

Weekly Economic Review

21 June 2023

RBZ Interbank Rate

WEEK 13.05.23	WEEK 20.06.23
ZWL 5721.81 per USD1	ZWL 6790.32 Per USD1

Consumer Price Index

APR	MAY
280.48	324.63

Blended Inflation

APR M.O.M.	MAY M.O.M.
2.4%	15.7%
APR Y.O.Y	MAY Y.O.Y
75.2%	86.5%

avg. Parallel Market Rate

WEEK 30.05.23	WEEK 20.06.23
ZWL 7200	ZWL 8000

Consumption Poverty Line

APR	MAY
ZWL23 000	ZWL 39 927

Trade

Exports	Imports
MAR US515.3m	US744.5m
APR US554.6m	US698.5m

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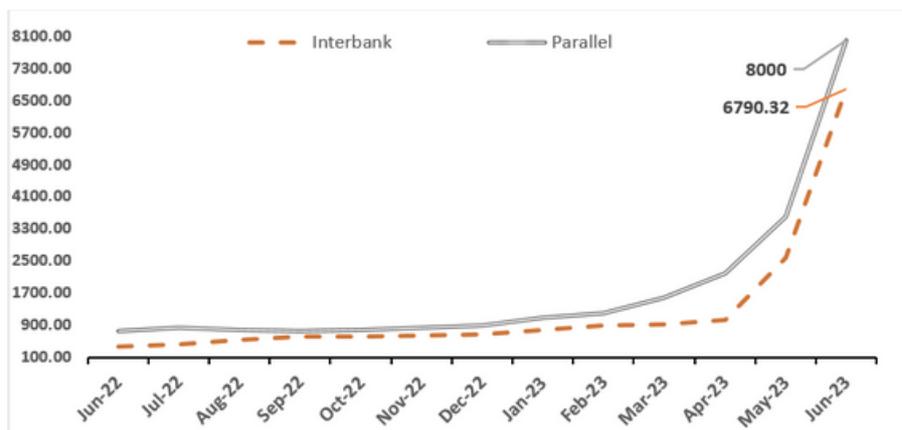
1. Summary

This week's issue of the Weekly Economic Review (WER) focused on the continued deterioration of the local currency, resultant galloping price inflation, and the impacts of price controls on the availability of goods in the market. It also contains a section with articles for further reading. These articles cover the centrality of governance issues to Zimbabwe's development trajectory, the tobacco value chain, and the plight of the Zimbabwean youths among others.

2. Weekly Economic Review and Analysis

2.1 ZWL Deterioration Continues Unabated

The Zimbabwe dollar (ZWL) continues to face massive depreciation pressures in both foreign exchange markets. As of June 20, the ZWL has lost 3.1% of its value at the Reserve Bank of Zimbabwe (RBZ) wholesale auction market as it moved to ZWL/USD 6926.58 from ZWL/USD 6713.35 realized on June 16. The wholesale auction is a forex market for banks recently introduced by the Monetary Policy Committee (MPC) where banks purchase USDs from RBZ for resale to their customers. In the willing-buyer willing-seller (WBWS) interbank market, the mid-rate slid 15.7% from ZWL/USD 5721.81 realized on June 13 to ZWL/USD 6790.32. Since businesses are allowed to charge a 10% margin above the WBWS mid-rate, it effectively gives an official rate of ZWL/USD 7469.35 for pricing purposes.



Source: RBZ, ZIMCODD

Again, on June 20, the local currency erased 10% of its value in alternative (parallel) markets to settle at ZWL/USD 8000 (average) from ZWL/USD 7200 a week earlier. This gives an average parallel market exchange premium (percentage difference between official interbank and alternative market rates) of 18% which is within the conventional thresholds for currency stability. But since currency fluctuations are now a daily phenomenon, the market has turned to forward pricing to minimize losses caused by these frequent and ferocious exchange rate movements. Forward pricing is a trading practice of front-loading anticipated exchange rates in the current prices leading to self-fulfilling exchange rate depreciation with negative knock-on effects on prices.

As of June 20, some retail shops were applying forward rates exceeding ZWL/USD 14000 which gives a market premium above 100%.

In addition, to cushion themselves against increased ZWL volatility, some shops are now limiting ZWL transactions, some are selling certain products exclusively in USDs, while others like manufacturers are channeling their goods directly into the informal sector on the basis that informal traders pay cash upfront or at a point of collection. This shows that increased market volatility disproportionately affects consumers particularly the poor majority largely earning in ZWLs as corporates can easily shift the burden through exorbitant prices.

As such, authorities must prioritize exchange rate stabilization to curb ongoing galloping price inflation and help reduce risks of acute malnutrition, especially among urban dwellers where food is mostly sourced in capitalist markets. The erosion of people's value of earnings due to ZWL depreciation is also widening inequalities and deepening poverty. Poverty is considered a primary cause of the continuation cycle; those who are categorized as being below the poverty line are more likely to remain that way. If unabated, poverty leads to the worst consequences in society such as increased youth drug abuse, gender-based violence (GBV) against women & girls, family disintegration, discrimination, poor health care, limited access to education, and therefore reduced opportunities for advancement beyond low-paid jobs.

2.2 ZWL Prices Go Haywire As the ZWL Nosedives

Due to the ongoing massive ZWL decline, ZWL prices are now burgeoning in a fashion last seen during the build-up to the record hyperinflation of 2008. Officially, inflation was measured at 86.5% in May 2023, up from 75% recorded in April. However, official numbers are blended statistics which are a weighted average of stable USD prices and highly volatile ZWL prices. With the economy now estimated to be 80% dollarized, the stabilizing effect of the USD on the weighted average (blend) is masking the real inflation tax – the loss of value of money due to inflation.

Independent estimates like the John Hopkins University Hanke Inflation Satellite which computes ZWL inflation based on implied rates show price growth breaching the 1200% mark. The rising inflation burden is plunging the majority below the poverty datum line (PDL). For instance, the Consumer Council of Zimbabwe (CCZ) statistics show that a low-income urban household of six (6) required about ZWL1 015 962.61 million in May 2023 to not be considered poor, up 66.2% from ZWL611 275 required in April 2023.¹ Yet, the ZWL salary component of most civil servants is below ZWL100 000. Consequently, the June 2023 ZWL salaries which were paid, for instance, to uniformed forces by Treasury can barely fill a basket of groceries.

1. <https://www.bing.com/search?q=consumer+basket+now+exceeds+1+million+znc>

In a move that will further fuel price inflation, the Zimbabwe Electricity Supply Authority (ZESA) increased electricity tariffs by 100% in the first week of June 2023 as shown in the table below.

CONSUMPTION BAND			Charge per kWh		Total Amount		Monthly Change
			May	June	May	June	
First 50	0-50kWh	50kWh	30.50	75.08	1525	3754	+2229
Next 50	51-100kWh	50kWh	61.20	150	3060	7500	+4440
Next 100	101-200kWh	100kWh	107.4	263.73	10740	26373	+15633
Next 100	201-300kWh	100kWh	152.9	376.5	15290	37650	+22360
Next 100	301-400kWh	100kWh	175.64	432.4	17564	43240	+25676
Above 400			183.6	451.6	-	-	-

Source: ZESA

Electricity is a key production enabler; its availability and affordability are key in supporting industrial activity. In terms of the former, Zimbabwe is witnessing improved domestic generation. This is attributable to the coming on board of Hwange Unit 7 (300MW), partial injections from another Unit 8 (300MW) which is currently under test runs, and improved Kariba dam levels. The latest official data show that electrical energy imports are now trending downwards from the January 2023 peak of US\$25.54 million to US\$17.26 million in April. While this is commendable, incessant ZWL fluctuations are making electricity unaffordable at a time prices of its substitutes like fuel and liquified gas remain highly elevated, way above the regional averages. All this feeds into production costs, the costs which in turn are shifted to the final consumer who happens to largely earn in the same fragile ZWLs.

2.3 Taming Macroeconomic Instability: Price Control Won't Work

With the perpetual and increased currency volatility, authorities are gradually gravitating toward price controls. For instance, recently the Financial Intelligence Unit (FIU) of the RBZ reportedly froze 16 bank accounts of traders, companies, and individuals for allegedly refusing ZWL payments, diverting goods to the informal markets, and engaging in forward pricing practices which are fuelling ongoing ZWL decline.² To deter delinquent business practices, the FIU has further threatened to take remedial and punitive measures including inter alia imposing administrative fines, freezing bank accounts indefinitely, referring culprits to relevant authorities for suspension/revocation of trading or operating licenses, and prosecution.

2. <http://www.newsdezimbabwe.co.uk/2023/06/price-madness-16-bank-accounts-frozen.html>

However, these actions being taken by the FIU at a time exchange rates had gone haywire and official forex exchange markets are experiencing reduced USD liquidity are tantamount to price controls and risk causing acute shortages of goods & services in formal markets. This is because price controls lead to prices that are not related to the cost of production, cannot address scarcity, fail to tackle the underlying reason for inflation, and distorts market forces of demand & supply. In the end, they affect direly needed mutual trust between authorities and the corporate world.

In today's capitalist business model, cost minimization (producing a given output quantity at minimal cost) and profit maximization (choosing inputs and output in order to maximize the difference between revenue and cost) are the essences of sustainable enterprises. So, amid the ongoing increased ZWL fluctuations last seen during the build-up to the 2008 record hyperinflation, the rationality principle discredits authorities' viewpoint that corporates are engaging in greedflation. In economics, greedflation refers to price gauging during an inflationary period, especially when the underlying cost of production has not risen accordingly. The obtaining economic situation shows that ZWL depreciation is highly unstable in both markets thus inflicting huge costs on economic agents.

For instance, the Grain Millers Association of Zimbabwe (GMAZ) revealed this month that circa 80% of its members' production costs including inter alia imported maize & wheat (100%), GMB maize (54%), repair & maintenance (100%), and transport (100%) are now denominated in USD. Yet, GMAZ members were still owed an aggregate of circa ZWL12.8 billion being outstanding payments of goods supplied in the past 90 days. This amount owed to GMAZ members was equivalent to US\$13.76 million in March 2023 (official rate: ZWL/USD 930) but has been reduced to a paltry US\$1.89 million (current official rate: ZWL/USD 6790). This shows the cost of increased currency volatility as major exchange rate losses of over US\$11.9 million have been incurred by GMAZ members to date.

The actions by FIU are also risky in the sense that the market is already full of negative perceptions and holding adverse expectations for the future as the 2023 harmonized elections fast approach. The rising incidences of police brutality, repressive legislation, violation of human rights, and incarceration of political activists will resuscitate adverse yesteryear election experiences thus increasing investment risk premium and fueling macroeconomic instability.

As such, there is a need for authorities to desist from blame games and find durable solutions to help save the ZWL from a second total collapse. The economic measures proposed by authorities to date such as promotion of use of ZWL, sterilization of excess ZWL liquidity, liberalization of the interbank market, and tightening of monetary policy are a step in the right direction. What is needed now is adequate political will to swiftly and fully implement these economic measures before it is too late. It is only political will to reform that will bring fiscal discipline, foster fiscal transparency, increase the independence of the RBZ, and capacitate oversight & accountability institutions to curb leakages of public resources caused by corruption and illicit dealings.

3. Articles for Further Reading

3.1 Centrality of Governance Issues to Zimbabwe`s Development Trajectory

The resolution of longstanding Governance issues surrounding endemic illicit financial flows and corruption is central to Zimbabwe`s development trajectory. Poor governance is at fuels economic volatility and mounding external debt. At the same time, illicit financial flows and corruption – undermine more than any other factor – all efforts towards the implementation and attainment of macroeconomic objectives for the five years of NDS1 and 2030 Agenda for Sustainable Development Goals close to nonexistent.

Illicit financial flows reduce government revenue and divert funds from legitimate activities such as developing industry, agriculture, education, health, social services, and infrastructure. They have become a wicked problem in Zimbabwe dating back to history. It is estimated that between 2000 and 2020, Zimbabwe lost over US\$32 billion through illicit financial flows. According to Hon Biti in National Assembly Hansard on 21 March 2023, Zimbabwe is losing US\$2 billion annually in illicit financial flows.

About 16% of Zimbabwe`s Gross Domestic Product (GDP) comes from the mining sector which is anchored on gold, platinum, and diamonds that are highly susceptible to illicit financial flows. The UN Conference on Trade and Development reviewed that gold leakages account for 77%. The extractive sector has the potential to become a strong and important pillar of Zimbabwe`s National Development Strategy (NDS1) and Vision 2030 which is “Towards a Prosperous & Empowered Upper Middle-Income Society by 2030”. Illicit financial flows diminish financing for Sustainable Development Goals. They leave the country increasingly dependent on debt financing to support social and economic development under conditions of growing climate, population, and global economic volatility concerns.

Illicit financial flows in Zimbabwe are caused by corruption, poorly governed, and opaque public institutions. According to Transparency International, Zimbabwe is the 157 least corrupt nation out of 180 countries. Corruption has been existing since the first republic in Zimbabwe and some of the corruption scandals that have taken place during this era are the ZISCO Steel Blast Furnace scandal, Air Zimbabwe Fokker Plane scandal, and ZRP Santana scandal just to mention a few. The Second Republic has been following in the footsteps of the First Republic or making the same mistakes made by the First Republic in terms of corruption. During the Second Republic, new and bigger scandals have cropped up such as the Pomona scandal and the most recent Gold Mafia scandal documented by Al Jazeera.

Illicit financial flows diminish Government revenue and as a result, the government has been having budget deficits. Recurrent budget deficits have disproportionately affected budget allocations towards social service sectors, under excessive austerity measures. This has increased poverty and widened the inequality gap between the rich and the poor in Zimbabwe. Poor financing for the health sector has accelerated the privatization of healthcare making health services more unaffordable and less available to the poor. Most of the people in Zimbabwe cannot afford to use private hospitals and public hospitals are perennially inadequately financed. For example, in the 2023 budget, the Ministry of Local Government was allocated 2.19% and the Ministry of Health was allocated 11% of the budget however, all of the people who reside in rural areas and most of the urban poor in Zimbabwe access primary health needs either from Local Authority administered Clinics or those administered by the ministry of health. This has affected mostly women and contributed to unacceptably high maternal mortality rates. In some places, pregnant women are now required to bring their own cotton swabs, gloves, scissors, and clamp forceps, for them to give birth.

Budget deficits have also affected youths in Zimbabwe. Despite them representing 65% of Zimbabwe's population (Youth Empowerment and Transformation Trust 2018), youths have been allocated 0.55% of the budget in 2023 and 0.84% in 2022. National budgets are the government's most powerful economic tool to meet the needs of its people, especially those of poor and marginalized communities but in the case of Zimbabwe, one can beg to differ as they fail to meet the economic needs of youths. The money allocated to the Ministry of Youth in Zimbabwe's national budget is meant for the empowerment of youth developmental projects which help youths to standardize their daily living. How can 0.55 or 0.84% of the national budget assist the majority of Zimbabwe's population in alleviating poverty? The answer is it doesn't as Zimbabwean youths are still amongst the poorest groups of people within the country. The impact of poverty and unemployment is dire amongst youths in Zimbabwe as the majority of Zimbabwean youths are now addicts as they abuse alcohol and drugs such as crystal meth (mutoriro) and marijuana (mbanje).

Most Zimbabwean citizens who reside in rural areas and partly in urban areas are still forced to use bush toilets due to the lack of adequate water and sanitation health facilities. For example, according to Bulawayo24 News 19 February 2023, residents of Filabusi, Bekezela high density and low-density suburbs go to the bush for toilets. According to Human Rights Watch World Report 2023 many parts of Zimbabwe continue to face a water crisis, with some places in Harare going without safe water for years, and residents turning to potentially contaminated wells and boreholes.

From the foregoing, it is clear that tackling illicit financial flows will open the door to releasing much-needed investments in attaining Sustainable development goals and the implementation of the National Development Strategy 1.

3.2 Examining the Tobacco Value Chain Transformation Plan

Zimbabwe is the largest grower of tobacco in Africa and the 6th largest grower in the world after China, Brazil, India, the United States of America, and Indonesia. The tobacco industry is valued at over US\$ 1 billion with an ambitious growth anticipation of US\$ 4 billion by 2025 thereby making it a US\$ 5 billion industry. China is Zimbabwe's tobacco largest importer accounting for approximately 30% valued at US\$ 400 million while United Arab Emirates imports 10% valued at US\$ 30 million annually. Approximately 5% of total exports are in the form of processed tobacco (cutrag), 75% as semi-processed (lamina), and 20% as processing by-products (stems, fines). This makes tobacco a cash crop that contributes immensely to fiscal generation and Gross Domestic Product (GDP). However, despite the contribution of tobacco to the national GDP, it has failed to transform the livelihoods of small-scale farmers who are major contributors and growers.

A Peep into the Tobacco Value Chain Transformation Plan

The government has put in place the Tobacco Value Chain Transformation Plan in which TIMB is expected to play a pivotal role in its attainment. The specific objectives of the plan focus on:

- Increasing production to 300 million kg by 2025.
- Increasing production of alternative crops and diversification with tobacco.
- Increasing level of value addition and beneficiation.
- Enhancing market access and competitiveness.
- Optimizing the country's net foreign benefits through building local funding capacity.

The fulfillment of the above objectives will culminate in a US\$ 5 billion tobacco industry by 2025. Nevertheless, some issues need immediate attention if Zimbabwe is to realize the US\$ billion tobacco industry by 2025. These issues are presented hereunder.

1. Tobacco Trade Injustice

The global tobacco market size is valued at approximately US\$ 849.9 billion and is expected to expand at a Compound Annual Growth Rate (CAGR) of 2.4% from 2023 to 2030 culminating in the establishment of a US\$ 1.5 trillion global market. While the growth of the tobacco global market is growing, Africa has not felt the positive effects of this increase. The same applies to Zimbabwe which has a tobacco market that fluctuates between US\$ 700 million to US\$ 1 billion despite being the largest producer of tobacco in Africa and the 6th in the world. The mismatch between tobacco production and attracted revenue attests to the global trade injustice in the tobacco sector.

However, this trade injustice is facilitated by several factors which among others include trade mis invoicing and colluding of export firms to charge a specified export price. The foreign currency retention policy and capital controls by the Zimbabwean government serve as strong incentives for exporters to find ways of keeping as much foreign currency out of the country as possible. Research conducted in 2020 established that there is clear evidence of coordinated trade misinvoicing in the exports of chrome, platinum, and tobacco in Zimbabwe. Trade misinvoicing is harder to detect and track when all exporters collude to ensure that regulators do not pick up on the difference between the declared export price and the actual price received from the export market. Thus, the government must liberalize foreign currency retention policy and capital controls to entice tobacco traders to send back their profits and revenue into the country. Secondly, effective punitive measures must be put in place to deter traders to engage in mis invoicing, cancellation of license and imprisonment must be among the consequences one faces after being caught.

2. Cigarette Cartel

The mushrooming of cigarette cartels in Zimbabwe has undermined effective revenue generation and trade justice. This is because cigarette cartels benefit from tax evasion. According to the Maverick Citizens Report on Cartel Power Dynamics in Zimbabwe in 2021, "the financial reward for not paying the sin tax on cigarettes is very attractive." This is because cigarette smuggling cartels are enticed by the economic benefits and rents that emanate from tax evasion. Cartels attain illicit reimbursements on excise duty. This is because cigarette producers are charged an excise duty of US\$7 per 1,000 cigarettes plus 40% of the cigarettes' factory price. If cigarettes are exported, the exporter is entitled to a refund of excise duty. To this end, cigarette cartels make legal declarations of exports of cigarettes and attain excise duty refunds from the Zimbabwe Revenue Authority (ZIMRA) and then smuggled the cigarettes back to Zimbabwe and re-export them or sell them on the informal market. Cigarette smuggling in Zimbabwe is mostly facilitated by political patrons who allow cartels to operate with impunity.

3. Exploitative Contract Farming

The emergence of contract farming in the tobacco industry in 2005 was viewed by many as a remedial move to revive the tobacco industry which had been affected by the Fast Track Land Reform Programme (FTLP) of 2000. This is because the FTLP culminated in the transfer of over 10 million hectares of land to more than 146 000 small-scale farms that were either inexperienced or incapacitated to undertake commercial farming. Approximately, 29% of the 146 000 small-scale farms were grown tobacco, by 2018 the number had increased to 46% contributing to the 29% increase in tobacco production.

However, the beneficiaries of the FTLP were financially incapacitated to undertake massive tobacco farming for commercial purposes. This created an opportunity for tobacco companies to create a dependency syndrome system that debt-traps farmers and underpays them. This dependency syndrome system was in the form of contract farming. In 2018, about 80% of small-scale tobacco farmers had contracts with private companies. While this culminated in the improvement of tobacco production, it entrenched the farmer into debt and poverty. This is because there is substantial power asymmetry between farmers and buyers of tobacco.

The buyers, who are companies in contract farming with small-scale farmers grade tobacco and set the price. A scenario that has led to the deprivation of farmers of the real market value of their tobacco. As buyers tender to grade lower the quality of tobacco and pay less. The dependency syndrome system also ensures that farmers purchase their inputs from contract companies that sell their inputs at a relatively higher price than the competitive market. Thus, creating a vicious cycle of debt trap that induces inequalities, poverty, and dependency on contract companies.

4. Market Access and Competitiveness

Market access and competition in the tobacco industry remain a cause of concern in Zimbabwe. This is because there is a great entrenched monopoly that is sustained by structural trade injustice within the tobacco governance system. The tobacco market remains closed for the majority with the Tobacco Industry and Marketing Board (TIMB) responsible for issuing licenses to buyers and contractors. TIMB licensed 31 contractors, 33 buyers, and 3 tobacco auction floors for the year 2022. Allegations have been leveled against TIMB for gatekeeping the tobacco industry and protecting the interest of a few individuals at the expense of the growth of the tobacco industry. There is generally low competition in the tobacco markets and farmers do not have many choices and alternative markets to sell their tobacco. One of the major challenges affecting competition in the tobacco markets is the coordination and collaboration of tobacco contractors, buyers, and auction floors in setting out market prices that undermines the interest of the farmers.

While the government sets ceiling and floor prices for tobacco, allegations are that manipulation is done by buyers and contracts to underpay farmers who remain entrenched in debt.

5. Child labor

Child labor has proven to be a malignant problem within the tobacco industry across the global spectrum. The history of tobacco production has involved family labour and automatically translates to child labour. This has been worsened by the fact that approximately three million people relied on tobacco for their livelihood with small-scale farmers accounting for the greatest share. This entails that, the use of family labour and children and women are not exempted. The inability of the majority of small-scale farmers to generate the much-needed resources to hire labour facilitates child exploitation.

A report by Human Rights Watch (HRW) in 2018 discovered that, in tobacco-producing regions, during the harvesting period there were significantly higher rates of truancy from school classes, suggesting that parents were depending on their children for help with the harvest. Absenteeism of primary and secondary school children has become the order of the day, making it difficult for students to keep up with their schoolwork. From a rights perspective, children's rights are violated on two dimensions; first child labour, second, their right to education. Such disregard for children's rights to education undermines efforts to build a viable national Human Capital Development. This also exposes trade injustices and inequalities that the children of small-scale farmers encounters.

All in all, the objectives of the TVCTP are (i) increasing production to 300million kg by 2025 (ii) increasing production of alternative crops and diversification with tobacco (iii) increasing the level of value addition and beneficiation (iv) enhancing market access and competitiveness and (v) optimizing the country's net foreign benefits through building local funding capacity cannot be realized until the above issues have been addressed. The government's lack of appetite to address the above issues is a greater cause of concern.

3.3 The Plight of the Youth in Zimbabwe

Despite constituting a large demographic of the population and their creative potential, youth are largely excluded from formal political processes and continue to be subjected to age-based systems of authority resulting in oppression. Youth will bear the brunt of the country's unresolved dilemmas, such as the effects of climate change and economic instability. Youth in Zimbabwe are marginalized both politically and culturally. This is evident in adult-centric public policies and in social norms and values that fail to take into account young people's views, interests, or voices.

In recent decades, with the downturn in the economy, the social wellness of youth in Zimbabwe has been negatively affected. Many social amenities enjoyed previously, such as public pools, parks, and recreational and sports centers in Zimbabwe are dilapidated and have been left derelict for years. Many young people in Zimbabwean are unemployed, or occupy employment in the informal economy, putting them at risk of poverty due to hyperinflation as most earn money in the local currency, insecure monthly incomes, lack of access to lines of credit especially in Zimbabwe's multi-currency economy.

Over the years, scores of Zimbabweans, more especially young people have risked their lives crossing the Limpopo River into South Africa in search of greener pastures in the form of steady jobs and incomes. More and more youth are crossing porous borders into neighboring countries and this has extended to those in formal employment such as nurses and doctors. Those that have been unable to leave turn to drugs and/or alcohol as an escape from societal and economic problems. The few who have been able to secure employment struggle to meet their family's needs given poor earnings accompanied by exchange rate fluctuations and inflation.

The stresses plaguing young Zimbabweans have led to increased cases of suicide and drug abuse. Drug abuse has been worsened by the harsh economic climate coupled with the COVID-19 pandemic. The drug and substance abuse problem has been rampant among youth in Zimbabwe. Many have fallen victim to crystal meth, marijuana, and other addictive substances that youth take recreationally to distract themselves from societal problems such as unemployment. Young women are specifically affected by societal norms around gender, which can prevent them from participating in political activity, limit their access to education, impose high levels of unpaid domestic work, and truncate their efforts to claim and use their rights. Many young girls in Zimbabwe are taken out of school and given away as child brides. Systemic discrimination against women and girls is both a cause and result of the inequalities that drive poverty and can be exacerbated by class, ethnicity, and age.

Society in general, is worse off when there are high rates of youth unemployment, reluctance to listen to youth voices, and a severe lack of opportunities for youth. Youth will face the consequences of the serious problems their elders have been unable to solve. The current generation of youth, particularly the poorest youth, will likely spend their whole lives struggling with the impact of the failure of the government in providing youth with education, and employment, including youth in decision-making processes and ensuring better support for youth in the informal sector.

In light of the above challenges, the following recommendations are proffered:

- Include young people in the design, implementation, and monitoring of policies and decision-making.
- Support policies and programs aimed at youth that engage with young people's energy and desire to change the world.
- All programs must acknowledge systemic discrimination that reinforces the inequalities faced by young people, especially young women, and persons with disabilities.
- Increase access to quality education
- Promote the social responsibility of large companies and multinational companies. Encourage them to offer internships to new graduates and guarantee that a percentage of those internships result in paid opportunities; support initiatives to raise minimum wages and limit executive pay.
- Consider the gendered impacts of a policy before implementation, and actively prioritize the needs of young women.
- Promote women's rights and young women's leadership in addressing gender inequality.

3.4 Water Crisis Hits Zimunya Township

Over one billion people worldwide lack access to clean water, and about 2.6 billion lack access to basic sanitation (UNDP, 2006). This is true even though access to clean water and proper sanitation is essential for the exposed and vulnerable to have a bearable quality of life. The residents of Zimunya township have been without running water for the past two months due to a serious water crisis, raising concerns about the spread of diseases including cholera and typhoid. ZINWA is to blame since it is struggling to give water to the communities due to its significant debt to ZESA for the electricity council to pump water.

Due to their failure to get safe and clean water in their houses, residents have been exposed to diseases like cholera and typhoid. The right to safe and clean water is explicitly guaranteed in Zimbabwe's constitution's chapter 4 section 77. To prevent communicable diseases, the rural district council and ZINWA should give residents priority access to water.

The current water crisis in Zimunya has led communities to dig unsafe boreholes that could be contaminated by sewage seepage. This condition is extremely harmful to human life. Even though the town is in one of Zimbabwe's richest districts, communal boreholes are generally limited in the area. Giant mining firms should have stepped in to assist both ZINWA and Mutare RDC in resolving the water crisis in Zimunya as part of cooperate social responsibility since the district is rich in diamonds and gold. Currently, only one borehole is operating, providing thousands of residents with water.

The fact that ZINWA owes money to ZESA is one of the main reasons for the water problem in Zimunya. As a result, the energy provider cut off electricity to the Mupudzi water plant, having a significant negative impact on the general people. Since residents pay ZINWA their water fees, the situation has been miserable because the service provider has failed to meet their mandate. Since there is a significant decline in service delivery even if residents are all making monthly bill payments, the issue also demonstrates a lack of transparency and accountability in the use of public funds.



Zimunya township where local economic activities take place.

The water pipes are also old and inadequate to accommodate the current, rapidly expanding population. ZINWA must invest in modernizing its water infrastructure to stop water bursts and ensure that every home has enough water for daily residential use. Until the issues are remedied, water will continue to be an issue in the community where pipes erected in the 1960s are still in use.

Everyone has the right to sufficient, appropriate, physically accessible, and cost-effective water for personal and domestic usage. Water is recognized as a human right. Water has a crucial role in reducing poverty and promoting sustainable growth, according to the 2030 Agenda for Sustainable Development of the United Nations. The Sustainable Development Goal (SDG) 6 on clean water and sanitation strives to ensure that everyone has access to water and that water management is sustainable. It also intends to put their right to water into effect.

Various initiatives can be done to minimize Zimunya's water issues. ZINWA and Mutare RDC should collaborate to drill more boreholes and build new water treatment facilities to increase the township's water supply. Additionally, replacing outdated water pipes is quite essential. The insufficient water supply will be reduced, promoting good health and sanitation among residents.