Bulawayo residents reject Government proposal on RBZ debt

By Lulu Brenda Harris

BULAWAYO residents have vehemently declined to inherit the Reserve Bank of Zimbabwe (RBZ) debt of $1,2 billion, saying citizens in the city are already overburdened.

Presenting their views before a Parliamentary Portfolio Committee on Finance and Economic Development at the Bulawayo Small City Hall, residents rejected the proposed RBZ Debt Assumption Bill saying the central bank should not be treated with kid's gloves.

The residents said RBZ should apologise to citizens for the “2009 mess” where the majority of the banking public lost their fortunes during the migration to the multi-currency regime after years of record inflation.

A resident, Prosper Chikomo said instead of paying the debt, the RBZ was better off liquidated and the government should focus on creating a new central bank or rather pour the money into the ailing industries.

“This new bank should be taken seriously as well. We never benefitted anything from RBZ, the government should not take this debt,” one resident only identified as Chikomo said.

He said in the event that government does assume this debt, then it should do so for every other struggling company in the country.

“We can't wake up and be told we must assist government to pay this when initially we were excluded from key decisions,” said Chikomo.

The residents also claimed that it would be impulsive for the government to assume RBZ's debts, when it too was struggling to fund basic services and relied on taxpayers.

Zimbabwe Congress of Trade Unions (ZCTU) member, Nokuthula Zondo, said fundraising for RBZ was absurd because Bulawayo was a dying city, with a constrained resource base.

“As the people of Bulawayo we don't want to pay this debt, we cannot afford it,” said Zondo.

Nomalanga Ncube from ZIMCODD, said the RBZ Debt Assumption Bill should change its outlook, as it was biased, only focusing on corporates.

“Individuals and pensioners are not mentioned in this bill. It only prioritises paying corporates like the Bank of Malawi, what about us locals? The bill should serve locals first before anyone else. When this debt was incurred, people were suffering because it was at the height of the economic meltdown. The bill should address how livelihoods will improve this time around,” she said.

A ZIMCODD Social and Economic Justice Ambassador (SEJA), Percy Mcip said the tax payers were already burdened and it was incredulous for the government to impose more taxation.

“Instead the government should look at other alternative means of raising the money, for example, targeting those companies that enjoy tax holidays,” he said.

Morris Mpala, an official from the Zimbabwe Congress of Trade Unions (ZCTU), said the RBZ should assume this debt, then it should do so for both debtors and creditors.

“What’s done is done but let’s fix it correctly and properly. Finances should be audited and RBZ should apologise to the people. The country’s economy is based on the RBZ’s vibrancy. The RBZ should be able to work independently," he said.

The government proposed to step in and assist RBZ as a way of capacitating the bank to maintain its status as lender of last resort.

The $1,2 billion debt was incurred after RBZ was involved in quasi-fiscal operations during the Zimbabwe dollar era. When the multi-currency regime came into effect, some creditors obtained writs of execution and attached the assets belonging to RBZ.

The government had to invoke the Presidential Powers (Temporary Measures) Act, to protect RBZ’s assets from being attached by various creditors.

The bill has not yet been passed and the residents wait with bated breaths to see the government’s reaction after the consultative meetings.

DID YOU KNOW?

- Zimbabwe public and publicly guaranteed debt was estimated at US$8.396 billion by December 2014.
- The composition of multilateral debt as at 31 December 2013 was: E.I.B (13%), AFDB (29%), IMF (6%), World Bank (49%) and others (3%).
- The 2015 national budget is $4,1 billion and according to the Minister of Finance 92.5% of government’s revenue is spent on recurrent expenditure, with wages gobbling 81,5% of income.
- As at September 2014 the PDL on a family of 5 stood at US$502,9.
- Between 2011 and 2014, 4,610 companies shut down and 55,443 workers lost their jobs.
- According to the Zimbabwe National Statistics Agency annual inflation shed 0,01 percent points on the November rate to minus 0,80 % in December 2014. This means that prices, as measured by all items consumer index decreased by an average 0,80% in the last 12 months.

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Mutsvangwa welcomed ZIMCODD’s stance in organizing the community meeting and urged participants that before year-end he was going to put in place the Norton Constituency Development Committee, a board that would steer development in the area. “I want to urge the council through its various departments to work in one accord with the residents. I also pledge to work with the city fathers as we try to resolve the water woes. If we work harmoniously we can make Norton an industrial hub. “The launch of the Special Economic Zone (SEZ) will see companies investing in Norton and other surrounding areas. The Russian Chrome Great Dyke Project is set to create 20 000 jobs on its completion and in its initial stages will employ 2000 people. This will not only resuscitate the ailing economy, but will also go a long way in creating thousands of jobs”, added Mutsvangwa. The council has of late come under the spotlight for unimproved water and sanitation delivery. Ellen Munangati from Norton’s Ward 11 said they were going for days without water supply and their area had become a popular site of burst sewage pipes, with the council taking days to attend to the burst pipes, a scenario that has seen the break-out of diseases in the area. However, there are some fortunate residents of Ward 5 and 6 that have uninterrupted water supply but as for the majority of the populace dry tapes have become a trend despite living next to Lake Chivero and Manyame Rivers. Norton residents are indeed thirsty while their feet are in water.
Binga fisherfolks engage policy makers

Laina Dube

The Zimbabwe Coalition on Debt and Development (ZIMCODD) on the 22nd of October 2014 held an all stakeholders meeting at Binga’s Tsumipere Pastoral Centre. The event was attended by 30 representatives drawn from National Parks and Wildlife Management Authority, Binga Rural District Council (BRDC), Zimbabwe Republic Police (ZRP) and representatives from fishing cooperatives.

The objective of the meeting was to deliberate on challenges faced by the fish farmers in Binga and get responses from relevant authorities to map a way forward that will lead to livelihoods improvement. The meeting was also meant to promote dialogue between small-scale farmers and relevant authorities to get maximum gains and strengthen the determination of producers to stand up and demand their social and economic rights.

The Binga fishing cooperatives questioned why Parks and Wildlife outlaws the use of fishing hooks, which are cheaper compared to fishing nets. They also bemoaned lack of cooperation by the National Parks and the police because they accused of not giving them back their catch after paying fines. The fishermen further suggested that their boats must not be impounded upon arrest so that they are able to raise money to pay the fines.

Mr. Malunga from the National Parks and Wildlife Management Authority welcomed the mutual relationship, which has developed between the authority and the fisheries. The good relationship has seen the charges of fishing permits being reduced after cooperatives raised their concerns over high charges.

However, Mr. Malunga ruled out the further reduction of permit charges from the current $10 per month, arguing that each cooperative had 5 people, which when divided by 5 would mean that a member would have to fork out 2 per month, which is reasonable.

Mr. Mwimde from BRDC urged the attendants to attend the council’s budget consultative meetings, a forum where they deliberations of the meeting be submitted to the local member of parliament so that he may take up policy issues such as dual licensing at a higher level. The cooperatives also requested training on marketing skills so that they can improve their business returns.

In its presentation on ZIMASSET, ZIMCODD called for a balance between social and economic justice with the laws of the land, the latter which must not be allowed to impede the former. The organization said the fish farmers had a right to work and earn a decent living as per the provisions of the constitution.

ZIMCODD’s work in Binga started in 2013 when a fisheries chapter was launched. The chapter has been focusing on issues of social and economic rights and unfair trade practices, the impact of ZIMCODD’s awareness and empowerment work with the fisheries is already manifesting as seen by the positive changes in both fisheries and government departments. The recent challenging of retrogressive by-laws and high levies is one indication of the fisheries’ empowerment work. The organization is currently in the process of working with the Department of Parks and Wildlife Management highlighting challenges the fisheries were encountering and called for meetings with the relevant authorities in connection with the challenges, some of which have since been resolved.
ZIMCODD holds national schools debate

The inaugural ZIMCODD National High Schools Debate and Public Speaking Gala was held on the 20th of September 2014 at Muzikazi High School in Bulawayo and a total of 76 participants attended the event with eight schools participating in the competitions.

The objectives of the debate were to raise awareness and popularise constitutional provisions on social and economic rights and good economic governance among the citizenry, raise economic literacy among students and citizens to fully participate and demand space in policy making processes and facilitate the building and mobilisation of sustainable campaigns for decent human development.

These regional debate gala debates were earlier in the year were instrumental to the success of the national debate gala.

Through debate and public speaking, ZIMCODD seeks to encourage research and the growth of a concerned citizenry among the students, teachers and the community as a whole. Armed with these skills and knowledge the community would be enriched with the knowledge on constitutional, social and economic rights as well as a critical understanding of government policy, debt management and illicit outflows.

In his closing remarks, Mr. Liberty Bhebhe commended the organisation for hosting such a historic event and called on the students to make the most of the acquired knowledge in their struggle for social and economic justice.

ZIMCODD launched the High Schools Debates in 2010 and 2011 and these have been turned into an annual event. The coalition aims to have a wider reach than the traditional competing schools and from 2015 and beyond would be extended to marginalized areas in the regions' organisations of regions.

The following is a list of prize winners

**Debate Category**

**Position**

1. Sziane High School
2. Queen Elizabeth School
3. Founders High School

**Public Speaking**

1. Ntombiyajane Nkuvu
2. Tariro Mawazwa
3. Nyasha Dzvinya

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**WHATAREMUSHROOMS?**

Mushrooms are the fleshly growths of fungi that are used in foods throughout the world. The mushroom industry in Zimbabwe is dominated by large scale producers who produce around 75% of the annual production. The remaining 25% comes from small scale producers who are mostly family owned businesses located around the country’s major cities.

Among the most popular of the different types of mushrooms that are used in foods in Zimbabwe are white mushrooms, morels, truffles and portobello mushrooms. The most common type of mushroom in many grocery stores is the Agaricus bisporus. This is the button mushroom.

The Agaricus bisporus can have a white or pink cap, and a white flesh. Its taste is described as earthy, smoky or even nutty.

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Mushrooms are recommended as a healthy vegetarian food with strong medicinal properties.

**ORGANISINGASMALLMUSHROOMFARMINGBUSINESS**

The mushroom industry in Zimbabwe is lucrative, with potentially high returns in excess of 80% of investment. But its principal characteristics are its high risk levels. A successful mushroom project carries management systems that minimize risks of loss to 5% of opening stock. This means investing in state of the art building structures and systems, ventilation systems, space, feeding, watering, cleaning and appropriate de-toxication regimes. Furthermore an investment into essential capital stock, professional on and off-site training at all levels that the project production, marketing personnel and office administrators is key. Under-capitalisation at the onset can be a recipe for disaster. This implies the need for compulsory training program for all involved.

Mushroom production is also about volumes. Small volumes mean small incomes. High volumes with good management mean good rewards. An analysis of the market for mushroom shows that Harare consumes more than $500 000 in value of mushrooms every month.

One standard small mushroom business project will be based on a basic grass field of about 100x150 m with nutrient rich soil, ground space measuring 12 metres by 8 meters. Initial project costs are estimated at $200.00. Project inputs include Mushroom seeds, JIK, 100m x 150m plastic tubing, Wheat straw. Panels, vino, rapeseed, rape, cement, labor. A mushroom business is typically more expensive than white mushrooms. When harvested from the field in the same season, the price is a function of the competition that can stay around $20 for 200 pairs of mushrooms.

Mushrooms are recommended as a healthy vegetarian food with strong medicinal properties.