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ZIMCODD

3rd Quarter Newsletter

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Fears of Rising 'New' Africa Debt Crisis

By John Maketo

Rising debt in sub-Saharan Africa has sparked fears that the continent is heading towards crisis point. The number of countries already unable to service their debts has doubled in the past year to eight, and the International Monetary Fund (IMF) is urging African countries to raise taxes to provide more scope for paying interest. The Highly Indebted Poor Countries (HIPC) initiative was the response to that first debt crisis, with the IMF and the World Bank (WB), for the first time in their history, writing off their own debts – and rich Western countries picking up the bill.

African countries were expected to build up their economies with the space gained from debt relief, benefiting from increased access to finance, especially private.

The new Debt Crisis has two new main sources: (1)private finance, coming from bank loans and bond emissions(Eurobonds) – these account for over a third of debt stock, but over half of current-debt repayments;, and (2) Chinese financing of different forms ultimately linked to big infrastructure investments (up to 20% of debt stocks, according to Jubilee UK). Multilateral financing has remained stable and diversified during the period.

Africa, of course, needs much more than finance to get onto a sustainable economic track, that is, solid, respectable and well-functioning public institutions and regulatory systems, improved public health, quality education for girls and boys, increased private investment, sound tax policies that collect enough and provide the state with growing public investment, a system of checks and balances, an active and empowered civil society, and enhanced transparency.
As of April 2019, according to the IMF, half of African Low-Income Countries (LICs) are either in debt distress or at high risk of being so. Transparency gaps suggest stocks are significantly higher than accounted for, so the problem is worse than officially acknowledged.

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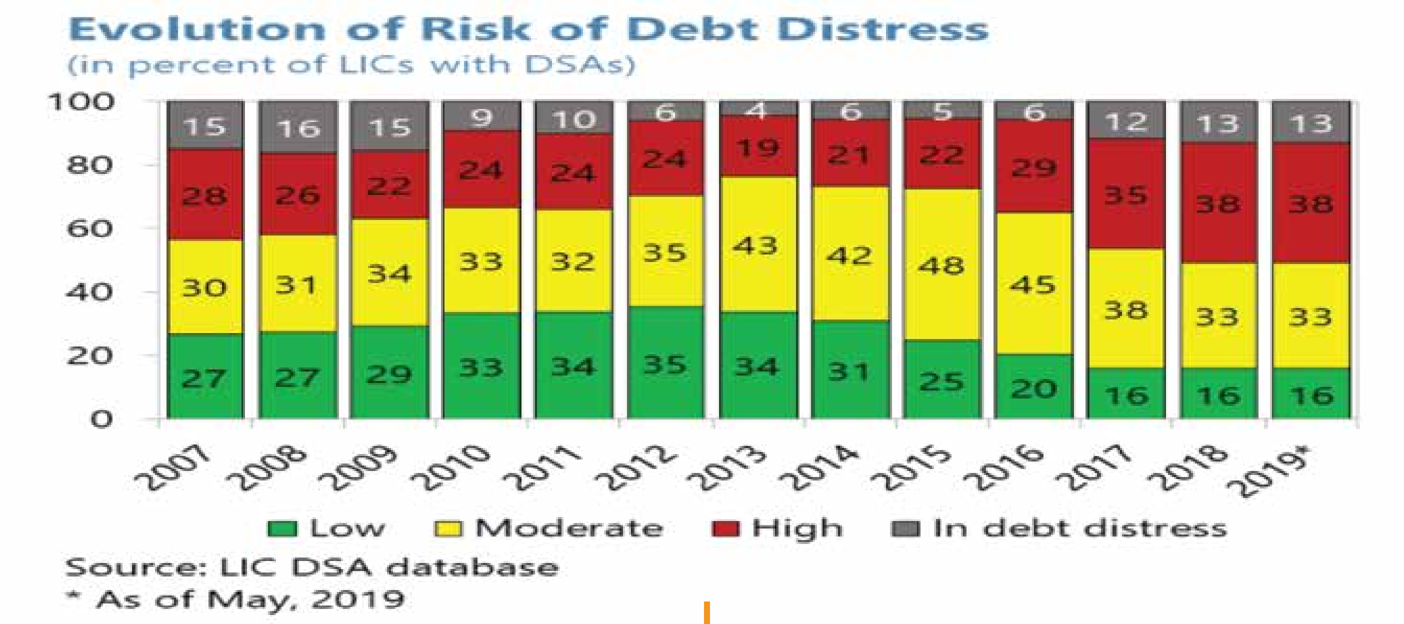

Source: Tim Jones, Jubilee UK.

Debt repayments are now so high they are squeezing out social investments, undermining the fight against poverty and causing inequality. With commodity prices very low, interest rates growing and exchange rates falling, less money piled onto worsening conditions is now arriving in Africa.

Yet, the net flow is still positive but clearly declining. Eurobond calendars show that repayments will peak in 2020 to 2022, with those years being harsher for many countries. Even countries at only moderate risk of debt distress are cutting heavily on social spending.

(Kenya's debt repayments as a proportion of its revenues tripled in 2 years, while in Uganda´s 2019/20 budget, interest payments will be the second largest expenditure, with spending on key sectors (health, education, and agriculture) cut by 12%).So yes, Africa is facing a serious crisis.

Avoiding a cascade of defaults is a priority to avoid a long economic crisis driven by debt, with a devastating human impact with some countries having already defaulted on particular loans or operations. This happens at a time of high population growth, severe climate impacts and already historically high population displacement.

Debt cancellation alone not the answer…

The automatic reaction is to call for massive debt cancellation, as Zimbabwe did 20 years back. While that was a necessary call, and some countries, such as Somalia, do need a total write off, the priority now should be ensuring long-term financing on conditions that don't undermine sustainable social development and economic growth.

That means growing the tax base and tax collection, which means rich economies pushing back on the use of tax havens by their companies, plus ensuring flows that don't put an extra burden on already vulnerable economies. For that purpose, concessional flows, especially aid, are badly needed.

Debt restructuring (calendars, interest rates, new financing, and moratoria) will be required and, in some cases, straight debt cancellation may have to be part of the solution. Increased transparency and responsible lending, and borrowing are needed, but at this point are not enough.

An all-inclusive debt resolution system, forum or mechanism is necessary to provide a fair system when crises erupt. Currently, debtor countries are powerless when negotiations take place.

All actors, African Governments first, but also International Finance Institutions (IFIs), private actors as well as other governments should share responsibility to prevent the continent from slipping into a lost decade.

The alternative is a cascade of defaults that will then lead to a new "HIPC III", with ordinary people suffering the most while creditors take heavy losses. We are fast running out of time.

Zimbabwe has not been spared from the debt crisis with its current external debt estimated at $US8,2 billion, a ballooning domestic debt of US$8,7 billion (ZW$143 billion) as the economy nose dives.

The diagnosis coming from different institutions is consistent in that there is a serious debt problem in Africa today. But no one seems moved to take action, with most recommendations falling on the long-term prevention side. Allowing more time to pass will only aggravate the problem.

Vision 2030 remains a mystery to many

By Angellah Mandoreba

The government of Zimbabwe's ambitious plan to transform the country into an Upper Middle-Income Economy by 2030 might remain a pipe dream for as long as the majority of citizens are not consulted to ensure that the vision resonates with them.

This sentiment is born out of a disappointing experience the ZIMCODD team had with youth who were driving a scotch cart with the inscription "Vision 2030 Sisonke" (Vision 2030 we are together), in the heart of Bocha, Marange, Manicaland Province on 13 September 2019.

When asked about their understanding of the vision, it was distressing to note that the young people had no clue what Vision 2030 meant.
"Zvinoreva kuti 2030 tinenge tirimo muraini tichiita mafunctions emuArea," (It means 2030 we will be there in our village conducting functions), the eldest said.

What this means is that while news of Vision 2030 has reached communities, a lot more needs to be done to educate citizens on what this actually means, as well as its implications on the country's current economic course.

It is unfortunate that Vision 2030 is not inclusive in nature despite the fact that the success or failure of any national policy rests upon whether it resonates with its citizens.

Similar sentiments were echoed by University of Zimbabwe lecturer, Dr Sandra Bhatasara when addressing a Public Accountability Multi-Stakeholder Workshop organised by Oxfam in Zimbabwe on 26 September 2019 in Harare.

"Unless we are talking about simply getting to 2030 but without really caring about those we are leaving behind. My understanding will be that we are talking about social inclusion.

Everyone should get to 2030 on the same level but with the current situation, a lot of people will not be able to get there and the 2030 vision remains a pipe dream," Dr Bhatasara said.

The lack of citizen participation in national efforts towards the realisation of an Upper Middle-Income Economy is, however, not the only hindrance. It is just a node in a chain of limitations that include a poor governance system.

If the vision is going to see the light of the day, there is need for determined effort on the part of the government to address key fundamentals which pave way for smooth running of the economy.

These include dealing with systemic corruption, tightening screws on the public sector to ensure efficiency and to put in place measures that ensure the economic empowerment of Zimbabweans.

Scotch cart in Marange with inscription "Vision 2030 Sisonke". Image by Angellah Mandoreba

People living with HIV caught in a death trap as ZIM's health system collapses

By Charles Kautare - SEJA

The health care delivery system in Zimbabwe, described in some circles as 'in tatters', is in limbo. Since 2018, people living with HIV have been questioning the availability of life enhancing anti-retroviral drugs (ARVs) both in adult and paediatric formulations from the Ministry of Health and Child Care (MHCC). The public health care service provider is trying to cover up and appears insensitive to their plight.

The challenge not only is with the provision of ARVs, but the industrial action taken by medical practitioners over what they call incapacitation and low remuneration among other issues.

The crisis has further worsened the situation putting strain on public health service provision to the disadvantage of citizens.

This has further eroded the citizens' constitutionally enshrined right to health where Section 76 of Zimbabwean Constitution stipulates that "Every citizen and permanent resident of Zimbabwe has the right to have access to basic health care…"

Despite the constitutional provisions, the government should honour and implement the Abuja Declaration and United Nations statutes on public health which it is a signatory to.

It is unfortunate that ordinary citizens bear the brunt of ineffective public health provision where they even fail to access basic drugs such as Paracetamol, while the elites bleed the state coffers by seeking medical treatment from abroad.

Sometime in July 2019, people living with disabilities petitioned the Parliament of Zimbabwe to push the Ministry of Finance and Economic Development, over prolonged ARV drug stock outs, for the institution to pay the Global Fund a US$6 Million guarantee.

This was to enable them to access US$650 million worth of ARVs and reagents needed in the national Antiretroviral Therapy (ART) Program.

When people living with HIV made a follow up with Parliament, where they also engaged the Senatorial Thematic Committee on HIV /AIDS chaired by Dr Ruth Labode in September 2019, stark revelations were made that the Ministry of Finance Permanent Secretary had been summoned and had lied that all the funds had been released, yet he had made a part payment.

The Committee intends to summon him once again to get clarity on the matter.

The current fiscal regime has also led to the severe incapacitation of the National Aids Council due to the fact that the RTGS$ they collect from the workers' wages and salaries can't be converted to hard currency such as the United States dollar in order to procure medical necessities for people living with HIV.

Currently, Abacavir, a medication synonymous with those who receive treatment in the second and third line, is not available. The first line patients are not spared either as patients are mostly receiving a week or two weeks' supply rather than a monthly supply.

For Zimbabwe to fully realize its health provision goals and value human life, there is need for a paradigm shift in terms of government priorities to ensure that budget allocations for public health are made a priority.

This will also enhance the country's efforts towards realisation of the United Nations Sustainable Development Goal that ensures good health and well-being by 2030.

The government is challenged to leverage on the vast mineral resources the country has to ensure accountability and channel the proceeds towards public health delivery.

Long queues at one of Zim public health institution: Image by Charles Kautare

Restating the Role of Youth in National Development in the Age of Cynicism

By Nqobizitha Mlambo

Young people in any society, at different material moments and historic epochs, have immensely contributed to the socio-economic and political transformation of various polities. Zimbabwean youth are not immune from championing the cause for socioeconomic transformation in the age where the lack of citizen urgency in face of corruption and bad governance have led to the current socioeconomic malady.

The Zimbabwe Coalition on Debt and Development (ZIMCODD) appreciates the role of young people in national development through deliberate efforts to incorporate young people in its programmes. ZIMCODD's Social and Economic Justice Ambassadors (SEJAs) are dominated by young people to ensure their empowerment. This is on realising that the struggle for social and economic justice in Zimbabwe cannot be complete without the involvement of young people who constitute the largest segment of the population.

It is against this backdrop that ZIMCODD, since the beginning of 2019, has been implementing activities and programmes that include social accountability monitoring semi nars with tertiary students in various provinces of the country, where debates are conducted on critical issues both at national and regional level, as well as, at youth and governance hubs.

In a country facing massive economic challenges, young people have a task to take the leading role in the fight for a genuinely democratic developmental state. The national consultative meetings spearheaded by the Ministry of Youth, Sports and Recreation, offered youth within ZIMCODD structures the opportunity to contribute to the development of a robust national youth policy that clearly captures and articulates the sovereign aspirations of those in both rural and urban areas.

There are opportunities for the youth to organise and mobilise themselves around a practical struggle for socio-economic justice. This can be done in different facets of society where young people are located.

For example, students are an already organised and mobilised group. Vendors in the streets of Zimbabwean town and cities are organised under the auspices of the Vendors Initiative for Social and Economic Transformation (VISET) and most of them and informal sector players are part of the youth.

They form an effective barometer for both class consciousness and social and economic justice struggles. The youth thus have no other option other than to organise and free themselves from the suffering induced by economic austerity measures.

ZIMCODD has already created various spaces for the youth to participate in national development processes. It is therefore incumbent upon young people to leverage such platforms and make an impact on the governance processes of Zimbabwe.
Aluta Continua!

Participants at the National Tertiary Youth Debates in Harare: Images by Angellah Mandoreba

Post 2018 Harmonised Elections:
Promise of accountable governance yet to see light of the day
By Angellah Mandoreba

Zimbabwe is one of the countries in the SADC region and Africa at large with an economy that is crumbling.

However, despite the Southern African country's disintegrating economy, the government is engaged in a devastating culture of poor corporate governance, where millions of dollars which would have been used for the public good are fleeced.

This is evident in the 2018 Auditor General's Report in which the Auditor General, Mildred Chiri, made it clear that governance issues raised calls for urgent attention and action to redress by those charged with the responsibility of governance, in order to improve transparency and accountability in the public sector as required by the Constitution of Zimbabwe.

Despite the Zimbabwe government's anti-corruption drive, the findings of the Auditor Generals' report are a clear testimony that it is still business as usual as public entities continue to bleed state coffers prejudicing citizens of their socioeconomic rights. There is a direct link between public finance management and provision of public service delivery as the former influences the latter.

The gross mismanagement of public resources spells untold suffering on citizens who are deprived of their social and economic rights to effective public service delivery.

Issues to do with the water crisis, infrastructure deficit and a deplorable health system that bedevil the country are some of the salient issues that were brought forward during Constituency Indabas organised by ZIMCODD in various constituencies in various provinces. The initiative came on the backdrop of realising that there is need to bring the elected representatives and the electorate to a roundtable to discuss social and economic issues affecting their constituencies with the view to collectively address them.

The majority of citizens in Zimbabwe enjoy the right to vote for their preferred leader both at local and national level. Despite the entrenchment of some elements of democracy in Zimbabwe's political processes, the promise of accountable governance - especially by local leaders such as Members of Parliament and councillors - is yet to see the light of the day. What is most worrying is how citizens seem to be failing to assert their control over elected leaders after elections such that they don't see their role in the whole governance chain.

This includes the need for them to demand accountability and servant leadership. Public accountability is not only a cornerstone for representative democracy, but also ensures that both central government and its local tiers function effectively and efficiently.

Residents across the various provinces in the country bemoan ineffective public service delivery and this is just a reflection of deficiencies in the country's accountable governance.

Public service delivery in Zimbabwe is characterised by massive water shortages, a dilapidated health system characterised by shortages of critical drugs in public health facilities, potholed and impassable roads, only to mention a few. Poor public service delivery does not only increase poverty levels but further widens the already existing gap between the haves and have-nots.

"There is unfair water rationing in this city, a situation where upmarket suburbs are prioritised at the expense of high-density suburbs housing some of the poorest people like Mkoba," charged one resident from Mkoba community in Gweru.

The water crisis is a cause for concern in most towns and cities in Zimbabwe with the capital city, Harare being among the hardest hit. The city has been witnessing to outbreaks of medieval diseases such as cholera in 2018 as citizens resorted to unsafe sources of water. Recently, Hararians went for more than two weeks with dry taps as the city fathers claimed lack of chemicals to treat the water. It only takes the urgency of citizens to demand answers from the city council as to how the city can be plunged into such a crisis when rates are being collected. In Zimbabwe, good driving skills do not only include those for avoiding unnecessary and inconvenient breakdowns, but also one's ability to manoeuvre through potholed roads. The deplorable state of the country's roads is despite the fact that the Zimbabwe National Roads Administration (ZINARA) never ceases to collect road tolls.

Citizens' rights are abrogated left, right and centre as public officials misappropriate public funds meant for infrastructure for personal gain. ZINARA is a case study on how public finances are grossly mismanaged in Zimbabwe.

The impassable nature of some of the roads in Zimbabwe is an unfortunate testimony to ineffective public finance management where the "road master" is always caught on the wrong side of the law. While there is gross mismanagement of funds collected from tollgates at the national level, citizens from different communities across the regions wonder what Constituency Development Funds (CDF) and those administered by local authorities are used for if not to maintain local roads for their convenience
.

The economic crisis bedevilling Zimbabwe has not spared the country's health system. Shortage of critical public medical facilities in the country's various communities is also a cause for concern.

A Marange resident lamented the deplorable state of health facilities at the local hospital. "Let them not lie to us that Marange hospital is a hospital in the strictest sense. That is not a hospital but rather a mere clinic because there are no facilities one is expected to access there," the resident said.

The case of Marange hospital is a sad reflection of the entire health system in the country. Public hospitals in Zimbabwe have become the final "resting place" for sick people where medical practitioners helplessly watch patients dying because of lack of the medical necessities. It is heart-wrenching to note that it is the country's poor people who bear the brunt as the elites are privileged to fly out of the country to access world-class medical facilities.

This is despite the fact that Zimbabweans are among the most heavily taxed citizens in the world when such taxation should translate into a vibrant health system among other essential public services.

The socioeconomic challenges bedevilling citizens at both local and national level evidently emanate from mismanagement of public resources. Against this background, ZIMCODD works to empower citizens in order for them to demand accountability from office bearers and public officials for national development.

Examples of deplorable service delivery in Zimbabwe: Image Source; Internet

Manica Youth Assembly (MAYA) in Global Climate strike action

By Jussa Kudherezera- SEJA

The Manicaland Youth Assembly (MAYA) recently took part in the Global Climate Strike Action campaign joining other fraternal organizations dotted across the world. The campaign was undertaken under the theme: "Speak out for climate justice now; We can't wait". The campaign came against a backdrop of the lackadaisical approach by both developed and developing nations the world over about saving mother earth through acts of commission and omission. MAYA heeded the clarion call made by millions of climate and environmental activists across the world demanding better climate laws. The event started off with a "street dash" campaign where MAYA members carrying placards dashed through the streets and alleys of Mutare talking to people about climate change and the need for urgent action.

MAYA then met the Mayor of Mutare, His Worship Councillor Blessing Tandi and Member of Parliament (MP) Honourable Regai Tsunga. During the interface with the Mayor and MP, a number of issues were brought to light that included the indiscriminate cutting down of trees, illegal mining activities, especially gold panning where dangerous chemicals such as mercury are used polluting water bodies in the process.

The existence of inefficient systems to deal with the impending disaster by both the local authority and the Environmental Management Agency (EMA), electricity rationing or load shedding by the Zimbabwe Electricity Supply Authority (ZESA) which fuelled tree cutting were the other issues discussed.Hon Tsunga led a discussion on the role of Parliament and the local authority in addressing climate change and environment challenges. His Worship the Mayor commended MAYA for organizing the event and promised that the local authority will support such initiatives that aimed at sharing sustainable solutions to climate change crisis.

The global climate strike action by MAYA is among the advocacy strategies that the organisation will be implementing leading to achieving its goal of attaining climate and environmental justice by 2030.

Hon Regai Tsunga (Seated right) and Mayor Cllr Blessing Tandi (Seated Left)

Rethinking Taxation in Zimbabwe - Youth as critical agents for socio-economic transformation
By Angellah Mandoreba

A Youth Symposium has revealed that youth are agitated by tax injustices in Zimbabwe and the cosmetic nature of youth engagement by policy makers. The symposium, held recently on 23 September in Harare, a day before the official start of the Zimbabwe Alternative Mining Indaba, was organised by the Zimbabwe Coalition on Debt and Development (ZIMCODD). The event was born out of the realisation that the youth have the energy and innovation to contribute meaningfully towards national development when tapped into. The initiative is meant to foster the inclusion of youth & safeguarding their interests in public finance management, tax justice & natural resource governance.

Tax is an obligatory but "involuntary" payment made by certain individuals and entities of the society deemed liable by the relevant authorities into the state offers for the public good. One of the critical description of taxes is that they are an important of source of government revenue used to finance the provision essential public services like education, health and infrastructure. What therefore it means is that by paying taxes, citizens enter into a social contract with the government, a contract which in a normal set up must be revered. Public services do not only ensure that vulnerable groups of the society are cushioned from the exorbitant prices charged for the same services by the private sector but also ensure equitable distribution of wealth.

Despite Zimbabwe being one of the countries with higher taxation, the Southern African country's taxation system cannot be pointed at as one of the prototypes of effective systems as it is characterised by unjust tax policies and practices which cultivate tax evasion and avoidance. Young people have a critical role to play in the reshaping of the taxation structure in the country to promote sustainable development for all as well as securing their future. Furthermore, an effective tax system is a crucial element of domestic resource mobilisation.

The nexus between taxation and provision of public services is hinged upon the efficiency or otherwise of the latter. An efficient tax system does not only ensure effective tax collection mechanisms but also guarantees fair treatment of the taxpayers by the responsible authorities and also ensures that the taxes are put to good use.

In the Zimbabwean context, a just and fair taxation system is guaranteed in Section 298 of Constitution which stipulates that the burden of taxation must be shared equitably. However, if one looks at the obtaining tax system in Zimbabwe, one will realise that the taxation field is tilted towards the benefit of a few.

This is despite the fact that taxation is an efficient instrument that can assist in the redistribution of wealth and bridging the ever-widening inequality gap by ensuring that the proceeds are utilised towards improving the material conditions of the poor. However, is this applicable to Zimbabwe?

At the symposium, there was much heated debate around the issue of whether the rich should be heavily taxed" in order to protect the developmental interests of the poor. Some participants argued that even if the rich are heavily taxed, institutionalised corruption and the abuse of public funds in Zimbabwe will hinder efforts to direct those taxes towards poverty reduction.

There are those who strongly felt that since most of the rich people in Zimbabwe amassed wealth through socioeconomic injustices, taxing them heavily would help bring about restorative justice. There therefore was the need for an inclusive economic governance system that took young people on board. The need for a progressive system that ensures good tax policies are in place to guarantee the redistribution of the country's wealth between the rich and the poor is long overdue.The symposium concluded that the struggle for economic justice in Zimbabwe cannot be complete without concerted efforts from young people in their different capacities. Zimbabwe's tax system in its present state is characterised by injustices tilted in favour of the few who have both the financial and power muscle. The youth are a significant demographic in Zimbabwe and empowering them ensures that they play an active role in the national economic agenda.

Participants at the Youth Symposium: Image by Angellah Mandoreba

Did You Know? Citizen Participation in National Budget Process is a Constitutional Right

By Nqobizitha Mlambo

Joe Biden's remarks bears testimony to the importance of budgeting both at local and national level. A country's national budget is the anchor for its developmental programmes, not only because it sets out how resources will be mobilised and allocated based on its developmental priorities. What therefore it means is that citizen participation through consultation meetings becomes very crucial in the national budget formulation process.

The drafting stage of the budget ensures that citizens input their aspirations and their developmental preferences even at local level. Nevertheless, in the case of Zimbabwe, perennially, national budget consultations have been characterised by apathy not favourable for a shared national development agenda.

Zimbabwe is characterised by poor economic governance exacerbated; poor and ineffective public finance management characterised and misplaced priorities on the side of public resources allocation both at local and national level. A national budget either promotes or negates sustainable national economic development due to a number of factors including the aspect of misplaced priorities. Poor public service delivery in the country is attributed to the question of misplaced priorities in terms of resource allocation by the government.

Citizens in their different groups or as individuals have a responsibility to participate in the crafting of local and national budgets. The importance of citizen participation in economic governance like the budget making process is reinforced by Section 3(2) (a) of the Zimbabwean Constitution which states that the state must respect the people of Zimbabwe from whom the authority to govern is derived. In this context when citizens participate in formulating a budget at any level, they are re-emphasising the importance of the power they possess to determine the course through which local and national development takes.

Zimbabwe's economic spectrum struggles with disturbing levels of citizen apathy when it comes to their participation in budget making processes. Be it at local or national level, citizens have generally expressed a lack of interest in budget making processes in the country.

Part of the cause why citizens are not attending budget consultative meetings is because their views and aspirations are not captured in the final budget statement itself.

Furthermore apathy at local level comes from the fact that local authorities do not exercise transparency and accountability in terms of availing their accounting records for public scrutiny to ensure public trust.

Need for a different approach.

Citizens need to participate in pre-budget consultative meetings that are not rushed but properly planned, popularised and conveniently done at places accessible to both the able and disabled in society.

Since the national budget concerns itself with income and wealth distribution as well as prescribing macroeconomic policies for the stabilisation and growth of the economy, it is essential for pre-budget consultative meetings to be organised in more inclusive and efficient manner., youth, women, people with disabilities and other societal groups must from ward level have separate pre-budget consultative meetings that can go for two months or more prior to consultations.

This will help citizens to take their time in contributing what they want to be captured in the national budget and making sure that the state's priorities reflect the developmental aspirations of the ordinary citizen.

The present model of pre-budget meetings rushes through the process and does not cover every ward in the country therefore undemocratic and is clearly inconsistent with the Sustainable Development Goals (SDGs) that speak of "leaving no one behind," in the development process.

The alternative and democratic budget making process that is inclusive and hinged on the principles of good budgeting is long overdue if Zimbabwe is to attain the upper middle-income status by 2030. Best practices in budget making processes include mid-term fiscal planning, gender responsive budgeting, pro-poor budgeting that focuses on human development for instance ensuring that more funds are allocated to sectors which improve the socio-economic outlook of citizens, inward looking industrialisation to facilitate productivity and job creation and a clear monitoring and evaluation framework comprehensive to an ordinary citizen.

That the Parliament of Zimbabwe is not adequately resourced to conduct nationwide budget consultation meetings, rather they, in many cases, conduct them in major towns and cities.

Therefore, both the geographical and demographic coverage of the consultative meetings by the Parliament is not enough.

This is regrettable and evident in the schedule for the 2020 national budget consultations schedule.
These are some of the highlights of the deliberations made during the Public Finance Management Reform Indabas convened by the Zimbabwe Coalition on Debt and Development (ZIMCODD) in Gweru and Mutare during the week ending 13 September 2019 with specific focus on citizen participation in national budget processes. The main objective of the interface was to interrogate the current national budgeting frameworks and proffer recommendations on how to enhance citizen participation.

Minister of Finance Prof Mthuli Ncube: Image source: Internet

Water barons "worm" their way into the life of Chitungwiza residents

By Ellen Chipunza

In Zimbabwe, every person has the right to safe, clean and potable water as provided for in Section 77a of the Zimbabwean Constitution. On paper this fundamental human right has been recognised but in reality, this is yet to see the light of the day. As for Chitungwiza residents, it seems the Constitution reads "No person has the right to water" as the town continues to run on a continuous dry spell with no solution in sight.

Chitungwiza popularly known as Chi-Town is a high-density dormitory town formed in 1978 which was meant to accommodate the growing black population migrating to Harare's urban areas. Over the years with the sprawling of the informal sector in the country, the area has also become home to a large number of informal traders.

Nevertheless, the unfavourable socioeconomic outlook of the highly populated area has been worsened by the acute shortages of clean water. Chitungwiza is not only highly populated by unemployed citizens but has to deal with a council that cannot provide citizens with water yet expects them to pay monthly rates monthly for no service rendered.

In recent media reports, the Harare City Council informed residents that they will be unable to provide water due to shortages of water treatment chemicals thus denying thousands of people the right to water and essentially denying them the right to life which is also a constitutional right. For Chitungwiza residents, the announcement by the Harare city fathers signalled the worsening of an already dire situation since Chitungwiza Town Council get its water from Harare City Council. This exposes residents to waterborne diseases such as cholera and typhoid as residents are forced to look for alternative sources of water.

Residents are forced to endure long ques at boreholes with some resorting to fetching water from unprotected wells thus putting their health at risk. Exacerbated by Zimbabwe' s current economic situation, the amount of water received from the Harare City Council is drastically reduced with residents going for weeks without a single drop of water coming out of their taps.

In light of these developments the people from the area have resorted to other sources of water for survival. This has seen the emergence of water barons who sell water at an average of ZW$2 a bucket (plus charges in the event of payments being made via Ecocash). It is unfortunate how these water barons are fattening their pockets at the expense of citizens who are supposed to access clean and safe water from the local authority. The amount per bucket is beyond the reach of the elderly and other vulnerable groups.

The emergence of water barons in Chitungwiza only points to the fact that the government at both local and central level has failed to meet their constitutional obligation to ensure that citizens have access to clean, safe and potable water. This right has been continuously violated over the years which signals the government's failure to respect, honour and uphold the citizens' right to clean, safe and potable water.

Chitungwiza residents continue hoping for a sustainable solution to the perennial water crisis through the establishment of a water source that directly provide water to Chitungwiza residents instead of relying solely on Harare City Council. In the meantime, efforts by the donor community and other well-wishers in drilling more boreholes to service the area would be a welcome development as it provides a temporary relief. Water is a right and not a privilege and the government must ensure that all citizens are guaranteed of this right. As the saying goes WATER IS LIFE!!

A woman fetching water from a river: Image Source; Internet

Opinion: Xenophobia attacks in South Africa – Zimbabweans bear the brunt

By Angellah Mandoreba

Alleged picture of the recent xenophobic attacks in South Africa: Source: Internet

There is a famous English adage which goes "Home is the best." If home is the best, then what has become of our fellow Zimbabweans in South Africa? Why did they leave home, Zimbabwe, which is the best, only to witness their rights being violated left, right and centre by fellow Africans on the other side of Limpopo? A lot of questions have been asked surrounding Zimbabwean immigrants in South Africa but there is one thing for sure, Zimbabweans who find themselves stationed in South Africa, most of them have never dreamt of making South Africa their second home.

Recently, both mainstream and social media platforms were awash with alleged pictures and videos depicting attacks on foreign nationals by South Africans. However, whether the attacks are justifiable or not is a question for another day.

Zimbabwean citizens have lost human dignity and personal security as guaranteed by section 51 and 52 of the Constitution of Zimbabwe respectively due to the push factors that drove the fellow countrymen and women down south.

As the world looks up to the South African Authorities to make resolve of the current happenings in the neighbouring country, the Zimbabwe Government has a responsibility to create opportunities for its people not only based in South Africa but world over. The truth be told, the majority left the Zimbabwe due to the macroeconomic challenges that the country is facing dating as far back as early 2000.

The Zimbabwe Coalition on Debt and Development believes that as a people, there are plenty of opportunities for switching on the economic fortunes for Zimbabwe that are necessary to attract back fellow Zimbabweans who leave as economic refugees in other countries.

The immediate being the urgent need to address corruption and inefficiencies associated with poor economic governance in Zimbabwe. At the rate at which the country is falling into another recession, 'home" will not be a better place for many with the majority failing to put food on the table amid high inflation, wage erosion, high unemployment and lack of economic opportunities for young people, relegating the majority poor and marginalised into in our society into worse off positions.

There is a famous English adage which goes "Home is the best." If home is the best, then what has become of our fellow Zimbabweans in South Africa? Why did they leave home, Zimbabwe, which is the best, only to witness their rights being violated left, right and centre by fellow Africans on the other side of Limpopo? A lot of questions have been asked surrounding Zimbabwean immigrants in South Africa but there is one thing for sure, Zimbabweans who find themselves stationed in South Africa, most of them have never dreamt of making South Africa their second home.

Recently, both mainstream and social media platforms were awash with alleged pictures and videos depicting attacks on foreign nationals by South Africans. However, whether the attacks are justifiable or not is a question for another day. Zimbabwean citizens have lost human dignity and personal security as guaranteed by section 51 and 52 of the Constitution of Zimbabwe respectively due to the push factors that drove the fellow countrymen and women down south.

As the world looks up to the South African Authorities to make resolve of the current happenings in the neighbouring country, the Zimbabwe Government has a responsibility to create opportunities for its people not only based in South Africa but world over. The truth be told, the majority left the Zimbabwe due to the macroeconomic challenges that the country is facing dating as far back as early 2000.

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Connecting the dots

Whilst migration both at regional and international level is not a new phenomenon the world over, individual and massive displacements or migration of people are necessitated by a number of factors which range from natural disasters, war, conflict and economic challenges. Nevertheless, according to the 2018 World Migration Report, of all the major drivers of immigration, economic challenges affecting individuals in countries of origin tops the list. The economic challenges currently bedevilling the country have forcibly displaced Zimbabweans with the majority targeting the neighbouring South Africa.

There is a widely believed view that Zimbabwe was once "the bread basket of Africa", whether that was true or not it's something else, but if one takes a closer look at Zimbabwe's current socioeconomic outlook, one wonders if the Southern African nation ever became the breadbasket of Africa.Zimbabwe's economic recession was born at the start of the millennium that is 2000, however there are a lot of theories surrounding the major causes of the country's economic meltdown.

In some quarters, Zimbabwe's economic crisis is rooted in the political crisis, in others the macroeconomic challenges stem from policy inconsistencies whilst it is the governments' stance that the country's economic meltdown has been necessitated by sanctions imposed on the country by the Western powers following the land reform programme.

Whilst one cannot endorse or refute these claims, the article is looking at how the current economic challenges stem from purely economic structural issues with specific focus on poor economic governance especially poor public resources management. According to the Corruption Perception Index by Transparency International, Zimbabwe is one of the most corrupt countries ranking 160 out of 180 countries.

The alleged crackdown on foreign nationals in South Africa is understood to be rooted in the locals' discontentment with how the immigrants are supposedly grabbing economic opportunities meant for the locals. It is critical for one to note that unlike Cyclone Idai which was a natural disaster, the conflict that erupted in South Africa is a man-made crisis that could have been avoided. The conflict is a clear reflection of how gross poor economic governance can breed conflict both at home and abroad.

How? The control over resources and access to opportunities have the potential to either foster peace or give birth to instability. However, conflicts born out of the need to access and have control over resources is not only manifesting itself in South Africa through the xenophobic attacks, the open conflict between the miners and the communities in Chiadzwa, Zimbabwe, bears testimony on how poor economic governance breeds conflict. At the continental level, Nigeria's oil-rich southern delta region has witnessed continued clash among local residents, the military, police and other groups which have seen loss of lives.

If Zimbabwe's economic cogs were fully functional, Zimbabweans wouldn't be found at the centre of conflict in South Africa. Zimbabwe's challenges have never been due to lack of public resources needed for economic development, rather the problems stem from lack of effective public finance management.

Conclusion

In order to resolve the macroeconomic challenges faced by Zimbabwe, there is need for serious consideration and implementation of the recommendations proffered in the Auditor General's Report to ensure efficiency and accountability towards national development to be realised.

The xenophobic attacks in South Africa should serve as a wakeup call for both SADC and the African Union on the need for the two blocs to seriously deal with and resolve poor economic governance in member states. In executing its mandate of mediating in the affairs of member states that face instability, the SADC Regional Organ for Politics, Defence and Security should establish the nexus between economic governance and peace.

This is due to the fact that as exhibited in xenophobia in South Africa, poor economic governance spell detrimental effects on both the country of origin and the migrant recipient country and has the potential to destabilise both the region and the continent.

Zimbabwe's Macroeconomic Challenges: Is Austerity the Solution or the Problem?

By Tafadzwa Chikumbu

Understanding Austerity Measures

Austerity has been a word thrown around recently in Zimbabwe but what does it mean? Ivan (2017) defines austerity measures as a set of economic policies set up by the government to deal with a country's fiscal deficit and debts through cutting of government expenditure (salaries, allowances) and increasing government revenue (tax, toll fees etc).

Whilst some economists view austerity as a necessary instrument for reducing budget deficits and improving the long-term economic performance of national economies, others think that it worsens macroeconomic performance due to falling disposable incomes/aggregate demand leading to lower economic growth. This ultimately leads to lower tax revenue which may even offset the improvement from spending cuts. The implications of Austerity measures are more acute and visible among the poor and marginalised who rely on social safety nets.

Is Austerity the Solution or the Problem?

Broadly austerity measures are implemented to give investors greater confidence about the long-term performance of an economy. The level of country's indebtedness determines investors' perceptions and the government ought to lower debt levels in order to encourage the private sector to invest.

The government policy "austerity for prosperity" for Zimbabwe is underpinned by the need to decisively deal with fiscal imbalances and strengthening the international re-engagement, clearance of debt arrears and investment promotion.

The austerity measures were also introduced against a background of excessive borrowing from the domestic market which saw government overdraft at the RBZ alone rising from US$1.4 billion in December 2017 to US$2.5 billion by September 2018 in violation of Section 11(1) of the Reserve Bank Act [Chapter 22:15], which states that borrowing from the Reserve Bank shall not exceed 20% of the previous year's Government revenues at any given point. Total expenditures for January to September 2018 was US$6.5billion against a target of US$4.1billion leaving a huge budget out turn of US$2.4 billion which was financed by issuance of Treasury Bills and recourse to the overdraft facility at the Central Bank.

Such excessive borrowing was also criticised for crowding out private sector. The government's decision is also based on countries that have successfully implemented austerity measures such as Canada in 1993-1996 where it cut fiscal deficit and still maintained strong economic growth. However, it is worth noting the differences in the initial conditions in which the austerity measures were implemented. In the case of Zimbabwe, austerity is being implemented at a time when the country is already in a recession.

History has it that Austerity policies implemented during the Great Recession resulted in slow recovery in several European countries by reducing GDP, inflation, consumption, and investment. Efforts to reduce debt through austerity in the depths of the economic recession were counterproductive[1].

The government should note that Canada's deficit reduction was successful because it could loosen monetary policy, devalue exchange rate and benefit from strong export demand to United States of America and rest of world. In the case of Zimbabwe, however, the weak economy cannot support the austerity measures. Whilst the Canadian economy relied on its exports, Zimbabwe's export base is very weak following 2 decades of deindustrialisation which saw Zimbabwe registering a current account deficit, of US$399 million between January and May 2019.

The challenges affecting Zimbabwe are not just about deficits; but about corruption, abuse of state funds, weak institutions, violation of borrowing limits and failure to set priorities amongst government programmes as reported by the Auditor General in her 2018 OAG's report. Until and unless the government comes up with deliberate policies for redressing the broader macroeconomic challenges, austerity measures will result in low growth and high unemployment.

The austerity measures have fallen short of interventions for redressing the current socio-economic crisis bedevilling the economy which is exacerbating poverty, vulnerabilities and economic trauma amongst the citizens especially the price distortions prior and after the introduction of the foreign exchange market in February 2019 and the recent abandonment of a multi-currency regime through IS142 of 2019. Whereas the government is claiming that the country registered economic growth during the first half of 2019, there is a visible decline in the living conditions of citizens.

Citizen's Response

The austerity measures being implemented in Zimbabwe are imposing negative economic, social and political wellbeing of citizens in Zimbabwe. This is exacerbated by the fact that citizens only interfaced with the policy at the point of implementation without their input.

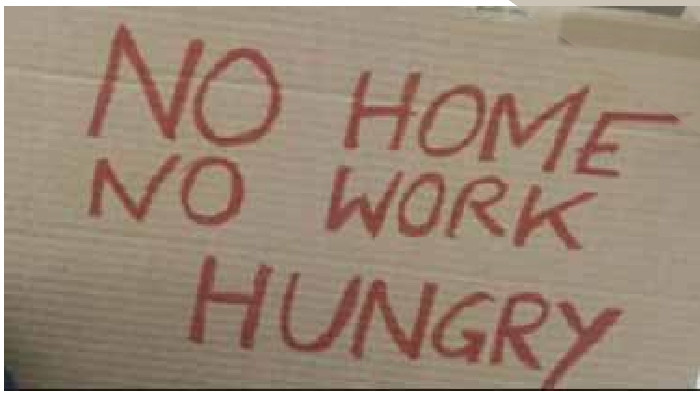
The lack of ownership by citizens has made them to view the austerity policy as a stick rather than a carrot to complement government efforts to bring back the economy on track.

The cut in government spending is being matched by an increase in the general prices of goods and services. This is leading to depressed consumption and overall economic growth. Social unrests which were experienced in the country since January 2019 are not peculiar to Zimbabwe. Since most austerity measures target developmental and social spending, social unrest is one of the most common after effects of austerity implementation.

Wherever austerity measures are put in place by the government, citizens have always taken to the streets to demonstrate or protest against implementation of such painful and unfair set of policies. For instance, Greece saw a number of violent protests to measures undertaken in 2011 and 2012. Most famous anti-austerity protests were organised and done by Greeks. The popular movement was popularly known as the Indignant Citizens Movement.

The movement was meant to convince the government to cancel a memorandum they had signed with the International Monetary Fund (IMF). The protests which ran for several months was joined by other foreign missions which included the Tunis, Argentines and Hungarians calling for cancellation of the memorandum and removal of austerity measures.

The state of public service delivery mainly in the health sector, education, water and sanitation in Zimbabwe in itself is triggering such protests against price increases, high fees, tariffs and charges by the government.



Where to from Here?

In the remaining few months to December 2019, the government should undertake a comprehensive monitoring and evaluation exercise on Austerity measures in order to inform the next policy cycle.

This entails taking stock of the objectives and outcomes outlined in the 2019 National Budget which assured citizens that austerity measures will redress the budget and current account deficits within the shortest possible time period, not exceeding 12 months.

The evaluation must be based on people's views and progress in the broader sustainable development discourse not just economic growth. Fiscal deficit and the debt question should therefore be viewed as part of the broader socio-economic challenges inherent in our country.

The government should, therefore coordinate social, economic policies that address the structural policies whilst safeguarding the rights of vulnerable groups through social safety nets.

Three-digit wave of inflation spells socioeconomic costs on an ordinary Zimbabwean

By Pius T. Moyo

Black market exchange rate has been unstable for the past six months in 2019 leading to several economic tragedies in Zimbabwe. Despite the glitches in the official foreign exchange platforms banks due to the scarcity of cash circulating in the banking system??? Zimbabweans long lost confidence and trust in banks due to a number of factors including fiscal policy inconsistencies. The obtaining situation in the country's market corridors has plunged the nation into a three-digit wave of inflation that has a huge social and economic cost on ordinary citizen whose purchasing power has weakened.

In response to the fast-rising black-market foreign currency exchange rate the central bank, Reserve Bank of Zimbabwe (RBZ) resorted to freezing accounts of corporates including Sakunda, Spartan Security and Croco Motors alleged to be flooding the informal market with the respectively registering an increase of 42.1% for diesel and 36.5% for blend.

Increase in fuel prices did not only push prices for basic commodities up but also triggered transport fare hikes to the detriment of the poor person who is not sparred by the whole lot of social and economic challenges. In Harare, the average fare for a single local trip with commuter omnibuses is now ZW$5 making it difficult for the citizens to travel since not everyone can wait for subsidized ZUPCO buses due to their unsystematic plying and failure to meet demand.

One citizen posted an article (where) in which a family from Buhera District skips breakfast except children who take little porridge, skips lunch to save for supper. "At times the Kufakunesu family gets jackal berry fruit for lunch and some days the parents sacrifice their word missing to make sure that their children get food. Section 77 of the Zimbabwean Constitution of 2013 Amendment No: 20 grants every Zimbabwean the right to sufficient food. It has become evident that in Zimbabwe, this right is difficult to realise and one will then wonder how the nation will be able to meet Sustainable Development Goal Number 2 "Zero Hunger" of the United Nations.

A lot more still needs to be done on the side of the government to ensure that the economy is set on the right path. What is critical as of now is for the government to have a clearly defined fiscal policy in place and ensure policy consistency.

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