Public Policy and Administration Research
ISSN 2224-5731(Paper) ISSN 2225-0972(Online)
Vol.6, No.6, 2016

Unpacking Zimbabwe's Enduring Economic Quagmire: Interrogating the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimASSET)

Makaye, Peter
Lecturer of Development Studies at the Midlands State University (Zimbabwe)

Mapuva, Jephias
Senior Lecturer at Bindura University of Science Education in the Department of Geography (Development Studies stream) (Zimbabwe)

Abstract
Following the ruling party's victory in the July 31 2013 elections the ruling ZANU PF party crafted a new economic blueprint, The Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset). The blue print intends to achieve accelerated economic growth and wealth creation between October 2013 and December 2018. ZimAsset has four strategic clusters namely: Social Services and Poverty Reduction, Food Security and Nutrition, Infrastructure and Public Utilities and Value Addition and Beneficiation. These clusters act as the basis on which its objectives are anchored as well as the drivers of the development policy. This paper provides a critical analysis this blueprint, by taking a historical look at the economic policy of the country and hasten to argue that this country has never been short of blueprints. What has been lacking is implementation which could have been a result of a lack of resources, political will and corruption, among others. The economic policy is also bereft of an investment strategy making it difficult to leverage on the country's mineral resources. The Indigenization and Economic Empowerment Act of 2008 is not doing the country's efforts to attract Foreign Direct Investment (FDI) any good because in actual fact it is scaring away potential investors. This paper argues that given that ZimAsset's implementation is premised on the availability of financial resources, which the country does not have and that FDI is not trickling in, it is bound to fail. The economic policy is ambitious, it wants to achieve almost everything within a 5 year period yet the country is thin on resources and so it hardly has any chance of taking Zimbabweans to the "Promised Land" of economic liberation and libealisation.
Keywords: Economic policy, ZimAsset, development strategy, Foreign Direct Investment

Introduction
Since the turn of the new millennium, Zimbabwe's economy has been on a downward trajectory, characterized by high inflation, chronic unemployment and soaring national debt levels. Introduction of the multi-currency regime that coincided with the government of national unity (GNU) in 2009 seemed to have halted the haemorrhaging of the economy but in recent months following ZANU PF's "landslide" victory in the July 31 2013 Harmonized Elections challenges have re-emerged. Low capacity utilization in industries of around 39 percent in the 3rd quarter of 2013, unemployment as high as 75 %, liquidity crunch, lack of lines of credit from major International Financial Institutions (IFI) as well as a general lack of FDIs are some of the major challenges that have plugged the Zimbabwean economy and gain. Against this backdrop those who steer the affairs of the ship of state have crafted the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) to take Zimbabweans to the "Promised Land". This paper analyses the country's blueprint, assesses its ability to take Zimbabweans to the desired economic state. It is the conviction of the authors of this paper that December 2015- the time when the "Quick Wins" should have been achieved - is already gone by with very little (if any) really tangible economic benefits having been derived from the austerity economic measures of the ZimAsset . The paper ends by suggesting what needs to be done if the current economic challenges are to be overcome and if ZimAsset is to succeed.

A Brief Overview of Interventionist Economic Policies in Zimbabwe
Zimbabwe's economy has had economic challenges and these policies have characterised by heavy political overtones. Consequently the Government of Zimbabwe adopted numerous interventionist economic policies to resuscitate its flagging economy. Each policy was meant to serve a particular purpose in the post-independence economic history of the country. The 1980s were characterized by five-yea development plans. Of note were the Growth with Equity (1981), the Three Year Transitional National Development Plan (1982-85), and the First Five Year National Development Plan (1986-90) policies. The objectives of the first two policies were in sync with the political philosophy of the country during the time and sought to create a "socialist and egalitarian and democratic society" and to achieve economic transformation and growth. World Bank data showed that

Zimbabwe's GDP was growing by an average of 5,38% per annum between 1980 to 1990 and that public expenditure was high for most of the decade which explains the country's flagging economic fortunes from the mid.1990s. A lot has happened in economic and political cycles since 1990, with Zimbabwe having gone through an economic downturn which saw inflation spiraling out of control and the introduction of various local currencies under a cocktail of names such as bearer cheques and agro cheques. Currently, the country is using the multi-currency system which in essence is proving to be problematic.

The post 1990 era saw Zimbabwe undertaking several interventionist policies for economic recovery. After evident economic malaise, the government in 1990 embarked on a World Bank-sponsored five year Economic Structural Adjustment Programme (ESAP) aimed at liberalising the economy to a more market-driven one. World Bank supported ESAP with a US$125 million structural adjustment loan and a US$50 million structural adjustment credit. In 1991, a Framework for Economic Reform (1991-95) was announced aimed at privatisation of state-owned enterprises. According to World Bank data, the economy achieved an average annual GDP growth of 1,39% between 1991 and 1995. In 1998, the Zimbabwe government launched, two years behind schedule, the second stage of its economic structural adjustment programme, the Zimbabwe Programme for Economic and Social Transformation (ZimPREST). The ZimPREST (1996-2000) was aimed at creating a stable macro-economic environment to support increased savings and investment in order to achieve higher growth and improvement in the standard of living for all Zimbabweans. The interventionist economic recovery policies had, by 1996 yielded an average annual GDP growth rate of 2.41% which was a commendable achievement given the economic environment of the day.

As though the foregoing economic policies were not enough, the country on the dawn of the new millennium came up with a Millennium Economic Recovery Programme (MERP) which lasted from August 2001 to the end of the year 2002). The MERP was a programme that was meant to arrest the economic decline that had come to characterize the Zimbabwean economy, especially on the backdrop of the development of troops to the DRC in 1998 among other unsanctioned expenditures. The MERP was followed by the Ten Point Plan of 2002 which was under the Post-Election Economic Development Strategy and Economic Recovery Programme. After this programme again came the National Economic Revival Programme (NERP) in 2003. A Macroeconomic Policy Framework was implemented between 2005 and 2006.The year 2007 brought the National Economic Development Priority Programme (NEDPP), while the Zimbabwe Economic Development Strategy (ZEDs) was aborted at conception in 2008.The proximity of the various policies were indicative of a fast declining economy, especially given the mark that had been left on the economy after the Land Reform Programme, especially its sequel, the Fast Track Land Reform Programme of the year 2000.

As result, it has been noted that between 2001 and 2008, GDP declined at an average of 7,59% per annum, with the African Development Bank having labeled the period between 2000 and 2008 "***the Lost Decade***" of Zimbabwe as the country experienced "a sustained and broad-based decline in economic activities". Hard on the heels of the 2008 economic meltdown came the Short Term Emergency Recovery Programme (STERP) (Feb-Dec 2009), which was a concerted effort by signatories to the Global Political Agreement signed on September 15 2008, which focused on "getting Zimbabwe moving again". This recovery programme was meant to reverse negative growth rates, devaluation of the currency, low productive capacity, job losses, food shortages, poverty and massive de-industrialisation. With STERP came the adoption of a multi-currency regime commonly known as dollarisation during which the worthless and valueless Zimbabwe dollar was demonetised and South African rands, United States dollars and other identified convertible currencies became legal tenders.

Seeing that STERP had prospects of economic recovery, the new Government of national Unity (GNU) embarked on STERP 2 in August 2009, which covered the Three Year Macro-Economic Policy (MTP) and the Budget Framework (2010-12). The MTP dealt with broad developmental and growth policies while the budget framework was a bridge between STERP 1 and the MTP. The period 2009-2012 achieved a sizeable economic annual average GDP growth of an impressive 8,65%. This showed that Zimbabwe was on the right path to economic recovery until 2013 when the GNU expired and ZANU PF decided to go it alone and upon "winning" the July 31 2013 elections, it embarked on the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimASSET) is a five-year policy currently in implementation. ZimASSET would run from October 2013 to December 2018 and aims to drive Zimbabwe "***towards an empowered society and a growing economy*" and is set to achieve *"sustainable development and social equity anchored on indigenisation, empowerment and employment creation***" underpinned on natural resource exploitation and human capital.

The latest policy, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation, commonly known as the ZimASSET, is the "new economic blueprint" set to revive the fortunes of the country which has been under immense pressure since the dawn of the new millennium. The RBZ, in its July 2014 Monetary Policy Statement, noted that to succeed, ZimASSET requires "***robust and prudent fiscal and monetary policy measures"*** and that the policy requires a total funding requirement of US$27 billion ex-post. Domestic and international financial support will be required. However with financial friends getting fewer by the day, and the cash crunch setting in, it remains to be seen whether Zimbabwe will weather the economic storm bedeviling the country. This paper deliberates on the extent to which ZimASSET will be able to improve the economy of the country and provide a healthy and competitive economic environment for the people of Zimbabwe. In a nutshell, a lot has happened in Zimbabwe in economic and political cycles since 1990. The list is endless as Zimbabwe limped from one currency to the other, seeking a solution to a crippling inflation that manifested itself during the last decade of the last millennium and the first decade of the new millennium. Finally, the country went through an economic downturn which saw inflation spiraling out of control and the introduction of various local currencies under a cocktail of names such as bearer cheques and agro cheques. Today, the country is using the multi-currency system, though the shortfalls of the US$ is proving to be a mammoth task for the county for the country to realise fruition of the ZimAsset, an economic blueprint that the country is pinning its hopes for the turnaround of its seemingly crumbling economy.

Background to the Crafting of ZimAsset

The above literary delieberations have not only discussed the significance of participation, but indicated the prospects of success of people-driven programmes. The Zimbabwe Agenda for Socio-Economic Transformation (ZimAsset) economic blueprint was crafted in October 2013. This was after the ruling ZANU PF party had romped to a landslide victory ending a stormy marriage with the opposition MDCs, namely the MDC -N led by Professor Welshman Ncube and the Morgan Tsvangirai led MDC- T political outfits. The resultant government of national unity had come about in 2009 following the 2008 Harmonised elections which had been narrowly won by the MDC-T with about 43 % of the vote thus falling short of the 50% + 1 needed for an outright victory. In the run- off election pitting Mugabe and Tsvangirai following the inconclusive 2008 elections, Tsvangirai later withdrew citing an uneven political playing field characterized by unprecedented violence to its supporters (Raftopoulos, 2009). Tsvangirai alleged there was too much violence alleging that nearing 200 of his supporters had been killed at the hands of state security agents. During the GNU there was the adoption of the multi-currency system and with it devastating inflation had been dealt with. For much of the era of the Inclusive government inflation was about 4.5 percent and economic growth rate was averaging about 6 percent. However, with ZANU PF's victory in the July 2013 Harmonised elections, the economy took an immediate knock. There was the infamous one billion economy where about a billion dollars had been moved from the Zimbabwe Stock Exchange in a short period of time. Industrial capacity utilization in many industries was about 39 percent and unemployment hovered around 75 percent. Delivery of housing in urban centres has always been below demand resulting in serious housing challenges in the towns and cities. Water and sewer reticulation are also major challenges facing many cities. The ratio of wages in the budget is too high to have a sound economy. Finance and Economic Development Minister Patrick Chinamasa put the ratio at 85 percent (Herald 2 July 2014) and that gives very little room for infrastructural development considering that more than three-quarters of the budget goes towards recurrent expenditure. The size of the external debt is also worrying. With a cumulative external debt of over US$12 billion representing over 100 percent of GDP (Herald 2 July 2014) the country's development prospects are hamstrung. Politically there was considerable polarization with the opposition MDC-T commanding a significant following among the general populace. This forms the backdrop to the crafting of the ZimAsset blueprint.

ZimAsset: Its Objectives and Clusters

The major objectives of this policy are stated in document's foreword written by the President of the country, Robert Mugabe. The economic policy hopes to bring about accelerated economic growth and wealth creation between October 2013 and December 2015 (ZimAsset: Foreword). ZimAsset projects to grow the economy by an average 7.3 percent. The economy was expected to grow by 6.2 percent in 2014 and expected to be on an upward trajectory until it reaches 9.9 percent by 2015 (ZimAsset: 27). The blue print additionally wants to achieve sustainable development and social equity anchored on indigenization, empowerment and employment creation that were said to be achieved on the basis of the judicious exploitation of the country's abundant human and natural resources.

ZimAsset has been divided into strategic clusters for easier prioritization and parceling out to various line ministries for implementation. The four clusters are Social Services and Poverty Reduction, Food Security and Nutrition, Infrastructure and Utilities, and Value Addition and Beneficiation. With respect to cluster number one the authors of ZimAsset posit that social services should be available to all and sundry by 2018 and by that date the country should have made significant strides to reduce poverty among the populace. Food security and nutrition are also prioritized. By 2018 food security for all should be attained and country should have re-emerged as the "Bread Basket of Southern Africa" (ZimAsset: 50) and all must have access to balanced diets thereby enhancing their nutrition and ability to fight diseases. To advance the objectives of this cluster adequate and timely provision of affordable agricultural inputs is emphasized as well as development of irrigation agriculture and mechanization. Attention should also be made to infrastructure development because without it development cannot be achieved. Parastatals and local authorities must also be up and about and deliver on their various mandates. Without their services development may not be achieved. Finally for the country to derive maximum value from its abundant mineral resources there must be value addition to them. In this regard there needs to be established a diamond college and diamond experts produced by 2015.

Its Weaknesses

It seems to me that the major weakness that afflicts ZimAsset is that it is an over ambitious policy that seeks to achieve almost everything within a five year period yet this is against a backdrop of lack of finances and a clear development strategy to realize the same. From availing services like public health and education to poverty reduction, infrastructure development, attaining food security to value addition of the country's mineral resources one notes that the blueprint is all encompassing. One can argue that ZimAsset wants to achieve too much with too little resources in too short a time. This is because this is a 5 year economic policy set in motion towards the end of 2013 and is supposed to be ended in 2018. The immediate results the "Quick wins" should be achieved by December 2015. Against a backdrop where government has very little fiscal space for infrastructural development and other things because 85 percent of the national budget goes to salaries (Herald, 2 July 2014) it can be said that the state does not have the financial power to translate its blueprint into deliverables. While it could be argued that the basic architecture to attain most of these goals is available, what ZimAsset doesn't do is to clearly outline the development strategy to be pursued.

Mashakada (2014) emphasized how some selected Asian Tigers based their development strategies on particular key drivers. South Korea emphasized shipbuilding while China had an appetite for selective Foreign Direct Investment (FDI) during the time when they were rapidly industrializing. China's desire for FDI was so strong that in its Southern province of Guang Zhou, a whole new special economic zone was created. Malaysia is said to have underpinned its development on a (democratic) developmental state system (Mashakada, 2014).This is a point missed by the crafters of the ZimAsset blueprint. It should have been leveraged on clearly identifiable variables for which the country has a competitive advantage. Emphasis on a well- articulated development key driver was in order to give further clarity to ZimAsset.

Its other weakness is lack of consultation and broad-based participation from its inception. While the authors of the document note that the blueprint was a result of a consultative process involving the political leadership of the ruling ZANU PF party, government, the private sector and other stakeholders (ZimAsset: 8), there is evidence on the ground to argue that the consultation was not as broad-based as one befitting of a national economic formulation process. The former Vice-President Mrs Joice Mujuru would hardly miss an opportunity to say that a number of interest groups like youths and women were not consulted in the run up to the drafting of this economic policy. This led one youth to remark, "*Something for us without us is against us*" (Interview, 16/05/15). Yet nowadays the top-down approaches to development have generally been discredited as being out of sync with the people's immediate needs. Broad-based genuine participation of the local people in the determination of the challenges, solutions thereof and implementation of the suggested solutions is the way forward. However, noble as this bottom- up approach to development might be, events on the ground have proved otherwise. Looks like the poor cannot influence policy. ZimAsset has fallen short of the requirements for broad-based consultation before crafting an intervention meant to benefit the generality of the people.

To substantiate the narrow consultation leading to the crafting of ZimAsset few people know what ZimAsset is and what it stands for. There is very little knowledge beyond just the four clusters of the blueprint. This is despite the literacy rate of the country which is about 92 percent (ZimAsset: 8). One hears many people talking about ZimAsset but engaging them to ascertain whether they know anything else beyond the name, one notes the general dearth of knowledge about the economic policy. Even among university students- the supposed leading academic lights- knowledge about this policy is very skeletal and one wonders how the policy is likely to succeed given this general lack of information and knowledge about what it is and how it is supposed to be achieved.

Challenges Afflicting ZimAsset

The greatest challenge to afflict ZimAsset is funding. The blueprint needs an estimated US$27 billion for it to bear fruition and this is no mean amount for an economy that is struggling to pay even its civil service. Its pay dates are no longer fixed and neither are the civil servants and quasi-civil servants paid in time and that all points to constrained fiscal space. With over 78 percent of the country's Gross Domestic Product (GDP) going towards recurrent expenditure, a situation that the Finance Minister bemoaned (Daily news 20/12/13) there is very little room to manoeuver. For instance out of the US$ 4.1 billion budget for 2014, 3.5 billion was channeled towards recurrent expenditure. That leaves very little room for capital expenditure yet among other deliverables ZimAsset wants infrastructure development which by its very nature is capital intensive.

Indigenization and Economic Empowerment Act (2008) scares away FDI. With 51 percent going to indigenous people (Indigenization and Economic Empowerment Act, 2008) yet it is the foreigners that have the technical and financial resources, FDI may hardly be destined for Zimbabwe. Without the all-important casing vote at annual general meetings, the financial partner who should have majority shareholding may not be willing to invest in Zimbabwe. FDI has not been coming to Zimbabwe in desired quantities. In fact FDI inflows into Zimbabwe have been on a downward trajectory for quite some time now. Figures have shown that FDI in Zimbabwe declined from US$400 million in 2013 to US$372.6 million in 2014 (www.newdzezimbabwe.co.uk/2015/3/23). This has further worsened the country's liquidity situation yet one of the basic assumption for the success of ZimAsset was that there would be improved FDI and liquidity and access to credit by key sectors of the economy (ZimAsset: 28- 36)

Coupled with that is the lack of ease of doing business in Zimbabwe. It takes a lot more time to finally get the go ahead to establish a business in Zimbabwe compared with our regional counterparts. The country has a low foreign investment uptake because of serious bureaucratic bungling and red tape that pushes away potential investors. Whereas it takes a mere 19 days for foreign investors to conclude procedures for starting a business in South Africa, it takes about 90 for foreign investors to know their fate regarding prospects of setting up a business in Zimbabwe (Chronicle, 28 November 2014). Vice President Mnangagwa noted this point in the following terms:

> *"I will push you as ministers to deliver and put an end to red tape and you will do the same to your subordinates.--- We need to be investor friendly and not the current situations where investors take long periods to know their fate because of red tape"(www. newsdzezimbabwe.co.uk 27/02/2015). Parliamentarians have always emphasized the need to pay attention to the ease of doing business in Zimbabwe. Red tape flies in the face of efforts to stimulate investment and employment creation in the country.*

Undercapitalization and lack of production by Zimbabwean large –scale farmers in the wake of the land reform exercise threatens to fly right in the face of one of the cardinal clusters of ZimAsset – food security and nutrition. This is because agriculture is identified as one of the major pillars in the revival of the economy. Production and productivity on the farms was supposed to be increased to achieve food security and stimulate linkages with other sectors of the economy. In a landmark ruling involving a newly resettled farmer and a former white landowner, High Court judge, Justice Mathonsi said that beneficiaries of the land reform programme who were underutilizing the land would have their offer letters/leases revoked and land given to more deserving farmers. Delivering judgment in a case where Mutare businessman Fungai Chaeruka was just practicing horticulture on less than 1 hectare of Lot 5, Mazonwe Farm out of the 498 hectares he had taken from former owner Ms Heather Guild, Justice Mathonsi ruled:

> *"The government policy on land reform is not recreational, neither is it designed to accord beneficiaries some pastime. It is meant to benefit those willing and able to use the land. One cannot be allowed to hold onto large tracts of land they are not using simply to baby-sit an inflated ego" (Herald, 27 February 2014).*

The businessman subsequently lost the land to its former owner but the point to emphasize is that there is considerable underutilization of farms by beneficiaries of Zimbabwe's land reform programme. This same point was echoed by President Mugabe when delivering a speech at Kutama College centenary celebrations. Mugabe said:

> *"The (A2) farms require huge capital and good management, they don't have it, but they are a status symbol to many---" (Newsdzezimbabwe.co.uk 22/03/ 2025).*

In many of the cases the lack of production on the large scale farms is attributable to undercapitalization. Without support from the state and financial institutions the majority of the new farmers lack the capital to farm on a capitalist/large scale.

ZimAsset intends to revive the Bread Basket of Southern Africa status of Zimbabwe and among other interventions this is supposed to be achieved through timely availing of agricultural inputs at affordable prices, re-capacitating agricultural entities such as AgriBank, the Grain Marketing Board and Agricultural Rural Development Authority (ARDA) and so forth. Irrigation agriculture is to be emphasized alongside farm mechanization. While these are noble intentions unfortunately very little of any of those has occurred on the ground. At US$28 per 10kg of seed maize and US$30-00 of compound D fertilizer the cost of inputs for the 2014/2015 season was beyond the reach of many given that the average income of employees in the country is US500. For a variety of reasons farmers could not get funding from banks. AgriBank, among other agricultural institutions, has not been recapitalized and from the commercials banks farmers could not get funding due to uncertainty regarding the bankability of 99 year leases. More 80 percent of farmers would delivered their 2013/14 grain to the GMB have not been paid their dues due to liquidity challenges facing the entity. Development of irrigation is still to be realized because for the current 2014/15 season mother nature did not generously give rains to Zimbabwe and so the country, according to Economist John Robertson, has to import about 1.400 000 tonnes of maize because its own harvest would be less than 500 000 tonnes (www.newsdzezimbabwe.co.uk/2015/04/01). The imports can be attributed to lack of irrigation agriculture because if irrigation had been developed a sufficient harvest for national needs could have been realized from irrigation farming.

At a time when hundreds of thousands jobs if not millions should have been created as per the targets of ZimAsset jobs are in fact being lost. One of the newspapers under the government stable- Zimpapers- the Chronicle, quoted the Finance Minister Patrick Chinamasa saying that as of 28 November 2014 4,619 companies had folded u under the weight of the current liquidity crunch afflicting the country (Chronicle 28 November 2014: 3). This de- industrialization has led to the loss of 55, 443 jobs since 2011. This liquidity crunch and lack of fresh lines of credit does not augur well for one of ZimAsset's targets of creating millions of jobs by 2018. The events on the ground do not point to the increase in industrial capacity utilization pegged at 57 percent in 2011, 44 percent in 2012(the first two being periods during which there was the Inclusive Government) and a mere 39 percent in the 3rd quarter of 2013 (ZimAsset: 19). The company closures and subsequent unemployment do not augur well for ZimAsset's objectives of increasing industrial capacity utilization and creating employment.

ZimAsset is also seized with creating value to the country's mineral resources as well as beneficiation. It envisages a diamond college and churning out of diamond experts by 2018. Unfortunately there are serious leakages in the mineral sector especially with regards to diamonds, gold and platinum. In this sector mega bucks are lost through transfer pricing, re-invoicing and thin capitalization. Transfer pricing is whereby a mine in Zimbabwe sells its product to a sister company outside the country at very low prices. The sister company further processes the product and then sells at much higher prices in the international market (Newsday, 3 April 2015). Re-invoicing is whereby a mining company in Zimbabwe forms a commodity brokering firm in another country to which it sell its minerals for a song. The brokering company just resells, without further processing the minerals, for high prices. Thin capitalization is whereby a mining company in Zimbabwe is funded by its parent company outside at very high interest rates. That way the local company makes little profit or heavy losses due to loan repayment to the parent company but the parent company will be making super profits. Some of the losses are due to leakages at the hands of those who wield state power. During the Inclusive government the Finance Minister, Tendai Biti from the opposition MDC-T party was almost at loggerheads with ZANU PF parliamentarians when he boldly stated that there was co-ordinated large scale looting of diamonds, among other minerals, because revenue was to going to the national fiscus (www.newsdzezimbabwe.co.uk/2015/04/05). The same online publication quoted the ousted ZANU PF Secretary for Administration Didymus Mutasa alleging that some ruling party functionaries were involved in looting of diamonds. All this smacks of corruption and does not augur well for ZimAsset's objective of value-addition and beneficiation.

Zimbabwe's debt overhang currently stands at a whooping US$12 billion against a GDP of about US$$ billion (Herald, 2 July 2014). The International Monetary Fund (IMF) and Word bank forecasted growth of 2 percent for 2014 and half of that for 2015. The country has not been able to meet its external financial obligations for quite some time. That means it cannot access fresh lines of credit not just from the Breton Woods institutions but also from other international financiers because the latter take cues on whether to lend or not from the IMF and WB. Such a scenario is against the success of ZimAsset because this policy's success is premised on an ability to secure international lines of credit to stimulate economic activity in the country.

A Flicker of Hope

During his State visit to the vast Asian country –China- last year President Mugabe clinched 9 mega investment deals running into billions of dollars with Chinese companies and government (Herald 11/02/15). However, most of these mega deals have been plagued by reports of overpricing on the part of the Chinese. For instance, whereas Zambia paid only US$278 million for the expansion of Kariba North Power Station that added 360 megawatts (MW) to that country's state- owned power utility- ZESCO- Zimbabwe will fork out US$533 million for Sino Hydro to expand Kariba South Power Station which is going to contribute 300 MW to the national grid (www.newsdzezimbabwe.co.uk/2015/02/chinese-firms-in-mega-fleecing-in-zim.html 11/02/15). Zimbabwe will thus pay an additional US$255 than Zambia yet Lusaka is benefitting an additional 60 MW. In both instances the same Chinese company Sino-Hydro did the work. What is clear from those huge differences is that in part they could stem from differences in project design but more significantly they are attributable to Chinese's manipulation of Zimbabwe's desperation for cash. Eyebrows have also been raised regarding Huawei Technology's dealings with telecommunications parastatal- Netone. There is a reported general trend that emerges where prices have always been inflated for Netone compared with other mobile phone operators. For example, for Access Microwave, Huawei charged Telecel Zimbabwe $7.000 per unit while Netone was charged $55.000 per similar unit, representing an increase of over 750 percent (www.newszezimbabwe.co.uk 11/2/15). Corruption and collusion are difficult to rule out in such circumstances. In addition Chinese foreign policy, just like that of any other country, is driven by the desire for self interest and that interest is to safeguard its own economic interests while maintaining cordial international relations.

In the first three months of 2015 there is considerable evidence of the thawing of relations with the West, the traditional sources of development assistance to Zimbabwe but since ZIDERA in 2001 that assistance had dried up. The country was accused of failing to uphold property rights, rule of law and general human rights. This was on the back of the violent take - overs of farms and firms belonging to the whites at the turn of the current millennium. The country has hosted a number of business delegations from the West including from traditionally hostile countries such as the United Kingdom, Germany and France. The warming up of relations can be attributed to ZANU PF's victory in 2013 elections that were endorsed by a number of Observer missions such as SADC and the African Union although the opposition maintains that the elections were rigged. Despite the seeming thawing of relations between Zimbabwe and the West, most of these delegations have emphasized one thing – the country's indigenization and economic empowerment policy needs to be reformed. Its demand for 51 percent shareholding for indigenous people scares away investors.

The Ministry of Transport has done commendably well in re-tarring and widening the Plumtree-Harare- Mutare highway. Plans are said to be afoot to re-do and widen the Beit-Harare-Chirundu highway. This is fairly a step in the right direction although more needs to be done. Most of the feeder roads to these highways are in a parlous state. The Beitbridge- Harare- Chirundu highway needs urgent attention and not just talk because it is the major gateway into the northern countries like Zambia, the Democratic Republic of Congo (DRC) and Tanzania. Currently that road is too narrow and cause for concern since fatal accidents are frequent on that road due its poor state among other causes of fatalities.

Pre-requisites for the Success of ZimAsset.

One of the major prerequisites for the success of ZimAsset is reformation of governance. The culture of impunity and lack of accountability on the part of the leaders has to be dealt with. So far there is little accountability and those suspected of corruption in high places rarely get seriously investigated. There are allegations of massive looting of diamonds in Marange levelled against some of the top national leaders but nothing is being or has been done to probe such allegations. This does not augur well for the success of this economic policy. There has to be a major paradigm shift towards accountability and punishing transgressors. Justice should not just be done but should also be seen to be done. Short of that developmental aspirations encapsulated in ZimAset will remain a pie in the sky.

There is need to leverage our resources especially the human resources. Youths form a very significant proportion of the population yet the majority of them like 80 percent of them are unemployed. There is need to advance loans to the youths so that they meaningfully contribute to economic development of the country. Earlier attempts to extend loans to the youths through the Youth Development Fund were halted after the default rate shot up to as high as 78percent (www.zimbabwesituation.com 4/7/14). Whereas the normal default rate for loans is 5 percent the default rate for the Youth Development Fund (YDF) was very high because the loans were just disbursed without proper and serious capacity building programmes for the youths. Thus there is need to capacitate this significant segment of the population so that they contribute to economic development. They should be coalesced into groups especially graduates from Vocational Training Centres (VTCs) and given loans to start up their enterprises. This currently redundant segment of the population will contribute meaningfully to the economy.

Policy inconsistency has been one of the stumbling blocks to development in Zimbabwe. President Mugabe has been talking about the need to engage with the western development partners yet on the other hand he has been making statements that seemed to pour cold water on those calls for re-engagement. For instance, just after giving permits to some A1 farmers in Mhangura, President Mugabe said, "We say no to whites owning our land and they should go. They can own companies and apartments in our towns and cities but not the soil. It is ours and that message should ring loud and clear in Britain and the United States (US)" (www.zimbabwesituation.com 4/7/14). Such utterances present a picture of intolerance and also smack of a failure to protect property rights especially if the whites lose their land without following due process. This does not bode well with the desire to attract development assistance and lines of credit from the West. What the country rather needs is policy reform accompanied by policy consistency. The policy that urgently needs reform is the Indigenization and economic Empowerment Act, 2008. According to economist John Robertson that law needs to be scrapped altogether and a new put in place incorporating investors input. He said,"How can one amend theft? What government is doing is simply fine-tuning its theft mechanism. I say they must scrap the whole thing (indigenization). Something wrong cannot be made right"(Daily News: 7 March 2015). Once a better law has been put in place there has to be policy consistency so that wrong and conflicting signals are not sent to potential investors, local and foreign.

Bemoaning the slow pace of development in the country and recognizing the importance of international partners Vice President (VP) Mnangagwa and Finance Minister Patrick Chinamasa emphasized the need to engage the western partners, alongside the Eastern partners. They both talked of development having been sacrificed during the years of non-engagement. The VP talked about this need when he was officiating at Queens Hall in Mutare at the commissioning of a ZimFund sewage rehabilitation project and the completion of a 10 million metric litre water tank that is meant to supply 100 000 people with water. He said, "We wish to bury the hatchet and walk into the future with our co-operating partners. We cannot continue to remain isolated. We have lost not less than 14 to 15 years of stagnation in this country" (Daily News Friday 27 February 2015). Patrick Chinamasa at the same meeting said that the country had lost about 20 years of development as a result of the chaotic land reform programme. The funds for the above projects had come from the UK, Australia, Switzerland, Sweden, Denmark, Norway and Germany. The stagnation (and sometimes retrogression) of the period from 2000 has shown that Zimbabwe cannot go it alone. Thus the need to harmonise relations with the international development partners and expeditious processing of investment applications cannot be over emphasized if Zimbabwe is to entertain any hopes of getting its economic policy to fruition.

Conclusion

The paper analysed Zimbabwe's current economic blueprint, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset). It started by analyzing the backdrop to the crafting of this blueprint, analysed it pillars or proposed methodology and unraveled some of the challenges likely to scuttle the success of this policy. It is argued that this economic policy is most likely to suffer from a stillbirth largely because of the policy inconsistency afflicting the state. While on one hand there is need to attract FDI and international development finance on the other the current policies on land and economy in general like expropriation of land and indigenization which emphasizes 51 percent local ownership fly in the face of efforts to attract international finance. Policy discord and lack of funding are most likely to scuttle the success of ZimAsset. The country does not just have the capital to translate this blueprint into a reality yet what is being done on the ground does not augur well for attraction of FDI and development assistance from the international community. Additionally ZimAsset lacks a clear development strategy on which to leverage this economic policy. The 9.9 percent economic growth rate envisioned to be achieved by 2018 remains highly improbable against a backdrop of the afore-stated limitations. Thus the march to the "Promised Land" is not getting to fruition, not in our lifetime unless the issues of policy discord, corruption, capital and lack of clear strategy are addressed. Additionally, the authors of this paper may express optimism on the success of the ZimASSET, but the demise of the agricultural sector, which had always formed the backbone of the country's economy would live to haunt this Zimbabwean economy for some time to come. As such, the success of the impressive ZimASSET hangs in the balance and should overcome insurmountable barriers if it is to deliver the people of Zimbabwe to the proverbial "Promised Land of milk and honey".

References

Chronicle, 28 November 2014
Daily News, Friday 27 February 2015.
Indigenization and Economic Empowerment Act (2008), Harare: Government of Zimbabwe.
Interview with one youth, Gweru 16/05/2015.
Mashakada, T (2014). "ZimAsset: Doomed Economic Development Strategy" in www.zimbabwesituation.com/news. 10/07/14.
Raftopoulos, B (2009), "The Crisis in Zimbabwe" in *Becoming Zimbabwe: A History From Pre-Colonial Period to 2008*, B. Raftopoulos and A.Mlambo (eds), Harare: Weaver Press.
The Herald, 2 July 2014.
The Herald, 27 February 2014.
www.newsdzezimbabwe.co.uk 11/2/15
www.zimbabwesituation.com 4/7/14.
www.newsdzezimbabwe.co.uk/2015/04/01
www.newsdzezimbabwe.co.uk/2015/04/05.
Zimbabwe Agenda for Sustainable Socio-economic Transformation (ZimAsset), (2013): Towards an Empowered Society and a Growing Economy, October 2013 – December 2015, Harare: Government of Zimbabwe.