opposition party came.

Elections have been disputed and the legitimacy question has been there. Once it's like that, it increases the political risk, of course, because anything can happen in a country with no legitimacy. Issues of stability are questionable... Should I go there? The leader didn't even win, and these questions affect stability in the country...

Many respondents highlighted that the perception of the illegitimacy of Zimbabwe had resulted in low investor confidence. Illegitimacy was observed to have a negative impact on general business operations and trading (KII MNC, Respondent 5). It validates that the legitimacy of a government has a positive impact that is beyond the political sphere. Additionally, illegitimacy acts as a deterrent for potential foreign investors who have been banned by their home country's government from interacting with a host government that is deemed illegitimate. In these instances, the home government imposes punitive measures on MNCs if they transact with any business that promotes 'an illegitimate host government' (KII Embassy, Respondent 5). Thus, the perception of illegitimacy immeasurably increases the perceived political risk of a potential host nation.

Worth noting, one respondent highlighted that although legitimacy was important, other states managed to attract FDI despite elections condemned as flawed and outcomes deemed illegitimate. KII Government, Respondent 3, pointed this out by saying, "*... and I think in terms of legitimacy, we have seen in some countries... Yes, the observers they say this was a flawed process, but sometimes you would see that same country having investors coming; so sometimes it's not really about the election, it's about the deals that can be made....*" The observation made by this respondent could be in states which have vast natural resources, for example, mineral deposits, crude oil and vast tracks of land. It is implied that this had not resulted as such in Zimbabwe; rather, illegitimacy had led to a decrease in FDI, a negative impact on businesses and low confidence in the economy. Thus, it could be deduced that in a hybrid regime, a legitimate government increases the possibility of attracting more FDI and lowering the perception of political risk.

5.2.1.3 State institutions

This indicator focused on the strength of state institutions and government agencies. State institutions are identified as the executive, the legislature and the judiciary; and government agencies include the police, parastatals, the army and civil servants. Professionals working in state institutions and independent commissions are expected to be impartial, non-partisan, and not to prejudice the lawful interests of any political party (Government of Zimbabwe, 2013). This indicator is closely related to tutelary interference, which will be discussed in Section 5.2.3.2.

A handful of respondents echoed that the formal institutions in Zimbabwe were typified as weak. The constitution of Zimbabwe of 2013 was argued to be one of the best, not only in Africa, but in the world, in relation to the formal institutions of contravening power (KII Academia, Respondent 1, 4). However, the respondents emphasised that the empirical reality was contrary to the expectations of the Zimbabwean constitution. The informal institutions were highlighted as more powerful than the formal institutions (Magaisa, 2019c; KII Academia, Respondent 1, 4; KII Embassy, Respondent 1, 5; KII MNC, Respondent 5 and KII Political risk company, Respondent 1). To emphasise this, KII Embassy, Respondent 1 said, *“If you look at President Mugabe for instance, Mugabe was not just an individual, he was an institution and an institution above all other institutions. You wouldn’t have checks and balances on the executive.”* This comment shows that the informal institutions included top-level political elites that used power beyond formal limits. Respondents emphasised that the distinction between ZANU-PF and government resources, roles and duties was blurred. However, in instances in which there was a distinction, the ZANU-PF position took precedence over government positions (KII MNC, Respondent 5). Two respondents pointed out that their companies did not finance any political parties; they only interacted with government agencies as their customers (KII MNC, Respondent 1, 5). MNCs showed awareness and an adaptation to the behaviour of government employees, placing emphasis on the ZANU-PF position over that of the government.

The strengthening of formal institutions was identified by respondents to be hampered by several factors. First, independent commissions were identified as underfunded, which compromised their performance, making them ineffective (Magaisa, 2019c; KII Academia, Respondent 4). Secondly, vacancies in formal institutions were observed to be filled on the basis of patronage and in a partisan manner, making these institutions inefficient, partial and weak (Magaisa, 2019c; KII Academia, Respondent 1, 4). Thirdly, it was highlighted that some independent commissions did not have the enabling legislation for them to be operational and effective (Freedom House, 2017; KII Academia, Respondent 4). An additional way that formal institutions have been weakened in Zimbabwe is by creating parallel institutions which report to the executive and have the same functions as independent commissions (Magaisa, 2019c). An example is, there is the Zimbabwe Anti-Corruption Commission (ZACC), which derives its mandate from the constitution; there is also the anti-corruption unit, which is a department in the president’s office, which was more funded than the ZACC that it was shadowing (Magaisa, 2019c). The anti-corruption unit from the president’s office, therefore, lacked autonomy from the executive. The measures mentioned above resulted in the weakening and undermining of formal institutions in Zimbabwe. Measures could have been implemented to ensure the strengthening of formal institutions; however, ZANU-PF political elites lacked the political will to strengthen them.

Parliament and the judiciary, which must make the executive accountable, were highlighted by respondents as ineffective. Parliament was described as a ‘*rubber-stamping organisation*’ which lacked innovation and genuine discussion over important issues, regardless of the opposition political parties being represented in parliament (KII Embassy, Respondent 5). KII Embassy, Respondent 5 highlighted that the executive, between 2000 and 2007, was controlled by a few individuals. Cabinet meetings should advise the president; however, during the competitive illiberal hybrid regime, cabinet routinely met to ‘*sanitize decisions*’ that would have been agreed upon before by a select group of individuals (KII Embassy, Respondent 5). In addition, the respondents indicated that there was minimal horizontal accountability between the three arms of government (KII Academia, Respondent 1, 4; KII Embassy, Respondent 1, 5; KII NGO, Respondent 3 and KII Political risk company, Respondent 1). Due to the lack of checks and balances between the three arms of government, there was the possibility that the political elites in these institutions could collude on matters of self-interest, thus weakening the ability of these institutions to effectively ensure that each arm of government was accountable to its mandate.

The weak institutions exhibited in Zimbabwe were discussed by respondents to be associated with high levels of political risk (KII Academia, Respondent 1; KII Embassy, Respondent 1, 5; KII NGO, Respondent 5 and KII Political risk company, Respondent 1). The impact of weak institutions on MNC operations was highlighted to create uncertainty for potential and current foreign investors (KII Academia, Respondent 1). In addition, a country with weak institutions was discussed to have porous avenues for corruption, was marred by nepotism, patronage and undermined the authority of the law (KII Academia, Respondent 1; KII Embassy, Respondent 1, 5 and KII MNC, Respondent 1). One respondent said that some policy pronouncements were initially made at ZANU-PF rallies and not via formal government platforms (KII MNC, Respondent 3). As a result, the industry had learnt to notice how the government behaved and adjust accordingly. Furthermore, some politicians would enter business premises in 2008 and reduce the prices of goods and their decisions were binding (KII MNC, Respondent 5). These have been the resultant effects of having weak institutions for MNCs.

KII Government, Respondent 3 stated that foreign investors could come if they had the protection of the president that their operations would be unharmed. This was expressed in the following comment:

.... And where we are just saying, if there are investors coming and they have, maybe, the protection of the president, yes, you will see them coming in and surely investing in the country. Two years down the line, their investment is affected, yes, but I think it is two-sided; some may come knowing very well that their investment is going to be protected and some will just come, but without the full information.

Investors need the protection of the law and an independent judiciary and not the president. However, this comment shows that the practice of '*protection from the president*' was a concept some investors understood and followed before and during commencing operations in Zimbabwe. It is inferred that the weak institutions in Zimbabwe, coupled with the strong man leadership, resulted in having lower levels of political risk for some foreign investors.

5.2.1.4 Rule of law

The concept of rule of law is when there is no bias in applying the law. The law is consistently and equitably applied to all citizens irrespective of their political affiliation, wealth, education, race and societal standing. An independent judiciary is expected to support the effective implementation of the rule of law. Zimbabwean laws and procedures for conducting business were observed to be difficult to understand and were too cumbersome to follow, especially for foreign investors (KII Embassy, Respondent 2). Worth noting is that before 2000 and the implementation of the FTLRP, the judiciary system was observed to be highly independent (Chikwanha-Dzenga *et al.*, 1999; Magaisa, 2016; KII Academia, Respondent 1). After the FTLRP in 2001, Chief Justice Gubbay and several other judges were forced into early retirement. Their replacements were people who were perceived to be malleable, subservient and partisan towards ZANU-PF (Human Rights Watch, 2008; Magaisa, 2016). The public generally perceived the judiciary system as corrupt, partisan and bribe-able, which was highlighted by some respondents (KII Academia, Respondent 1, 4; KII Embassy, Respondent 2; KII NGO, Respondent 3 and KII MNC, Respondent 1). If the general citizens had this perception, it can be deduced that foreigners operating in Zimbabwe had a similar view of the judiciary as being corrupt and requesting for bribes.

Many respondents highlighted that there were inconsistencies in the application of the law. It was suggested that the country had two different sets of law, one for ordinary citizens and the other for ZANU-PF political elites and politically connected people, resulting in the law being applied on a discretionary basis (Magaisa, 2016; KII Academia, Respondent 1 and KII NGO, Respondent 3). This selective application of the law resulted in poor rule of law. KII Academia, Respondent 1 mentioned that political elites, if charged with any criminal offence, were hardly prosecuted and the procedures that accompany effective investigation and prosecution were not effectively followed in Zimbabwe. The executive arm of the government was observed to interfere in judiciary procedures. This was expressed by KII Academia, Respondent 1 as follows:

What signals are we sending out to the rest of the world in terms of our respect for rule of law, for example? Interestingly you have, on the one hand, government portraying itself as respecting rule of law. In other instances, you also have the same government creating the impression that the political leaders exercise a lot of discretion. If the Head of State says he had to intervene to have Tendai Biti (MDC-A opposition leader) released from prison, now he is interfering with the judiciary in the country...

This reflects that horizontal accountability between the arms of government was occasionally weakened by such practices of the executive interfering with processes that the judiciary should preside over. It resulted in ZANU-PF political elites and politically connected people creating the impression that the law was not important, it could occasionally be circumvented and that they were above the country's laws.

A majority of respondents corroborated the relationship between rule of law and political risk in Zimbabwe as one in which low adherence to the application of the law resulted in high levels of political risk. MNC activities were observed to be affected by poor rule of law in Zimbabwe. Chiefly, respondents mentioned that there were no guarantees as to what would happen to one's investment. In addition, the high levels of uncertainty could lead to expropriation or confiscation of the MNCs assets and investment because the law was applied in a selective manner (KII Embassy, Respondent 2; KII NGO, Respondent 2 and KII Government, Respondent 1, 2). Respondents also suggested that Zimbabwe would benefit from more foreign investors if the law were applied consistently, irrespective of the political and social status of the offenders (KII Academia, Respondent 1 and KII Political risk company, Respondent 1).

It was mentioned that the judiciary system lacked the integrity that it should have and that there was no political will to restore the integrity of the judiciary system. KII MNC, Respondent 1 highlighted this in the following comment:

Now when you look at our political system, court cases can drag for long up to 3 or 4 or 5 years and you are looking at possibly a loss of USD4 000-00... If it goes to court, some people have better ways to manoeuvre around the judiciary system and will get away with it, while some do not have. But all that comes back to the political environment to say, do we have the political will to say the judicial system needs to have this type of integrity? It's not there and just giving a blind eye. Company B, as big as it is, might have the muscle to say, 'We will see how it goes,' but it can't be a permanent thing to say this year you have a loss of USD3 million, the following year you encounter another loss of USD5 million...

This indicates that MNCs operating in Zimbabwe were cognizant of the inefficiencies and losses that could potentially be caused by the judiciary system. However, continued operations in Zimbabwe were dependent on the ability of the MNC to absorb the losses that they incurred due to the deficient

judiciary system. MNCs with less capacity would probably not continue operations, in contrast to MNCs with greater capacity to absorb the losses. In addition, as discussed in Section 5.2.1.3, some investors continued investments because they had adequate protection from the president's office (KII Government, Respondent 3), which was above the protection of the law. This indicator showed that investors valued rule of law, however, operating in a hybrid system, the foreign investors had adapted to the inconsistencies of how rule of law was applied. The investors that continued operations showed an awareness of this; their options were either to incur the losses that accrue to them from the judiciary system or to seek "*protection*" from informal institutions- either the president or a high-ranking political connection.

5.2.1.5 Summary of political structure and institutions

In Zimbabwe, elections occurred regularly, however, it lacked a record of conducting clean elections between 2000 and 2018. This resulted in the country's leadership being perceived as illegitimate. A free and fair election was established to reduce political risk. Although in theory it would lead to increased political risk, the MNCs operating in Zimbabwe echoed that contestation of an election alone would not warrant increasing political risk. If the contestations resulted in violence, then the associated political risk would increase. Politically motivated violence was observed to have substantially reduced in elections conducted after 2008. The perception of illegitimacy in Zimbabwe had resulted in receiving low FDI and impacted negatively on political risk. Formal state institutions were observed to have less power than informal institutions. As a result, formal institutions were perceived as weak. The relationship between weak institutions and political risk was established as negative in Zimbabwe. Rule of law was described as low and the judiciary system was discussed as bribe-able, impacting negatively on political risk. MNCs and foreign investors in some instances sought the 'protection of the president' regarding their investment. This indicates that foreign investors were aware of the weaknesses of state institutions and the judiciary and some occasionally circumvented formal channels and used the informal institutions as well. Table 5.2 gives a summary of how political structures and institutions indicators impact on political risk and the direction of impact.

Table 5.2: Political structures and institutions indicators impact on political risk

| Indicator | Impact on PRA | Direction of impact |
|---------------------------|---------------|---------------------|
| Free and fair elections | Decrease | Direct |
| Disputed elections | No effect | Indirect |
| Election violence | Increase | Direct |
| Illegitimacy | Increase | Direct |
| State institutions (weak) | Increase | Direct |
| Rule of law (poor) | Increase | Direct |

Source: Author's compilation (2019)

5.2.2 Political Stability

This category in the political risk framework will focus on the following indicators:

- i. Corruption
- ii. Tutelary interference
- iii. Political elite cohesion

5.2.2.1 Corruption

Corruption is the abuse of an office for personal gain. It is present in both public and private sectors, conducted at different levels and is observed to occur in every state. Public corruption is difficult to prove before carrying out an investigation, thus the acts could continue for a long period (KII Embassy, Respondent 3). Many respondents identified Zimbabwe as being a largely corrupt state in both the public and private sectors. Public corruption was identifiable at every level but with different amounts being demanded. Political elite's corruption contributed the most to the high levels of public corruption. Public corruption was highlighted to have become so rampant that some government ministers openly demanded 10% of the value of the project as a pre-condition to approving the project (Moyo, 2016; KII Academia, Respondent 1; 4; KII Embassy, Respondent 1, 5 and KII Political risk company, Respondent 1). The Auditor-General produced reports of how several government departments made advance payments for goods and supplies that had not been delivered between 2008 and 2018⁸⁵ (Dube, 2019). These payments were used as avenues to syphon money from public funds for the benefit of a few elite individuals.

⁸⁵ In the report, examples cited include, i) Zimbabwe Electricity Transmission and Distribution Company made a USD4,9 million payment in 2010 but by the end of 2018 the transformers were still not delivered, ii) Grain Marketing Board made an advance payment of USD1 million for maize in 2016, which was never delivered

The relationship between political risk and corruption was explained by the majority of respondents as a high perception of corruption led to a high perception of political risk. The resultant adverse effects of corruption influence the political risk rating to rise, explaining the indirect relationship. The adverse effects of corruption on MNCs were highlighted as: i) it increased the cost of doing business which could be passed on to the customers (KII Academia, Respondent 1; KII Embassy, Respondent 4; KII NGO, Respondent 2; KII MNC, Respondent 2, 4, and KII Political risk company, Respondent 1), ii) it resulted in uncertainty in project planning and outcomes (KII MNC, Respondent 2, 4 and KII Political risk company, Respondent 1); iii) corruption increased inefficiencies and caused delays (KII NGO, Respondent 3 and KII Government, Respondent 2); iv) corruption created the impression that the law was irrelevant (KII Academia, Respondent 1); v) it could discourage further investment by the same MNC from coming into the corrupt host country and other potential MNCs who could be considering investing in the host country (KII Embassy, Respondent 5); and vi) had the potential to cause political instability within a host-country (KII NGO, Respondent 4). These comments indicate that operating in a country that had a less corruption rating was observed to be preferable for foreign investors because there is more certainty and predictability.

One respondent highlighted that foreign investors operating in Zimbabwe had adjusted and learnt to budget for the “*extra brown envelopes*”, despite the negative consequences of corruption. They highlighted that it was a commonly known practice and it was referred to as lubricating the state machinery (KII Embassy, Respondent 5). However, KII Embassy, Respondent 4 emphasised that, “*Corruption will increase costs of doing business. Once you are involved in the “brown envelope”, the price goes up. Companies from country number 4 are bound by the country’s ethics and code of conduct and they are not allowed to engage in corrupt activities.*” Unless the code of conduct had punitive measures for MNCs that participated in corruption, it would be difficult to enforce this rule while operating in a highly corrupt country. MNCs interviewed did not reveal if they participated in corruption. It would have been difficult for them to say this as corruption is illegal. It is assumed by the study that due to the highly corrupt environment, some MNCs could have participated in the ‘brown envelopes’ at one point to acquire a tender, a licence, or to renew a permit.

A majority of respondents thought that public officials sponsored and allowed corruption to continue in order to create patron-client relationships that were for their personal benefit. Two respondents had an opposing view, they perceived that the Zimbabwean government was vigilantly fighting corruption (KII Embassy, Respondent 2, 3). Politically connected individuals were hardly prosecuted for corruption; if they were prosecuted, the charges would be dropped later (KII Academia, Respondent

4; KII Embassy, Respondent 1, 5 and KII Government, Respondent 5). There were various mechanisms to fight corruption, for example, ZACC, the anti-corruption unit and various anonymous whistleblowing platforms, nevertheless, the growth in public corruption indicated that the government lacked the political will to aggressively curb corruption in the public sector. In a hybrid regime, high corruption is indicated to increase the political and economic risk for foreign investors.

5.2.2.2 Tutelary Interference

This indicator explored the possibility of tutelary interference being experienced in Zimbabwe and if this had any impact on political risk. ZANU-PF and the military were the two distinct groups that emerged as influencing the actions and decisions of elected officials. China, SADC, and the IMF were mentioned as other reserves of power in Zimbabwe. Nevertheless, these relationships could not be collaborated in depth by many respondents, thus this section will not discuss them. The discussion is centred on ZANU-PF and military tutelage. ZANU-PF tutelage overlaps with ZANU-PF political elite cohesion, the latter is discussed in Section 5.2.2.3.

Regarding ZANU-PF tutelage, ZANU-PF has been the dominant political party since 1980. As such, it has determined the trajectory of politics in Zimbabwe and the terms of engagement with the other political parties. Many respondents stressed that ZANU-PF as a political party had interfered with the actions and decisions of elected officials to make decisions that enriched the political elites at the expense of the citizens. ZANU-PF's interference was observed at the top and bottom structures of leadership. For example, to be a village headman, a person needed ZANU-PF approval (KII Embassy, Respondent 2), however, anyone with suitable leadership qualities could perform this task without necessarily being affiliated to ZANU-PF. It was emphasised that foreign or local investors needed at least a ZANU-PF political connection to enter and operate in the mining, energy and petroleum sectors (KII Embassy, Respondent 5). The link between ZANU-PF tutelage and political risk was not explicitly defined by respondents. The respondents discussed more about the effects of ZANU-PF factionalism on business and governance issues. Two respondents mentioned that ZANU-PF tutelage did impact on political risk, but they did not mention whether it would increase or decrease (KII Academia, Respondent 3; KII NGO, Respondent 4). ZANU-PF tutelage that had a lasting effect would probably be exerted by influential figures. Thus, exploring the political elite cohesion within ZANU-PF could show if ZANU-PF tutelage had an influence or not on political risk.

In terms of military tutelage, ZDF and the whole security sector were identified by a majority of respondents as an informal enclave of power that influenced the decisions of elected officials to benefit a few representatives from the security sector. It was suggested that ZANU-PF was not in control of the governance of the country (KII NGO, Respondent 1, 3). KII NGO, Respondent 1, to emphasise this said, “*ZANU-PF doesn't seem to be in control, the army is in control. Fortunately for ZANU-PF, the army is ZANU-PF.*” Individuals in state institutions could have political aspirations but the institutions could not be used to further the political aspirations of a few individuals. However, in a hybrid regime, where the distinction between government and the independence of state institutions was blurred, this overlap was possible. The notion that the military was the key driver of the political agenda was more prevalent after the military applied pressure of former president Mugabe to resign.

The military was discussed as a powerful player which could not be disregarded politically. Its capacity to act as a political player was evident when it persuaded Former President Mugabe to step down, regardless of him being their commander in chief (Moore, 2018; KII Academia, Respondent 4; KII NGO, Respondent 3). ZANU-PF factionalism was highlighted as the main reason why the military disposed of Mugabe because he preferred a faction which rivalled the one backed by the army (KII Academia, Respondent 6 and KII Embassy, Respondent 1). It was highlighted that it was uncertain whose interests the military sought to protect by being actively involved in politics instead of implementing its core business of defending the sovereignty and territorial integrity of Zimbabwe (KII Academia, Respondent 1; KII Embassy, Respondent 1 and KII NGO, Respondent 1).

There were two conflicting positions regarding having retired military officers dominating key government positions and their involvement in politics. A few respondents emphasised that it was the retired military officers' constitutional right to work anywhere and this was perceived to not impact political risk (KII Academia, Respondent 2, 5; KII NGO, Respondent 2 and KII MNC, Respondent 3). Furthermore, military involvement in politics was not seen as an anomaly as this model was evident in some developed countries, for example, the USA, the UK and China. However, it was raised that the retired servicemen deployed in key government positions had not gone through the civilising or winding down process, which could have an impact on their governing style (KII Academia, Respondent 1, 4, 5, 6). The retired military personnel would probably be inclined to run state institutions using the military model.

On the contrary, retired military officers' involvement in government was perceived to increase uncertainty and instability in government (KII Academia, Respondent 1 and KII NGO, Respondent 3, 5). It was negatively perceived because it resembled the militarisation of state institutions (KII Embassy, Respondent 1, 5 and KII NGO, Respondent 1, 4). Having a government dominated by retired military men was highlighted to blur the distinction of the civil-military relations in Zimbabwe (KII Political risk company, Respondent 1). It was indicated to affect investor confidence negatively (KII MNC, Respondent 2). Three respondents emphasised that retired military officers serving in influential positions in state institutions could not be viewed as apolitical and be trusted to conform to civilian rule (KII Embassy, Respondent 1 and KII NGO, Respondent 3, 5).

There were two divergent opinions on the impact of military tutelage on political risk. One dominant view was that military tutelage increased political risk (KII NGO, Respondent 1, 3, 4 and KII Political risk company, Respondent 1). While in the short run a military tutelage could be perceived as stable, in the long term it was suggested to cause instability which increased political risk negatively (KII Political risk company, Respondent 1). One respondent suggested that the political risk of Zimbabwe would only improve after 20 years from 2018 because of the military's involvement in politics (KII NGO, Respondent 1). The political risk was suggested to increase each time the military's core interests were threatened. Therefore, if the military's interests are not satisfied, the associated political risk would fluctuate.

An opposing view was that the military's involvement in politics did not influence political risk in Zimbabwe for two specific reasons (KII Academia, Respondent 4, 5, 6 and KII Embassy, Respondent 5). First, it was pointed out that the investors operating in Zimbabwe had intimate knowledge of the importance of the military's role in the politics and business of the country. It was observed that before foreign investors officially commenced a business, they held meetings with key heads of the military at their private residences (KII Embassy, Respondent 5). Secondly, it was suggested that there was an overlap of the civil-military relations in Zimbabwe between the military and political leadership, which was something birthed during the liberation struggle. As a result, the military's involvement in politics did not influence political risk. It was only when the military was disregarded politically that political risk would increase significantly (KII Academia, Respondent 4). Hence, actively including the military in the governance structures of Zimbabwe was suggested to keep political risk low (KII Academia, Respondent 4). In addition, the majority respondents highlighted that after the military assisted change of government in November 2017, the perception of the associated political risk of Zimbabwe was greatly diminished. This argument that the military is more

stable does not hold in all cases. The instability could potentially arise within the military if there are divisions caused by succession and power struggles. Hence each time the key drivers in the military change, there could be a shift either to increase or decrease political risk.

5.2.2.3 Political elite cohesion

This indicator analyses the political elite cohesion of the dominant party in Zimbabwe, ZANU-PF, led by President Mugabe for 37 years. The party had been perceived as relatively stable from 1980 to 2013. One respondent emphasised that political parties were broad groupings, having a continuous adhesive element would be difficult. One respondent claimed that corruption had been the glue binding ZANU-PF for 37 years, it was only when the elites could not agree on how to benefit personally from the amassed wealth that divisions within the party became magnified (KII Academic, Respondent 1). Another respondent pointed out that ZANU-PF significantly started fracturing when it expelled Mujuru as the vice-president from the party (KII Academia, Respondent 5).

It was highlighted by the majority of respondents that unity within ZANU-PF between 2017 and 2018 was weak compared to previous years. The major dividing issue within ZANU-PF was highlighted as the issue of who would succeed President Mugabe (KII Academia, Respondent 3). In addition, Former President Mugabe showed his preference for G40 over Lacoste in the illiberal hybrid regime period, which acted as a catalyst for elite political disintegration (KII Academia, Respondent 6). It was pointed out that ZANU-PF was unlikely to dissolve completely due to factionalism because the officials depended on the party for its influence, access to the state's resources and power (KII Political risk company, Respondent 1).

Factionalism within ZANU-PF was observed to cause political instability in Zimbabwe, which led the military to force Mugabe to step down and install their preferred candidate (KII Academia, Respondent 1, 3 and KII NGO, respondent 3, 4, 6). The weakening political elite cohesion created political uncertainty about whether Zimbabwe would be led by a family dynasty under the G40 faction or continue to be a constitutional democracy (KII Academia, Respondent 1, 3, 5, 6; KII NGO, Respondent 4 and KII MNC, Respondent 1). G40 had key members of the Mugabe family who were vying to continue the Mugabe legacy. The concept of family dynasties has been observed to be common in Africa, motivated by the serving leaders need to safeguard their family wealth and influence (Devlin, 2018: 2). KII Academia, Respondent 1 suggested that most Africans prefer

dynasties because they are more stable and predictable than having to deal with new leadership with no experience. If Mugabe had not faced internal opposition within his party, a family dynasty was possible as a result of his strong personality and the resultantly weak formal institutions.

Factionalism and infighting within ZANU-PF resulted in the political elites taking each other to court over various corruption charges (Fletcher, 2017: 11; KII Academia, Respondent 1). The infighting adversely affected some foreign investors who had joint ventures with political figures. ZANU-PF elite factionalism created uncertainty for business which caused some investors to withhold major investments (KII Academia, Respondent 1, 3 and KII NGO, Respondent 4). In addition, factionalism made it difficult to formulate long-term strategies and forecasts because the environment was unpredictable, policies changed constantly and the government occasionally pronounced conflicting statements (KII MNC, Respondent 4). Differences in factional alignment were also observed to cause government officials representing the same ministry to take different positions on one issue. This was experienced by KII MNC, Respondent 3 who mentioned that the minister of agriculture and the deputy minister of agriculture would take different positions over the same issue during the illiberal hybrid regime. Despite the negative effects of factionalism, one respondent highlighted that their organisation was surveying for possible opportunities that could arise due to the elites political fighting (KII MNC, Respondent 5). If ZANU-PF had agreed to a succession plan, perhaps factionalism within the party would have been minimal.

A majority of respondents emphasised the effects of ZANU-PF elite political disintegration on the state and the economy, they did not relate it to political risk. The relationship with political elite cohesion was mentioned by one individual. They suggested that when the ruling party elites agreed there would be stability in the party and the associated political risk was low because there would be predictability. Conversely, when the political elites disagreed, the party would be unstable, increasing the associated levels of political risk (KII Academia, Respondent 5). The magnitude of political and economic uncertainty that the respondents highlighted seems to validate the claim that is suggested above; that weak political elite cohesion leads to increased levels of political risk. It also confirms the hypothesis by this study that weak incumbent political elite cohesion could lead to increased levels of political risk.

5.2.2.4 Summary of political stability

It was revealed that corruption in the public sector was significantly high. Despite the various ways to fight corruption, it was shown that there was minimal political will to curb public corruption. Corruption was seen to increase the level of political risk. Investors were cognisant of the corruption levels; some participated, while some looked for other markets to operate in. In Zimbabwe, tutelage was observed to be exercised by ZANU-PF and the military. The presence of a guardian indicates that formal institutions were relatively weak. This was already established in the discussion of state institutions. The impact of ZANU-PF tutelage on political risk was not explicitly defined, however, because it was the dominant political party in Zimbabwe, it was established that it could possibly impact on political risk. The stability of ZANU-PF was determined by the relationships between the political elites. ZANU-PF political elite cohesion was highlighted to be high until it started fragmenting between 2014 and 2018. The main reason was that ZANU-PF lacked a clear succession plan; hence different factions sought to succeed former president Mugabe. This factionalism caused high political and economic uncertainty in Zimbabwe. When political elites agreed, the party was stable, and the political risk was established to be minimal. Conversely, when there was disagreement, the party was unstable, which increased the associated levels of political risk.

The military was highlighted to have been a political player from independence. The military was seen to take the same position with ZANU-PF until the two had a fallout during the illiberal hybrid regime period, caused by the succession issue. The impact of military tutelage on political risk was discussed to be positive. Contrary to this, military tutelage was perceived to have no negative impact on political risk in this case study because the military was involved in politics for a long time and foreign investors were aware of it. Thus, under this hypothesis, the political risk would significantly rise if the military's interests were not preserved, showing that military tutelage would be viewed as short term stability. There was also the possibility that there could also be infighting within the military, which would increase the associated levels of political risk. Table 5.3 gives a summary of how political stability indicators impact on political risk and the direction of impact.

Table 5.3: Political stability indicators impact on political risk

| Indicator | Impact on PRA | Direction of impact |
|---------------------------------|---------------|---------------------|
| Corruption | Increase | Indirect |
| ZANU-PF tutelary | No link | - |
| Military tutelary (short term) | Decrease | Direct |
| Political elite cohesion (weak) | Increase | Direct |

Source: Author's compilation (2019)

5.2.3 Economic Development

This category in the political risk framework will focus on the following indicators:

- i. The government's participation in the economy
- ii. Adverse government regulation
- iii. International perception of host country
- iv. Economic performance

5.2.3.1 Government behaviour and participation in the economy

This factor focused on the involvement of government in the economy and general government behaviour. Venter (1999) suggests using the contribution of tax the government receives as a percentage of GDP to measure the government's involvement in the economy. Tax as a percentage of GDP should not exceed 30%, which points to low government involvement in the economy and moderate government consumption, which are desirable for foreign investors. In Zimbabwe, the tax percentage of GDP over the period 2009 to 2018 was highest at 18.06% in 2015 and lowest at 9.19% in 2009 (World Bank, 2018). These figures do not exceed the aforesaid 30% during the eleven-year period, indicating relatively low government involvement. Given these statistics, only without other substantial investigations, the environment indicated that the government's involvement in the economy was acceptable for foreign investors.

To analyse government behaviour, the study used policy consistency. Policy consistency focuses on how the government adheres to the economic, social and developmental policies it formulates. When a government adheres to the set policies, it enables better planning and a more predictable environment for investors. Zimbabwe's past performance with regards to policy consistency was highlighted to be inconsistent. Furthermore, it was highlighted by some respondents to be a factor that affected economic risk than political risk (KII Academia, Respondent 1; KII Embassy,

Respondent 1 and KII Government, Respondent 2, 4). Only a few respondents mentioned the relationship between political risk and policy inconsistency as one that was inverse. The relationship was illustrated as indirect in that the magnitude of the positive impression caused by policy adherence resulted in positively influencing investors to be interested in investing in Zimbabwe. This increased interest by investors would resultantly influence the political risk of the country to go down (KII Government, Respondent 1, 2, 3 and KII MNC, Respondent 3). Inconsistency in policy implementation was highlighted to affect medium to long term planning of MNCs (KII Government, Respondent 2 and KII MNC, Respondent 3, 4).

ZANU-PF factional disputes were cited as one source of policy reversals which caused confusion and uncertainty (KII MNC, Respondent 5). In addition, a lack of consultation by the government with all relevant stakeholders was highlighted as another reason for policy reversals (KII MNC, Respondent 3, 4). KII MNC, Respondent 4 emphasised on policy inconsistency and reversals by saying, *“It’s difficult at times. There’s one classical policy announcement that was made and it was reversed by the end of the day. You then ask yourself questions that, was it given enough space though? Probably there was not enough consultation. Some of the policies, they are meant to address certain issues, but they will have an effect on other fundamental issues such that when everything else is put into context you will then say, it’s not the best time to introduce this policy but you find a decision will already be made. And it will have some serious implications.”* This resultantly implies that if the government consulted widely, there would probably be fewer reversals on policies. The underlying motive for being inconsistent was emphasised as the potential and personal gains that could occur from reversing the aforesaid policies (KII Embassy, Respondent 1). This observation is consistent with that already discussed under corruption, that the public officials had an increased appetite for corrupt activities. They would likely use any available opportunity to gain rewards and further their personal ambitions at the expense of the state.

The Zimbabwe government was aware that its behaviour was perceived as showing signs of inconsistency and that the country was categorised as a politically high-risk destination for investment. As a result of this perception, the government took the proactive initiative to join the African Trade Insurance to assist local private companies as a grant guarantor for their trade activities outside Zimbabwe (KII Government, Respondent 3). While political risk is predominantly taken to be for foreign investors operating in a host country, it shows that local companies coming from the host country that is labelled as having high political risk are affected when they choose to venture

into business beyond their borders. Although the Zimbabwean government's participation level was observed to be ideal for foreign investment, its inconsistent behaviour increased political risk.

5.2.3.2 *Adverse government policies and actions*

Several government regulations were alluded to have had high adverse repercussions on foreign investors and MNCs. The case study focused on the period 1990 to 2018. The respondents, however, dwelt on the regulations that had a major adverse impact on foreign businesses after the year 2000. The FTLRP, the IEEA of 2007, SI 64/2016, the introduction of the bond notes in 2016 and the 2% tax for all financial transactions of 2018 were highlighted to have had the most adverse effects on foreign investors and MNCs. The FTLRP expropriated land from white commercial farmers in early 2000 (Mlambo, 2014; KII Academia, Respondent 4). The IEEA of 2008 instructed public and private companies to restructure ownership composition to a ratio of 51% to 49% in favour of indigenous Zimbabweans (Government of Zimbabwe, 2008). SI 64/2016 imposed import restrictions on 43 products to protect the home industry (Murangwa & Njaya, 2016; KII Embassy, Respondent 3). Zimbabwe adopted a multi-currency system in 2009. However, foreign currency availability was constrained in 2016, thus the country introduced a currency which could only be traded locally, which was called bond notes (KII Government, Respondent 1). The liquidity crisis continued through to 2018, hence the country resorted more to the use of electronic money. In October 2018, a new regulation of taxing 2% of every amount transferred electronically was introduced. Of these policies, the IEEA was highlighted to have been the most adverse regulation, followed by the FTLRP. Hence this section will dwell more on the IEEA. Bond notes will be discussed under economic performance in Section 5.3.3.2. There is minimum discussion on SI 64/2016 and the 2% tax because not many respondents spoke about the former and the repercussions of the latter were still unfolding as it was implemented three months before the closing period of the study.

The IEEA of 2007 instructed public and private companies to restructure ownership composition to a ratio of 51% to 49% in favour of indigenous Zimbabweans. Under this law, MNCs had to realign their ownership structure in accordance with this Zimbabwean law. It was suggested by many respondents to have been aggressively implemented between 2009 to 2016. It was highlighted that the IEEA was one of the major factors that negatively deterred investments by foreign investors and MNCs (Mawanza *et al.*, 2013: 78; KII Academia, Respondent 1, 2, 4; KII Embassy, Respondent 1, 3, 5 and KII Political risk company, Respondent 1). The IEEA had a creeping expropriation effect. The government did not want the economy to collapse by completely chasing away foreign investors.

It targeted foreigners and required them to cede control of their investments to the locals which was reflective of creeping expropriation.

It was highlighted that the IEEA aimed to seize investments from foreigners to empower locals (KII Government, Respondent 3). The government was aware that the IEEA would negatively deter foreigners and that the policy had an expropriation impact, but politicians aggressively pushed for it, both as a ZANU-PF campaign strategy and motivated by the wealth they stood to gain personally. This was suggested by KII MNC, Respondent 4 who said, *“The IEEA was mainly targeting highly lucrative businesses. I think it was deliberate. People had spent time out on farms, and they saw how difficult it is to farm, so people were not keen on expropriating more farms and what have you; but they were interested in high net worth cash-rich businesses which were easy to run mainly, in towns...”*. Elite politicians were strategically positioned to be the first contenders to receive a portion of the 51% of shares reserved for indigenous Zimbabweans, hence they aggressively pushed for its implementation.

As an adverse government regulation, the IEEA was highlighted to increase political risk (Mawanza, 2015: 124; KII Academia, Respondent 2, 4; KII Embassy, Respondent 4; KII Government, Respondent 1, 2, 3). KII Embassy, Respondent 4 made the following comment on the IEEA, *“The general feeling was it was the second round of land reform, looting of properties and assets, people’s private assets and companies- this with no compensation. This creates anxiety with respect to property rights. This Act affects political risk negatively.”* This shows that the IEEA unsettled foreign investors in a similar manner to land reform. It made it difficult for foreign governments to encourage their natives to actively invest in Zimbabwe knowing that after investing they could potentially lose control of their investments.

The IEEA created uncertainty for MNCs with regards to the security of their investment (KII Academia, Respondent 1, 6 and KII Embassy, Respondent 2, 4). The IEEA was inconsistently applied as a piece of legislation which created confusion and uncertainty (KII Academia, Respondent 1; KII Embassy, Respondent 1 and KII Government, Respondent 1). This inconsistency was also observed to create rent-seeking opportunities, especially for political elites and senior government officials (KII Embassy, Respondent 5). The major fears for investors were highlighted as expropriation without compensation, confiscation of their companies and the failure to recoup or repatriate profits (KII Embassy, Respondent 2, 4, 5). The IEEA stripped MNCs of the control they had of their investments,

which led them to reconsider continuing operating in Zimbabwe (KII Academia, Respondent 1, 4, 6 and KII Embassy, Respondent 2, 4). Under the IEEA, foreign investors had to find local partners to create joint ventures. However, the local businesspeople who were willing to form joint ventures wanted controlling stakes but did not want to make the equitable financial commitment that would enable them to do so (KII Embassy, Respondent 5). Political elites from ZANU-PF, for example, President Mnangagwa, benefited immensely from the IEEA (KII Embassy, Respondent 5).

It was emphasised that removal of the strict IEEA regulations of the IEEA in December 2017, keeping it only in the diamond and platinum sectors, had a positive impact on increasing interest by foreign investors (KII Academia, Respondent 2, 4; KII Embassy, Respondent 2, 3 and KII Political risk company, Respondent 1). Nevertheless, to show real commitment to foreign investors, the government could return the foreign investments ceded due to IEEA or compensate the disadvantaged investors (KII Embassy, Respondent 5). It was highly unlikely that the government of Zimbabwe would do so; the repeals to the IEEA were meant to attract foreign investors during the euphoria period of the ouster of former president Mugabe. Adverse government regulation is noted to increase political risk in this case study.

5.2.3.3 *Economic performance*

The economic performance indicator analyses a few economic indicators that could possibly raise warning signs for foreign investors. Economic indicators that are of interest as suggested by Venter (1999: 79) are:

- Outstanding external government debt as a percentage of GDP, it should not exceed 40% which points to long term financial problems.
- Current account deficit as a percentage of GDP, it should not exceed 7.5 per cent of GDP.
- Government budget deficit as a percentage of GDP, this should not exceed GDP.

In 2016, Zimbabwe had a domestic debt of USD4 billion and an external debt of approximately USD13 billion owed to different multilateral lending institutions⁸⁶ (IMF, 2017: 5–6). The external debt was relatively large; investors would need to analyse and be convinced that Zimbabwe had the potential to service its domestic and external debts. The external government debt, as a percentage of

⁸⁶ The breakdown of Zimbabwe's debt expressed in USD million:

1. Domestic debt: Government financing debt 1 569, Capitalization 611, RBZ Capitalization and debt 720, Suppliers Arrears 164, RBZ overdraft facility 942. **Total 4 006 U\$ billion**
 2. External debt: Paris Club 3 041, Non-Paris Club 1 142, WB 1 402, African Development Bank (AfDB) 642, EIB 250, Others multilateral creditors 202, RBZ external debt 530, private debtors 2117. **Total 9 348 U\$ billion.**

GDP, was above 60% between 2009 and 2018 (Trading Economics, 2019a). This figure, according to Venter's (1999) criterion, was unacceptable as it affects the ability of the country to repay debts. The current account deficit as a percentage of GDP was lowest in 2017 at -17.45% and highest in 2018 at -1.39 between 2009 and 2018 (World Bank, 2019). Zimbabwe showed an improvement in the current account from 2016 to 2018. A negative balance indicated that the country's imports outweighed the exports and the country had low saving rates. Zimbabwe's government deficit as a per cent of GDP from 1990 until 2018 averaged -3.24 per cent of GDP. It reached a high of 1.30 per cent of GDP in 2008 and a record low of -11.20 per cent of GDP in 2017 (Trading Economics, 2019b). The figures point to more than 100 which raises possible warning signs for investors.

Regarding the liquidity of the country, Zimbabwe adopted a multicurrency system in February 2009; between 2016 to 2018 the country experienced a liquidity shortage and the government introduced bond notes as a form of currency to assist with this liquidity shortage. Nonetheless, bond notes were only tradable locally. The country experienced a hyper-inflationary period in 2008. Economic growth was recorded between 2009 and 2014 and a recession was faced from 2015 to 2018. Only one respondent commented on the relationship between foreign currency constraints and political risk. They suggested that political risk had the potential to cause shortages in foreign currency availability in a country (KII Government, Respondent 1). The liquidity crisis also confirmed that Zimbabwe was a net importer of goods and services; if it exported more, the receipts from exports would probably have alleviated the liquidity crisis.

The liquidity crisis was highlighted by the majority of respondents to have had an adverse impact on business operations for locals and foreign investors. Shortages of foreign currency were highlighted as deterrents to future major investments and FDI coming to Zimbabwe (KII Academia, Respondent 2; KII Embassy, Respondent 5 and KII NGO, Respondent 3). In addition, investors feared the possibility of not being able to repatriate their profits from Zimbabwe when the liquidity crisis began. This fear was further exacerbated by the introduction of the bond note (KII Academia, Respondent 2; KII Embassy, Respondent 5 and KII NGO, Respondent 3). The foreign currency shortages resulted in a thriving parallel market (KII NGO, Respondent 4). Companies that imported raw materials to make finished products found it expensive because they were forced to purchase foreign currency at the black market (KII MNC, Respondent 2). A growing parallel market could potentially cause economic and political instability because of the unabated corruption.

KII MNC, Respondent 1 mentioned that they entered the Zimbabwean market in 2014 because the country operated using foreign currency, which was an advantage over the other southern-African countries which used local currencies. This MNC envisioned that it would collect the excess USD available in the market. Unfortunately, the bond notes and the use of electronic money left MNC 1 with huge electronic bank balances that could only be used locally (KII MNC, Respondent 1). This means that Zimbabwe had lost its competitive advantage to MNC 1 and possibly other companies that had entered the market preferring the use of the hard currency. Furthermore, Visa and Mastercard facilities could not be used for international payments in Zimbabwe from 2017 (KII MNC, Respondent 5). This meant that MNCs had difficulty in making foreign payments, thus constraining the operations of MNCs even further.

Regarding the history of nationalisation and expropriation, as discussed under adverse government actions, the two policies that had a huge expropriation impact were the IEEA and the FTLRP, which has already been discussed in Section 5.2.3.2. After 2000, Zimbabwe expropriated white-owned commercial land. The FTLRP displaced approximately 4 000 commercial white farmers and displaced 450 000 farm labourers (Raftopoulos, 2009: 212; Mlambo, 2014: 235). Furthermore, Zimbabwe implemented the IEEA of 2008, which aimed to expropriate foreign-owned businesses. However, this piece of legislature was selectively implemented. Expropriation was observed at a small scale and targeted basis (KII Political risk company, Respondent 1). Given this history of expropriation and nationalisation, foreign investors had to be aware that future expropriations were likely. However, the scale of expropriations could, perhaps, be minimal since the major expropriations had already occurred.

5.2.3.4 Health pandemics

The factor on health pandemics⁸⁷ analyses the state's ability to manage a major health pandemic and if that would impact on political risk. Reference was used of earlier pandemics that had gripped Zimbabwe, the HIV and AIDS pandemic in the late 1990s and the Cholera outbreak of 2008, for emphasis. It was highlighted that major health pandemics, if not managed promptly and effectively, negatively tainted the country's image (KII Government, Respondent 4). In addition, health outbreaks experienced in Zimbabwe had the effect of exposing the collapsed health system (KII Academia, Respondent 6; KII Embassy, Respondent 5, and KII NGO, Respondent 3). This indicates that if,

⁸⁷ This study is working on the assumption that health factors are increasingly becoming important in the assessment of political risk.

suppose, there are no pandemics, the state of the health service's capacity to deal with outbreaks would probably not be under scrutiny. It was also highlighted that most political elites received medical attention outside the country (KII Embassy, Respondent 5). This had the impact of draining public funds of the much-needed foreign currency.

A handful of respondents opined that health pandemics had no impact on political risk (KII Academia, Respondent 5; KII Government, Respondent 1, 4; KII Political risk company, Respondent 1). KII Academia, Respondent 5 made an emphasis of this point by saying:

Ebola can affect, for example, in DRC, but I haven't heard any mining companies closing because of Ebola. So, cholera, yes can affect, but it depends where the cholera is. So, just by itself is not necessary. Then Zika, in Brazil, it didn't mean that people didn't put money in Brazil. Depending on the location, there are floods in Colombia, if the whole state the roads are not working but people will wait until the rains go. You know businesspeople, it doesn't matter where they are. If they are reasonably satisfied, that they can make money, tomorrow, the day after, they will go.

This highlights that MNCs with enhanced capacity can operate in the most adverse of environments if there is a possibility to manoeuvre in the given situation. On the contrary, four respondents mentioned that health pandemics positively and indirectly impacted on political risk (KII NGO, Respondent 1, 3 and KII Government, Respondent 2, 5). Nevertheless, the pandemic needed to severely undermine state institutions for it to have a possible impact on political risk. The location of the outbreak was regarded as an important factor in determining the influence on political risk. MNCs operating in the affected locations could potentially be more affected than those that are not located in the affected area. The location and nature of the outbreak were also emphasised to enable tourists and MNCs to devise plans of how to insulate themselves from outbreaks (KII Academia, Respondent 5; KII NGO, Respondent 2 and KII Political risk company, Respondent 1). Health pandemics were described as an unbudgeted expense which entailed shifting resources from priority areas to finance the health outbreak, thereby increasing government expenditure (KII NGO, Respondent 5). If the increase in government expenditure was not managed properly it could potentially cause economic and political instability. Overall, the influence of health pandemics on influencing political risk is very negligible in this case study.

5.2.3.5 International relations

This indicator explored the possibility of political risk being influenced by the relationships between the home state of the investor of MNC and the host state. A few respondents highlighted that their home countries enjoyed a favourable relationship with the Zimbabwean government (KII Embassy,

Respondent 2, 3 and KII MNC, Respondent 1). These respondents had various MNCs with international flagship operating in Zimbabwe. KII Embassy, Respondent 3 referred to eight MNCs that were operating in Zimbabwe that they could think of during the interview. The respondent highlighted that the political risk for their home MNCs operating in Zimbabwe was minimal because of the two countries' cordial relations. KII Embassy, Respondent 2 made the following comment, *"The level of political risk here is probably close to zero because my country and Zimbabwe are on a friendly basis... So, since we are enjoying, I mean very good relations, thus I do not think there is any political risk here... All this is a confirmation that our countries have good relationships, so the political risk for my country and this embassy in Zimbabwe is close to zero."* It illustrates that good relationships can possibly have the effect of lowering the potential political risks that foreign investors are exposed to in a host country.

A different view was expressed by some respondents who indicated that they had severed relationships with the Zimbabwean government. As a result of this, the political risk for MNCs originating from these countries was observed to be substantially higher than other countries that had better relations (KII Embassy, Respondent 1, 4, 5). Investors from countries one and four were adversely affected by the land reform which expropriated land from commercial white farmers (KII Embassy, Respondent 1, 4). The IEEA which required foreign-owned companies to give majority shareholding to indigenous Zimbabweans had a negative impact on MNCs from country one, four and five (KII Embassy, Respondent 1, 4, 5). Commenting on home-host relations with Zimbabwe, KII Embassy, Respondent 5 said: *"They (The respondent's government) have not barred companies from my country investing, but they have barred companies from doing business that supports the Zimbabwean government. As a result, the relationship has been very acrimonious and as a result, the flip side is that the Zimbabwean government hasn't been very welcoming to business from my country that want to try and invest in Zimbabwe, at least between 2002 to November 2017. Things may have slightly changed in the last 7 months....."* Severed home-host relationships are observed to discourage investment between the two countries. The majority of respondents highlighted that the major challenge for MNCs operating in Zimbabwe, regardless of the home-host relationship was the prevailing liquidity crisis. This was discussed in greater detail in Section 5.2.3.3 on economic performance. Regarding home-host relations, the reflections of respondents show that political risk is determined by the home-host relationships. Severed relationships accrue substantially higher political risk than cordial relationships.

5.2.3.6 *Geographic location and natural disasters/extreme weather patterns*

This indicator focused on the geographic location and natural disasters⁸⁸ of Zimbabwe and the possible impact on political risk. It was highlighted that Zimbabwe is a landlocked country, rich in primary resources and has a favourable climate which was perceived as an opportunity by investors (KII Academia, Respondent 2; KII Embassy, Respondent 1, 3 and KII MNC, Respondent 1). KII Academia, Respondent 2 said, “*Our geographic location, us being a landlocked country rich in minerals resources, rich in agricultural land, rich in proper climate. I think we (Zimbabwe) are, or any other country a foreigner would want to be associated with Zimbabwe, but we devised our laws to protect ourselves from intruders. That is who can have a claim on our land and a claim on our resources and so forth.*” It was emphasised that Zimbabwe had not fully utilised the advantages derived from the geographic location. Rather, foreign investors were risk averse due to other constraints in the country which included the business laws, and fear of failing to repatriate profits and recoup their investment (KII Academia, Respondent 2 and KII Embassy, Respondent 1, 3). It was emphasised by the majority of respondents that there was no relationship between Zimbabwe’s geographic location, climate and natural disasters/extreme weather patterns in relation to political risk which was contrary to what this study had hypothesised. The political risk would only arise in cases of border disputes which have an impact on civil unrest (KII Academia, Respondent 2; KII Embassy, Respondent 1, 3, 4).

5.2.3.7 *Summary of economic development*

The Zimbabwean government’s level of participation in the economy was deemed acceptable. However, the external and domestic debt levels of the country could potentially be worrying for foreign investors. Zimbabwe was noted to have had two large scale events of expropriating foreign assets, first under the land reform programme and secondly, the IEEA. The threat of major expropriations was lower but fewer and more targeted cases were possible. Several policies were indicated to have had an adverse impact on foreign investors but the IEEA and the land reform programme were the two most adverse regulations that increased political risk. Zimbabwe went through an economic recession from 2015 to 2018, which caused a liquidity crisis. It was suggested that a high political risk could have a negative impact on the economy. Health pandemics were discussed to marginally increase political risk only in cases where the pandemic weakened the capacity of the state to respond. The location of the pandemic was a factor that needed to be

⁸⁸ The study is working with the hypothesis that geographic location and extreme weather patterns have the possibility of influencing political risk.

considered in evaluating the possible impact on political risk for foreign investors. For Zimbabwe, geographic location and natural disasters were considered insignificant in impacting political risk. Home-host relations were highlighted to influence political risk. Severed relationships accrued substantially higher political risks than cordial relationships. Table 5.4 gives a summary of how economic development indicators impact on political risk and the direction of impact.

Table 5.4: Economic development impact on political risk

| Indicator | Impact on PRA | Direction of impact |
|--|-------------------------|---------------------|
| Government participation | Acceptable | - |
| Government behaviour: Policy inconsistency | Increase | Indirect |
| Adverse government policies | Increase | Direct |
| Health pandemics | Minor increase | Indirectly |
| Geographic location and natural disasters | Does not impact PRA | - |
| Home-host state (cordial relations) | Decrease | Directly |
| Economic performance | Could not be determined | - |

Source: Author's compilation (2019)

5.3 Discussion of the findings

The findings of this section reinforce several theoretical propositions regarding PRA in a hybrid regime. Nevertheless, some traditional claims are contradicted. This section will discuss how the findings confirm, contradict and expand theoretical claims of political risk in a hybrid regime.

5.3.1 Political Institutions and Infrastructure

The findings show that elections are pivotal in influencing political risk in a hybrid regime. An election that is free and fair, with an enabling political environment for all political players, was established to lower political risk. The findings suggest that there was an acceptance of a free but unfair election because it was observed to have no impact on political risk. Additionally, if the election was substantially contested, it potentially discredited the candidates involved, however, this study established that there was no impact on political risk. This shows tolerance of election irregularities

and procedural flaws; they do not influence political risk in any way. If, however, violence occurs during an election, it was found to directly increase the political risk profile of a country. Political violence during an election, depending on the magnitude and location, could lead to massive civil unrest and widespread protests which cause political instability and damage to foreign investors' properties. Investors were concerned about election violence erupting because this could result in loss of property, disruption of operations and harm to their staff members. Therefore, this finding is consistent with the traditional political risk conceptualisation that political violence leads to civil unrest and disorder, which directly increases political risk (Robock, 1971: 7; Jarvis & Griffiths, 2007: 15). This finding shows that the MNCs operating in Zimbabwe had adjusted to the narrative of contested elections and the possibility of election violence occurring. MNCs also took precautionary measures to insulate their businesses from political violence by purchasing political risk insurance. The process of elections was hypothesised to impact political risk to go down according to Jensen (2003:1041-1045). This finding also confirms that the process of elections impacts on political risk in a hybrid regime.

Illegitimacy was found to increase political risk, which is consistent with the traditional conceptualisation that illegitimacy directly increases political risk as validated by Howell and Chaddick (1994: 76) and Venter (1999). When a government lacks legitimacy domestically, it suggests that the citizens do not willingly accept the government. To enforce acceptance of its authority, the government may use force which may be disproportionate. The use of force and violence leads to civil unrest which increases political instability and resultantly political risk. While this study found a contested or unfair election to be tolerable and not impact political risk, there was no compromise found in the case of illegitimacy. Hence, illegitimacy was confirmed to increase political risk in a hybrid regime.

In Zimbabwe, the findings show that horizontal accountability, rule of law and state institutions were weak, resultantly influencing the political risk to increase. Political risk literature traditionally claims that strong political institutions enable an environment that has lower political risk, while weak political institutions attract higher political risks (Green, 1974). Jensen (2008: 1050) explains it by saying that when effective constraints exist on the executive, it has the impact of reducing political risk. The existence of military and ZANU-PF tutelage confirms that the state institutions in the case study were weak. The findings suggest that foreign investors had, to some extent, a tolerance level that made them ignore a partial judiciary, selective rule of law and weak institutions. Thus, while strong institutions, horizontal accountability and rule of law are important, there is an observable

tolerance level for their non-existence in a hybrid regime. This increased tolerance enables foreign investors to place their investment in a place that traditional conceptualisation of political risk would deem unsuitable.

5.3.2 Political stability

The findings show that staleness or longevity of leadership increases political risk in a hybrid regime. Staleness in leadership is also alluded to foster a culture of corruption and nepotism (Venter, 1999: 79), which were observed to be present in Zimbabwe. It was revealed that the staleness of Former President Mugabe led to the political elite within ZANU-PF fighting over his succession. This conflict among the political elite inevitably spilt into the business sector. As Chapter Four illustrated, factionalism over the succession of Mugabe spanned from 2000 until it was resolved by a military assisted transition in government in November 2017. It confirms what Green (1974: 33) postulated, that unless a clear succession was planned, there was the possibility of the political elite fighting to replace a long-serving leader. The political risk of Zimbabwe was confirmed to have significantly reduced when President Mugabe resigned. Furthermore, it was shown that many foreign investors enquired of the possible investment opportunities from the Zimbabwean government after Mugabe resigned. The finding confirms the traditional theoretical proposition by Howell and Chaddick (1994: 76) that staleness in government potentially increases the political risk of a host country.

Military tutelage in a hybrid regime was found to decrease the level of political risk. The military was established to have been involved in the politics of Zimbabwe since independence. When the military implemented Operation Restore Legacy, which marked the beginning of the military hybrid regime, the associated political risk of Zimbabwe significantly reduced. Having the military or generals involved in politics was traditionally perceived as a sign of high political risk (Green, 1974: 35; Howell & Chaddick, 1994: 76). This tolerance of the military in politics contradicts the traditional conceptualisation of political risk on two levels. First, when the military was visibly in control during the military hybrid regime from November 2017 to the end of 2018 as discussed in chapter four Section 4.8, the country's political risk was significantly reduced. The political risk was less than that of the preceding periods and there was a marked increase in foreign investors seeking opportunities to invest in Zimbabwe. Traditional conceptualisation of political risk would have expected the political risk to escalate even higher because of the military tutelage and many retired military generals occupying key government positions of influence.

Secondly, tutelage, whether of the military, monarch or political party, was expected to possibly increase the political risk of a host country. This is because tutelage undermines formal institutions and subjects elected officials to informal domains of power. This case study confirmed that the institutions in Zimbabwe were weak. Under tutelage, the guardian who is motivated by self-interest has the power, and not the elected officials (Wigell, 2008: 239–240). Thus, tutelage of any form was expected to increase political risk. During the military hybrid regime, the government relaxed the conditions of the IEEA to lure foreign investment, which had a positive impact. Although military tutelage in the case study was a short-term period from November 2017 to 2018, the findings show that military tutelage in a hybrid regime decreased political risk. Thus, this finding contradicts the traditional conceptualisation of military involvement in politics and its impact on political risk.

Unabated public corruption was established to indirectly increase political risk. This confirms the hypothesis made by BERI and the EIU models to estimate the political risk that a high level of corruption distorts the economy and leads to high levels of political risk (Howell & Chaddick, 1994: 79–82). The case study showed a high willingness by public officials to use their positions and resources of the state for personal gain. This mentality deters foreign investors in a host country. As found in Zimbabwe, the consequences of corruption were costly for any business, regardless of its capacity to absorb the negative impact of corrupt activities. Therefore, the consequences of corruption lead to an increase in political risk, making it an indirect link between corruption and political risk. Hence, the findings confirm that unabated corruption will always indirectly increase political risk in a hybrid regime.

The case study established a link between political elite cohesion and political risk. Hybrid regimes are indicative of having a popular dominant party that could be in government for several years. This incumbent party could be challenged by one or more political parties. The study hypothesised that when political elite cohesion was weak, the incumbent party would be hampered by instability. The instability of the incumbent party causes political instability of the country, which consequently increases the level of political risk. The findings in Chapter Four showed that political elite cohesion was strong during the liberal hybrid regime between 1990 and February 2000 and it was weakest during the illiberal hybrid regime period of July 2013 to October 2017. The political risk of the liberal hybrid regime was perceived as relatively low, while that of the illiberal hybrid regime was ranked as high. Section 4.7 in Chapter Four demonstrated how factionalism led to the dismissal of the vice-president and several cabinet ministers, showing the level of fragmentation that hampered ZANU-PF. Until the factional battles were resolved by means of a military assisted change in government,

the infighting of the ZANU-PF elite caused high political instability in Zimbabwe. Some strategic members were dismissed from ZANU-PF when the military hybrid regime started and, of those who remained in ZANU-PF, a one-mindedness in direction was observed. The restoration of political elite cohesion brought stability back within ZANU-PF and subsequently the country. Accordingly, the study confirmed that in a hybrid regime, when the political elite disagree, the incumbent party is unstable and there are higher levels of political risk.

5.3.3 Economic development

The findings show that government policy and behaviour have an impact on political risk. Depending on how the policies are framed, political risk could either increase or decrease. The traditional political risk factors are skewed in terms of the effects that arise from government policy, for example, confiscation, expropriation, nationalisation, breach of contract, operational restrictions, transfer and convertibility restrictions, discrimination of taxes, non-honouring government guarantees (Robock, 1971: 7–12; Lloyd, 1974; Bunn & Mustafaoglu, 1978: 1558; Jakobsen, 2012: 8; MIGA, 2012). The findings confirm that the government has a variety of policies at its disposal that can impact on political risk as asserted by Jakobsen (2012). In addition, the case study also confirmed that adverse government regulations targeted at foreigners and unwarranted interference increase the perception of political risk in a host country. In Zimbabwe, some adverse government regulations had an expropriation effect, while the other regulations increased the government's returns from foreign investors. The finding that adverse government regulation increases political risk is consistent with the traditional claims of political risk in a hybrid regime made by Fitzpatrick (1983: 249) and MIGA (2011: 21). Hence, this study confirms that government policy directly impacts on political risk.

Home-host relations between Zimbabwe and the MNCs parent countries were found to have an impact on political risk. The findings show that when a MNCs parent country's relationship with the host country is hostile, by extension, the level of political risk exposed to the MNC from that country is substantially higher than for MNCs with parent countries with cordial relations. The effect of the relationship between the host and home country cannot be underemphasised. Foreign investors originating from countries with hostile relationships with Zimbabwe had their assets expropriated more in comparison to states with cordial relations with Zimbabwe. This finding is consistent with political risk literature which postulates that countries with close political, economic and military ties are less likely to expropriate investments originating from countries they have friendly relations with (Berlin *et al.*, 2004: 9). Thus, the MNCs enjoy the spill-over of the cordial relations between their

parent country and the host country. Hence, this finding on home-host relationships confirms that MNCs parent country and host country relations have an impact of influencing political risk in a hybrid regime.

The relationship between economic performance and political risk was not verified in this case study. Economic indicators reveal the possible challenges that the potential and current investors could face in a host-country. In the case study, it was observed that Zimbabwe was experiencing an economic recession between 2015 and 2018. The country's history had two episodes of massive acts of expropriations and a high debt overhang. These indicators inform investors of the possible challenges they could encounter by investing in Zimbabwe but the relationship regarding economic development and political risk was not established by this study. This is contrary to political risk literature that claims that the level of economic development lowers the political risk of the host country as claimed by Green (1974: 35) and Jarvis and Griffiths (2007: 15).

Contrary to the expectation of this study, geographic location and natural disasters were found to be insignificant in influencing political risk. In addition, health pandemics were found to minimally increase political risk, and this was in extreme cases where the pandemic severely undermined the institutions of the state to respond to the pandemic. If there is a ranking of factors that affect political risk, health pandemics would rank very low in influencing political risk. This suggests that political risk is more influenced by the traditional factors that arise from politics or as a by-product of political actions than by natural disasters/extreme weather patterns, geographic location and health pandemics.

This section has so far discussed the main findings of this study. The discussion now focuses on analysing how the findings answer the main research question. The main research question was presented as: *To what extent are the traditional conceptual perceptions of political risk in hybrid regimes still applicable, with specific reference to Zimbabwe from 1990 to 2018?*

PRA has, from the beginning of the discipline in the 1970s, been influenced by democratic norms and values. As such, factors, for example, strong institutions, strong rule of law, free and fair elections and horizontal accountability, if present, have been perceived to influence political risk to be significantly low. The study seeks to answer how political risk can be conducted in a political system and development strategy that is different from democracy. This is the reason why it questions

whether the traditional conceptual perceptions of political risk in hybrid regimes are still applicable. The study does not seek to make a normative statement or moral judgement on the correctness or incorrectness of a political regime. However, the study intends to prepare the answers to how PRA may be conducted if, suppose, democracy in the foreseeable future declines as the dominant development strategy.

Based on the findings of this study, the traditional perceptions of political risk in hybrid regimes were less stringently applied in 2018 than they were in the 1970s. *This study confirms that the traditional conceptual perceptions regarding illegitimacy, corruption, staleness of leadership, adverse government regulation and the home-host state relations between the MNC parent country and the host state still have the impact of increasing the perception of political risk in a hybrid regime* (Robock, 1971: 7; Fitzpatrick, 1983: 249; Howell & Chaddick, 1994: 76, 79–82; Venter, 1999: 79; Berlin *et al.*, 2004: 9; MIGA, 2011: 21). However, regarding elections, election violence is more pertinent in influencing the political risk to increase because violence could potentially lead to civil unrest and disorder which could destroy foreign investors' property. A contested or unfair election was shown to have no impact on levels of political risk expanding the understanding of the impact of elections on political risk.

Political elite cohesion was hypothesised by this study to have an impact on political risk. The findings confirm that the agreement or disagreement between the political elite of the dominant party has an influence on political risk. Contrary to the study's expectation, a link between political risk and economic development could not be established. Geographical location and natural disasters/extreme weather patterns were regarded to have no impact on political risk. The factor of health was observed to minimally influence political risk. The study suggests that if factors are to be ranked on their impact on political risk, the traditional political risk factors would have more weight than health, extreme weather pattern changes/natural disasters and geographic location.

The findings show some contradictions with regards to some traditional conceptual perceptions of political risk in a hybrid regime. *There was a tolerance level exhibited for military tutelage, weak institutions, relatively flawed elections (absent of violence), military generals in power, undemocratic means to retain power, minimum horizontal accountability and weak rule of law.* These factors have traditionally been perceived to be undemocratic and warning signs that would lead to increasing political risk. Having military generals in power was traditionally perceived to increase political risk

because the military was assumed to lack governing experience, which would be detrimental in the long term (Howell & Chaddick, 1994: 76; Venter, 1999: 75). The findings show that investment was highly revived in Zimbabwe, even when the signs pointed to weak institutions, having military tutelage and a government that was installed through undemocratic means during the military hybrid regime. Although the military hybrid was short-term, investors were willing to compromise and invest in a host country with a government which was overtly co-governed by the military if certain minimum requirements were adhered to. The associated political risk of Zimbabwe during the military hybrid regime was lower than the preceding illiberal hybrid regime.

The absence of a strong rule of law and an independent judiciary was observed in the case of the competitive hybrid regime and military hybrid regime. However, these aforesaid hybrid regimes had considerably high foreign investors showing interest and some investing. Foreign investors compensated for the weak institutions and weak rule of law by using informal institutions in the form of the strongman leadership of former president Mugabe and forming joint ventures with businesses owned by high ranking ZANU-PF political elites. Investors who made use of this avenue were guaranteed of some level of protection, especially in the mining, petroleum and energy sectors. The potential political risk to foreign investors who adopted these methods was low. Traditional conceptualisation of political risk regards weak institutions and a partial judiciary to invariably increase political risk. This traditional expectation is defied in the case study during the competitive and military hybrid regime.

This study is not disregarding or undermining the importance of the traditional values and norms that have influenced political risk conceptualisation. Rather, judging by how investors made investments in the case study, this study is pointing out that foreign investors are showing a tolerance threshold of the traditionally unacceptable features that, if present, would cause the political risk to increase. The study offers several suggestions as to why foreign investors were becoming tolerant of the less desirable norms. One reason could be that there was an increase in the number of MNCs with the capacity to invest internationally in 2018 compared to 1970. Hence, there is high competition among foreign investors to acquire raw materials at an affordable and sustainable price and to manufacture their products at a low cost to have an assured market. This highly competitive environment could be one reason why some investors have been inclined to tolerate the traditionally unacceptable features that increased political risk.

The increase in non-democracies that are performing economically well is another factor that can possibly answer why foreign investors have become more tolerant of factors that were traditionally undesirable to political risk. Examples include China, Russia, Singapore and Saudi Arabia. Most foreign investors are hesitant to place large investments in undemocratic countries; they sometimes wait for the country to implement some democratic reforms before making huge investments. Taking China for example, it does not require a country to implement democratic reforms before its state and private MNCs can invest in a host country. As such, Chinese businesses are adequately represented in most countries, especially in Africa. Some non-Chinese foreign investors, by applying stringent demands to host-countries, have lost out on some possible investment opportunities. This subtle competition imposed by the Chinese model and other non-democracies performing better economically could have prompted other MNCs to also tolerate the traditionally unacceptable features of political risk.

The increase in the number of hybrid regimes is the third reason that possibly explains why foreign investors are accommodating the traditionally undesirable features of political risk. Hybrid regime indicators include the possibility of tutelage, underdeveloped institutions, election irregularities and a relatively strong incumbent elite. These same indicators are directly observable as some of the traditionally undesirable features of political risk. There has been a marked increase in states that resemble the hybrid regime after the third wave of democratisation. The democracy index for 2018 noted that 39 out of 167 countries resembled the hybrid regime (Economist Intelligence Unit, 2019: 2). These figures account for approximately 24% of the number of countries included in the sample by EIU. Investors cannot avoid investing in these regimes because 24% is a significant part of the global market share.

Lastly, countries with abundant natural resources in terms of land, minerals, crude oil and cheaper labour have the potential to attract attention from many investors. For example, Zimbabwe is a typical resource-abundant country in terms of land, mineral deposits and cheaper skilled labour. Due to an abundance of some type of raw materials or cheaper labour, a country usually has no shortage of investor interest. A resource-abundant host country is aware that if one investor turns away from an investment, another will come to take advantage of the available resource. In such countries, investors cannot make too many demands to the host country because they know they can lose the investment opportunity to another competitor. This could be the reason why some foreign investors have adapted to the traditionally undesirable political risk features.

This section concludes that political risk in the hybrid political regime is progressively changing. Many indicators of the political risk framework showed that the traditional conceptual perceptions are still applicable to a large extent. It should be noted that with respect to some critical indicators considerable changes were observed, which show that political risk is increasingly changing for hybrid regimes. The findings and discussion of this chapter suggest that political risk can potentially be conducted, influenced by norms and values of the hybrid political regime. The concluding chapter will discuss how political risk can be conducted using the hybrid political regime.

5.4 Conclusion

The goal of this chapter was to answer the main research question that has been posed throughout the study. The political risk framework was applied to the case of Zimbabwe. The study finds that the traditional conceptual perceptions of political risk in a hybrid regime are still applicable to a large extent. However, the study observed that there is a shift- the traditional conceptual perceptions have not been applied in the same strict manner in 2018 as they were in 1970. The next and final chapter discusses how PRA could be conducted adapting hybrid regime principles.

Chapter 6: Summary, Conclusion and Recommendations

6.1 Introduction

The final chapter of this study aims to provide a comprehensive summary and conclusion of the research. The chapter is organised as follows: it begins by giving an overview of the study and discussing the main findings. Thereafter, the contribution of this study is discussed. Lastly, the chapter concludes by making recommendations of what future research could focus on.

6.2 Overview and summary of the main findings of the study

This study sought to assess if PRA could be adaptable to be measured using a different political system from democracy. Academic literature suggested that democracy could be experiencing a possible recession (Diamond, 2015: 144; Plattner, 2015: 4). It was not the intention of this study to research about the democratic recession but rather, how the recession could potentially impact on PRA. The platform that PRA has been conducted from, from inception in the 1970s, has been founded on democratic principles. Thus, if, suppose, democracy declines as the dominant system, it affects how PRA will be conducted and conceptualised. Although academic literature discusses that democracy could be in recession, this research is fully aware that it may take a few years before it declines. The intention of this study was to start the conversation among scholars of how PRA will be conducted in future if democracy declines. This study takes a proactive position of researching if PRA could be adaptable to principles of a less known political regime by taking on the hybrid regime. The study posed the main research question as: *“To what extent are the traditional conceptual perceptions of political risk in hybrid regimes still applicable, with specific reference to Zimbabwe from 1990 to 2018?”* By answering this question, this study examines if PRA was adaptable to be measured using principles of the hybrid regime, or not.

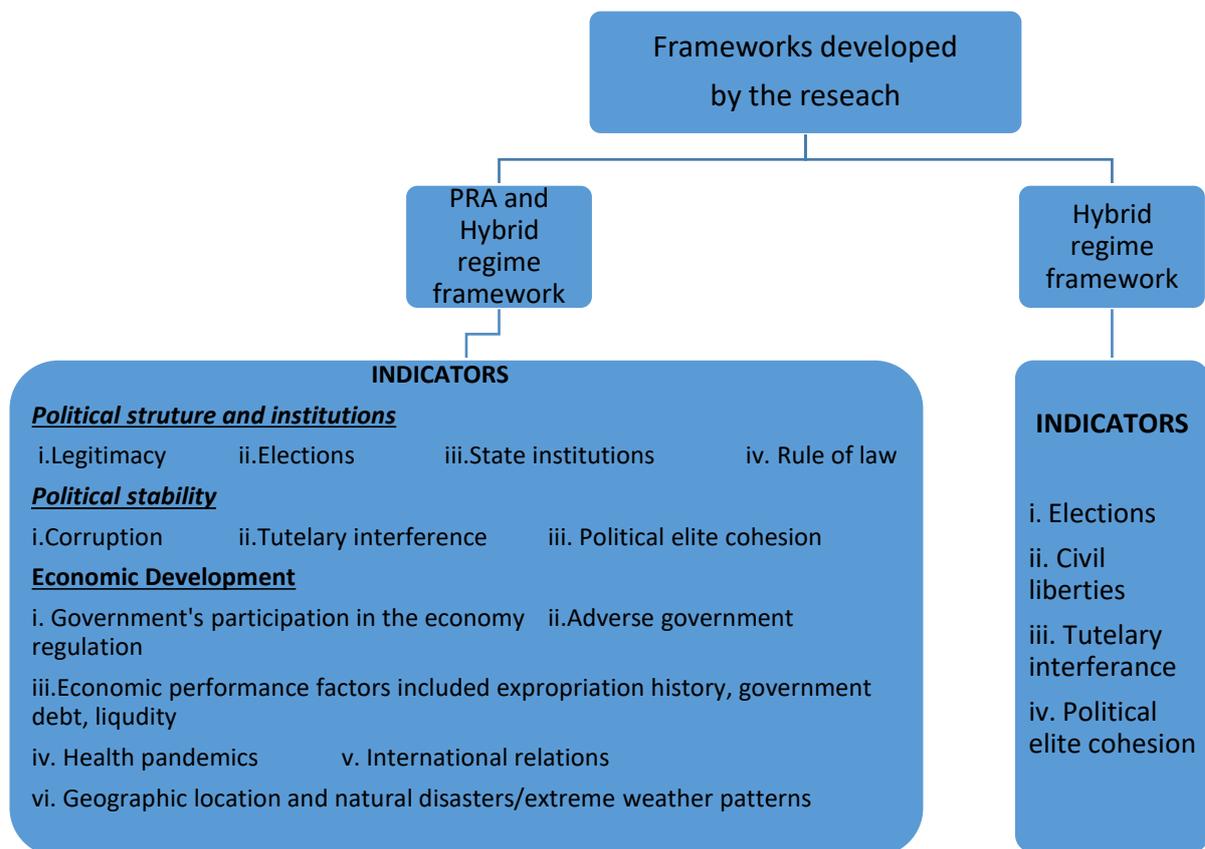


Figure 6.1: Frameworks developed by this research

Source: Author's compilation (2019)

Before the study examined if political risk was adaptable to the hybrid regime, it first revisited the conceptualisation of the hybrid regime to comprehensively understand this regime. To conceptualise the hybrid regime, this study developed a hybrid regime framework. The hybrid regime conceptual framework was developed from the indicators of tutelary interference, elections and civil liberties (Wigell, 2008; Gilbert & Mohseni, 2011). Political elite cohesion of the incumbent party was an additional indicator that this study added to those given by Wigell (2008) and Gilbert and Mohseni, (2011). Political elite cohesion was added to this study because hybrid regimes are indicative of having one dominant party that will have served in government for several years. Hence the agreement or disagreement of the leadership of the incumbent party was proposed to have a bearing on the type of hybrid regime it would exhibit. The elements denoting political elite cohesion were stipulated as factionalism, leadership turnover, political elite cooperation and the prevention of threats from external actors by political elites. This hybrid regime conceptual framework was applied to the case of Zimbabwe from 1990 to 2018. The hybrid regime framework is illustrated in Figure 6.1.

The second model that was developed by this study was the political risk framework for the hybrid regime as illustrated in Figure 6.1. This framework was developed to answer the main research question. Indicators for the framework were drawn from political risk indicators typical exhibited in hybrid regimes as suggested from the research output by Green (1974), Jensen (2003, 2008), Berlin *et al.* (2004) and Jarvis & Griffiths (2007). In addition, hybrid regime indicators discussed in the first framework became inputs in this second framework. The framework had three categories, which are, political structure and institutions, political stability and economic development. Political structure and institutions examined four factors, which were elections, state institutions, rule of law and legitimacy. The second category, political stability, had three factors which were corruption, tutelary interference and political elite cohesion. Economic development is the last category which focused on government's participation in the economy, adverse regulations, health pandemics, geographical location and natural disasters, as well as the host country's economic performance and international perception by other states. This framework was applied to the case of Zimbabwe from 1990 to 2018.

When the hybrid regime framework was applied on Zimbabwe, this study found that Zimbabwe exhibited five forms of hybridity. The liberal hybrid regime from 1990 to February 2000 was the first type; it transitioned into the competitive illiberal hybrid regime from March 2000 to 2008. From 2009 to June 2013, Zimbabwe exhibited the third type called the competitive hybrid regime. The illiberal hybrid regime, from July 2013 to October 2017, was the fourth type observed. The military hybrid regime between November 2017 and 2018 was the last type of hybrid regime. The Zimbabwean hybrid was observed and discussed as one that was durable.

By applying the political risk framework for the hybrid regime, this study confirmed and contradicted some theoretical propositions. *The study confirmed that the traditional conceptual perceptions regarding illegitimacy, corruption, staleness of leadership, adverse government regulations and home-host state relations between the MNC parent country and the host state still have the impact of increasing the perception of political risk in a hybrid regime* (Robock, 1971: 7; Fitzpatrick, 1983: 249; Howell & Chaddick, 1994: 76, 79–82; Venter, 1999: 79; Berlin *et al.*, 2004: 9; MIGA, 2011: 21). Election violence was found to increase political risk, while a contested or unfair election had no impact on political risk. Low political elite cohesion was confirmed to increase the perception of political risk. The study could not establish a link between economic development, geographic location and natural disasters/extreme weather patterns with respect to their impact on political risk. Health pandemics were found to minimally increase political risk, only when the pandemic severely hampered the state's ability to respond to it.

With respect to *military tutelage, weak institutions, relatively flawed elections (absent of violence), military generals in power, undemocratic means to retain power, minimum horizontal accountability and weak rule of law*, the study found that there was an awareness and a tolerance, to some level, exhibited by foreign investors. These factors have traditionally constituted to increasing political risk, but the tolerance by foreign investors in the case study showed that they do not automatically increase political risk in contemporary times. The study proposed four reasons why foreign investors have grown to adapt to the undesirable features of political risk.

The increase in the number of foreign investors who can competently invest globally in 2018 as compared to 1970 is one reason that is suggested to influence why investors tolerate the undesirable features. Foreign investors have to actively compete for markets for their products and, in the process, some have become inclined to operating in hybrid regimes while accommodating the undesirable features of political risk. The second reason could be the subtle pressure that foreign investors experience due to some non-democracies performing economically better and making huge investments in countries that are governed using far less democratic principles. While foreign investors usually wait for a country to make convincing strides in adopting democracy before they can commit substantial investments, authoritarian regimes, for example China, do not subscribe to the same values. Hence, for fear of losing potential markets to autocratic competitors, some foreign investors have tended to tolerate traditionally undesirable political risk factors.

Another reason why some foreign investors have become tolerant of traditionally undesirable features could be the increase in the number of hybrid regimes. The hybrid regime exhibits some features that traditional conceptualisation of risk viewed as increasing political risk. However, foreign investors cannot ignore investing in hybrid regimes as these constitute a substantial potential market share. Lastly, countries with abundant natural resources usually have leverage in dictating the terms and conditions of engagement with foreign investors. In order not to lose possible opportunities in these resource abundant countries, foreign investors have become tolerant of factors that have traditionally been perceived to increase political risk.

As a result of these findings, this study answers the research question by stating that ***the traditional conceptual perceptions of political risk in hybrid regimes are still applicable, however, they are less stringently applicable in 2018 than in the 1970s***. The next section will answer if PRA is adaptable to the hybrid regime.

6.3 Contribution of this study

This section will answer if PRA is adaptable to the hybrid regime. The section first discusses the contributions made by this study, which fall into two categories; first, the conceptualisation of the hybrid regime and second, the conceptualisation of PRA in a hybrid regime. Regarding the hybrid regime, literature has confirmed that when comparing hybrid regime states, they resemble different forms of hybridity (Gilbert & Mohseni, 2011). Gilbert and Mohseni (2011: 234) provide a list of the different hybrid regimes resembled by different states from 1990 to 2009⁸⁹. This study finds that within a single state, hybridity also varies. This is shown by Zimbabwe, which exhibited five different types of hybrid regimes. Figure 6.2 shows Zimbabwe's hybrid regime development in detail.

Furthermore, this study finds the hybrid regime to be fluid; it changes form, it is not constant. The five Zimbabwean hybrid regimes are not equal in length of time. The liberal hybrid regime lasted for ten years, the competitive illiberal regime lasted for eight years and the competitive and illiberal hybrid regimes both existed for approximately four and a half years. The military regime was observed for one year. The first two hybrid regimes are longer in length than the succeeding hybrid regimes. The chief reason proposed for the differences in longevity was the disagreements among the political elites in the incumbent party. Political elite cohesion was stronger in the liberal and competitive illiberal regimes than in the following hybrids. The change from the illiberal regime to the military was necessitated by the disintegration of the various factions within ZANU-PF. This study emphasises that hybrid regimes are fluid and not constant.

Lastly, this study notes that the broad group of the hybrid regime is durable. While the individual forms vary in length, the study found that one hybrid form transitioned into another hybrid form. Hence, collectively, the hybrid regime was observed to be durable. This study proposes five factors that promote the durability of the hybrid regime after observing the Zimbabwean hybrid regime. The hybrid regime should have an incumbent political party that has been in government for a lengthy period, which has high political elite cohesion and is possibly led by a statesman with a strong personality. In addition, there should be low turnover in political office holders and a very competitive opposition that forces the incumbent not to degenerate into authoritarian rule, thus making the hybrid regime durable. The claim that the hybrid regime is durable is consistent with the claims made by Carothers (2002: 3), Merkel (2004: 50), Morlino (2009: 282) and Mufti (2018: 115).

⁸⁹ The list has illiberal hybrid, military illiberal hybrid and military liberal hybrid countries.

| Liberal hybrid regime | Competitive illiberal hybrid | Competitive hybrid regime | Illiberal hybrid regime | Military hybrid regime |
|---|---|---|--|---|
| Elections: Non-competitive Uneven playing field | Elections: Competitive but violence occurs Uneven playing field | Elections: No elections in this period | Elections: Non-competitive contested election Uneven playing field | Elections: Competitive however these are contested Uneven playing field |
| Civil Liberties: Judiciary impartial Rule of law strong Horizontal accountability high State media inaccessible to opposition parties Soft intimidation of political opponents Government perceived as legitimate Public corruption rising slowly Civil society partially active Incumbent majority in parliament | Civil Liberties: Judiciary partial Rule of law weak Horizontal accountability low State media inaccessible to opposition parties State-sponsored violence on opposition members Government perceived as illegitimate Public corruption high Civil society active Incumbent majority in parliament | Civil Liberties: Judiciary partial Rule of law weak Horizontal accountability average Limited access to state media by opposition parties Soft intimidation of political opponents Government perceived as legitimate Public corruption high but some cases are publicly exposed Civil society partially active Opposition majority in parliament | Civil Liberties: Judiciary partial Rule of law weak Horizontal accountability low Limited access to state media by opposition parties, social media platforms used as alternatives Soft and coercive intimidation of political opponents Government perceived as illegitimate Public corruption high Civil society active Incumbent majority in parliament | Civil Liberties: Judiciary partial Rule of law weak Horizontal accountability low State media partially accessible to the opposition, social media platforms used as alternatives Soft and coercive intimidation of political opponents Government perceived as illegitimate Public corruption high Civil society active Incumbent majority in parliament |
| Tutelary interference: Present but mildly active | Tutelary interference: High and active | Tutelary interference: Challenged by the opposition but still present | Tutelary interference: High and active | Tutelary interference: High and active |
| Political cohesion: Relatively strong | Political cohesion: Fragmenting but still solid | Political cohesion: Temporarily high | Political cohesion: Weak | Political cohesion: Weak Leadership renewal of incumbent party |

Figure 6.2: Zimbabwe’s hybrid regime development

Source: Author’s compilation (2019) *Compiled from the discussion in Chapter Four.

The focus of this study was until the end of 2018; the Zimbabwean hybrid regime, if analysed in the next ten years, could possibly still reveal a hybrid nature. During the write-up of this dissertation in 2019, applying the hybrid regime framework to the case study showed that Zimbabwe exhibited a military illiberal hybrid regime. Although this study does not fall within the realm of future studies and scenario analysis, based on what this research found, I forecast that Zimbabwe will continue to exhibit the military illiberal hybrid regime from 2019 until 2023 when harmonised elections will be

conducted. The hybrid regime will transition into another form of hybrid after the elections, but this will be dependent on who holds the levers of power within the dominant party ZANU-PF.

Therefore, regarding the hybrid regime conceptualisation, this study concludes that: *A single state can show diverse forms of hybridity. It can transition from one form of hybrid to another in unequal intervals. The hybrid regime is observed to be fluid and not constant. In addition, the regime proves to be durable over an extended period.*

The second contribution of this study is with regards to political risk and the hybrid regime. The guiding hypothesis of political risk in political regimes assumes that the hybrid regime invariably accrues high levels of political risk (Green, 1974: 35; Simon, 1984: 127; Jarvis & Griffiths, 2007: 15). However, this study finds that the levels of political risk differ within the different types of hybrid regime. Some hybrid regimes accrue low levels of political risk while others accrue substantially higher levels of risk, which is contrary to the traditional claims that the hybrid accrues high levels of political risk. The study makes these claims based on how political risk was perceived in Zimbabwe. Figure 6.3 illustrates the perception of political risk in the different hybrid regimes in Zimbabwe.

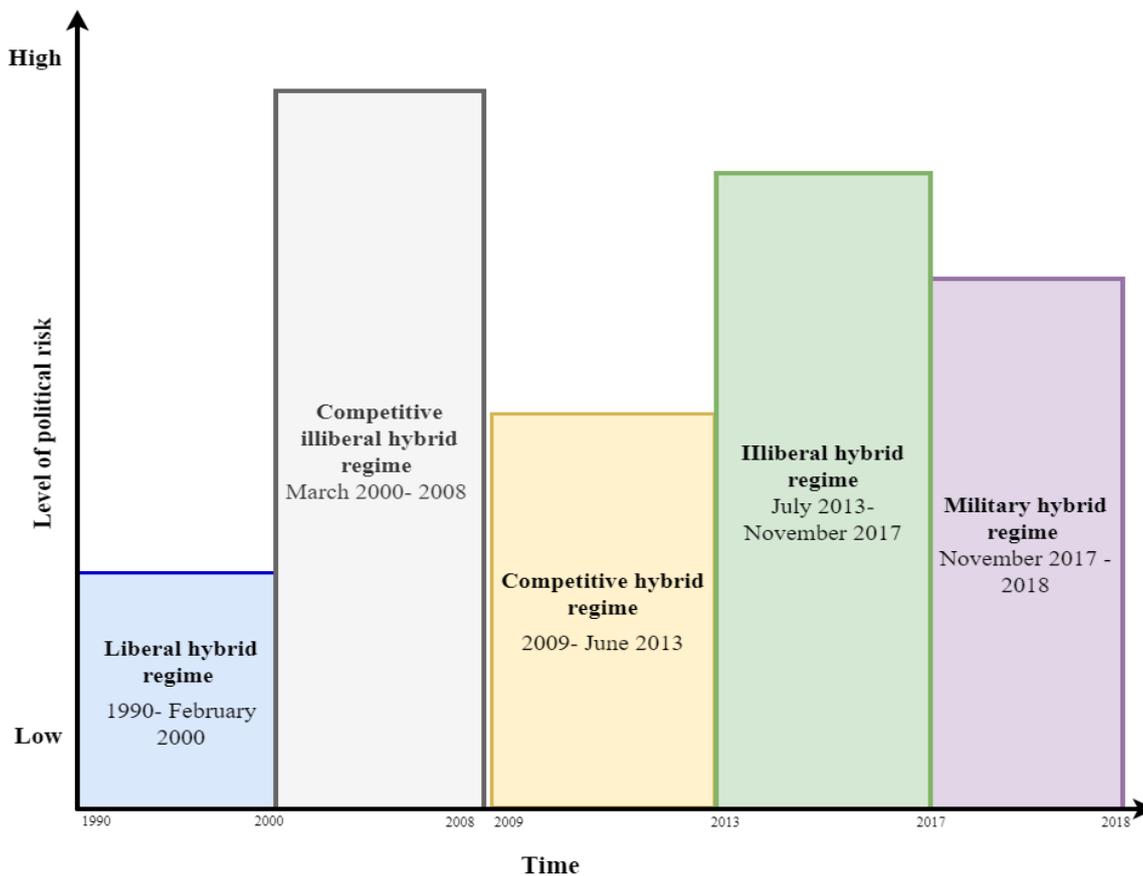


Figure 6.3: Political risk illustrated in Zimbabwe's hybrid regime

Source: Author's compilation (2019)

The liberal hybrid regime was perceived to have the least political risk. This study proposes that it was because of the presence of the following factors: an independent and impartial judiciary, strong rule of law, high horizontal accountability, the government perceived as legitimate and strong political elite cohesion. The overall perception of political risk during this period was low, regardless of there being minimal competition from the opposition, occasional intimidation on political opponents which was not violent on a large scale, and traces of tutelage. The competitive hybrid regime had the second lowest perception of political risk. The opposition political parties formed the majority in parliament in the competitive hybrid regime, which was the major distinction from the liberal hybrid regime. However, the judiciary was partial, rule of law was not consistently adhered to and horizontal accountability was average, which made it have a higher perception of political risk than the liberal hybrid regime.

The military hybrid regime and the illiberal hybrid regime are numbered third and fourth respectively, of where investors accord more political risk in a hybrid regime. These two regimes share similar

features that can be compared in Figure 6.2. However, these regimes differ in that the military regime gave political opposition space to share their ideas to the electorate with minimum restrictions, while the illiberal aggressively clamped down on an active opposition. The military hybrid was a new government, so investors probably had more confidence in the new government's ability to engage investors than the government of Former President Mugabe. It should be noted, however, that the military hybrid was a short-term phenomenon; possibly, after a few-years, investors would regard it differently.

The competitive illiberal hybrid regime was perceived as accruing the most political risk in a hybrid regime. The competitive illiberal hybrid shares many of the features of the illiberal regime, however, the competitive illiberal regime type unleashes violence and suppresses political opponents on a larger scale and higher level than the illiberal hybrid regime. Furthermore, legislation that had an effect of expropriating foreign owned businesses, for example, the FTLRP and the IEEA, was passed in this period. Security of private property rights changed in this period. The factors highlighted above made investors cautious and perceive the competitive illiberal hybrid as accruing the most political risk in Zimbabwe.

Therefore, regarding the conceptualisation of PRA in a hybrid regime, this study concludes that: *The levels of political risk differ within the different types of hybrid regimes; some hybrid regimes accrue lower levels of risk, while others accrue substantially higher levels of risk.*

Regarding whether PRA is adaptable to the hybrid regime, this study concludes that yes, PRA is adaptable to be measured using principles of the hybrid regime. However, to measure PRA using the hybrid regime is only possible by taking into consideration the research findings of this study which are:

- i. Hybridity is fluid, it is not stagnant. Furthermore, within a single state, the levels of political risk differ within the different types of hybrid regimes. PRA needs to identify the different types of hybrid forms; hence constant monitoring is required.*
- ii. This study recommends the following political risk factors as constituting moderately lower levels of political risk: competitive elections, an impartial judiciary, moderate rule of law, strong political elite cohesion of the incumbent, average horizontal accountability, election irregularities (absent of violence), uneven non-violent political playing field, soft*

intimidation of political opponents, a partially active civil society and favourable government policies.

6.4 Recommendations for future research

First, this research only used one case study to put forward the theoretical propositions of political risk in a hybrid regime that it concluded. This study suggests that future research use the hybrid regime and political risk analytical frameworks and apply these in another hybrid regime to either confirm or expand on the theoretical propositions that this study made. The possible hybrid regimes that could be used to compare with Zimbabwe are Zambia/Rwanda in Africa, Venezuela in South America or Turkey in Europe. An African country could offer similar conclusions, while a non-African country could share different insights due to the differences in culture and the environment that shapes the governance system of each country.

Secondly, in the process of submitting this thesis, Britain was negotiating to exist the EU. The process of leaving the EU started in 2016 and was officially going to be endorsed on the 31st of October 2019. Future research could investigate the impact of Britain leaving the EU on the levels of political risk. Specific research could focus on the political risk for MNCs from the EU operating in Britain and the political risk of MNCs from Britain operating in the EU. The USA and China were experiencing a trade war in 2019. Future research could focus on the possible impact of the trade war on the political risk of Chinese companies operating in the USA, or of USA companies operating in China.

6.5 Conclusion

This chapter provided a brief overview of how the study was conducted and presented the main findings of this study. This research provided a timely re-conceptualisation of PRA, as well as the hybrid regime. The study found that the traditional conceptual perceptions of political risk were less stringently applied in 2018 than the 1970s and contributed that the principles of the hybrid regime were adaptable to measuring political risk, only after taking into consideration the fluidity of the hybrid regime and acknowledging that political risk is different within different hybrid regimes

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Appendix A: Chronology of Zimbabwe's history

| | |
|------------------|---|
| 850-1150 | Leopard Kopjes people move west into the Kalahari to form Toutswemogola culture |
| 1220-1290 | The rise and fall of Mapungubwe state |
| 1325-1550 | Rise and fall of Great Zimbabwe |
| 1450-1830 | Rise and fall of Mutapa, Torwa and Rozvi states |
| 1506 | Portuguese establish presence in the Mutapa state |
| 1569-1577 | Portuguese attempt to invade the Mutapa state |
| 1684 | Changamire Dombo defeats the Portuguese at the battle of Maungwe |
| 1830 | Ndebele people flee from the Mfecane and Boer migration. They establish a state in present day Matebeleland |
| 1857 | Ndebele successfully subject the major Shona chiefs to their ruling |
| 1870 | Lobengula signs the Tati Concession |
| 1879 | Ndebele defeated by Shona in Nyanningwe Chivi; this is the first major military setback of the Ndebele by the Shona |
| 1888 | February- Lobengula signs the Moffat Treaty |
| 1888 | March- Lobengula tricked into signing the Rudd Concession, a document granting exclusive mining rights to Cecil John Rhodes and partners |
| 1889 | October- Cecil John Rhodes uses the British South African Company (BSAC) to occupy Zimbabwe on the legal basis of the Rudd Concession. Southern Rhodesia is then established. |
| | The Queen of England grants a royal charter |
| 1890 | Pioneer white settlers funded by mining magnet and establish Fort Salisbury at the future capital (present day Harare) |
| 1893 | Ndebele uprising against the BSAC. Hunt Tax introduced |
| 1895 | BSAC adapts the name Southern Rhodesia |
| 1902 | Cecil John Rhodes dies at 42 |
| 1898 | Southern Rhodesia Order in council recognised by the British imperial government as the governing instrument of Rhodesia |
| 1912 | Southern African Native Congress (SNANC) formed |
| 1919 | Matabele Home Movement petitions the Queen for the return of Ndebele land taken |
| 1922 | BSAC administration ends. White settler minority effectively begin to self-govern their own territory |
| 1923 | Southern Rhodesia becomes self-governed after a referendum |
| 1927 | Native Affairs Act introduced |

- 1930** Land Apportionment Act adopted and becomes effective in 1931. The Act allocated land according to race, thereby restricting access to land for black people.
- 1935** African National Congress (ANC) revived by Reverend Samkange
- 1947** African Voices Association (The Voice) is founded by Benjamin Burombo
- 1953** Britain creates Central African Federation, which merges Southern Rhodesia, Northern Rhodesia and Nyasaland, which are present day Zimbabwe, Zambia and Malawi respectively.
- 1960** The National Democratic Party (NDP) is formed
- 1961** NDP is banned and replaced by Zimbabwe African Peoples Union (ZAPU)
Southern Rhodesia adopts a new constitution under Edgar Whitehead's leadership
- 1962** March- Rhodesia Front (RF), a white party, is formed and wins general elections in December
- 1962** September- ZAPU is banned
- 1963** The Federation of Rhodesia and Nyasaland dissolves because Zambia and Malawi gained independence
- 1963** August 8- Zimbabwe African National Union (ZANU) is formed. It is a breakaway from ZAPU affiliated to tribal differences between the Shona and Ndebele people in leadership.
ZAPU and ZANU send their operatives for military training in socialist bloc nations
- 1964** Ian Douglas Smith, an RF candidate, becomes Prime Minister. He was born and raised in Southern Rhodesia. Smith tries to persuade Britain to gain independence.
- 1965** November 11- Smith declares Unilateral Declaration of Independence (UDI)
Britain retaliates by imposing economic sanctions on Rhodesia
- 1966** United Nations imposes oil embargo on Rhodesia; Britain imposes full embargo on Rhodesian trade.
Zimbabwe African National Liberation Army (ZANLA), which was ZANU's military wing, engages Rhodesia forces in the battle of Chinhoyi
- 1968** UN imposes full mandatory sanctions on Rhodesia
- 1969** Anglo-Rhodesian Agreement institutes a new Constitution extending franchise to selected groups
- 1971** Power struggles paralyse ZAPU; FROLIZI is formed
New ANC formed under Muzorewa to oppose Anglo-Rhodesia Agreement
- 1972** Pearce Commission initiated referendum to test the acceptability of the Anglo-Rhodesian Agreement results in a 'No' vote

- 1972** Guerrilla war against the white minority intensifies, with ZAPU and ZANU operatives operating in Zambia and Mozambique respectively
- 1973** Zambia closes its border to Rhodesia
- 1974** UANC is formed, which combines ZAPU, ZANU, FROLIZI and the ANC under pressure from the Frontline States
 ‘Protected villages’ in Madziwa Tribal Trust Lands and Chiweshe are created as a counter-insurgency measure
 Nhari rebellion rocks ZANU
 Nationalist leaders in detention are released in the spirit of détente
- 1975** Hebert Chitepo, ZANLA leader, assassinated
 Mozambique attains independence and closes its border in Rhodesia; Mozambique allows ZANLA to use its territory
 Robert Mugabe topples Sithole as ZANU leader
 ZIPA is formed in attempt to unite Zimbabwe People’s Revolutionary Army (ZIPRA), which was ZIPRA’s military wing, and ZANLA fighting forces
- 1976** Patriotic Front (PF) is formed as an initiative of the Frontline States to unite ZAPU and ZANU.
 Over 1 000 black refugees from Rhodesia are killed by Rhodesian forces at Nyadzonja, Mozambique
- 1977** Massacre of civilians and ZANLA guerrillas by Rhodesian Forces at Chimoio and Tebwe camps in Mozambique
- 1978** Internal Settlement Agreement agreed upon by Smith, Muzorewa, Chirau and Sithole, creating Zimbabwe-Rhodesia, but this fails to gain international recognition.
 Patriotic Front (PF) boycott the subsequent general elections, hence the civil war continues.
- 1979** Lancaster House Conference reaches a constitutional settlement to end the war, this is attended by all parties.
- 1980** Robert Mugabe wins the British supervised elections as Prime Minister and ZANU, his party, wins most of the parliamentary seats.
 Joshua Nkomo, Mugabe’s major rival is named in the cabinet.
- 1980** April 18- Independence Day.
- 1980** Zimbabwe becomes a member of the Frontline States (FLS), joining Tanzania, Zambia, Mozambique, Botswana and Angola.
- 1982** Joshua Nkomo is laid off by Mugabe over allegations of trying to overthrow him from the government.

North Korean trained fifth Brigade is deployed to crush rebellion by pro-Nkomo ex-guerrillas.

- 1982-1987** 'Gukurahundi' atrocities in the midlands and Matabeleland areas are perpetuated by Mugabe's North Korean Fifth Brigade, killing over 20 000.
- 1987** Gukurahundi ends when a Unity Agreement is signed by Mugabe and Nkomo to merge their parties to form ZANU-PF.
- 1987** The constitution is amended to introduce an executive president and the prime minister post is abolished. Mugabe becomes executive president.
- 1990** Indigenous Business Development Centre (IDBC)
- 1990** Zimbabwe Unity Movement (ZUM) is formed as an opposition party by former ZANU PF Secretary General, Edgar Tekere.
- 1991** Commonwealth Summit is held in Harare.
- 1991** Economic Structural Adjustment Programme (ESAP) is introduced.
- 1992** First ZCTU protest march against government's economic reform programme, this was poorly attended, and the police used force to disrupt it.
- 1994** Affirmative Action Group (AAG) is formed.
- 1996** Largest Strike of civil servants, post-independence.
- 1997** November 14, Black Friday, the Zimbabwean Dollar (ZW\$) crashes, plunges a record 72 percent.
War veterans pressurise the government into paying an unbudgeted gratuity.
- 1998** Rioting in major cities because of rapid increases in corn and other staple food prices. Zimbabwe sends troops to the DRC.
- 1999** MDC is formed
Government fails to make debt repayment to the IMF and WB
- 2000** Government led draft constitution denied by a popular No vote in the referendum conducted
Land invasions by war veterans known as the 'Third Chimurenga'
MDC gains nearly 50% in the parliamentary elections
- 2002** February- The European Union imposes sanctions on Zimbabwe. EU team leader is expelled, the observer mission is pulled out.
- 2002** March- Mugabe wins contested presidential elections
- 2002** June- Land acquisition law passed in May, begins the 45-day countdown for some 2,900 white farmers to leave their land
AIPPPA and POSA introduced
Zimbabwe suspended by the Commonwealth

- 2003** Zimbabwe pulls out of the Commonwealth
- 2003** Tsvangirai arrested on treason charges
- 2004** March- Simon Mann and company are intercepted after landing at the Harare International Airport *en route* to Equatorial Guinea to execute a coup.
- 2005** Operation Murambatsvina, an urban clean-up campaign, is executed; an estimated 700 000 were displaced and became homeless.
ZANU wins 2/3 majority seats in the upper house of parliament, The Senate
- 2005** MDC splits over its leader's decision to boycott the elections and tribal issues. MDC-T and MDC-M are created.
- 2006** May- year-on-year inflation exceeds 1 000%
- 2007** February- Rallies, demonstrations are effectively banned for three months. The ban is extended in May.
- 2007** June- ZANU-PF and opposition MDC hold preliminary talks mediated by President Thabo Mbeki in South Africa.
- 2008** March- Harmonised presidential, parliamentary and local government elections. Opposition MDC wins the parliamentary elections.
- 2008** May- MDC's Tsvangirai announced to have won the presidential elections by ZEC, but not enough to avoid a run-off against Mugabe.
- 2008** June- Tsvangirai pulls out days before the run-off because of intimidation and violence.
Mugabe wins the run-off.
Russia, China veto a Western-backed UN Security Council resolution to impose sanctions.
- 2008** July- EU and USA widen sanctions against ZANU-PF leaders.
- 2008** September- Mugabe, Tsvangirai sign power-sharing agreement called the Global Political Agreement (GNU), however implementation stalls over who gets top ministerial jobs.
- 2008** December- Cholera epidemic breaks out, which deepens the humanitarian crisis in Zimbabwe.
- 2009** January- Government adopts a multi-currency system of foreign currencies to stem hyperinflation.
- 2009** February- Tsvangirai is sworn in as prime minister, after protracted talks over formation of government.
- 2009** March- Tsvangirai is injured, and his wife is killed in a car crash. Retail prices fall for the first time after years of hyperinflation.

- 2009** September- One year after power-sharing deal, MDC remains frustrated and alleges persecution and violence against members.
- 2010** March- New "indigenisation" law is selectively applied, it forces foreign-owned businesses to sell majority stake to locals.
- 2010** August- Zimbabwe resumes official diamond sales, amid controversy over reported rights abuses at the Marange diamond fields.
- 2010** December- Grace Mugabe takes legal action over claims released by WikiLeaks that she profited from illegal diamond trading.
- 2011** February- European Union eases sanctions on Zimbabwe by removing the names of 35 of President Mugabe's supporters from a list of people whose assets had been frozen.
- 2011** August- General Solomon Mujuru, husband to Joice Mujuru, the Vice-President, dies in a mysterious house fire.
- 2011** November- The Kimberly Process, which regulates the global diamond industry, lifts a ban on the export of diamonds from two of Zimbabwe's Marange fields.
- 2011** December- President Mugabe says he will run in the 2013 presidential elections
- 2012** Constitutional Select Committee completes draft of new constitution, but ZANU-PF and MDC disagree on some details.
- 2013** March- Referendum votes 'Yes' to adopt the new constitution, subject to parliamentary adoption.
- 2013** July- Presidential and parliamentary elections are won by Mugabe and ZANU-PF dominates parliament.
The opposition MDC-T dismisses the polls as a fraud
- 2013** September- MDC-T boycotts the opening of parliament presided over by President Mugabe in protest at what it says was a rigged election.
- 2014** February- Zimbabwe marks President Mugabe's 90th birthday after he returns from medical treatment in Singapore.
- 2014** August- Grace Mugabe, the president's wife and a political novice, is unexpectedly nominated as the next leader of the governing ZANU-PF's Women's League, fuelling speculation that she may succeed her husband one day.
- 2014** December- President Mugabe sacks Vice-President Joice Mujuru, accusing her of a plot to kill him.
- 2016** July- Mass stay away called for by Pastor Evan Mawarire a success under the banner #ThisFlag movement.

- 2016** November- A new national currency called bond notes is introduced to ease the cash crisis but there is public resistance.
- 2017** September- Pastor Evan Mawarire is charged with inciting a crowd to violence.
- 2017** November- Mr Mugabe resigns days after the military takes control. Emmerson Mnangagwa becomes president.
- 2018** February- Opposition leader Morgan Tsvangirai dies after a battle with cancer.
- 2018** June- A bomb explodes near Mr Mnangagwa at a rally in Bulawayo, leaving him unhurt but killing two people. Campaigning for the 30 July presidential election is underway.
- 2018** July- Presidential Elections are won by Emmerson Mnangagwa. ZANU-PF gains over two-thirds majority in parliament.
- 2018** August- The military fires live ammunition on protestors who were marching towards ZEC offices demanding the release of presidential results. Six people died and several injured
- 2018** August- Constitutional Court, Chamisa loses the case
- 2018** September- Commission of inquiry set up, chaired by former South African president Motlanthe

Source: Author's compilation (2019) *Material sourced from Mlambo (2014)

Appendix B: Key Informant Guide questions

| | <i>Government</i> | Political risk companies | Academia |
|---------|--|--|--|
| AIM | Create political risk | Measure political risk | Study political risk |
| CONCEPT | <ol style="list-style-type: none"> 1. What is your understanding of the term political risk? 2. What is your understanding of a hybrid regime? | <ol style="list-style-type: none"> 1. What is your understanding of the term political risk? 2. What is your perception of political risk in Zimbabwe in the past and possibly a forecast for the next 2-3 years? 3. Which industries have been vulnerable the most to political risk in Zimbabwe? 4. What is your understanding of a hybrid regime? | <ol style="list-style-type: none"> 1. What is your understanding of the term political risk? 2. What is your perception of political risk in Zimbabwe in the past? What is your opinion of political risk in Zimbabwe, say 2-3 years from today. 3. Is political risk constant or it varies depending on the industry? Which industries have been at most risk in Zimbabwe? 4. What is your understanding of a hybrid regime? 5. In the past, which of these two characters has Zimbabwe exhibit more democratic or autocratic tendencies? |

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| | | | <p>And what is the implication of this to political risk?</p> |
| <p>MEASUREMENT</p> | <ol style="list-style-type: none"> 1. Which industries do you think have been most exposed to PR in Zimbabwe? 2. Do you suppose that following through on the implementation of policies by the government e.g. ZIMASSET influences the political risk index of Zimbabwe? 3. Does being a SADC/AU member have any impact on political risk levels of Zimbabwe's 4. Suppose in the future maybe 2-3 years, our relationship as Zimbabwe improves with G-20-member states or more specifically with the Western countries, will this have a significant impact on our PR? | <ol style="list-style-type: none"> 1. Why do you measure political risk? 2. What factors do you consider significant in your compilation of political risk index for Zimbabwe? (NOT THE TRADE SECRETS JUST A GENERAL OVERVIEW OF FACTORS) 3. What factors do you consider significant in your compilation of political risk index for Zimbabwe? (NOT THE TRADE SECRETS JUST A GENERAL OVERVIEW OF FACTORS) 4. Do Zimbabwe's geographic location and climate influence your calculation of political risk? 5. Do foreign currency shortages have an impact on political risk? | <ol style="list-style-type: none"> 1. Which political risk factors do you consider as most influential in your constructing a political risk index for Zimbabwe? 2. Do you think that it is important to measure political risk? 3. Suppose Zimbabwe's relationship with the G-20-member states deteriorates will this impact on the political risk index? What if the Zimbabwe - AU relationship deteriorates, will this have an impact on political risk? 4. Which methods do you recommend for calculating political risk? Qualitative/Quantitative/big data methods? 5. Does the Indigenisation Act influence Zimbabwe's political risk index in any way? |

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|-----------|--|--|---|
| | | | 6. Do foreign currency shortages have an impact on political risk? |
| INDICATOR | <ol style="list-style-type: none"> 1. Zimbabwe's elections have been contested, either on the precedence of rigging or suspected foul play, suppose this July 2018 election is not contested, how will this impact on political risk? 2. Suppose other countries suspect that the election results are not reflective of the will of the people will this significantly have an impact on political risk, if it does. 3. How has the Indigenisation Act of 2007 influenced political risk if it has in Zimbabwe? 4. Suppose there is another pandemic like the cholera outbreak in 2008 or the AIDS pandemic of the 1990s will this have an impact on political risk in anyway? 5. How has the various indicators of corruption | <ol style="list-style-type: none"> 1. With regards to election irregularities be it in terms of violence, vote buying, suspected rigging, do these irregularities affect your perception of political risk in Zimbabwe in anyway? 2. Does the presence of retired army personnel (e.g. current Vice-President and other ministers) in government influence your calculation of political risk? 3. Zimbabwe's corruption index according various indicators for example Transparency International ranks it at 167/176, if it improves, will this significantly influence its political risk? 4. Does the legitimacy or acceptability of the President and Parliamentarians significantly impact of political risk especially in Zimbabwe where the | <ol style="list-style-type: none"> 1. Is there a period in which the government was under the guardian of unelected institutions or personnel? Does the presence of a guardian influence political risk calculations? 2. Suppose there is a similar operation like Murambatsvina or Gukurahundi in Zimbabwe, will this affect the political risk rating for Zimbabwe? 3. Does the presence of retired army personnel (e.g. current Vice-President) in the public office influence your calculation of political risk? 4. If the reputation of the government to award contracts in exchange for political support increases in the future, will this significantly impact on political risk in Zimbabwe? 5. If vote rigging or mass violence are reported during the 2018 harmonised |

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| | <p>impacted on political risk perception in Zimbabwe?</p> <p>6. Rule of law hasn't been consistent in most cases and suppose the trajectory changes and rule of law becomes consistent 2018 going forward. That is today onwards and how will that impact on our PR?</p> <p>7. Does the shortage of foreign currency influence of impact on political risk in Zimbabwe?</p> | <p>legitimacy of President Mugabe has been contested from 2000?</p> <p>5. The military intervention of 2017, which disposed Mugabe as President, did this in anyway influence your perception of political risk in Zimbabwe?</p> <p>6. The hegemonic party ZANU-PF has been hampered with factionalism and the splits are in the public domain. Does the inhouse fighting influence your perception of political risk in Zimbabwe?</p> <p>7. Property rights have not been respected in Zimbabwe in times past especially with regards to the Land Reform Programme of 2000, if the trajectory of the country changes and the country begins to adhere to the protection of property and adhering to the law, will this significantly influence Political risk?</p> <p>8. Will a serious disease outbreak like Cholera, or Typhoid or an increase in</p> | <p>elections in Zimbabwe, will this affect your calculation of risk?</p> <p>6. If the perception of corruption worsens in Zimbabwe from the rated 167th corrupt country by transparency international, how will this affect political risk?</p> <p>7. Does the political elite cohesion of ZANU-PF influence or affect political risk?</p> <p>8. How did the military intervention of 2017 that resulted in a change in government affect the political risk of the country if it did?</p> |
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| | | <p>the HIV pandemic influence your perception of political risk of Zimbabwe?</p> <p>9. Do you think that the country has been under the guardianship of any unelected person or body at any one time in the country's history and has this influenced significantly your calculations of political risk for the country?</p> | |
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| | MNC | Embassies | NGOs |
|---------|--|--|--|
| AIM | Adapts to political risk and possibly measures | Assess and judge political risk for the benefit of their home firms | Included in the discussion because of the possible loss of human lives |
| CONCEPT | <ol style="list-style-type: none"> 1. What is your understanding of the term political risk? 2. Do you think your industry is more exposed to political risk than other industries? 3. What measures has your organisation taken to cope with political risk in Zimbabwe? 4. What is your understanding of the term hybrid regime? | <ol style="list-style-type: none"> 1. What is your understanding of the term political risk? 2. In your opinion which industries are more vulnerable to political risk in Zimbabwe? 3. What are some of the measures you would prescribe to your home MNC to take to mitigate political risk in Zimbabwe? 4. What is your understanding of a hybrid regime? 5. In the past which characteristic has Zimbabwe demonstrated more the democratic or autocratic features? What is the implication of this to political risk? | <ol style="list-style-type: none"> 1. What is your understanding of the term political risk? 2. What is your understanding of a hybrid regime? 3. In your own opinion does Zimbabwe exhibit more democratic or autocratic features? What is the implication of this to political risk? |

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| <p>MEASUREMENT</p> | <ol style="list-style-type: none"> 1. Do you measure political risk? Inhouse or private company? If so which methods do you use to measure? 2. Which factors do you consider paramount in your assessment of political risk in Zimbabwe? 3. Does the indigenisation Act (51% to indigenous Zimbabweans) influence your calculations of political risk in Zimbabwe? 4. Suppose your home country's and Zimbabwe's relationship becomes hostile, will this have an impact on the political risk index in any way? 5. Does Zimbabwe's geographic location and climate influence your opinion of political risk in Zimbabwe? 6. Suppose Zimbabwe becomes inconsistent in policy implementation | <ol style="list-style-type: none"> 1. What key factors do you consider in assessing or judging political risk in Zimbabwe? 2. Have any of your home-based MNCs operating in Zimbabwe experienced significant challenges due to strained relations between your country and Zimbabwe? Any opportunities because of a good relationship? 3. Does Zimbabwe's geographic location and climate influence your assessment of political risk? 4. Does the Indigenisation Act influence your perception of political risk in Zimbabwe? 5. If suppose Zimbabwe pulls out of the AU will this affect political risk in any way? | <ol style="list-style-type: none"> 1. What if Zimbabwe's relationship with the G-20member states deteriorates will this influence political risk in Zimbabwe? Assume that Zimbabwe pulls out of the AU will this affect political risk in any way? 2. Does Zimbabwe's geographic location and climate influence political risk in any way? |
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| | <p>(e.g. fiscal, labour, monetary, exchange rate), will this impact the political risk index for Zimbabwe?</p> <p>7. Suppose the government starts to revise contracts of other companies in your industry, will this change or affect your risk index of Zimbabwe?</p> <p>8. Do foreign currency shortages have an impact on political risk?</p> | | |
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">INDICATOR</p> | <p>1. If suppose ZANU-PF wins the next two successive harmonised elections, will this affect your calculation of political risk in Zimbabwe?</p> <p>2. Zimbabwe's corruption perception index is 163/176 by if it drops to 170 will this affect your calculation of political risk in any way?</p> <p>3. If going forward there is selective application of the laws that govern</p> | <p>1. How much does the alteration of power between ZANU-PF and the opposition at the level of the Presidency and legislature contribute to your judgement of political risk?</p> <p>2. Is there a period that you presumed that Zimbabwe was under the guardianship of unelected officials? When and by whom? And did this affect your judgement of political risk for Zimbabwe?</p> | <p>1. Do you think that the government has been under the guidance of unelected bodies in the history of Zimbabwe? By whom? When? Has this influenced political risk for Zimbabwe?</p> <p>2. Suppose the 2018 harmonised elections are marred by massive violence and vote rigging, will this affect political risk for Zimbabwe?</p> |

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| | <p>Zimbabwe, will this affect political risk in Zimbabwe?</p> <p>4. How do elections affected political risk? Suppose going forward in 2023 the elections are contested how does that influence on political risk?</p> <p>5. Does the legitimacy of the president and parliamentarians' matter and does it have any impact on political risk?</p> <p>6. Does having retired serving military officers serving in key influential positions affect the political risk perceptions of the country?</p> <p>7. Does the political elite fighting visible in the media affect your calculations of political risk?</p> | <p>3. Suppose the 2018 harmonised elections are marred with mass violence and suspected vote rigging, will this affect your judgement for political risk in Zimbabwe?</p> <p>4. Does the legitimacy of the president and parliamentarians' matter and does it have any impact on political risk?</p> <p>5. Does having retired serving military officers serving in key influential positions affect the political risk perceptions of the country?</p> <p>6. Does the political elite fighting visible in the media affect your calculations of political risk?</p> <p>7. If Zimbabwe's corruption perception increases how will that affect political risk?</p> | <p>3. Does the presence of retired army general in the apex of government influence political risk?</p> <p>4. The military assisted change in government, in November 2017, how did that affect political risk?</p> <p>5. Does the legitimacy of the president and parliamentarians affect political risk?</p> <p>6. Does the political elite fighting visible in the media affect your calculations of political risk?</p> <p>7. If Zimbabwe's corruption perception increases how will that affect political risk?</p> <p>8. Suppose a health pandemic rips Zimbabwe to the magnitude of the cholera of 2008 or AIDS in the 1990s how does that impact on political risk?</p> |
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Appendix C: Ethical Clearance

NOTICE OF APPROVAL

REC Humanities New Application Form

14 August 2017

Project number: POLSCI-2017-0539-363

Project Title: A Critical Assessment of the Conceptualisation of Political Risk Analysis for Hybrid Regimes: The Case of Zimbabwe

Dear Mrs Itai Makone

Your REC Humanities New Application Form submitted on 14 July 2017 was reviewed and approved by the REC: Humanities.

Please note the following about your approved submission:

Ethics approval period: 14 August 2017 - 13 August 2020

Please take note of the General Investigator Responsibilities attached to this letter. You may commence with your research after complying fully with these guidelines.

If the researcher deviates in any way from the proposal approved by the REC: Humanities, the researcher must notify the REC of these changes.

Please use your SU project number (POLSCI-2017-0539-363) on any documents or correspondence with the REC concerning your project.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

FOR CONTINUATION OF PROJECTS AFTER REC APPROVAL PERIOD

Please note that a progress report should be submitted to the Research Ethics Committee: Humanities before the approval period has expired if a continuation of ethics approval is required. The Committee will then consider the continuation of the project for a further year (if necessary)

Included Documents:

Document Type File Name Date Version

Research Protocol/Proposal Itai Makone_Doctoral Proposal Final. Approved 06/07/2017

Informed Consent Form Itai Makone_Informed Consent Form 11/07/2017 1

Data collection tool Itai Makone_Semi structured Interview questions 11/07/2017 1

Default Itai Makone_Letter Requesting Permission. 11/07/2017 1

If you have any questions or need further help, please contact the REC office at cgraham@sun.ac.za.

Sincerely,

Clarissa Graham

REC Coordinator: Research Ethics Committee: Human Research (Humanities)

National Health Research Ethics Committee (NHREC) registration number: REC-050411-032.

The Research Ethics Committee: Humanities complies with the SA National Health Act No.61 2003 as it pertains to health research. In addition, this committee abides by the ethical norms and principles for research established by the Declaration of Helsinki (2013) and the Department of Health Guidelines for Ethical Research:

Principles Structures and Processes (2nd Ed.) 2015. Annually a number of projects may be selected randomly for an external audit.

Page 1 of 2

Appendix D: KII list

1. KII Academia, Respondent 1, 26 July 2018, Harare (telephone interview)
2. KII Academia, Respondent 4, 27 July 2018, Harare
3. KII Embassy, Respondent 4, 2 July 2018, Harare
4. SKII MNC, Withdrawn 1, 3 July 2018, Harare (Withdrawn)
5. KII NGO, Respondent 3, 10 July 2018, Harare
6. KII Embassy, Respondent 5, 4 July 2018, Harare
7. KII Academia, Respondent 3, 12 July 2018, Harare (emailed responses)
8. KII Embassy, Respondent 1, 12 July 2018, Harare
9. KII MNC, Respondent 1, 13 July 2018, Harare
10. KII Embassy, Respondent 2, 16 July 2018, Harare
11. KII Embassy, Respondent 3, 19 July 2018, Harare
12. KII NGO, Respondent 2, 19 July 2018, Harare
13. KII NGO, Respondent 6, 24 July 2018, Harare
14. KII Government, Respondent 4, 25 July 2018, Harare
15. KII NGO, Respondent 5, 27 July 2018, Harare
16. KII Government, Respondent 1, 7 August 2018, Harare
17. KII Government, Respondent 2, 7 August 2018, Harare
18. KII Government, Respondent 3, 7 August 2018, Harare
19. KII Government, Respondent 5, 7 August 2018, Harare
20. KII NGO, Respondent 4, 8 August 2018, Harare
21. KII Academia, Respondent 2, 10 August 2018, Harare
22. KII Academia, Respondent 6, 17 August 2018, Harare
23. KII Academia, Respondent 5, 21 August 2018, Harare
24. KII NGO, Respondent 1, 23 August 2018, Harare
25. KII MNC, Respondent 5, 11 September 2018, Harare
26. KII MNC, Respondent 3, 27 September 2018, Harare
27. KII MNC, Respondent 2, 27 September 2018, Harare
28. KII MNC, Respondent 4, 2 October 2018, Harare
29. KII Political Risk Companies, Respondent 1, 25 October 2018, South Africa (telephone interview)