GIVING A FAIR SHARE OF THE PIE TO THE YOUNG:

TOWARDS SUSTAINABLE YOUTH INCLUSION IN ZIMBABWE

EXECUTIVE SUMMARY

The continued marginalization of the youth in the economy of Zimbabwe is a ticking time bomb for the development of the country. As it stands the largest demographic group being the youth is being discriminated and segregated from accessing and controlling economic resources and value chains in the country. This scenario threatens to construct a macroeconomic free fall with the economy failing to sustain and fund itself due to depleted tax revenues and weak savings and investments capacities. The solution lies in employing a deliberate policy focus on enhancing youth access to and control of the country's economic resources based on fiscal and institutional constructs.

INTRODUCTION

The status of the youth in terms of access to and control of economic resources in the country makes for sad reading. Despite being the largest demographic in the country making up 67.7% of the population[1], the indicators of youth economic inclusion are largely disheartening. Youth economic inclusion refers to the availability and equality of opportunities to participate in the economic life of communities as employers, employees, consumers and citizens. It refers to fair access to labour markets, finance and entrepreneurship. It is an intrinsic element of a sustainable market economy.[2] According to a survey by the Youth Empowerment and Transformation Trust (YETT) only seven percent of youth respondents were formally employed. Wider sector analysis shows that youth economic inclusion in Zimbabwe is negligible. The proportion of youths running businesses increased by age from 2 percent among youths aged 15-19 years, 8 percent among those aged 20-24 years, 13 percent among those aged 25-29 years, 16 percent among 30–34-year olds and 18 percent among those aged 35 years. Sixteen percent of urban youths reported running a business, compared to 5 percent of the rural youths.[3]

The continued presence of weak youth economic inclusion has the potential to create negative socio-economic indicators. If the major demographic group of a country continues to be unemployed and does not have access to gainful employment, this can automatically lead to a domino effect of negative socio-economic results. With a critical mass of unemployed youth, macro tax revenues will drop bearing a negative effect on economic investment and social safety nets. As a result, critical macroeconomic indicators like Gross Domestic Product (GDP) will drop significantly for consistent periods and income equality indicators will become more skewed.

POLICY IMPLICATIONS AND RECOMMENDATIONS

With the current policy arena, youth economic inclusion will remain subdued in Zimbabwe. The National Youth Policy has a section on youth employment and sustainable livelihoods with 11 objectives to attain such. However, there has been no deliberate action to achieve and attain these objectives. The Empower Bank which had the mandate of availing funds to the youth has failed to be extensive and inclusionary in its approach as it charges exorbitant interests of at least 10% a month and has an elitist, quasi capitalist approach attached to it. The Indigenization and Economic Empowerment Act which had a slight youth-centred feel in terms of economic empowerment and inclusion has failed to be clear in its mandate, objective and implementation. Hence, what is required for true youth economic inclusion in Zimbabwe to take place is a deliberate drive by the Ministry of Youth, Sports, Arts and Recreation in collaboration with the Ministry of Finance and Economic Development and other ministries to ensure youth economic inclusion in Zimbabwe. In a bid to achieve this, the following policy recommendations are proffered:

- The Ministry of Youth, Sports, Arts and Recreation must move towards establishing a bill which will make it mandatory for all registered businesses in the country as well as government departments to prioritise youth-owned or led companies to supply them with goods and services before any other entity. Failure to prioritise youth-owned or led companies to provide goods and services before any other entity should attract criminal penalties.
- The Ministry of Youth, Sports, Arts and Recreation must be instrumental in the establishment of a cross-cutting ministerial system aimed at establishing a 30% quota for the youth with regards to access to various economic resources. Key resource responsible ministries like the Ministry of Mines should have a heightened obligation to ensure that 30% of access to and control of mineral resources should be controlled by youth.
- There is a need to establish a decentralized Youth Economic Commission which will be responsible for researching on youth access to and control of economic resources, capacity

[1] Youth Situational Analysis of 2019. Accessed at https://drive.google.com/file/d/1y5RKHOg1KAJyb7sDBHc119CCJkyatFy1/view?usp=drive_web
[2] The World Bank, Youth Economic Inclusion Project https://projects.worldbank.org/en/projects-operations/project-detail/P158138
[3] Youth Empowerment and Transformation Trust, YETT, Decades of Struggle; A Zimbabwean Compendium, 2019 Report.

building support on entrepreneurship, sourcing of capital finance for youth-centric businesses and facilitating market linkages for youth owned businesses.

- The Ministry of Youth, Sports, Arts and Recreation and the Ministry of Finance and Economic Development should establish a "Youth Economic Inclusion Tax" which will help drive the objectives of the Youth Economic Commission and ensure the practical implementation of cross-ministerial youth economic inclusion activities.

CONCLUSION

The youth of Zimbabwe have been marginalized with regards to accessing and controlling economic resources. Such continued youth economic exclusion can lead to detrimental macro socio – economic conditionswhich can undermine development for future generations. The solution lies in fostering pathways and opportunities for the youth to access and control the economic resources of the country in a sustainable manner based on affirmative action, deliberate inclusion of the youth in trade value chains and the employment of inclusive taxation principles.