Zimbabwe Public Service Pensions

The latest position

There has been no change in the Zimbabwe Government's policy or practice regarding the payment of pensions. Payments are being made to some pensioners resident in South Africa who have accounts with the Standard Bank there. No pension payments have been made to other pensioners outside Zimbabwe since February 2003. The Zimbabwe Pensions Director continues to say that he is searching for ways to make payments to other pensioners, but his claim still to be "impeded by technical issues" is not in our view a credible reason for non-payment. The Zimbabwe Government remains aloof from HMG.

OSPA representatives held another meeting with the FCO in late February 2014 and revived OSPA's earlier suggestion that in these circumstances the British Government should arrange to make ex-gratia payments to the pensioners which would not absolve the Zimbabwe Government of their full legal responsibility. We have not yet received any response.

On another level there are precedents where pension payments have been made in certain cases:

i) where a pensioner left Rhodesia/Zimbabwe lawfully before the inflation period (2006-2008) and has continued until now to hold a 'blocked currency' account in a Zimbabwe bank, even though the value of the funds has become zero;

ii) where a pensioner remained in Zimbabwe until the US dollar became Zimbabwe's normal currency, in 2009, and now has a 'foreign currency' account in a Zimbabwe bank into which his pension is being paid.

A pensioner in either of these two circumstances may contact OSPA for further advice about the possibility of having the pension remitted to a bank account outside Zimbabwe. There can be no certainty that such a scheme will work for other pensioners, since each case is likely to be different in some detail.

Submission of application forms

Any Zimbabwe Public Service pensioner, or widow, who has not yet submitted an application to the Zimbabwe Pensions Department can obtain the necessary forms from the OSPA office or, if resident in South Africa, from the Flame Lily Foundation, PO Box 95474, 0145 Waterkloof, or email: rasa@iafrica.com.

A local church group in Northside, Harare, led by Pastor Gary Cross (son of Eddie Cross, an elected MDC, MP), with assistance from Kevin Smith, claims to have direct contact with the Pensions Department and to be able to deliver application forms from pensioners who have not already submitted them. Address: 3 St. Michaels Lane, Borrowdale, Harare, or email: ksmith@telco.co.zw

There is no evidence that there is any advantage in submitting a second lot of application forms if a pensioner has already sent in an application through either OSPA or the Flame Lily Foundation.

OSPA'S contacts with the Zimbabwe and British Governments

From the mid 1980s onwards OSPA took every opportunity to press the British Government, and when possible the Zimbabwe Government, to take action to protect the value of the Public Service pensions and to ensure their remittance to pensioners outside Zimbabwe. In the 1980s this was done through contacts with MPs in the Commons and members of the House of Lords. In the early 1990s OSPA was able to raise the matter directly with President Mugabe and Zimbabwe ministers in London. There was correspondence and some meetings with British ministers in the FCO and the DFID. The issue was raised many times in debates, motions and questions in both houses of Parliament. After 2003 the complete stoppage of the pensions led to further meetings with British ministers. In October 2007, in a debate in the House of Lords initiated by OSPA's President, Lord Waddington, the FCO Minister responsible, Lord Malloch Brown, declined to speak to his official brief, saying that the Government needed to look at the matter again, and that "there is a moral and pragmatic case here, and a responsibility to public servants who have served the Crown so honourably".

A year passed, until in October 2008 Lord Malloch Brown admitted to Lord Waddington that he had been unable to get support from within the Government for any measure to help the pensioners. There was some sympathetic comment in the British press, but no action.

The change of government in May 2010, when the Conservative/Liberal Democrat coalition replaced Labour, led to brief hopes of a review of British policy, following supportive comments made by Conservative politicians before the election. At a meeting in October 2010 the FCO Minister for Africa, Mr Henry Bellingham, undertook to explore the possibility of finding some way whereby the DFID might be willing to help the pensioners, but that too led to nothing. There were then expressions of hope that the so-called 'Unity' government in Zimbabwe would cause payments to be resumed. That did happen for a minority of pensioners in South Africa in February 2012, but for no-one else. Another meeting in December 2012 with Mr Bellingham's successor as Minister for Africa, Mr Mark Simmonds, only resulted in renewed requests to the Zimbabwe Government to make the payments, and more expressions of hope for a favourable outcome of the deferred Zimbabwe elections in July 2013.

Those elections did not fulfil expectations of significant change in the Zimbabwe Government. In November and again in December 2013 Mr Simmonds told OSPA of the British Embassy's fresh contacts with the relevant Zimbabwe departments and his hopes for "real progress". But there has been no positive outcome. See the latest position above.

The full background about the pensions

At the time of the negotiations with HMG in 1979/80 over the lawful independence of Rhodesia/Zimbabwe there was great concern by officers employed in the Public Service there about the security of their pensions. The Rhodesia/Zimbabwe Public Service was never a part of the Colonial Service (HMOCS), because since 1923 Southern Rhodesia had been an internally self-governing colony under the Crown, with its Government being responsible for the recruitment and appointment of its civil servants, their terms and conditions, and their pension arrangements.

The illegal regime which had been declared unilaterally in November 1965 was ended in December 1979 by the restoration of a British-appointed Governor, Lord Soames, and the resumption under his authority of normal colonial rule (i.e. not directly by the British Government). This lasted until the attainment of lawful independence in April 1980.

Practice in other colonies

When other British colonies became independent, the practice was for the British Government and the emerging government of the territory to make a Public Officers' Agreement (POA). The POA was designed to protect the pensions of expatriate public service officers of Her Majesty's Overseas Civil Service (HMOCS) by ensuring that the pensions would be paid by the new independent government on the same terms as before and would be remitted at the rate of exchange that prevailed at an agreed date before or at independence. In the early 1960's and 1970's the British Government took action, first, to supplement Overseas Service pensions by annual increases in order to maintain their value in relation to the British cost of living in the same way as was done for UK civil servants and, second, to take over the basic pensions and pay them itself, so as to relieve the overseas governments of that financial liability. This was done as part of an overseas aid initiative.

Zimbabwe treated differently

In the case of Zimbabwe the British Government refused to consider making a POA, though ministers said they would have no objection if the Rhodesian Public Service itself was to make such an agreement with the Zimbabwe Government. That was impossible, as POA's have always been made between governments. When the question of security for Zimbabwe Public Service pensions was raised in the House of Lords in December 1979 by the late Lord Gridley, speaking on behalf of OSPA, Lord Trefgarne, the Minister responsible, said that he would reply to Lord Gridley in a letter. His letter, dated 20 December 1979, said that the Zimbabwe Independence Constitution would contain **"full safeguards"** for pensions. The Public Service pensioners accepted that assurance at face value. They also recalled that a few months earlier, at the Lusaka Commonwealth Conference in August 1979, the British Prime Minister Margaret Thatcher had said that Rhodesia would be treated like any former British colonial territory. There were then statements by the British Government to the effect that the attainment of lawful independence for Zimbabwe and the ending of the fighting would lead to an inflow of aid and investment, economic growth and prosperity.

The Zimbabwe dollar, which had originally had a value of two dollars to £1 sterling, ie was worth 50p, rose after 1965 and at legal independence in April 1980 was worth 68p. However, it then began to fall and soon dropped well below 50p. This meant a fall in the value of the pensions paid outside the country. It was then made known by the British Government that the "full safeguards" mentioned by Lord Trefgarne did not cover the value of the pensions, but only meant that the Constitution provided that the pensions would be paid by the Zimbabwe Government on the same terms as before, in Zimbabwe currency, and would be remitted to payees outside the country.

British Government denies responsibility

When the Zimbabwe Public Service pensioners, through OSPA, asked the British Government in the 1980s to take action to protect the value of their pensions against this serious decline, HMG refused on the grounds that its legal responsibility was limited only to those overseas civil servants recruited and appointed by or under the authority of the British Secretary of State in the Colonial Office (or successor), which was never the case for Southern Rhodesia/Zimbabwe. For the same reason, HMG refused to supplement or take over the Zimbabwe pensions. Successive British governments have never moved from this position. British Ministers have claimed that there are many other pensioners who could be regarded as having been in the public services in Zimbabwe or in other former colonies who have also suffered the loss of value of their pensions, for whom HMG does not and cannot accept responsibility. Ministers have agreed that the Zimbabwe Public Service pensioners were "Crown Servants", and have accepted that there is some **moral** responsibility for them. But they have denied **legal** responsibility and have indicated that the Treasury would never agree to accept any financial liability.

"Locally appointed", or expatriates?

The Zimbabwe Public Service pensioners have pointed out that they can be distinguished from all other categories, primarily by reference to their unique mention in the Zimbabwe constitution. But British Ministers insist on describing them as "locally appointed officers" who therefore fall outside the pension protection arrangements under the 1973 Overseas Pensions Act. That insistence on the officers having been "locally appointed" takes no account of how the officers were actually treated. They were recruited from Britain by the Southern Rhodesian Government, had their passages to Rhodesia paid for them from Government funds, were encouraged to take home leave back in Britain by being allowed to accumulate and take leave for up to six months and being given their rail fares from Rhodesia to South African ports so that they could travel back to Britain by sea, and at the end of their Government service they left Rhodesia and came back to live in Britain.

Thus in every important respect they had conditions of service that corresponded to the conditions of British expatriate officers in the Colonial Service appointed to serve in Northern Rhodesia, except only that they did not have their sea-passages paid to Britain on leave or retirement, and that their formal appointment was by the lawful government of the British self-governing colony and not by the British Colonial Office. Yet these two differences have been used to justify immensely different treatment of their pensions. These Zimbabwe Public Service officers are completely and identifiably distinct from other locally-appointed civil servants who served on local conditions in other colonial territories. It is disingenuous to pretend otherwise.

The 1973 Overseas Pensions Act would allow HMG to protect the pensions of Zimbabwe Public Service pensioners in the same way as British Colonial Service pensioners. Furthermore there are several groups of pensioners who are not covered by Public Officers' Agreements whose pensions have been given protection by HMG, contrary to what Ministers have stated (examples are people who served the former Governments of Egypt, Palestine, Sudan, Zanzibar and Aden).

Payment of the pensions ceased

By 2002 the official exchange value of the Zimbabwe dollar had dropped to a fraction of a penny. The pensions received by pensioners outside Zimbabwe thus became worthless. Most of the pensioners in Britain were reduced to applying for Social Security relief (Pension Credit) and for charitable help. Those who live in other countries such as South Africa or Australia were also reduced to penury and in most cases do not have any social security protection. Pensioners still living in Zimbabwe suffered from the complete collapse of the Zimbabwe currency which made their pensions worthless too. In February/March 2003 the remittance of Public Service pensions to pensioners outside Zimbabwe stopped completely because the Zimbabwe Reserve Bank said that there was no foreign exchange available. There followed the run-away inflation which destroyed all values and pension entitlements.

Hopes raised

In February 2009 the US dollar became the accepted currency in Zimbabwe. In October 2009 the Director of the Zimbabwe Pensions Office revealed that he might be given authority to start making some pension allowance payments to pensioners outside Zimbabwe, though there was no question of being able to pay arrears. Arrangements were made by OSPA and by the Flame Lily Foundation in South Africa to enable all such pensioners to submit their applications, supported by the necessary identification documents. About 1,200 pensioners responded, and their documents were transmitted to the Pensions Office. In October 2010 the Zimbabwe Minister of Finance, Mr Tendai Biti, said that the Government agreed in principle to pay the pensions and that a sum of US$ 3.5 million had been put into a special fund for that purpose.

Some limited payments

But no payments were made, until in February 2012 some pensioners in South Africa who had accounts with the Standard Bank of South Africa did receive some payments. These were said to be back-dated to 2009. Payments have been continued until now, though not regularly and without clear indication of the actual pension entitlement so that the amounts often do not correspond to what the pensioner believes would be correct.

March 2014