

Indigenisation and Economic Empowerment Policy Views and Concerns in the Zimbabwean Mining Sector (2008-2011)

Plaxedes Gochero¹ Gerald Kadira²

1. Masasi College, 4 Churston Close Marlborough, Harare

2. University of Zimbabwe, Box MP 167, Mount Pleasant, Harare

Abstract

The paper assessed the challenges caused by the Indigenisation and Economic Empowerment (IEE) policy of 2008 on the mining sector of Zimbabwe. Qualitative research method was used to analyse data on challenges caused by the IEE policy, strategies for addressing the challenges and evaluation of the policy. The data was collected through interviews that targeted stakeholders in the mining sector. The study found out that stakeholders welcomed the Indigenisation and Economic Empowerment policy but the challenge was its implementation for example, the policy lacked transparency and clarity such that most stakeholders failed to understand it. The government needs to intensify awareness and education programmes for the nation while raising the needed fund as successful implementation also depends on funding to avoid situations where the economy and the intended beneficiaries end up in a worse off situation.

Keywords: Indigenisation and Economic Empowerment Policy, Zimbabwean Mining Sector

1. Introduction

Empowerment policies have been formulated internationally and there has been a growing interest by stakeholders including scholars to assess challenges caused by implementing such policies to the economies of different countries concerned. The Indigenous and Economic Empowerment Policy of Zimbabwe has sparked an interesting debate as the government on one side is of the opinion that the IEE policy had positive results on the mining sector leading to the economic growth of the country. From government point of view the IEE policy is a positive move as it empowers the previously marginalized indigenous black people. On the other hand some groups especially in private sector were of the opinion that the policy had devastating effects and yielded negative results on viability of the mining sector. The Indigenisation and Economic Empowerment policy has been put in place in all sectors of the Zimbabwean economy but the study only focused on the mining sector as it is seen as one of the main contributors to foreign currency earnings and also employs a great number of people, 45 000 in 2010.

1.1. Background

According to Mutsvangwa, (2000), the Zimbabwean soil is rich with over forty (40) different minerals in the form of precious and base metals, industrial minerals, emeralds, diamonds and semi-precious stones. These include gold, diamonds, coal, nickel, platinum, chrome, tin, iron, black granite, limestone, phosphate, and cobalt. (Mutsvangwa, *etal*, 2000). The country exports minerals to international markets especially gold, diamonds and platinum. The mining sector plays a major role in contributing to economic growth. It employs many people, about 45 000 currently. There are about twenty- two large scale mines, investments which are mainly controlled by Multinational Companies (MNCs) or Transnational Companies (TNCs). The indigenous blacks mostly control about two hundred small scale mines around the country (Chamber of Mines, 2010). Mining and minerals are controlled by the Mining and Mineral Act Chapter 21:05 and the Minerals Marketing Corporation of Zimbabwe Act (Chapter 21:04) in terms of licencing, exploration and marketing (Government of Zimbabwe, ZIA, 2006).

1.1.1. The Indigenisation and Economic Empowerment (IEE) Policy of Zimbabwe

Zimbabwean government after gaining political control of the country from the British in 1980 had realised that it needed not just political control but to have the indigenous people who are the majority to own more land resulting in the land reform programme in 2000 which had adverse effects on the economy. Later, in 2007 it also realised that it was not just the agricultural land that it needed to control for the benefit of the indigenous people but the mineral resources as well. The policy was then enacted in 2008. The government does not want TNCs who own most of the large scale mines to take all the profits from mining out of the country.

The Indigenisation and Economic Empowerment policy aims at empowering the blacks who are the majority. According to Smith, (2011), Indigenous Zimbabweans are persons who, before 18 April 1980, were disadvantaged by unfair discrimination on the grounds of their race, and any descendant of such persons. This definition is not clear and has been the subject of much debate but it is likely that it covers black Zimbabwean nationals (and possibly also Zimbabwean nationals of Indian or Chinese origin) to the exclusion of white Zimbabwean nationals.

The Act stipulates that:

All foreign owned companies especially mines and financial institutions must localise at least 51% of shareholding by selling to blacks by 2015 and those failing to comply risk losing their operating licenses. At least 51% of every public company and any other business should be owned by indigenous Zimbabweans. The Government also reserved some economic sectors investment by local Zimbabweans and entry into these sectors requires approval from the Government. The legislation also provides preferential procurement from local companies, just like South Africa's BEE preferential procurement provisions.

The threshold was set at USD 500 000 of net asset value which meant that companies with less than this would not need to comply.

New mining projects must also be 51% held by locals and the government will not give "empowerment credits" for social initiatives.

Share value or interests required to be disposed shall be calculated on the basis of valuation agreed between the minister and non-indigenous mining business taking into account the states sovereign ownership of minerals, mining firms that satisfied indigenisation regulations were exempted from such policies.

100% of alluvial diamond mines should be locally owned, while other minerals must be 51% owned by indigenous Zimbabweans (Government of Zimbabwe, Act 14:2007).

The National Indigenisation and Economic Empowerment Board (NIEEB) has an important role bestowed upon it by the Act so as to ensure that all companies comply with the indigenisation law.

The compliance function of the board is crucial for the successful implementation of the indigenisation and empowerment programme (Government of Zimbabwe, Act 14:2007).

The act was to target mining companies and banks (Chamber of Mines, 2007).

2.1. Compliance with the provision requiring the filing of IDG forms:

The principal regulations require that all non-indigenous companies with a net asset value of US\$500million submit to the ministry the IDG form by June 2011 together with a provisional plan indicating how a company would meet the requirements of the indigenisation law (Government of Zimbabwe, Act 14:2008).

Government of Zimbabwe rejected proposals for empowerment credits by mining companies which were trying to evade the indigenization process offering various excuses. The proposition by mining companies is that spending in social investments should be converted into empowerment credits under indigenization programme but government is not agreeable to such a situation. The Chamber of Mines was reported as coordinating efforts to frustrate the government effort to indigenize the mining sector preferring the South African model which stipulates 26% for indigenization while 25% is covered by corporate social responsibility programmes (Financial Gazette, 05 April 2011).

Some sectors have politicized the indigenization policy as was done with the land reform programme which was said to have not been properly planned and just popped up towards elections so as to appease the mass. The policy was receiving a lot of resistance from companies such that the government had to give ultimatums and deadlines as for example, all companies needed to submit indigenization plans within 45 days and given six months to regularize the ownership structure of their entities and could only seek for extension from the minister. Each and every non-ingenious mining business shall achieve minimum indigenization and empowerments quota by the disposal after approval of its indigenization implementation plan by the minister of its shares and interests to designated entities within six months of notice publication (All Africa Global Media 2011).

In this study it is acknowledged that the time that has passed since the policy was enacted, 2008 and the time the study is being conducted, that is, 2011 might appears to be short to make a fair economic assessment of the effects of the policy in the mining sector. However, given the background that Zimbabwe has just come out of the doldrums of failed policies like the Economic Structural Adjustment Programme (ESAP) and the Land Reform Programme there is need to be proactive. It might not be prudent to wait until the Indigenisation and Economic Empowerment Policy has failed again to assess or analyse its effects. To be useful, the assessment is better done early or now so as to inform and advise policy makers on the positive or negative effects. If it is detected early that the policy could be disastrous then it could either be modified or abandoned early enough to protect or prevent the economy from collapsing again as it takes time to correct such disasters.

Another reason for carrying out the study this time is that information is very crucial in decision making. From the time the policy was crafted resulting into enacted the government and the private sector have had different opinions on its sustainability. The government's position is that the policy is sustainable yet some sectors are of the opinion that it is not. The continuous debate and confusion on whether policy will enhance economic growth or will have the "potentially devastating" effects as some sectors are professing or claiming is of great concern. This kind of information has been spreading to the rest of the world through the media and could affect potential investors. Since investors are forward looking and information sensitive, the policy would

have effects especially in terms of decision making on whether to invest or not. For example, in stock markets, if information spreads that share price will or has increased; potential investors might buy or invest in such a market.

Information about an investor friendly policy would lead to positive effects on the mining sector. Most investors have rationale behaviour such that they carry out a research before they take an investment opportunity.

This study focuses on the effects of the Indigenisation and Economic Empowerment Act in the mining sector of Zimbabwe. The study is more concerned with the economic effects and the sustainability of the act in the mining sector and how this affects the general economic growth of the country.

Although this study examines the period the policy has been in force it mainly bases its conclusions on what comes out of the information from the different stakeholders on the sustainability of the policy and how it could affect the mining sector.

The empowerment policies that have been implemented in different parts of the world like those cited above have in some cases been successful, that is bringing economic benefits to the local people as well as contributing to economic growth but in other cases did not succeed. This study seeks to find the effects of the Indigenisation and Economic Empowerment Act in the mining sector and its contribution to the economic growth of the country. The focus is on policy vis a vis production output of five of the major minerals of Zimbabwe, (gold, asbestos, nickel, coal and chrome), exports, investments, unemployment levels and Gross Domestic Product (GDP).

2. Literature Review

Empowerment is a fuzzy socio-economic construct interpreted differently by both scholars and development agencies. Depending on the discipline from which one hails; the term may assume various connotations. How empowerment is understood varies among these perspectives. The meaning of the term empowerment is often assumed rather than explained or defined. Rappaport (1993) has noted that it is easy to define empowerment by its absence but difficult to define in action as it takes on different forms in different people and contexts. Even defining the concept is subject to debate. Zimmerman (1984) stated that asserting a single definition of empowerment may make attempts to achieve it formulaic or prescription-like, contradicting the very concept of empowerment. Bailey, (1992) point of view is that a common understanding of empowerment is necessary, to make it possible to know empowerment when it is seen in people who are being worked with and for program evaluation. For Bailey, defining empowerment depended upon the specific people and context involved. This again shows that power is a relative concept.

According to Rappaport (1993), “empowerment conveys both a psychological sense of personal control or influence and a concern with actual social influence, political power and legal rights”. Crag and Mayo (2004) define empowerment as “the process whereby decisions are made by people who have to bear the consequences of those decisions”. This implies that it is not the achievement of goals, as much as the process of deciding that is important. This definition makes it apparent that empowerment is not just about changing from a position of not having power to a position of power but being able to make decisions and taking responsibility.

According to Page and Czuba (1999) as a general definition empowerment is a multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important. Nevertheless, what is common about the definitions proffered above is that they are all in agreement that empowerment implicitly involves transfer of power from a point of high concentration to a lower one (the disempowered). The challenge then is about the dynamics of doing it and how meaningful the empowerment is.

Economic Empowerment Policies

According to Blij and Muller (2002) the economic empowerment policy in Nigeria appears to have been successful in that the mining of petroleum brings millions of dollars to the economy every year and provides employment to thousands of local people. While it is worth appreciating that many people are securing employment it is however not enough to say employment equals empowerment. What if the employed personnel are seriously underpaid? Where would be the empowerment? Hence the measure of empowerment needs to go beyond volumes of employment generated. The Economic Commission for Africa, (2002), compendium on Best Practices in small scale mining in Africa ranked Tanzania as having the best mining policy practices in Africa that are able to attract FDI. This brings many benefits to the economy and empowerment for the local people. There is high level of transparency and good governance as major issues are debated in a transparent manner in Tanzania’s multiparty-composed parliament. There is also peace and political stability. While this observation is appreciated, the criteria used to determine the best is not explained. It would also depend on whose perception or perspective from which the judgment was made. Was the judgment or evaluation made from the point of view of

investors or the local people? What is perceived as best policy might not be the best for the local people especially the marginalized groups?

In 2003 the government of south Africa introduced and institutionalised the transformative initiative known as the Broad-Based Black Economic Empowerment (BB-BEE) after it had been realised that the initial Black Economic Empowerment policy BEE had omitted important factors like the issue of access and that of no-previous empowerment or the elites, Shimutwikeni, (2009). The focus of BEE moved from being solely ownership-orientated to include other key elements known as the 7 pillars, which includes ownership, management representation, skills development, employment equity, preferential procurement, enterprise development and corporate social investment. However, one still wonders if these policy revisions or modifications were water tight or had no other loopholes that developed.

With empowerment policies comes a common problem of elite encroachment into economic empowerment as was the case with BEE. Yet another evil is that of fronting. According to Naidu (2008) and Balshaw and Goldberg (2005) 'fronting' is a problem that predominantly occurs as a result of window dressing (Black individuals in low positions are used as the face of a company or elevated to executive levels for the purposes of boosting black economic empowerment ratings, but personally receive few or no benefits). These people used for fronting purposes are not empowered to make decisions and so are not empowered in the true sense. All this boils down to the fact that it is not necessary to prescribe the essentials of economic empowerment as cases are situational.

Human (2006), studied the implementation of the affirmative action and the construction industry of South Africa. According to this author the general feelings towards the BEE was mixed and professionals in the industry felt that black partners are taken in only to comply with the broad based BEE Act and not as a means of improving the company. It would be interesting to find out how the IEE ACT of Zimbabwe is perceived by professionals on the mining sector and why companies choose to comply or not.

According to Ross, 2007, Local community employee's promotion, gender equality and broad based ownership are key aspects of the Black Economic Empowerment transactions. It would be interesting to get an explanation as to why these are regarded as key aspects. There should be other determinants of the effectiveness of economic empowerment. For instance, the issue of ownership of resources is not tackled here. She regards BEE as a success without being exhaustive in the factors behind the success. This makes the observation quite contentious.

Andrew (2008) observes that Aboriginal communities in South America, Australia, Canada, and elsewhere have achieved significant and meaningful involvement in mining projects, particularly over the past decade. The weakness in this observation is that it does not qualify or go into detail in describing the nature of involvement.

Ericsson (2010) states that China had invested little into draconian black economic empowerment, BEE of South Africa as Chinese investors were wary of committing large investments into the mining sector. The point worth noting is that investors are likely to remain on the fence if the policies are perceived to be investor unfriendly.

Black economic empowerment encourages the employment of scarce Black skills Burger, (2009) and the creation of successful Black business icons serve as role models to inspire future generations. While the concept of influencing future generation is sound, it would have been sensible for the positive effects of the policy to also be enjoyed by the present generations.

Sectorial study findings by Sherwood on some of the challenges of implementing BEE policy by studying the manufacturing and engineering industries in South Africa suggested that internal training programs (in the form of learner ships, apprenticeships and mentors) were an effective way to increase skilled Black people across industries in South Africa, Sherwood, (2007). Such statements indirectly suggest that before total empowerment can be achieved the marginalised need to be given the necessary skills for them to benefit from the empowerment programmes to achieve the intended objective of the policy. It would be interesting to find out whether the marginalised Zimbabweans have the skills for them to benefit from the IEE policy.

3. Methodology

The research was qualitative in nature hence the researcher adopted a qualitative approach. Data on views of stakeholders about the policy was collected using interviews which gave information about the interviewees' feelings, perceptions and attitudes which is why the research is qualitative.

Purposive Sampling, which is confined to specific types of people, was used. In this case stakeholders of the mining sector were targeted as these are the people who were in the best position to provide information on the effects of the Indigenization and Economic Empowerment Policy on the mining sector.

One type of purposive sampling, the judgment sampling was used in which case the selected stakeholders who are most advantageously placed to provide the information required. It was apparent that any

type of probability sampling across a cross section of the entire population would be purposeless. Since this type of sampling may curtail generalizability of the findings it was used in conjunction with desk research. The advantage of enlightened opinions, views, and knowledge constitute a rich data source.

The study focuses on the period between 2007 and 2011 which is the time period from policy formulation, enactment and implementation. A questionnaire guide was made to get information from the stakeholders especially the mining sector's opinion on the policy in terms of effects on viability for the mining sector. The questionnaire guide was used to guide the face to face interviews.

Yan, (1998), states that there are advantages and disadvantages of using interviews. In this study the advantages included learning things that cannot be directly observed and get to understand inner perspective on the IEE policy with regards to the performance of the mining sector. The interviews carried out also allowed for probing to increase accuracy of response. Respondents were free to raise their concerns for example some of the private sector interviewees felt that the policy issue was very sensitive and were concerned and worried that their names or organizations could be publicly revealed as having given certain information. It was also possible to modify lines of enquiry.

However, the disadvantages were that it was time consuming and expensive. It only catered for small sample sizes and quality of information was subject to bias. Qualitative data was produced from the responses of the stakeholders which gave valuable insights on the challenges posed by the IEE policy, suggestions made on strategies for dealing with the challenges as well as evaluations of the IEE policy made by the stakeholders.

The content analysis approach was employed to examine the challenges faced by the stakeholder in the implementation of IEE policy, strategies to address these and evaluation of the policy. A sample of thirty stakeholders in the mining sector was selected. This sample included representatives of the main organizations in the mining sector, large scale miners and small scale miners. These are the Zimbabwe Chamber of Mines and Zimbabwe Small Scale Miners Organisation. Top officials in the Indigenization and Economic Empowerment office were also targeted as well as the main organizations that support the existence of the IEE policy, the National Indigenisation and Economic Empowerment Fund (NIEEF) and the National Indigenisation and Economic Empowerment Board (NIEEB), Zimbabwe Investment Authority, Minerals Marketing Corporation of Zimbabwe, Zimbabwe Mining Development Organisation, Academics and individual entrepreneurs in large scale and small scale mines. The sample was considered adequate as it constituted most of the people who are the main stakeholders and affected by national policies and implementation either as decision makers or consumers of the policy.

In this study, responses capturing the views of the main stakeholders in the mining sector were recorded. The content analysis approach was employed to examine the data generated by the interviews and documents (Mouton, 2001). Deductive analysis also referred to as priori coding was utilised to establish themes, since the same questions were asked in the semi-structured interviews. The themes were examined in terms of repetitive patterns and connected text, so as to cluster similar and divergent outlooks that emerged to expose numerous categories (Ritchie and Lewis, 2003).

The analysis and conclusions drawn from the data were then compared to the literature review and past studies. However, basing conclusion on opinions can have problems in that opinions are not facts and change with time. It would have been more enriching to combine this method of data analysis with quantitative methods in future hoping that by then the effects of the fairly new IEE policy on the viability of the mining sector will have been felt and measured.

4. Research Findings

This unit discusses the findings of the study pertaining to opinions and views of stakeholders in the mining sector on the challenges posed by the IEE policy.

No capacity to access equities in mining counters/sector

Most of the interviewees were of the opinion that the indigenous blacks did not have access to capital to buy the 51% of shares in the existing mining companies, as provided for in the IEE policy. This point was aptly expressed by a representative of small scale miners, who said,

Fifty one per cent shares is not an issue as none of us can afford. We could start with 10-15% hoping to benefit from the initial stages when the foreign investors set up and start operation. Small scale miners would then begin to demand more shares say after five years and increase the demand up to 51% which might even force the foreign investor to leave as they lose controlling shareholding. When the foreigners leave the country equipment will be left behind for them to continue mining.

In essence, the respondent was advocating for an incremental approach to the allotting of shares to indigenous people. A representative of large scale mines said,

Mining is capital intensive, just for example projects in the mining sector for the next 5-7 years require

about 5-7 billion United States dollars yet the whole economy of Zimbabwe is budgeted at around 2 billion annually. Obviously 51% would be an unrealistic percentage for indigenous blacks to afford considering the huge amounts required even to set up a small mine. A representative of the National Indigenisation and Economic Empowerment Fund (NIEEF) also said, ‘There is no money for blacks to buy shares in the existing mining companies and building a financial resource base takes time, may be 3-4 years’ A former Permanent Secretary of the Ministry of Finance and Economic Planning added his voice on this matter saying, ‘The previously indigenous marginalised blacks do not have capital to buy shares and the same rich guys who have always benefited from previous policies could still benefit and even use the poor blacks to front them in mining ventures’.

Noncompliance and resistance to change

Most of the interviewees shared the opinion that compliance was a problem because of resistance to change by some mining companies. This was well captured by the NEEIF representative who said, ‘Compliance was slow because of resistance to change but now the companies are revising their proposals for compliance as they have no option but to comply.’ Director of IEE policy also said, ‘They were resisting change but now most have complied. Those that have not will have to otherwise their licences will be withdrawn.’ While, one of the directors at the Mineral Marketing Cooperation of Zimbabwe MMCZ stated, ‘Some private large scale miners are resisting compliance as there is a great fear of nationalisation.’

Failure to understand the IEE policy

Some interviewees were of the opinion that many people did not understand the policy and how it was to be implemented. This was well articulated by a policy making consultant in the IEE policy office who also claimed to have been a policy consultant for BEE in South Africa and Botswana. He observed that there was need to explain the policy starting at the grass root levels. It is difficult for the grass root people to understand.’ An official from MMCZ also argued that, mining companies needed someone who explains the policy to them hence demystify the idea that government is greedy.

Viability of mining sector affected

Most of the interviewees indicated that the viability of the mining sector would suffer from lack of foreign direct investment. This was amplified by one of the officers from ZIA when he said, ‘The statistics given to the organisation were that there was zero investment from 2008-2010. However, if ever it was there we do not have records it might mean that the investment was too insignificant to record.’

However, the IEE had a different opinion saying, there is a lot of investment from China, India, Russia and Americans who invest quietly because they now know it’s either they win the opportunity or lose it. Some of the European Union countries like Germany were sneaking out of the EU block to invest in Zimbabwe ignoring the sanctions. They know what is under our soil because they explored this soon after our independence.

One of the Diamond mining executives at River Range Diamond Mines also said, ‘What we see today are mostly just shells of the former companies. Some companies folded up and returned to their countries of origin because of the policy. ‘The policy has frustrated company growth’ argued by an economists and academic at University of Zimbabwe.

Lack of consultation with stakeholders in evolution of policy

Some of the interviewees pointed out that there was a lack of stakeholder consultation. A representative of a large scale mine said, ‘We have a government that does not listen.’ Some of these policies are detrimental to progress but what can we do? Going back to policy makers will not help as they will not change and abandoning the policy is not an option. We want the policy but it needs improvement. The same concern was expressed by another IEE officer who said, ‘Consultation with stakeholders is a challenge for the government.’

Policy ambiguity

Most of the interviewees in large scale and small scale mining sector shared the opinion that the policy lacked clarity on how it was to be implemented especially the fact that individual companies would have to negotiate with the ministers. Such behind door arrangements may not be transparent and corruption could result. They also shared the view that investors needed clear and transparent policies for investment.

It was mostly interviewees in large scale mining sector that were concerned that the policy was not clear on how evaluation was going to be done as the country did not have the expertise to do the valuation as expressed by one of the officials at the Chamber of Mines when he said, who will evaluate our mines for us to deal with issue of shares? There are world standards for valuation and it will be improper to use Zimbabwean standards or do it at country level as this can be tantamount to expropriation of international standards.

Policy Evaluation

In evaluating the policy most interviewees were of the opinion that the policy to empower the indigenous people economically was an important move by the government but its implementation was a problem as it was not transparent, lacking clarity and had a very short compliance period. The policy was said to have negative effects on investment as prospective investors adopted a wait and see attitude. The issue of ceding 51% of shareholding was not considered for both the large and small scale miners. Most large scale miners knew that most of the indigenous people could not afford the 51% shareholding and on the other hand, the small scale miners would not mind getting fewer shares at the onset hoping to benefit from the early stages of establishing the mine with the MNCs but worry that such a plan might not work. Since mining is capital intensive, small scale miners think that when the MNCs leave the country, they are left using the machinery.

However, the large scale miners recommended that Zimbabwe should learn from models from other countries like Tanzania, Canada, Malaysia, Botswana and South Africa. To stress his point a representative of large scale miners had this to say, "Why invent a wheel when it has already been invented? Most small scale miners interviewed felt that it was not necessary because South Africa for example does not have small scale miners whilst an interview with the IEE policy office director revealed his opinion on the BEE of South Africa when he said,

South Africans are in trouble. That policy failing. Our policy is unique we do not just want to empower our people like they wish but our emphasis is on indigenisation. The policy takes a militant approach and that is the best way to address the issue of empowerment for the former marginalised people. It's a dashboard approach so we allow for criticism and improvement as we go neither is it based on scorecard like that of South Africa but we learn as we move."

5. Conclusions and Recommendations

From the findings it is apparent that the Indigenisation and Economic Empowerment policy is causing serious challenges to the mining sector. The challenges include lack of capacity to access equities in mining counters/sector, lack of stakeholder consultancy, noncompliance and resistance to change, failure to understand the IEE policy, viability of mining sector affected, and policy ambiguity. Similar conclusions were reached by Human, (2006), Jack, (2006), and Duffett (2010) when they found various challenges in policy implementation as discussed in literature review. It is against this background that the recommends the policy to be revised or modified as at to address the cry of the mining spectrum at large. This section focuses on how the various challenges posed by the IEE could be addressed. The challenges were namely, lack of capacity to access equities in mining counters/sector, failure to understand the IEE policy, viability of mining sector affected, and policy ambiguity. The government should ensure that the same old guys that benefited from previous empowerment policies are not the very same people benefiting the most from the IEE policy at the expense of the intended beneficiaries, the marginalised blacks.

The policy makers need to learn from models that have been used by other countries for example, South Africa, China, and Malaysia. Such models have been tried and tested and the policy makers could just make use of the positive parts of those models to modify and improve the IEE policy and achieve internationally acceptable standards. The government should also make use of the Gradual approach to such policies which are very sensitive rather than using the big bang approach they have used. Stakeholders have to adjust gradually to a certain policy reform. The Gradual approach works hand-in hand with the time period of compliance.

The government needs to intensify awareness and education programmes for the nation while raising the needed fund for the successful implementation also depends on funding to avoid situations where the economy and the intended beneficiaries end up in a worse off situation. As for example lack of investments caused by an unclear policy results in low viability leading to the closure of some mining companies. This results in loss of jobs, poverty and further chances of the blacks being marginalised. Resources need to be mobilised and stakeholders educated before policy announcement considering that investors are information sensitive and forward looking. Innovative ways of assisting indigenous blacks to purchase shares or start new mining ventures should also be developed or modified. News that the policy is not clear could scare away investors as it is spread internationally even before the policy is fully developed and implemented.

Further research on the effects of the policy on other sectors of the economy is recommended as its still uncharted grounds which may help developed the economic policy since the economy is not made up of one sector (mining) alone

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Authors Profile

Plaxedes Gochero

MBA , Eastern and Southern, Africa, Management Institute, M. MUS, University of Pretoria, B. MUS Hons, University of Pretoria, BA, University of South Africa (UNISA), Dip. Edu, University of Zimbabwe, NC. MUS. Zimbabwe College of Music.

Kadira Gerald

Masters Student, University of Zimbabwe

Department of Economics

Msc in Economics Student