



THE WEEKEND READER

"Your Weekly Read on Debt, Development & Socio-Economic Justice"

GOVERNMENT LAGGING BEHIND ON PROMISES TO UPHOLD SOCIOECONOMIC DEVELOPMENT

In 2017 and 2018, President Emmerson Mnangagwa made promises for his government to uphold people oriented leadership centred on socioeconomic development. These were pronounced first in his first State of the Nation Address (SONA) (2017) and in the pledge card (2018) attached below. Five years on, we reflect on the current socioeconomic conditions especially defining the lived realities of the poor and a far from pleasing picture is painted. Unemployment remains high, currency instability reigns, 'catching and releasing' of the corrupt persists, health care remains a preserve of the rich and infrastructure development lags behind.

IN THE NEXT FIVE YEARS I PLEDGE TO:

Put job creation first: Leveraging the huge investment wave to create hundreds of thousands of jobs in agriculture, mining, tourism, the service sectors and new infrastructure projects

Have Zero-tolerance to corruption: Anyone found guilty of corruption will be immediately fired and punished accordingly – nobody is above the law!

Establish a modern, affordable healthcare system for all: Reducing hospital fees by 50%, improving the supply of critical drugs, guaranteeing free healthcare to all cancer patients and building 78 new hospitals ensuring one hospital per district

Develop Infrastructure worthy of the new Zimbabwe: Increasing power generation capacity, constructing a new railway network system connecting all provinces, towns and neighbouring countries, and dualisation of all major roads

Generate unprecedented educational and employment opportunities for our youth: Developing empowerment programmes such as Youth Business Hubs, fostering youth ownership and control of resources, establishing quotas for allocation of stands and houses, and mentorship and training programmes

KEEP THIS PLEDGE CARD AND MAKE SURE THAT WE KEEP OUR PROMISES

Emmerson Dambudzo Mnangagwa

Real Leadership - Action, Not Words

This is of key concern to us as the poor, women, the rural, youth, People with Disability (PWD) amongst other social groups bear the brunt of this gap and continue to be left behind.

Over the years, the State has been failing to guarantee employment for the majority, which has sadly resulted in loss of critical skills as majority of graduates leave the country in search of greener pastures. Despite the government's promise of creating 760, 000 new jobs. An average 80% of youth are unemployed and of these 59.6% are women (ZIMSTAT).¹

¹<https://www.newsday.co.zw/local-news/article/200002923/59-of-unemployed-zimbos-are-women-zimstat>

The form of employment that has been normalized is the informal sector which government is also failing to support. Zimbabwe was not spared from the effects of the COVID-19 pandemic and lockdowns which led to closure of a lot of businesses. Through the pandemic, the government didn't provide adequate support to these informal businesses and continues to overtax them.

A quick review of the government's recent spending priorities is concerning for the public. The expensive acquisitions are coming at a time when the country is in the middle of an economic crisis and worsening poverty levels. Whilst on the other hand we have rising public debt levels of \$16,7 billion which reduces chances of securing credit lines. Recently, the President approved acquisition of a presidential jet, costing about USD60 million. The Treasury is said to have reached the decision after analyzing the long-term benefits as compared to chartering planes. According to the source, the jet is either a US\$62.5 million Dassault Falcon 8X or the US\$53.8 million Dassault Falcon 7X.² Granted this is a good consideration but what's discouraging is that it's also reported that the government also has plans to buy four helicopters for VIP transportation. All this increased splurging would be detrimental to the confidence of the citizenry especially considering the economic crisis the nation is facing. Confidence is low especially because of previous experience with the 'previous' regime. Would such funds not be better spent addressing socioeconomic challenges such as health?

Access to improved health outcomes remains a preserve for the rich. Recently, government hiked user fees at public hospitals by 1 748%.³ This is in an effort to match the new process of pegging user fees against the United States Dollar. As such, the fees will follow the exchange rate. This however leaves the majority who earn in the local currency which is eroded everyday unable to access health care as their incomes don't get reviewed against the rate effectively. This is a direct contradiction of pledge number 2: "Reducing user fees by 50%," and construction of 78 new hospitals. Concerning this promise we then ask, #HowFar?

Zimbabwe's tax regime continues to reflect inequality as the poor, who already have minimal incomes, are overtaxed. The use of a cashless system that relies on mobile money is only effective if it has sufficient support from government policy and requisite infrastructure. As it stands, the intermediated money transfer tax, popularly known as the 2% tax continues to erode the value of the poor's economic participation. It should be scrapped or rationalized.

On corruption, a new term has been coined due to the persistence of the practice. The 'catch and release' phenomenon speaks to the authorities playing the gallery by arresting prominent government officials implicated in cases of corruption and then releasing them with no recourse or accountability to the resources lost. Recently, a sitting Member of Parliament was alleged to have abused public funds and apprehended but later released.⁴ To date, no one has accounted for the millions lost.

Considering all the above, one can state that government is not doing enough to deliver on its promises to be people centered and to deliver meaningful socioeconomic outcomes. This leads to a reduction in confidence and demands increased action as recommended below.

2. <https://www.thezimbabwenewslive.com/mnangagwa-buys-presidential-jet/>

3. <https://hararelive.com/2022/06/government-hikes-user-fees-at-public-hospitals-by-1-748/>

4. <https://www.zimlive.com/2022/08/us5-million-fraud-accused-wadyajena-cottco-bosses-freed/>

Recommendations

- **Political will to address people's basic needs-** The promises have been made and in some cases the resources have been allocated but what remains is the will to deliver.
- **People centered budgeting and implementation-** Health and Education remain under budgeted especially reflecting on regional statutes we are party to such as the Abuja Declaration. This requires alignment.
- **Reform for reengagement and investment-** Investors are drawn to locations with consistency in policy and economic stability. Our local context characterizes the opposite.
- **Rationalization of the tax regime-** Our tax system is regressive. The 2% tax for example should be reduced or scrapped as it makes transacting more expensive for the poor and informal businesses.