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The Zimbabwe Coalition on Debt and Development Newsletter

News Letter 2020 2nd Edition

From the Editor – Angellah Mandoreba



Zim @40: Elusive Dream of Economic Emancipation & Unfulfilled Promises

By Angellah Mandoreba

I am delighted to bring you this quarter's newsletter when we are all operating under the new normal spelt out by the COVID-19 pandemic. As we are trying to adjust to this new environ, let us all be mindful of the fact that the pandemic simply exposed and worsened the social and economic crises we have been battling with for quite a long time in Zimbabwe. The macroeconomic environment is biting. The future is bleak. The poor and marginalised are wallowing in abject poverty and deprivation, their dignity is trivialised. Citizens are living with uncertainties.

This year, our beloved country turned forty, yet general citizens have nothing to celebrate about their nation's 'maturity'. The majority of us are aware of the 'demon' terrorising our motherland, it is corruption. Corruption is now a cancer that has found its way into the whole public sector spectrum and has since manifested itself in the handling of resources earmarked for fighting COVID-19. In the midst of this crisis, ZIMCODD continuously make clarion calls for transparency and accountability in the expenditure of public resources. Let me take this opportunity to remind you all that it is our duty as citizens to fight corruption through holding power to account.

Please note that as ZIMCODD we are interested in expanding the scope of this newsletter and if you are willing to contribute to our next issue please let us know. Pleasant reading!



Zimbabwe @40!!! Zimbabweans are grateful for the sovereignty brought by the armed struggle which gave birth to Zimbabwe's independence. Nevertheless, the stark reality we are faced with as a nation clearly highlights that it's not yet 'Uhuru' for the majority of citizens living in poverty and deprivation. Political independence without social and economic independence is incomplete. According to the World Bank, extreme poverty in Zimbabwe is estimated to have risen from 29% in 2018 to 34% in 2019, an increase from 4.7 to 5.7 million people. Although the government gave first priority to the eradication of poverty in 1980 as alluded to by Zimstats (2011), through a number of homegrown initiatives such as Growth Equity of 1981 and the Zimbabwe Transitional National Development Plan (1982-1985), this vision was aborted along the way as Zimbabwe is still bemoaning poverty forty years down the line.

It is unfortunate that the situation is in contrary to the promises made by the late former President Robert Mugabe in his maiden speech as the Prime Minister Elect delivered on 4 March 1980 saying that,

"I wish to assure all the people that my government will strive to bring about meaningful change to their lives. But everyone should exercise patience, for change cannot occur overnight... Let us constitute a oneness derived from our common objectives to build a great Zimbabwe that will be the pride of all Africa."



Social and Economic Independence- Zimbabwe is not yet there

The status quo clearly shows that the revolutionary ethos was dumped as many continue hoping for better lives 40 years later. The experience of a dignified life continues to be a pipe dream for the majority. The Southern African country has unfortunately regressed from being the jewel of Africa to being a charity case saddled by a huge debt burden and aid dependent. Maladministration and institutionalised corruption highlighted in successive [Auditor Generals Reports](#) have reversed the gains of independence. Zimbabwe was ranked number 158 out of 180 countries in 2019 on the Corruption Perceptions Index (CPI) by Transparency International and it was also highlighted that the country is losing a staggering US\$1.8 billion annually to corruption. US\$1.8 billion is a lot of money that can potentially transform citizens' lives and the nation at large. The hope presented by the ushering in of a new dispensation in 2017 is continuously facing impediments whilst corruption and poor governance thrive. This is despite President Emmerson Mnangagwa's promises that, "On individual cases of corruption, every case must be investigated and punished in accordance with the dictates of our laws. My government will have zero tolerance towards corruption." Promises for better lives were made by President E.D Mnangagwa in his inaugural speech but they are yet to see the light of the day.

"Of course, the physical and social infrastructure must be repaired and expanded to position our country in readiness for economic growth, employment creation, equity, freedom and democracy, and for the provision of vital social goods, principally health, shelter, clean water, education and other key social services."

Despite these promises, it is a fact that this year Zimbabwe's independence is celebrated without much enthusiasm on the part of citizens. This year's celebrations came under a dark cloud of disappointment amongst citizens amidst the worsening social and economic conditions. They came amidst wanton and indiscriminate increases of prices amidst erosion of wages and incomes, which has brought untold suffering to citizens already wallowing in abject poverty and deprivation. The World Bank attributes the increase in extreme poverty in Zimbabwe to the economic contraction and the sharp rise in prices of food and basic commodities. The majority of citizens celebrated independence on empty stomachs, dry taps, joblessness and a dilapidated public health system. The once envied education system has crumbled, unemployment is floating at about 90%, hyperinflation has reached unprecedented levels and the liquidity crunch is biting.

The austerity measures introduced in 2019 against the backdrop of deep socio-economic woes did not help the situation, rather they further relegated ordinary citizens into abject poverty and cultivated an enabling environment for inequality to thrive. Austerity measures are imposed upon the ordinary citizens whilst the elites continue to enjoy their luxuries. This year citizens celebrated independence in far worse socioeconomic situation than they were in 2019. Budget cuts in public service delivery in areas such as health further relegated ordinary citizens to abject poverty. The austerity measures further

idened the income gap between citizens and this has seen low income households disproportionately bearing the cost of cuts on social protection programs which are meant for elderly persons, people with disability and beneficiaries of other social safety programs. This is highly contrary to government efforts soon after independence as the government accorded a high proportion of its expenditure to social sectors. According to Zimstats (2011), social spending as a share of total government expenditure rose from 25.7% in 1980/81 to 34.9% in 1990/91. One wonders, forty years on, where did we miss it?

The inequalities driven by race during the pre-independence period reincarnated in post independent Zimbabwe in many forms. Inequality is rife with disparities in gender and political representation manifesting in different forms. The huge tax burden as highlighted by the infamous 2% affects the rich and the poor disproportionately as it is the latter who feels the heat. Quality healthcare for instance has remained a preserve for the few where public health institutions are now 'death traps.' What is most worrying is the fact that it is ordinary citizens who depend more on these public health institutions whilst the elites seek quality health services abroad. Is this what an independent Zimbabwe has to offer, benefiting a handful of people at the expense of the majority?

What can be done?

The socioeconomic woes faced by the country are born out of maladministration and corruption and it is high the government support line ministries, government departments and local authorities to implement the Office of the [Auditor General](#) audits recommendations. Thorough investigations on anomalies must be instigated and information should be available in the public domain for citizens to hold the duty bearers accountable.

Zimbabwe is not poor but impoverished. The country has potential for social and economic transformation as presented in the country's vast mineral resources. Efforts to combat corruption and maladministration must be coupled by ensuring effective and prudent utilisation of public resources for national development as provided for in the Constitution. This must be coupled by the adoption of global best practices in mineral resource governance, curbing illicit financial flows, revising unfair tax incentives and recognition of small-scale miners' contribution to mineral revenue and support their mining equipment and financial needs.

Informal employment is the major source of employment and income for the majority of Zimbabweans. Contributions of the informal sector must be valued and integrated into the formal economic planning and legal frameworks. The government must therefore create an enabling safe operating environment and facilitate the transition of workers and economic units from the informal to the formal economy while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship as recommended by the International Labour Organisation.

The Zimbabwe Anti-Corruption Commission must be capacitated to eradicate corruption and mismanagement of public funds. There must, therefore, be greater commitment and political will from the

Office of the President Cabinet (OPC) which goes beyond verbal pronouncements and translates to actions which arrests and punish perpetrators of corruption.

Citizens' involvement and participation is one of the cardinal principles of good governance. The government must ensure effective citizen participation in economic governance processes in both policy formulation and implementation so that citizens' needs, rights and aspirations are catered for. This also helps in ensuring that citizens hold duty bearers to account.

The government must put in place an effective Domestic Resource Mobilisation strategy for the country to escape from the Aid and Debt dependence syndrome.

The Ministry of Finance and Economic Development should develop and implement fiscal policies that distribute the burden of taxation and public spending in a manner that prioritizes the needs and aspirations of marginalised groups and ultimately protect and promote human rights as enshrined in the national constitution.

For youths to enjoy the fruits of independence, the government must respect the Constitution and ensure active youth participation in economic policy making processes and create a conducive working environment for youth both in the formal and informal sector. This must involve consultation and inclusion of youths in policy formulation processes beyond political choreography.



Four Decades of Debt Distress: Reflections on Zim@40

By Tafadzwa Chikumbu



Four decades of debt distress in Zimbabwe has had devastating social and economic ramifications for Zimbabwe. As people, for the first time, celebrated independence from their homes due to COVID-19, it is important that we take a tour on Zimbabwe debt crisis since independence. Whether intentional or unintentional, people do not often take time to reflect on the historical background of any crisis. Whilst it is given that history defines the present state of affairs and shapes the future, the human nature is generally that of being grounded on addressing the immediate impacts of any predicament. Whether this has yielded results is subject to debate. Traditionally, the political history of our country has always dominated other important dimensions of independence especially economic and social

emancipation of the people of Zimbabwe. Considering that social and economic emancipation was the major driver for the liberation movements in Africa and Zimbabwe in particular, that discussion should be brought to the fore. Those who understand the social and economic implications of public debt will concur with the particular focus on the public debt dimension amid social and economic wars that the country is battling with. It is also time to remind each other that the fiscal and monetary policies under the Transitional Stabilisation Programme are being shaped by the country's indebtedness. The human rights implications of the huge debt burden in Zimbabwe are understated. Women, youth, people with disability, the elderly and other vulnerable groups are disproportionately affected by public debt. Moreover, high levels of public debt constrain the ability of the state to respond to shocks and emergencies, such as COVID-19, further threatening humanity.

The Debt Tour: 1980 to Present in Brief

It is indisputable that Zimbabwe is currently in debt distress which is impacting on the country's credit worthiness, further raising the country's risk profile resulting in massive disinvestment despite the "*Zimbabwe is open for business*" mantra. The high-country risk profile is a major threat to both poverty reduction and the achievement of sustainable development goals. As we navigate throughout the tour one would be compelled to subscribe to the notion that without a debt cancellation, Zimbabwe has very limited chances of escaping the debt trap even in the long run. This sounds worrying but factual.

The financing of budget deficit through both external and domestic borrowing is not a new phenomenon. The fiscal deficits that the government is battling with today dates back to as far as 1980 when the government inherited US\$700 million sovereign debt from the colonial masters. Since then, the country did not recover with public and publicly guaranteed debt rising exponentially to US\$17.4 billion in September 2018. The defaulted debt is therefore largely historical. In the first 2 decades, the government borrowed excessively and failed to meet its financial obligations to the main multilateral creditors, the International Monetary Fund (IMF) and the World Bank resulting in interests and penalty charges exceeding the principal amount borrowed. Failure to repay prompted the World Bank and the International Monetary Fund (IMF) to withdraw their funding to Zimbabwe. Following decades of **aid and debt dependence**, the government could not withstand the rising fiscal demand and resorted to domestic borrowing which led to a rise in domestic debt in the early 2000s through to 2008. Unfortunately, most of the borrowings post 2000 were towards meeting recurrent expenditures whilst inflation rate which rose to 231 million per cent in 2008 put a toll on government limiting their ability to meet its legal obligation to protect, promote and fulfil its social and economic rights obligations. Debt arrears emanating from unpaid interests and penalties rose sharply from 54% in 2006 to 70% in 2010 and the current 72%. Failure to respect the constitutional and statutory borrowing limits exacerbated the debt crisis which saw the country accumulating domestic debt from US\$276 million in 2012 to US\$9.2 billion by December 2018. It is, therefore, not by accident that the country is failing to recover from infrastructure deficiencies, poor social service delivery, foreign currency and cash shortages, unsustainable budget and current account deficits and emerging inflationary pressures.

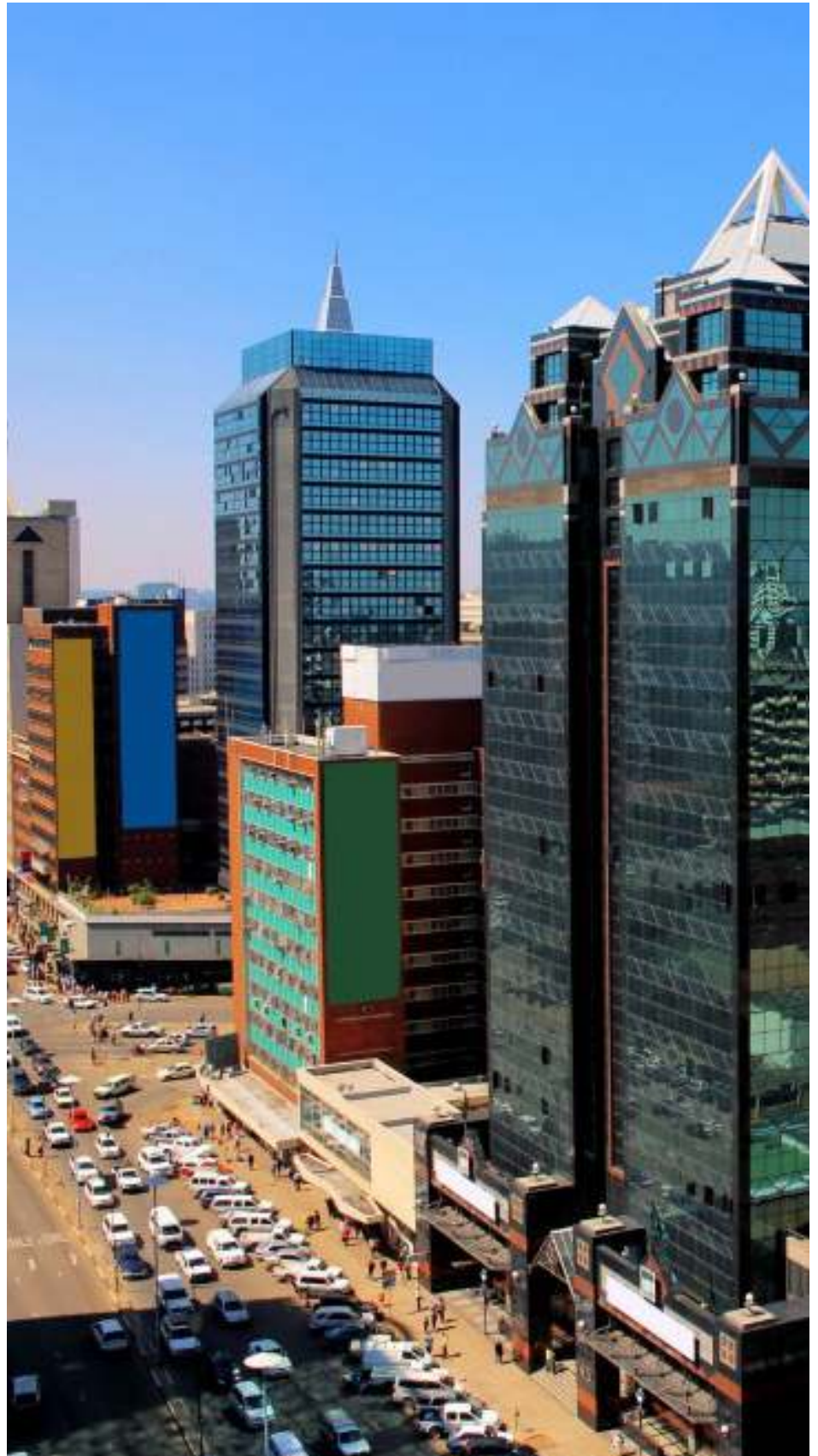


Debt undermining the realisation of social and economic rights in Zimbabwe

The implications of debt on poverty, inequality, social development, human rights and gender should not be over emphasised. People still have vivid memories of the impacts of the Economic Structural Adjustment Programme of 1990 to 1995 and the recent Austerity for Prosperity programme implemented by government in 2019 to cut on social spending and prioritise debt repayments. Austerity measures under the two programmes further compromised public service delivery, poverty reduction and infrastructure development. The deliberate decision to cut expenditure on education, health, water and sanitation and social services in some cases direct food and nutrition support in the 1990s, is still being felt today. People can easily relate to the state of Zimbabwe's health sector in the wake of COVID-19 when the government relied heavily on external support to renovate coronavirus isolation and testing centres. Likewise, water and sanitation remained a nightmare in most urban settings further compromising people's health as they rely on community boreholes which undermined social distancing efforts. On the other hand, social safety remains underfunded with the government failing to adequately cushion the poor and vulnerable members of society from the effects of the coronavirus. Without reviewing the budget allocation towards social protection which constitute 3.8% of the total budget (based on the 2020 figures), the fight against poverty, inequality, gender discrimination and food insecurity will remain a daunting challenge for Zimbabwe.

Kawewe and Dibie (2000) argued that ESAP was an inappropriate public policy for Zimbabwe as it inflated poverty, dampened the country's capacity to develop a strong diversified economy and increased the exploitation of workers through deregulation accompanied by environmental degradation. The conditionalities attached to ESAP allowed international corporations to gain access and entry to the country's labour force and resources unabated and at bottom line bargaining prices compounded by privatization. In this development matrix, workers, peasants, women, and children suffered the most. Ironically, the failed ESAP was a prescription package from the International Financial Institutions (IFIs), namely the IMF and the World Bank. The Zimbabwe Country Assessment Evaluation done by the World Bank confirmed its failure to launch a lending programme for agriculture and insufficient attention given to social safety nets which contributed to the failure of ESAP.

The 2% tax introduced in 2018 and the privatization of state enterprises pushes elite accumulation of wealth further exacerbating unequal distribution of wealth and income. This explains the regressive nature of the Zimbabwean tax system where the poor contribute more in tax revenue than the rich.



Kawewe, Saliwe M. and Dibie, Robert (2000) "The Impact of Economic Structural Adjustment Programs [ESAPs] on Women and Children: Implications for Social Welfare in ZIMBABWE," *The Journal of Sociology & Social Welfare*: Vol. 27 : Iss. 4 , Article 6. Available at: <https://scholarworks.wmich.edu/jssw/vol27/iss4/6>



Zimbabwe @40 yet citizens are still bound by the shackles of poverty

By Muchanyara Midzi

Poverty and Human Development

The words of Jean-Jacques Rousseau that "man is born free, but everywhere he is in chains," are remarkably striking as one reflects on the citizens' experiences and struggles 40 years after Zimbabwe's liberation from the colonial rule. The struggle for Independence was precisely for the attainment of freedom for Zimbabweans, that is, liberation from colonial subjugation and the attainment of personal liberty for all citizens from the repression of colonial rulers. The other reason for the liberation struggle was to improve the living conditions of ordinary citizens. As such this would entail liberation from poverty and hunger where the majority could lead decent lives and access basic social services such as shelter, clean water, education, health, transport and food among others. A reality check on the ground depicts retrogression as Zimbabwean citizens continue to wallow in abject poverty. For Zimbabweans, it is clear that things are certainly not what they should be, we are celebrating independence yet we are bound in 'chains of poverty'.

As we commemorate 40 year's of Zimbabwe's Independence, it is critical to reflect on some of the social and economic issues Zimbabwe is battling with, with a view of charting a way forward as it is believed widely in social circles that 'life begins at 40.'



Living conditions in Zimbabwe continue to deteriorate due to the chronic economic crisis. In spite of the remarkable growth in health care and other socioeconomic indicators in the formative years, the political and economic factors have essentially eroded the gains that were made in the first decade after the country's independence. Whilst the Zimbabwe's Human Development Index (HDI) value for the year 2019 was 0.563, which positioned the country at number 150 out of 189 countries; categorising it amongst the medium Human Development Index countries (UNDP, 2019), the World Food Programme in December 2019 warned that Zimbabwe is likely to face the worst hunger crisis in 10 years with half of the population, 7.7 million people being food insecure. The majority of Zimbabwe's workforce particularly those in civil service are earning salaries below the poverty datum line. The financial crisis, therefore, has seen professionals struggle to make ends meet, facing a devastating mix of a rapidly weakening currency, skyrocketing inflation and stagnant salaries, food insecurity and limited access of basic services.

Zimbabwe's annual inflation soared to more than 675% in March 2020 while unemployment rate stands at a staggering 95% making life unbearable for the already struggling citizens. The World Bank estimates that extreme poverty in Zimbabwe has risen over the past year, from 29% in 2018 to 34% in 2019, an increase from 4.7 to 5.7 million people, with levels expected to rise further in 2020. The surge in poverty has been attributed to economic contraction and the sharp rise in prices of food and

basic commodities and the crippling effects of the El Niño-induced drought on agricultural productivity. A 2017 report by ZimStats pointed out that 71% (over 10 million) of the Zimbabwean population lived in poverty. The same report points that poor households spent more than 42,5% of their income on food while non-poor households spent only 28% of their income on food per month. Fast forward to March 2020, the interbank rate is at ZWL\$25 to the US dollar yet incomes have remained largely static, condemning over 95% of the Zimbabwean population to extreme poverty. Poverty levels have spiked in Zimbabwe and access to quality education, health care, decent accommodation, electricity, fuel, gas, safe water and other critical services remain elusive for many people due to hyperinflation.

Poverty in the context of COVID-19

Zimbabwe's economy can further plunge while poverty levels continue to rise given the devastating aftermath of COVID-19. The threat of the deadly virus could not have come at a worse time for millions of Zimbabweans already struggling with a deepening economic crisis characterised by soaring food prices, looming hunger, stagnant and eroded salaries and water shortages among other factors. With the outbreak coming at a time when Zimbabwe's health system has been in shambles for years as highlighted by the obsolete and dilapidated health infrastructure, unavailability of basic medical supplies and demotivated medical personnel, the pandemic will further relegate citizens to extreme poverty.

One of the measures implemented by the government in the fight against COVID-19 although with far-reaching socio-economic impacts particularly on the informal sector is the national lockdown to curb the spread of the disease. With most of Zimbabwean citizens working in the informal sector and surviving on hand to mouth basis, the national lockdown meant they were unable to engage in their daily hassles to provide for their families while the country is ill-equipped to cushion them. Given the social, economic and political context, Zimbabweans couldn't do much to prevent contracting or spreading Covid-19. People found it difficult to exercise social distancing as they jostled for mealie-meal not to mention the long queues in the quest for water especially in densely populated areas. The call for hygiene for citizens to constantly and consistently wash their hands with running water was undermined by the water crisis in the country. In an effort to cushion vulnerable households, the government availed the ZWL\$200million per month for one million households under the Covid-19 3month-relief cash transfer programme. This gesture was interpreted as mockery to citizens who are already hard hit by poverty as the fund translate to ZWL\$200 later reviewed to ZWL\$300 per household/per month vis-à-vis the total consumption poverty line which stands at ZWL\$5293 for a 5 people household per month, as at February 2020.

Recommendations

To liberate citizens from the shackles of poverty which has been exacerbated by the global COVID-19 pandemic, the following recommendations are put forward to the Government of Zimbabwe:

- Eradicating poverty should be a top priority of the Government's overall economic policy objectives. The Sustainable Development Goals (SDGs) are also an important framework for poverty reduction in Zimbabwe.
- The government urgently needs to implement policies to avert the rising extreme levels of poverty. One way of doing this is to adjust civil service salaries in line with official inflation figures or adjust salaries quarterly according to movements on the interbank rate as those are the two key determinants to consumer price increases.
- The Tripartite Negotiating Forum (TNF), whose sole agenda is to discuss the macro-economic situation and the erosion of workers' salaries, should be convened periodically to review remuneration trends in the market in light of the upward adjustments of fuel, transport, rentals, school fees, food and medical aid.

Zimbabwe@40. Is it Uhuru yet?

By Muchanyara Midzi

As the country turned forty on 18 April 2020, are there any significant milestones for the ordinary Zimbabwean worth celebrating? It is high time the country's leadership reflect on the principles of the liberation struggles and see how much the country is faring in as far as the enjoyment of the liberation fruits is concerned. It is also ideal to set our political differences aside and do some self-introspection on the true meaning of real independence for the realization of genuine democracy and the attainment of tangible social, economic and political rights. Gross human rights violations, illicit financial flows, corruption, lack of transparency, party politics, weak constitutional institutions and policy inconsistencies have reversed the gains of Zimbabwe's independence. At forty, Zimbabwe cannot continue experiencing neocolonialism.

The Zimbabwean sons and daughters took up arms against the colonial regime to fight the unfair land distribution system that prevailed during the colonial era. In simple terms, this should have translated to land ownership by the majority of the Zimbabweans after 1980, but forty years down the line, the majority of Zimbabweans are landless in a country that thrives on agriculture for its development. Only a few in the realms of power and those close to power have access to vast tracks of land yet the majority of the citizens remain landless. It is time for the nation to move towards giving Zimbabwe Independence its true meaning by ensuring that land is distributed fairly

amongst Zimbabweans towards achieving food security.

Is it Uhuru yet when the countries education sector has become elitist? Education has become highly privatized hence segregating the poor who have shallow pockets in preference to those with deeper ones.

Government run institutions of learning from primary, secondary and tertiary institutions have fast deteriorated in terms of standards and services after years of facing macroeconomic stagnation. Despite the Constitution guaranteeing every citizen the right to education, the exorbitant fees charged by the learning institutions defeats the constitutional purpose. Additionally, education has become highly privatized with services demanding United States Dollars from a work force paid in local currency. This has resulted in millions of children losing out

on their constitutionally guaranteed right to education in their beloved independent country.

Furthermore, the country's health system is on its knees. On a normal working day, its either the health personnel are on a go slow, on the negotiating table with the government or on total shut down as a result of poor remuneration and poor working conditions that also makes them vulnerable to infectious diseases. Furthermore, the public health institutions do not have adequate medication to cater for ordinary Zimbabweans and some with the financial muscle have since resorted to the alternative private medical facilities that render services in foreign currency that remain elusive to many. To clearly show the poor state of the country's medical facilities, in the wake of a global health crisis triggered by the Covid 19 virus, Wilkins Hospital meant to handle infectious diseases was caught ill prepared to deal with the pandemic.

It is regrettable that the independent Zimbabwe is characterized by a breach of the social contract between citizens and government. The social contract has been further torn by austerity measures that spelt cut in social spending, perpetuating social and economic inequalities amongst citizens. This is further worsened by lack of transparency and accountability in the mobilization and utilization of public funds. The NSSA USD\$95-million-dollar scandal is a case in point where

beneficiaries of the social safety nets continue to languish in extreme poverty because of a few individuals who gobbled the social safety net fund. In a nutshell, as Zimbabwe turns forty amidst the above mentioned ills, one then wonders if it is yet Uhuru or not?

Youth take a step in educating on the effects of COVID 19

By Evidence Chipadza



Whilst the COVID 19 pandemic has locked all the opportunity doors for many households living from hand to mouth, Grace Mazambani (26) from Senga, Gweru has taken a step in educating the community through her pictures which portray the effects of Covid 19. Mazambani is currently the Young Women's Forum Chairperson under Women 's Coalition of Zimbabwe (WCOZ). In an interview with Mazambani, she said as an advocate for women it was her duty to educate the community through her pictures.

"As an advocate for women I have noted that during this lockdown so many things are happening especially gender based violence ,men are the bread winners in some families so they end up beating women and starving children so my pictures are a true reflection of what is happening because of COVID 19," said Mazambani.

She added that some of the families are failing to afford basic commodities because of the lockdown due to high prices. "Many people are self-employed so this lockdown has worsened the situation since people are failing to adjust to the prices," added Grace. However, Mazambani alluded that people should practice hygiene, social distancing and also put an end to domestic violence during these hard times. "Times are hard but let us not forget to practice hygiene and also social distancing together we can fight this virus and also families should solve their problems peacefully fighting is not a solution," alluded Grace.

Zimbabwe Crisis is a Governance Crisis

by Angellah Mandoreba

Legislators and members of the civil society registered their concern on the porous nature of Zimbabwe's public finance management system calling upon the government to exercise transparency and accountability in managing resources earmarked for the fight against COVID-19.

Speaking during a virtual Public Finance Management Indaba organised by the Zimbabwe Coalition on Debt and Development (ZIMCODD), Honourable Tendai Biti, Chairperson of the Public Accounts Committee bemoaned failure by legislators to fully undertake their constitutional oversight role since the announcement of the lockdown arguing that this gives room for the Executive to flaunt constitutional provisions on public finance management. Biti emphasised that Zimbabwe has sufficient money but the only problem is how that money is spent and that Zimbabwe is not facing a resource shortage issue but poor governance. On the role of Parliament in ensuring fiscal transparency, Honourable Temba Mliswa who is also a member of the Parliamentary Portfolio Committee on Public Accounts lamented lack of implementation of the recommendations from Office of the Auditor General and denounced legislators for passing on budgets without taking stock on the extent to which recommendations in the Auditor General's Report have been implemented.

"We have the Auditor General's Office that has always been doing phenomenal work in terms of exposing corruption in Zimbabwe. The only problem is that citizens and legislators are not eager to implement these recommendations. Why do we pass budgets when we know that particular ministries have not implemented the recommendations?" said Mliswa who argued that the government is good at publishing the resources received for fighting COVID-19 but more needs to be done in terms of where the resources have been channelled. The Norton legislator called upon civil society organisations like ZIMCODD to tighten their screws and work with Parliament in pushing for the implementation of recommendations from Mrs Chiri's office.

Zimbabwe has to date mobilised close to US\$400 million from various sources, however citizens are worried that with the levels of corruption and looting in the country these resources might not fulfil their intended purposes as some opportunists see the disaster as an opportunity to fatten their pockets. The US\$7 million grant offered by the World Bank to Zimbabwe exposed the huge public mistrust

in the government of the day. Citizens have since taken to social media calling upon the financial institution to disburse the funds through an independent development partner and not the government itself as they fear abuse and diversion. This is a clear indication that citizens have no confidence in the country's state of affairs in as far as the expenditure of public resources is concerned especially in disaster contexts due to allegations of the abuse of resources earmarked for cushioning Cyclone Idai victims in 2019.

Speaking in the same meeting, Tafadzwa Kuvheya, a revenue Transparency Consultant said that, *"COVID 19 has not only tested Zimbabwe's public finance management system but has also exposed the gaps that exist within the system emphasising that an effective public finance management system helps governments to respond effectively to disasters."*

She made the remarks whilst highlighting that an effective public finance management system in disaster context is one that speaks to the eight principles which are accountability, transparency, responsiveness, efficiency to ensure fair value for money, flexibility, gender sensitivity, reliability and resilience to revitalise the social and economic environment so that it is able to withstand future disasters. Looking at the current public finance management in Zimbabwe, the framework falls short of the majority if not all of the above-mentioned principles. Furthermore, participants at the Indaba bemoaned how the government is failing to effectively respond to COVID-19 as if this is the first-time disaster struck the country. Lessons must have been drawn from the recent Cyclone Idai to put in place a resilient and corruption free public finance management system. On the same note, Mucha Mundopa, the Executive Director of the corruption watchdog, Transparency International Zimbabwe, had this to say,

"The word disaster has become synonymous with corruption in Zimbabwe where a few individuals take the opportunity to loot. We have had cholera and Cyclone Idai but surprisingly nothing was done in terms of plugging out corruption. We are calling upon the government to produce and publish a distribution matrix of the COVID-19 resources to ensure transparency and accountability."

Clarion call was made for government departments to religiously follow the procurement procedures. Pursuant to that, responsible authorities were urged to plug loopholes in the procurement process and publish the names of the companies that supplied

COVID-19 resources as well as undertaking public disclosure of beneficial owners of the procurement processes. This must be coupled by the establishment of an online database where public procurement contracts are disclosed because such information is necessary for accountability especially in an environment where corruption is on the rise. The calls are made at a time when the bulk of the resource leakages from the public coffers in Zimbabwe are evident in public procurement due to noncompliance of public procurement procedures, regulations and rules. Precautionary measures must therefore be taken to guard against 'tenderpreneurship' in which some individuals and companies win government tenders without going through the open contracting processes as provided for in Public Procurement and Disposal of Public Assets Act of 2017. The Zimbabwe Power Company scandal in which a payment of US\$4.9 million was paid to Pito Investments for transformers never delivered dating as far back as 2010 as revealed in the [2018 Auditor General's Report](#), bears testimony to this. Sakhile Sifelani, Executive Director of the Women in Politics Support Unit echoed the same sentiments saying,

"Zimbabwe suffers from a foundational and ideological challenge and this is the lack of understanding of what public good really mean and the notion of public good no longer exist in Zimbabwe. Public sector reforms has remained an outstanding national issue and it was also one of the agenda items for the new dispensation but surprisingly it has fallen off the agenda. We need these reforms as soon as yesterday. Let's do an effective and efficiency audit on how long public entities and bodies take to execute their responsible mandates to ensure that we reform the sector."

In his inaugural address, former American President Ronald Reagan had this to say *"Government is not the solution to our problem; government is the problem."* These simple but strong words have indeed manifested in Zimbabwe where most of the country's social and economic challenges faced by citizens are a result of poor governance compounded by corruption and disrespect of the constitution. This was also brought to light by the Zimbabwe Environmental Law Association Executive Director, Mtuso Dhlwayo during the Indaba when he highlighted that Zimbabwe does not have to depend on donations in times of crisis given the vast mineral resources the country is endowed with. The minerals must have been solving the challenges

faced by the country, however the government is failing to manage these resources efficiently and prudently which has seen the natural resource sector being characterised by illicit financial flows and rampant corruption. Corruption is a cancer in Zimbabwe and it has hindered the country's efforts to achieve sustainable development

Recommendations

1. The government must abide by the public procurement rules in line with the Public Procurement and Disposal of Public Assets Act of 2017. Measures must be put in place to plug loopholes in the procurement process. This must be coupled with the establishment of an online database on which names of companies that supplied COVID-19 resources are published and undertake public disclosure of beneficial owners of the procurement processes.

2. The Minister of Finance and Economic Development must bring before parliament the ZW\$18 billion stimulus package for debate and approval. Considering the tight fiscal space, the government must not only announce the gross amount but rather disclose the source of funding for the stimulus package.

3. The Parliament must order for a forensic audit over all resources donated to ensure transparency and accountability.

4. The government must avail resources to the Civil Protection so that it utilizes them in a manner that relevantly responds to the situation on the ground. The finances must be cascaded to the provincial level so that urgent and necessary actions are taken at local level.

The Plight of the Zimbabwean Worker

The 2020 International Worker's day was being commemorated against a global pandemic, novel coronavirus, which spelt out the "new normal" across the world. Zimbabwe has not been spared by the pandemic which claimed lives and further worsened the country's social and economic woes. The outbreak of coronavirus is rapidly changing the ways of life and work especially in countries where national lockdowns have been implemented, Zimbabwe included. Remote operations and skeletal staff operations became a norm for formal employment whilst those that have been declared essential service providers it remained work as usual. We considered it particularly important to reflect on the plight of the Zimbabwean worker pre, during and post COVID-19.

In Zimbabwe, the deadly pandemic did not only change the "face" of work but has worsened the plight of workers both in the formal and the informal sector. The crisis brought to the fore and worsened the social and economic woes the poor working class has already been grappling with. The President of the Zimbabwe Congress of Trade Unions, Peter Mutasa once highlighted that, "COVID-19 has just exposed the inequalities, corruption and the careless attitude of the state, the labour movement has always been lamenting. Now that the pandemic has struck, we cannot expect a miracle from the government to provide social safety for the majority." The careless attitude cited above relates to the adoption and implementation of austerity measures by the government. In 2019, the government of Zimbabwe introduced austerity measures operationalised under the "austerity for prosperity mantra". Nevertheless, the fiscal policies did not yield any prosperity for the majority of Zimbabwean workers whose wages and salaries were severely eroded, instead the austerity measures left the working poor in a far worse situation than before. It did not even help the situation that austerity meant severe cuts in government expenditure in public spending, consequently, public service delivery declined with the country's public healthcare for instance now in shambles. The cost of living continually rise to unprecedented levels against stagnant and eroded wages and salaries further relegating workers to abject poverty. Therefore, austerity measures entrenched poverty and other forms of inequality worsening the material conditions of the working class.

Privatisation of social services like health and education worsens the social and economic challenges the working class is facing.

"In as far as the global pandemic is requiring all hands on the deck, it is critical for us to understand that the devastating effects of the pandemic are because we have allowed the state to withdraw from its mandate of providing basic social amenities like health. The free market economy undermines the state's ability to deal with the effects of coronavirus. Privatization of social services like health & water is not a welcome move and its effects are felt in times like this. Placing the private sector at the centre of dealing with a pandemic of any nature is detrimental," said Takura Zhangazha who is a Social and Economic Justice Activist.

The effects of coronavirus we are grappling with as a country have therefore exposed the short sightedness of the economic system that the country has adopted, a system based on massive cuts in government expenditure in public investment. The effects are just speaking to the inadequacies of the social protection systems in Zimbabwe. Therefore, Zimbabwe needs an economic model that reactivates the economy which is job rich to address the high unemployment rate.

Zimbabwean workers are faced with hunger and deprivation. According to Zimstats, the total consumption poverty line (TCPL) for an average of five persons shot by 21,3% to \$6 420,87 in March 2020. This is the amount needed for both food and non-food items for a family of five to be deemed not poor. It is unfortunate that the cost of living is rising against stagnant salaries and the majority of workers are facing poverty and deprivation. This is exacerbated by the annual inflation rate that shot up to 676,39% in March from 540,16% in February 2020. It is unfortunate that the government of Zimbabwe is failing to cushion the working class amidst the rising levels of poverty. Workers expressed disappointment at the government's failure to provide social safety nets for the poor working class. The disappointment came at a time when the government of Zimbabwe availed a paltry ZW\$200 per household to cushion about 1 million vulnerable families including informal workers across

the country in face of COVID-19, an intervention which was been considered a slap in the face for the suffering masses. This was far less than the total consumption poverty line (TCPL) per person which stood at \$1 284,17 in March 2020. This means that the informal workers are now living in extreme poverty. On that regard ZCTU called upon the labour movement in Zimbabwe to unite and engage in a social dialogue with the government to come up with a post COVID-19 Response Mechanism to cater for the poor working class. The coronavirus came amid repeated deadlocks between the government, labour and the business on the salaries with gazetting SI 81 of 2020 which set the minimum wage at ZWL\$2, 547.74 against the total consumption poverty line (TCPL) for an average of five persons of \$6 420,87 as of March 2020 (ZIMSTATS, 2020). The wages and salaries are inadequate to cover the basic household necessities relegating the majority of workers into poverty. The recent price hikes effected during the lockdown has made it worse for the worker to make ends meet. Over a year, civil servants have not received the promised non-monetary incentives including residential stands promised by the government in 2019.

resources from abuse and corruption in order to increase the value for money in public procurement.

· Alleged cartels hijacking government's social protection programmes must be severely dealt with by the law especially in relation to embezzlement of food subsidies and disbursements earmarked for the poor and vulnerable.

Recommendations

· The government should mobilise additional resources in order to increase resources earmarked for social assistance benefits to enhance income security and boost aggregate demand. Social protection systems and public infrastructure for social services increase resilience allowing societies to cope with emergencies in the immediate term and to mitigate the impact of possible future crises (ILO, 2020).

· The government must come up with a comprehensive response mechanism that include policies to support skills development and entrepreneurship to alleviate the impact of unemployment.

· The fight against the pandemic is a shared responsibility calling for constructive and persistent social dialogue between the government and social actors. The government must consistently consult with social partners and civil society in order to develop an effective response at the enterprise, sectoral and macroeconomic level.

· The government must put in place robust public finance management mechanisms to safeguard public



Revisiting inequality in the wake of COVID-19

by Juliet Gudhlanga (SEJA)



national lockdown which commenced on 30 March efforts have been made to fight the pandemic including through promulgation of Statutory Instruments and one is most interested in SI 96 of 2020 which deferred rental payments.

Some sections of the society strongly believe that this is a welcome move considering that many people have been laid off from work a month after the announcement of the lockdown not forgetting the majority whose livelihoods depend on their operations in the informal sector. Nevertheless, from the property owners perspectives, the decision spelt loss of income. One lady who is a property owner expressed her distress as she narrated how 75% of her tenants failed to meet their rental obligations following the presidential directive. She highlighted that leasing out her property (flats) has been her source of income for her family and the presidential directive meant that her source of income has been disturbed and this is despite the fact that she still need to meet her obligation of paying for utilities and salaries for workers at the premises. She argued that instituting subsidies on social amenities such as water and electricity would have been a better way of balancing the situation for both tenants and property owners.



The social vulnerabilities coupled with economic stagnation spelt out by the coronavirus pandemic further widens the inequality gap and exacerbate poverty. Uncertainties surrounding the future of ordinary citizens' livelihoods and their general individual wellbeing are on the rise as the lockdown stretches. Following the announcement of the Zimbabwe



In as much as many contradictions and contestations exist around the matter, this brings to the fore how difficult life has become for many owing to the lockdown with youths and women being the most affected due to different factors. As uncertainties for the future grow my words of encouragement are that when everything seems to have been lost, hope remains, and implore fellow citizens to play their part in helping the situation.

A look at the Government's COVID-19 Economic Stimulus Package

By Janet Zhou



On 4 May 2020, the Government of Zimbabwe, through the Ministry of Finance and Economic Development, announced a ZWL\$18 billion COVID-19 economic recovery and stimulus package including measures to provide liquidity support to several sectors, including agriculture, mining, tourism, SMEs, expand social safety nets and food grants, and set up a health sector support fund. The stimulus package, equivalent to 9% of the country's GDP, was meant to put Zimbabwe on a recovery trajectory following the devastating impact of the COVID-19 coronavirus which the World Health Organisation has declared a global pandemic. This is a commitment by the government against a background of complex monetary and fiscal challenges that Zimbabwe has suffered for over two decades now.

Zimbabweans from all walks of life have debated the economic stimulus package and raised concerns focusing on three main issues: the priorities of the package; the legality of a stimulus package that has not been approved by Parliament; and, the funding for the stimulus package. History has demonstrated that Zimbabwe faces challenges with raising resources locally, sometimes misallocates or wastes resources raised from domestic revenue streams and the broken international re-engagement framework that has failed to unlock significant resources even in the face of a devastating pandemic.

The need for an economic stimulus package is not questioned. Globally and even regionally, closer to home, South Africa has done its own stimulus package worth R18 billion targeted at empowering its citizens, its local entrepreneurs, businesses and workers post COVID-19. The South Africa package provided a

template for Zimbabwe in terms of influencing COVID-19 response measures. The need for economic stimulus packages is also critical for countries that had pre-existing economic challenges like recessions, limited fiscal space, and huge debt overhangs, as is the case with Zimbabwe.

The United Nations Independent Expert on Foreign Debt and Human Rights, Yuefen Li, noted that the pandemic has widely exposed the debt vulnerability of many developing countries, and aptly put it in her [statement](#) that there is need to look at the raging health calamity with another eye. There is need to comprehensively address the immediate crisis simultaneously with the other economic, financial and social crises caused by the COVID-19 pandemic. Zimbabwe's COVID-19 measures to slow the spread of the pandemic have literally taken an economy in comatose off the life support. As such, an urgent, far reaching stimulus package is required from the government. Economists have made projections pointing to a dire situation for the economy and for livelihoods of the majority vulnerable citizens who live below the poverty datum line, which is ZWL\$7000 per month, according to the Consumer Council of Zimbabwe. The situation has been made worse for many workers both in the formal and informal sector who have had to face income losses and slashes with no prospects of bouncing back unless something dramatic happens.

On a global scale, the IMF has [projected](#) that the global economy is going to shrink by -3% in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and

containment efforts can be gradually unwound—the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support. This looks easy, but not for a country like Zimbabwe where the [projection shows a bleak picture of Real GDP % change of -7.4 in 2020](#).

In the IMF Article IV Consultations [report](#) at the end of a Staff Monitored Programme (SMP) for Zimbabwe released in March 2020, it is clear that Zimbabwe's recovery is not going to be rapid, it has to take the steps, one step at a time, and continue on that path for a long haul with serious policy commitment and consistent steps. The report, which acknowledges that it did not factor in the impact of COVID-19, paints a bleak future and obliterates any hope unless there are significant interventions and policy changes. In the report, the IMF notes that; “Zimbabwe is experiencing an economic and humanitarian crisis.....” The crisis is also as a result of policy missteps on the side of the government. It is against this backdrop that Zimbabwe launched a USD2, 2 billion Humanitarian Response Plan issued in March 2020 followed by the ZWL18 billion COVID-19 Recovery Stimulus package in May 2020.

While the Stimulus package has prioritised key sectors, the allocations to the different sector must have been subjected to thorough interrogation as to where the priorities lie in the short, medium and long terms. For example, the allocation of ZWL\$ 6, 08 billion to agriculture for the financing of the winter wheat and the 2020/2021 needs to be subjected to scrutiny on a cost benefit analysis of the “command agriculture” where gross misuse of public funds were unearthed in previous Auditor General's reports. More resources could have been allocated to the relief measures and food in the short term which in the package received ZWL\$ 1, 50 billion and ZWL\$2, 40 billion, respectively. Broadly the GoZ needs to address the fundamentals and put the country on a sustainable development and growth trajectory that gives the people genuine empowerment and freedoms as propounded by Professor Amartya Sen in his book “Development as Freedom” in 2000.

A robust economic stimulus package should focus on reinvigorating systems, renewing a multifaceted governance fabric, support to a resilient society and the defence and promotion of human rights. If I were to give the government of Zimbabwe advice on what their economic stimulus package should entail and prioritise, I would say they must focus on the following 8 key areas that have short, medium and long term considerations for Zimbabwe:

1) Investment in building the torn social fibre and societal cohesion. Any economic stimulus package that is not cognisant of the cost of social unrests emanating from the structural and systemic drivers related to rising poverty, inequalities, poor governance, and the hunger for democratisation will suffer a still birth.

2) Focus on technology define and blaze the economic recovery path. COVID-19 has shown us that we are in the age of technology and this is at different levels no matter how elementary. Technology can be used to eliminate corruption significantly; it can integrate the informal sector into the economy and for accountability by the government.

3) Improve infrastructure for trade and local manufacturing. COVID-19 once again vindicated the need for endogenous development. Building national, regional and continental value chains must be a priority. Beitbridge Border post is the gateway to the region for Zimbabwe and the revamping of the Border infrastructure and the Road cannot be silent in any economic stimulus package. All national connections are also very important.

4) Zimbabwe has a youthful population, a demographic dividend, and women, should be targeted by the economic stimulus package. Zimbabwe currently has a huge youthful and female population that does not contribute to an economic transition due to marginalisation and exclusion in productive and decent employment

These are just suggestions and pointers to where the citizens' aspirations lie. It is through robust debate and public engagement that policies are reviewed and improved to secure people's livelihoods, and ensure lasting, rights-respecting economic development. It is up to the Zimbabwe authorities to embark on broad consultations to capture different views from citizens, and going granular on building strong institutions to carry the economic stimulus package to full term.

