



In Praise of Jurisdictional Competition: The Case of Zambia, Zimbabwe, and South Africa

Zambia sees Zimbabwe's economic missteps as South Africa looks to repeat them.

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Two weeks ago I wrote about the plight of Zimbabwe following Robert Mugabe's expropriation of commercial farms and the economic meltdown that followed. I also noted that the South African government was thinking about introducing a similar, and equally self-defeating, policy in South Africa. While South Africa remains in the clutches of self-declared communists, who appear to have no understanding of the importance of property rights, Zambia has learned appropriate lessons from its past flirtation with socialism.

Between 1964 and 1991, Zambia was run by Kenneth Kaunda, a socialist who nationalized much of the economy—with predictable consequences. During his time in office, Zambian GDP per person shrank by 34 percent. In relatively well-run Botswana next door, it rose by 786 percent. Since the early 1990s, however, Zambia has grown much more politically and economically free. The economy rebounded. Since Kaunda left office, Zambian incomes have risen by 65 percent—almost double the world average.

Instead of repeating Mugabe's mistakes as the South Africans appear to be committed to doing, the Zambian government saw Zimbabwe's economic problems as an opportunity. Since 2000, the country has welcomed hundreds of Zimbabwean farmers and their families. Zambia's deputy minister of agriculture Chance Kabaghe noted, "We think there is a large vacuum to fill, that's why we have been so open." He added, "We have benefited from the farmers who have come in and we are very proud of them."

Indeed, Zambia's maize production has greatly increased since the evicted Zimbabwean farmers started farming in Zambia. Last year, the Zambian minister of agriculture noted that "This is the highest ever maize harvest recorded in Zambia's history." Even Mugabe was forced to admit that the expelled farmers were, once again, feeding his country—that's because Zimbabwe now has to import its maize from Zambia!

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