



Pathway to Prosperity

Zimbabwe Case Study – Overview

2021

CREATING THE PATHWAYS FROM POVERTY TO PROSPERITY

ABOUT THE LEGATUM INSTITUTE

The Legatum Institute is a London-based think-tank with a bold vision to create a global movement of people committed to creating the pathways from poverty to prosperity and the transformation of society.

We seek to do this by raising up leaders of character, restoring an ethical vitality to all sectors of society, and developing the practical solutions and data tools that will help build inclusive and peaceful societies with open economies and empowered people.

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- Our **Research Programmes** analyse the many complex drivers of poverty and prosperity at the local, national and global level.
- Our **Practical Programmes** identify the actions required to enable transformational change.

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The authors would also like to thank Ernest Moyo and Rebecca Mwabvu, both of the Higher Life Foundation, for their contribution to this work. The views expressed in this report are those of the Legatum Institute and do not necessarily reflect those of HLF.

ACKNOWLEDGEMENTS

A diverse range of experts were engaged in this work. This broad collaboration enabled a comprehensive range of views which the Legatum Institute captured and synthesised. The views expressed in this report, therefore, are those of the Legatum Institute and do not necessarily reflect the individual views of these advisors. The Legatum Institute would like to thank the following advisors who helped with the report: Victor Bhoroma (Economic analyst), Tafadzwa Chikumbu (Transparency International Zimbabwe), Admos Chimhowu (University of Manchester), Wellington Chimwaradze (Unilever), Innocent Chirisa (University of Zimbabwe), Ben Freeth (Mike Campbell Foundation), Evelyn Garwe (Zimbabwean Council of Higher Education), Keith Jefferis (International Growth Centre), Talent Jumo (Katswe Sistahood Foundation), Susan Kaksukunya (DHL Zimbabwe), Godfrey Kanyenze (Labour and Economic Development Research Institute), Gibbs Kanyongo (Duquesne University, Pittsburgh), R. Mukami Kariuki (Country Manager, The World Bank Group), Tendai Jeremiah Malunga (Bureau Veritas), Portia Manangazira (Ministry of Health and Social Care), Jeanette Manjengwa (University of Zimbabwe), Godfrey Maringira (University of Edinburgh), Abedinigo Marufu (Zimbabwe Forestry Commission), Abraham Matamanda (University of the Free State), Vakai Matutu (National Aids Council), Alexander Maune (UNISA), Evan Mawarire (ThisFlag Citizen's Movement), Grasian Mkodzongi (University of Cape Town), Jeffrey Moyo (Thomson Reuters Foundation), Bhokinkosi Moyo (Wits University), Chipo Mubaya (Future Africa), Davison Muchadenyika (The World Bank Group), Deprose Muchena (Amnesty International), Rashweat Mukundu (Africa Adviser at International Media), Tichaona Mushayandebvu (UNIDO), Daniel Mususa (Biomedical Research and Training Institute), Patience Mutopo (Chinhoyi University of Technology), Mutanana Ngonidzashe (Zimbabwe Open University), Memory Nguwi (Industrial Psychology Consultants), Walter Odera (AfDB Country Economist), Robin Palmer (Mokoro), Brian Raftopoulos (Solidarity Peace Trust), Craig Richardson (Winston-Salem State University), Paidamoyo Saurombe (Zimbabwe Lawyers for Human Rights), Beatrice Schlee (Freiburg University), Ian Scoones (Institute of Development Studies), Edward Shizha (Wilfrid Laurier University), Sibangani Shumba (Save the Children), Mark Simpson (Institute of Commonwealth Studies, School of Advanced Study), Joram Tarusarira (University of Groningen), Jee-A van der Linde (NKC African Economics), Chikwature Whatmore (Mutare Polytechnic), Simon Wittich (World Vision), Janet Zhou (ZIMCODD)



The Legatum Institute would particularly like to thank the team at the SIVIO Institute who provided invaluable support and advice throughout the research and drafting process.



This publication was made possible through the support of a grant from Templeton World Charity Foundation, Inc. The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of Templeton World Charity Foundation, Inc.

The Legatum Institute would like to thank the Legatum Foundation for their sponsorship. Learn more about the Legatum Foundation at www.legatum.org.

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FOREWORD



Stephen Brien
Director of Policy,
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Our mission at the Legatum Institute is to create a global movement of people committed to creating the pathways from poverty to prosperity and the transformation of society. Genuine prosperity is about far more than a society's economy or an individual's financial wealth; it represents an environment in which everybody is able to reach their full potential. A nation is prosperous when it has an Inclusive Society with effective institutions, an Open Economy that stimulates growth and innovation, and Empowered People who are healthy and educated.

Zimbabwe has faced many political, economic and social challenges in recent decades. Nonetheless, it has the elements to progress on the pathway to prosperity, not least the resourcefulness of its people, and its history. The key to doing so is to unlock the potential in the highly educated population, and in the rich resources of its lands in terms of its capacity for agriculture and mining.

For Zimbabwe to unleash this latent potential and build the pathway to prosperity, it must be underpinned by an inclusive society in which people live in peace, free from the threat of violence, oppression, and crime; in which everyone's inherent dignity is respected, and freedom of speech and assembly are protected; where governing institutions act with integrity, are accountable to citizens, and are subject to the rule of law; and where stable families and supportive communities build the bonds of trust needed for society to flourish.

In prosperous, inclusive societies, formal and informal institutions serve the public good. The pathway to prosperity for Zimbabwe will be most effective with a state that acts as an effective enabler of political rights, personal freedoms and safety and security, to facilitate economic growth and social wellbeing.

The second challenge for Zimbabwe to realise its prosperity is to foster an open economy that harnesses ideas and talent to create sustainable pathways out of poverty. In such an open economy, property rights are protected, so investment can flow; business regulation enables entrepreneurship, competition, and innovation; open markets and high-quality infrastructure support trade and commerce; and fiscal and monetary policy are used responsibly to foster employment, productivity, and sustained economic growth.

Specifically, this will involve a state that acts as an effective enabler of economic growth and an ultimate guarantor of the rights of citizens and investors, with a dynamic and investment-friendly country open for international business and trade. With a more open economy, sustained economic growth can, over the coming decades, take Zimbabwe on a path to a solid upper middle-income status, such as Peru today, or even Costa Rica or Malaysia.

Lastly, for Zimbabwe to have a prosperous population that is able to reach its full potential, it needs empowered people who live free from poverty; who are able to take care of their physical and mental health and have access to effective healthcare; who value learning and receive high-quality education; and who steward the natural environment well, as a legacy for present and future generations.

For the citizens of Zimbabwe to be empowered, they need to be able to reach their full potential through autonomy and self-determination. This starts with having the ability to generate the necessary resources required for a basic level of wellbeing, ranging from access to material resources, to adequate nutrition, to basic health services and outcomes, to basic education access and quality, and to a safe and clean environment.

Zimbabwe still faces many significant challenges, but it should be inspired by the 'quiet transformation' that we have been witnessing across sub-Saharan Africa. Poverty has been reduced by almost a third since the 1960s. Today, prosperity in Africa is at its highest ever level, with 43 countries out of the 49 in the region witnessing improvements in their prosperity over the past decade, each with their distinct success stories.

Such successes should serve as more than a source of encouragement. They offer Zimbabwe examples of best practice in overcoming what are often common challenges, from improving levels of government accountability to improving the environment for business creation and investment. For example, if Zimbabwe were to replicate the African nation that had seen the most improvement across the twelve pillars of prosperity over the past decade, in around 20 years their prosperity would match that of Costa Rica's today.

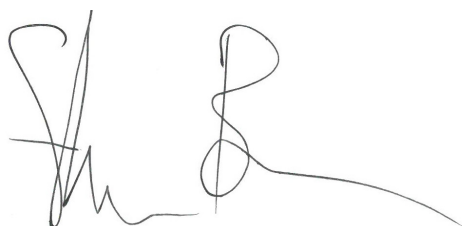
Zimbabwe's path to such prosperity requires a resetting of the social-compact that credibly reforms the political and economic landscape. A process of reconciliation for prosperity will need to meet the key expectations of stakeholders, end the domination of the state by political parties and patronage, and also launch a credible and comprehensive development programme that embraces input and support from around the world.

The success of such a reform programme to drive the development process will be dependent on a single-minded focus on leadership, to ensure that Zimbabwe builds the capacity and integrity of government and state institutions. It will need leaders ready to change the ethos of the state, focusing on a few national priorities to ensure delivery, and adopting an effective service delivery culture towards the needs of citizens. The reform will also need to provide a strong enabling environment for the economy, so private sector actors can expand their activities, while focusing the state's developmental efforts on providing tools and infrastructure to increase the productivity of the most vulnerable.

To be effective, reform will need to be packaged in a way that offers a bright enough future for all to warrant the challenges and sacrifices needed to get there. Nonetheless, Zimbabwe has substantial potential that could be harnessed to ensure its population can enjoy significantly improved levels of economic and social wellbeing. The journey is undoubtedly a long one, yet feasible and worthwhile.

We are keen to engage directly with political leaders, policymakers, investors, business leaders, philanthropists, journalists, and researchers in Zimbabwe, to share our insights and forge closer relationships that can effect fundamental change and implementation.

Please do contact us at info@li.com if you are interested in the findings of the report and our work more broadly.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.



INTRODUCTION

The Legatum Institute's mission is to create the pathways from poverty to prosperity, by fostering open economies, inclusive societies and empowered people. Our work is focused on understanding how prosperity is created, and providing the research, ideas and metrics to help leaders make informed choices. We believe that prosperity is the result of economic and social wellbeing working together.

Zimbabwe has a history, natural resources, wealth, and the resourcefulness of its people that mean it is uniquely positioned to become one of the most prosperous countries in Africa. The key to doing so is to unlock the potential in the highly educated population and the rich resources of its lands in terms of the already demonstrated capacity for agriculture and mining.

The report assesses the current level of prosperity in Zimbabwe, identifies the binding constraints to future institutional, economic, and social development, and proposes the type of actions needed to put Zimbabwe on the road to prosperity, with the ambition of achieving global median prosperity by 2050 – while recognising that most of these individual improvements are possible only as part of a credible and comprehensive reform programme.

PROSPERITY

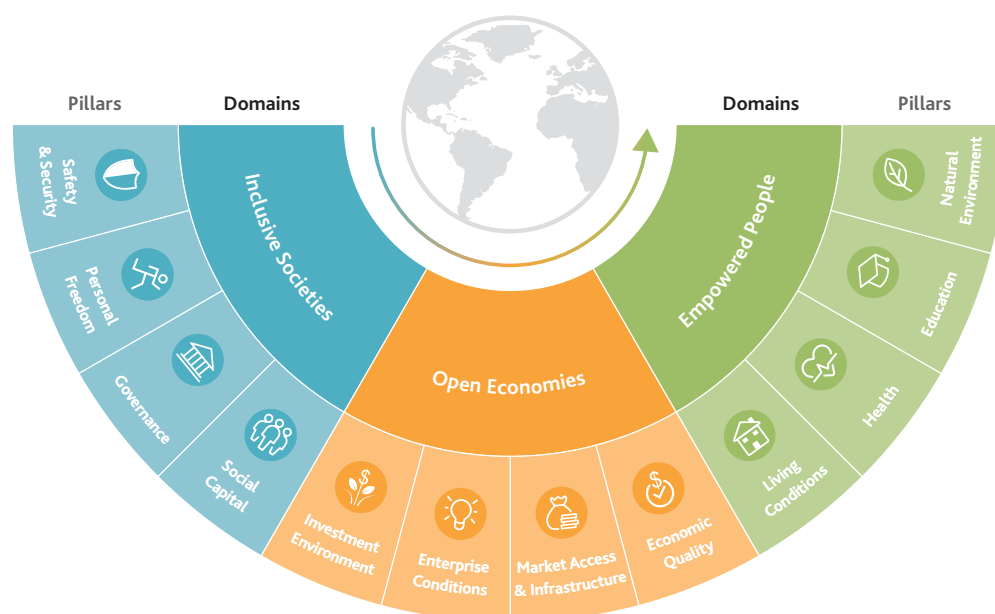
True prosperity is when all people have the opportunity to thrive. It is underpinned by an inclusive society, with a strong social contract that protects the fundamental liberties and security of every individual. It is driven by an open economy that harnesses ideas and talent to create sustainable pathways out of poverty. It is built by empowered people who create a society that promotes wellbeing. True prosperity allows everyone to fulfil their unique potential, playing their part in strengthening communities and nations. Because, ultimately, prosperity is not solely about what we have; it is also about who we become.

Prosperity is a multifaceted concept, which the Legatum Prosperity Index™ seeks to measure, explore, and understand. The framework of the Index captures prosperity through three domains, which are the essential foundations of prosperity:

- Prosperity is underpinned by an **Inclusive Society**, with a strong social contract that protects the fundamental liberties and security of every individual.
- Prosperity is driven by an **Open Economy** that harness ideas and talent to create sustainable pathways out of poverty.
- Prosperity is built by **Empowered People** who create a society that promotes wellbeing.

Within each of the three domains there are four pillars that capture the essential themes of prosperity.

The Domains and Pillars of Prosperity



ZIMBABWE CONTEXT

Zimbabwe currently ranks 35th out of 54 countries in Africa for prosperity, and 143rd of 167 countries globally. The nation has been experiencing an economic and humanitarian crisis. Income per capita has declined from roughly 20% of the global average in the early 1980s to less than 10% today. Zimbabwe has been dependent on three main industries: agriculture, mining, and manufacturing. These industries were highly interdependent, requiring an extensive and effective infrastructure of power, water, and transport links to support the production and freight of goods across the country. A persistent lack of investment in these industries and supporting infrastructure has led to their decline. The population has missed out on the economic and social wellbeing gains achieved by its more successful neighbours, and the state has been mired in institutional, economic and political challenges for decades.

Having started its journey as an independent nation with pride and hope, Zimbabwe's society has become divided. Polarisation and political struggles have resulted in violent episodes in the last 40 years that have created deep divisions in the country. Personal freedoms are weak, the Government is subject to few executive constraints, and corruption is widespread. Confidence in politicians and the police is low. Intolerance dominates Zimbabwe's political culture, resulting in closed networks and lack of dialogue between different political positions, thus denying its citizens the win-win opportunities that could turn Zimbabwe into one of the most prosperous countries in Africa.

In the early years of independence, Zimbabwe made significant gains in social wellbeing, with policies focused on health and education. However, from the late 1980s to the mid-2000s Zimbabwe suffered a major decline in health outcomes. The HIV/AIDS epidemic was the primary reason for this decline, but health outcomes were also affected by a sharp deterioration in the effectiveness of the healthcare system, leading to increased deaths and illness in areas such as maternal and neonatal care. In recent years, living conditions have worsened due to the economic crisis and difficulties in the agricultural sector. The country has little resilience to droughts and other environmental shocks, and Cyclone Idai and the ongoing drought have had a devastating impact, leaving more than half the population food insecure.

After the long rule of President Mugabe, the Government that came into office after the July 2018 elections launched Vision 2030, with the goal of becoming an “Upper Middle Income Society by 2030, for an empowered and prosperous Zimbabwe.” It adopted a Transitional Stabilisation Programme (TSP), which focused on strengthening fiscal management, reducing the monetary financing of debt and reshaping the command agriculture programme. Notwithstanding the aim to implement the TSP, increased fiscal deficits led to hyperinflation again in 2019/20. However, during 2020, both the deficit and the hyperinflation were contained.

As a follow up from the TSP, in November 2020, the Government issued a new plan: National Development Strategy – 1 (2021-25). The purpose of the plan is to set out the prerequisites for Zimbabwe to achieve middle-income status by 2030. While the World Bank welcomed the plan, it also noted that “What matters most is the quality of their implementation and the buy-in from stakeholders.”¹

Achieving such an ambition will require a significant transformation. This report sets out a granular picture of what is required. The potential is realisable, albeit most likely over a somewhat longer time frame and requiring institutional and political reform to underpin the socioeconomic transformation.

ZIMBABWE POTENTIAL

Zimbabwe has a history, natural resources, wealth, and the resourcefulness of its people that mean it is uniquely positioned to become one of the most prosperous countries in Africa. The key to doing so is to unlock the potential in the highly educated population and the rich resources of its land in terms of the already demonstrated capacity for agriculture and mining. Zimbabwe has the potential to progress in all three domains of prosperity so as to become a mid-prosperity nation.

Looking to a prosperous Zimbabwe, we envision a nation at ease with itself where the issues that have divided it in the past have been confronted and resolved and where political violence has become a remnant of the past. It is also one where essential personal freedoms and civil liberties are respected, not only in the Constitution and legislation, but also in the practice of the Government and security services. Power is shared between different stakeholders committed to the public good, with meaningful constraints on how it can be exercised in the political, institutional and economic spheres, and the military is separate from party politics. An independent judiciary guarantees that everyone, including the state, is subject to the rule of law, with no political interference in judicial processes.

In the economic sphere, a prosperous Zimbabwe has macroeconomic policies that deliver price stability and fiscal sustainability, allowing individuals and businesses to carry out their normal economic activities and transactions without the fear of dramatic volatility and inconsistency. It also includes public consensus on property rights, with those rights respected, administered efficiently in an open and transparent manner, and supporting a thriving financial sector that provides access to capital. Furthermore, there is potential for the Government to provide an enabling and competitive business environment, reducing barriers to entry, discouraging restrictive practices, breaking monopolies that are contrary to the public interest, and stimulating entrepreneurial activities. With a more open economy, sustained economic growth can, over the coming decades, take Zimbabwe on a path to a solid upper-middle-income status, similar to Peru today, or even Costa Rica or Malaysia.

A prosperous Zimbabwe is one where the majority of people can earn enough to afford a decent living standard, with access to sufficient food, shelter and basic services, where indoor pollution has been eliminated, and the nation's water and forest resources are stewarded sustainably. It is also one where people can better take care of their own health and expect an extended lifespan with fewer diseases and disabilities, with access to well-resourced health services. The potential also exists for completion of secondary education to become the norm, with school leavers all fully literate and numerate.

THE CHALLENGE

The potential for Zimbabwe, as set out, is very feasible but will require deliberate choices and sustained effort. While the country has already seen improvement, the pathway to mid-level prosperity is a long one. For Zimbabwe to achieve a level of prosperity in 2050 comparable to that of Botswana, South Africa or Namibia currently, it would need to be in the top ten most improved countries for prosperity for three straight decades. To achieve this, the pathway to prosperity will require transformation on political, economic and social fronts.

This report outlines the opportunities for reconciliation, greater protection of civil liberties and increased political accountability as the starting point for social and economic transformation. Sustaining the recent fiscal and monetary stability will be essential to economic recovery, enhanced by increased openness to trade and commerce, including restoring investor confidence. The state's role in the economy should shift to ensuring there is a level playing field among participants and ensuring that the barriers to entry in industries are as low as possible. As part of this progress, it would need to sustain an annual growth rate of 4% in per capita GDP over this period.

The economic challenges are not only macro, but also critically relate to the labour market. Increasing the financial and employment security of millions of Zimbabweans is an essential part of delivering prosperity. Given the extensive nature of the independent sector, ensuring that regulations and government services embrace them will be essential. The final challenge is to secure major investment and effective implementation of policies to increase the capacity of the healthcare and education systems. The most immediate challenge is to retain and increase the number of skilled professionals in both sectors; thereafter, Zimbabwe should aim to build a more robust infrastructure that is less reliant on external funding and support.

Such a transformation is not without historic precedent: ten countries have achieved the required economic growth rate over the last 30 years, most notably China and India. In Africa, countries such as Rwanda and Ethiopia have recently shown such a trajectory. In terms of political and institutional reform, there are many successful examples from which to draw inspiration. Within Africa, Cote d'Ivoire, Tunisia and Senegal have shown significant progress over the last decade. In terms of improving areas such as health and education, continued progress is needed, but inspiration can be drawn from other countries that have been on this journey.

APPROACH

The report is organised into three parts, addressing each of the domains of the Index. In each part, there are sections for the pillars of the respective domains, comprising a diagnostic analysis benchmarking Zimbabwe's performance in an African context, as well as actions that could be taken to set Zimbabwe on the pathway to prosperity.

This assessment is based on Zimbabwe's performance in the Legatum Prosperity Index™, which uses global datasets from sources such as the World Bank, World Economic Forum and International Monetary Fund. We use this to benchmark Zimbabwe's African performance on a wide range of indicators. (The rankings in this report are for countries of the African Union, based on the 2020 Prosperity Index.) As part of our analysis, we have chosen a set of regional and global comparator countries that are either at a similar level of development, or because they provide an aspirational benchmark: Botswana, Burundi, Ethiopia, Ghana, Kenya, Malawi, Mauritius, Morocco, Mozambique, Namibia, Rwanda, South Africa, Tanzania, and Zambia.

In addition to the Prosperity Index we have also drawn upon additional sources. The first has been a wide-ranging literature review, where we reviewed academic articles, reports, and news articles to provide a solid evidence base for this report. We also interviewed 50 experts based in Zimbabwe and around the world. This group consisted of government officials, experts from multilateral organisations, journalists, businesspeople, academics, NGO representatives and others. These varied sources of information gave us a broad and rich perspective on the challenges facing Zimbabwe and some of the opportunities for reform.



INCLUSIVE SOCIETIES

This first part of this report focuses on the **Inclusive Societies** domain, which captures the relationship structures that exist within a society, between and among individuals and broader institutions, and the degree to which they either enable or obstruct societal cohesion and collective development. Areas within this domain range from the relationship between citizen and state, to the degree to which violence permeates societal norms, the interaction of freedoms of different groups and individuals, and the way in which individuals interact with one another, their communities, institutions, and nations.

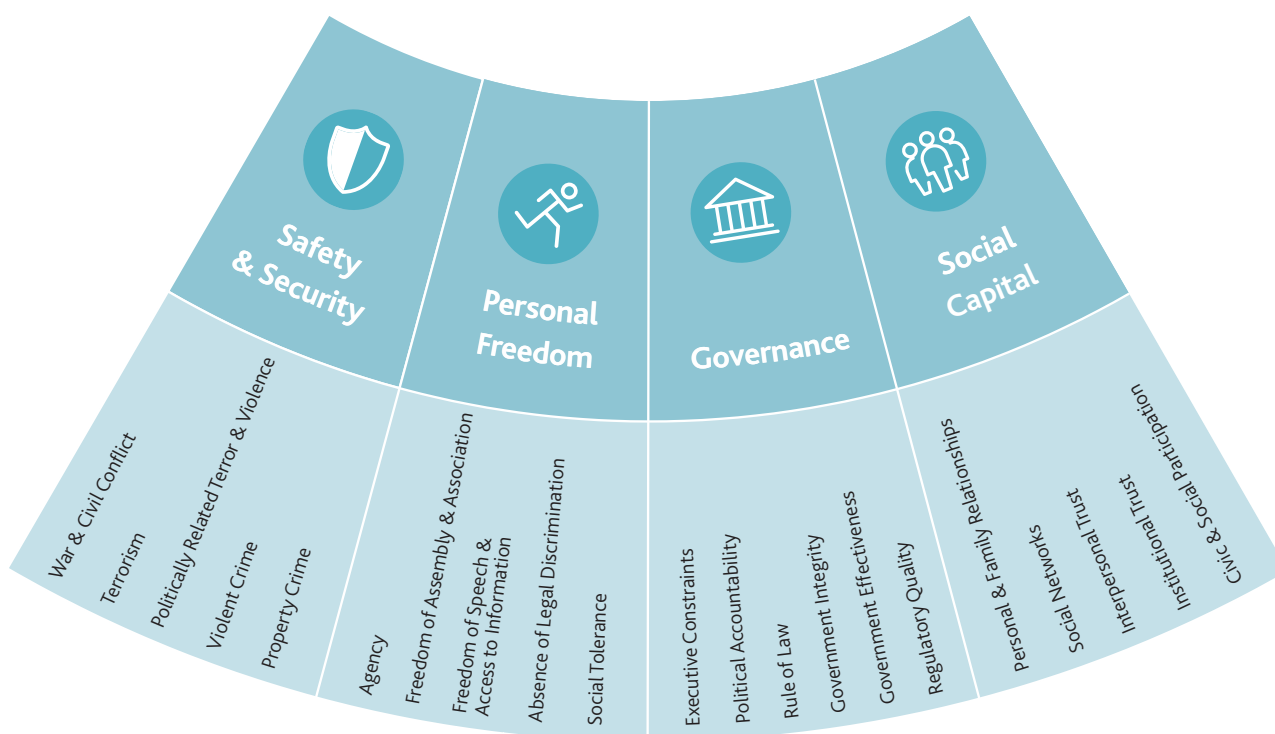
These social and legal institutions are essential in protecting the fundamental freedoms of individuals and their ability to flourish. In an inclusive society:

- People live in peace, free from the threat of violence, oppression, and crime.
- Everyone's inherent dignity is respected, and freedom of speech and assembly are protected.
- Governing institutions act with integrity, are accountable to citizens, and are subject to the rule of law.
- Stable families and supportive communities build the bonds of trust needed for society to flourish.

This domain consists of four pillars: Safety and Security, Personal Freedom, Governance, and Social Capital:

- **Safety and Security** captures the degree to which individuals and communities are free from war and civil conflict, terrorism, politically related terror and violence, violent crime, and property crime.
- **Personal Freedom** reflects basic legal rights (agency), individual liberties (freedom of assembly and association, freedom of speech and access to information), the absence of legal discrimination, and the degree of social tolerance experienced in a society.
- **Governance** encompasses the extent to which there are restraints on power, and whether governments operate effectively and without corruption.
- **Social Capital** captures the personal and family relationships, social networks and cohesion a society experiences when there is high institutional trust, and people respect and engage with one another (civic and social participation).

Pillars and elements of the Inclusive Societies domain



The following chapters examine in detail Zimbabwe's performance across the four pillars and the discrete elements that constitute our measure of Inclusive Societies. We examine past performance, present conditions, and identify how the Government might strengthen opportunities and overcome potential challenges moving forward.

SAFETY AND SECURITY (AFRICAN RANK 23RD)

The presence or absence of violent and other criminal activities determines how safe and secure the population is. The lives of individuals and the security of their property are at risk in a society where these activities are present, both through their current prevalence and long-lasting effects. In short, a nation, community or society can prosper only in an environment that provides safety and security to its citizens.

For a society or community to be truly safe and secure, there must be an absence of both domestic and national security risks. The effects of war, civil conflict, and terrorism can be pervasive. The damage done by such events reaches far beyond the event itself; communities must rebuild themselves, cope with grief, and address psychological traumas arising from the atmosphere created.

Zimbabwe ranks 23rd for Safety and Security in Africa, and 106th in the world. While Zimbabwe has contained civil conflict and terrorism (both domestically and internationally), it performs poorly for violent crime and politically related terror.

In a prosperous Zimbabwe, citizens can live their lives knowing they are safe from crime and security risks. Political violence has become a remnant of the past and criminal activities have subsided dramatically. The police force has been properly resourced and trained professionally in community policing, becoming more effective in reducing crime.

Elements of Safety and Security

War and Civil Conflict – the impact on people of organised conflicts affecting a country, both internally and externally, in terms of deaths, injuries, intensity of conflict, and human displacement.

Terrorism – the deliberate and targeted harm inflicted by non-state actors on a nation's population, taking into account the number of incidents, injuries, and deaths that result. The costs of attacks on business are also taken into consideration.

Politically Related Terror and Violence – the extent to which people live in fear of, or suffer from, terror and violence inflicted by the state or other political bodies. Extrajudicial killings, unlawful disappearances, torture, and political imprisonment are all ways in which terror and violence are applied for political purposes.

Violent Crime – the level to which violent domestic crime affects the citizens of a country. Whilst the availability of reliable data is a constraint on the accurate measurement of levels of violent crime, homicides, rape, and the degree to which violence is resorted to are all significant areas in which violent crime can impact the security of individuals and communities.

Property Crime – the level to which property crime, such as burglary, organised crime, or the impact of crime on business, destabilises the security of individuals and affects both the wealth and wellbeing of individuals.

War And Civil Conflict (African Rank 19th)

Zimbabwe ranks 19th for Civil Conflict, up from 31st 10 years ago. There has been no interstate conflict in recent years, with Zimbabwe's involvement in the Second Congo War (1998 – 2003) seen as the most prominent in the last 20 years. Internally, there have been instances of violence, for example in relation to Operation Murambatsvina in 2005. However, the most important factor in this area is the large number of Zimbabweans living abroad in refugee-like conditions, mainly as a result of political and economic conditions.

Key recommendation - Kampala Convention: Implementing in full the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa would help protect the rights and wellbeing of internally displaced persons.

Terrorism (African Rank 26th)

Zimbabwe ranks 26th in Africa for Terrorism, having been largely unaffected by international terrorism. However, the Global Terrorism Database includes a number of incidents in 2017 and 2018, including a grenade attack at a ZANU-PF campaign rally and three other political attacks registered in 2017.

Politically Related Terror And Violence (African Rank 25th)

Zimbabwe ranks 25th in Africa for Politically Related Terror and Violence and 97th in the world. There was an improvement following the Government of National Unity (GNU), but this has stalled in recent years.¹ There is extensive use of political intimidation by the state and paramilitaries, including violence, alleged torture, and rape. There is also a growing use of the military to suppress civil unrest. Perpetrators of politically motivated violence are rarely sanctioned. The police have become increasingly politicised, generally also being absolved from unlawful arrests and other crimes.²

Key recommendation – Police professionalism: Increasing the professionalism and training of the police force, supported by a review of capabilities, could help ensure they are a politically independent force whose primary role is the protection of citizens and enforcement of rulings by the independent judiciary, while also strengthening their capacity to build strong cases for the courts. This could be further reinforced by greater emphasis on merit-based recruitment, and by basing remuneration increases on qualifications and training attained.

Key recommendation – Police Code of Conduct: The role of the police as the protector of citizens could be enhanced by establishing a new Police Code of Conduct (zero corruption and no maltreatment of suspects). The code could be implemented by providing human rights training and education for all members of the security forces and other state agencies.

Key recommendation – Police Complaints Unit: Respect for civil liberties could be reinforced by an autonomous Police Complaints Unit, which could enact thorough investigations into cases of human rights abuses, and consequently improve access to justice for victims of police brutality.

Recommendation – Immunity Protections: Legislation that currently absolves individual security agents from criminal liability regarding unlawful arrests and detention could be reformed to increase accountability.

Violent Crime (African Rank 45th)

Zimbabwe ranks 45th for Violent Crime. It has a high rate of murder and homicide cases, partly driven by gangs, conflict over gold, and the relaxation of legislation around illegal mining. While data is underreported and sometimes unavailable, violent crime including murder has also increased. Law enforcement is weak, and the police force is both under-resourced and perceived as being corrupt.³ Continued cooperation between the Zimbabwe Republic Police (ZRP) and traditional leaders is necessary to advance community policing and take steps to tackle violent crime.

Key recommendation – Police mandate: There is an opportunity to improve systems and processes to ensure more efficient investigation and prosecution of violent crimes. This could include re-allocation of transport and equipment resources in favour of regular anti-crime policing, and introduction of greater use of digital policing tools.

Key recommendation – Police organisation: The size of the police force could be reviewed. Introducing better pay and conditions (linked to performance and training) could improve effectiveness. The Ministers of Home Affairs and Justice should appoint a professional executive to oversee overlapping institutional reforms across policing and justice.

Key recommendation – Community policing: Better community policing could come from positive interaction with urban and rural youth, strengthening community relations, and listening to and addressing the public safety concerns of residents. This would require strengthening cooperation between the ZRP and traditional leaders.

Property Crime (African Rank 20th)

Zimbabwe ranks 20th for Property Crime in Africa. Widespread poverty and unemployment have driven increased housebreaking, robbery, and theft. This has had a major impact on businesses, particularly electricity and telecoms companies, who have had equipment vandalised in the search for metals such as copper. This has been further compounded by capacity strains and lack of technological adoption in tracking and preventing crime. Many robberies, juvenile delinquencies, and petty crimes are also consequences of the economy not being able to provide jobs for Zimbabweans, leading people to resort to crime to survive.

Recommendation – Corruption-fighting capacity: Adopting technologies within the ZRP system to track and curb corruption would be an effective way to strengthen police capacity in this area.

PERSONAL FREEDOM (AFRICAN RANK 44TH)

Freedom is important because it enables people to pursue their ambitions and follow their own path in life. Societies that foster strong civil rights and freedoms enjoy increased levels of both happiness and life satisfaction among their residents. A society benefits from higher levels of income when its residents' personal liberties are protected and when it is welcoming of the diversity that stimulates innovation. Civil and political freedoms such as freedom of speech and elections help promote economic security. Uncertainty associated with lack of respect for human rights makes the return on investment more insecure and volatile.

Zimbabwe ranks 44th in Africa for Personal Freedom. It performs poorly for freedom of assembly and association and freedom of speech and access to information. While the 2013 Constitution protects civil liberties, in many cases these protections are not respected by the security forces or enforced by the judiciary.

In a prosperous Zimbabwe, essential personal freedoms and civil liberties are respected, not only in the Constitution and legislation, but also in the practice of the Government and security services. Every citizen feels confident and free of fear, knowing that their essential rights are protected, including to security and liberty, privacy, equal treatment under the law, right of due process and a fair trial.

Elements of Personal Freedom

Agency – the degree to which individuals are free from coercion or restriction and are free to move. At its heart, an individual experiences agency if they have the freedom to act independently and make their own choices. Forced bondage and slavery, unlawful imprisonment, restrictions on movement, and numerous other factors can act as impediments on agency.

Freedom of Assembly and Association – the degree to which people have the freedom to assemble with others in public spaces to express opinions freely, with autonomy from the state, and to form collective interest organisations.

Freedom of Speech and Access to Information – the ability of people to express political opinion without reproach and the extent to which the media is censored and independent from/not influenced by the ruling government. The diversity of media views and access to media are also crucial factors underpinning the freedom of speech and access to information.

Absence of Legal Discrimination – the level of discrimination in law or by government and whether the law protects individuals and groups from discrimination. This dimension captures multiple factors, including gender, sexuality, religion, ethnicity, and economic background, as well as the degree to which courts and civil justice exhibit overt or covert bias and discrimination.

Social Tolerance – the extent to which societies are tolerant of differences within the population and the level of tension arising over these differences. Societal discrimination and intolerance can engender serious issues within a society and are a significant inhibitor of an individual's *de facto* freedoms.

Agency (African Rank 40th)

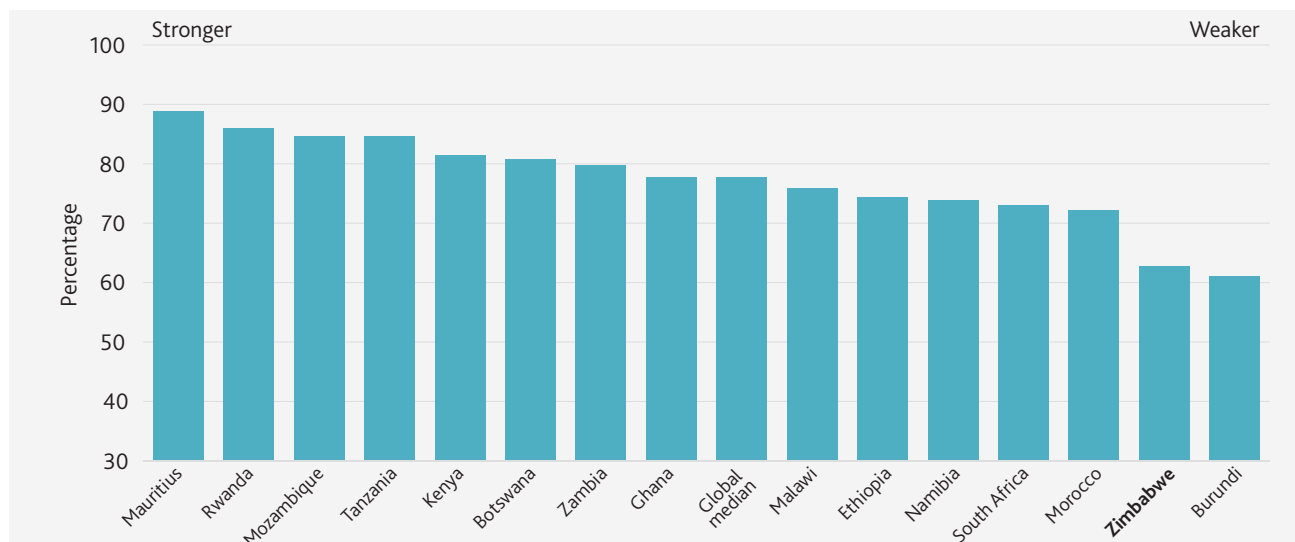
Zimbabwe ranks 40th for Agency. Constitutionally enshrined civil liberties are not uniformly protected, largely because implementation is restricted by the manipulation of procedures and political interference. Recently, satisfaction with freedom has declined, with the country now ranking 42nd in Africa.⁴

The judiciary is not able to constrain the the state from infringing on civil liberties. There is little protection from illegitimate use of force or due process in courts. Roadblocks have become even more pervasive in the context of COVID-19 and they affect the ability of people to travel freely around the country.

The Interception and Communications Act 2007 and the Cybersecurity and Data Protection Bill 2020 provide constraints to the right to privacy.⁵ Furthermore, oversight institutions are unable to serve as a check on infringement of civil liberties, due to capacity and financial constraints. There is compulsory registration of SIM cards, and information on mobile users is kept on a centralised database. As a result of a number of practices, the right to privacy is often not respected, including by the security surveillance of civil society organisations. Afrobarometer polls show that 70% of Zimbabweans think that government should not monitor private communications.⁶

Law enforcement powers, including the police, should be used in the defence of public order, respecting and protecting human dignity, and to uphold the human rights of all citizens. To support this goal, all law enforcement personnel should be trained on community policing and respect for human rights.

Figure 1: Satisfaction with freedom



Source: Gallup 2019

Recommendation – Oversight Institutions: Increasing the capacity and financial resources of oversight and complaint institutions would help ensure they can provide support for the protection of essential civil liberties.

Freedom of Assembly and Association (African Rank 50th)

Zimbabwe ranks 50th for Freedom of Assembly and Association in Africa. Despite the 2013 Constitution guaranteeing the right to assembly, these rights have not been respected in practice. The UN Special Rapporteur has noted that, in balancing freedom of assembly with maintaining order the “general presumption that prevails is in favour of maintaining law and order.”⁷

The police have new powers under the Maintenance of Peace and Order Act (MOPO) to prohibit and regulate assemblies and require advance notice of public gatherings. The police used these powers to restrict MDC protests in 2019. Activist groups face threats to their personal safety. Protests have led to violent repression.

The process to register NGOs has been characterised by the UN Special Rapporteur as “onerous, lengthy and complex in nature requiring a significant amount of detailed information of the association.”⁸ If an application is denied, there is no appeal process.⁹ The president is considering additional legislation to constrain the activities of NGOs.

Key recommendation – Freedom to assemble: The freedom to assemble should be strengthened by amending those aspects of MOPO and other legislation that obstruct civil liberties.

Key recommendation – Freedom to organise: Removing the hurdles on the creation of civil society organisations, in particular the ease with which they can register with the Government, would make it easier for trade unions and civil society to organise.

Freedom of Speech and Access to Information (African Rank 44th)

Zimbabwe ranks 44th for Freedom of Speech and Access to Information. The 2013 Constitution guarantees freedom of speech and freedom of the media, but these are curtailed by existing legislation and are not supported by the state. As a result, 76% of survey respondents think that people have to be careful about what they say in politics and 58% of people think that they are not at all free to criticise the president. Caution (self-censorship) about political speech was more common among young respondents (age 18-35).¹⁰

Freedom of expression has been limited by the narrow range of actors in the media space, with the largest concentration of media being in the hands of government.¹¹ Diversity is improved in social media; however, there are risks of surveillance and control. As a result of government restrictions on press freedom, MISA Zimbabwe argues that recent police harassment of journalists during the pandemic lockdown, has led to “an atmosphere of anxiety and self-censorship among journalists which would compromise objective reporting.”¹²

Key recommendation – Media registration: Ministers should not deny registration of newspapers or other news organisations. Registration of media outlets would be better managed through a non-political, arms-length government body.

Key recommendation – State-owned media: State-owned media should be independent public-service broadcasters and run at arm's length by government, with funding free from political interference.

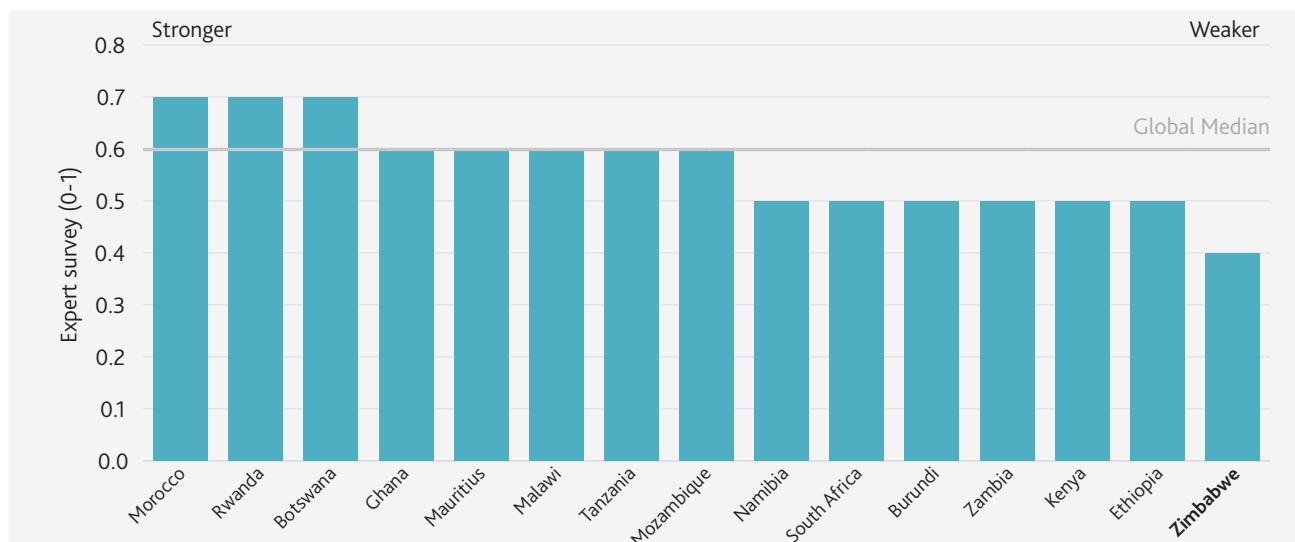
Key recommendation – Internet shutdowns: The Government should not use internet shutdowns as a means of controlling access to information.

Absence of Legal Discrimination (African Rank 42nd)

Zimbabwe ranks 42nd for Absence of Legal Discrimination. Section 56 of the Constitution promotes equality and non-discrimination. Despite that, 62% of interviewees in 2017 said that people are often or always treated unequally.¹³ In relation to gender issues, Article 17 of the Constitution commits the Government to full gender equality. However, there are many barriers, for example women do not have a fair access to land. Most women do not own land, despite constituting a large part of the people working the land.¹⁴

Religious activities are constrained by the restrictive laws regarding freedom of assembly, expression and association. Freedom House finds that “congregations perceived to be critical of the Government have faced harassment.”¹⁵

Figure 2: Equal treatment and absence of discrimination



Source: World Justice 2020 Project (Rule of Law Index)

Key recommendation – Economic rights of women: Ensuring greater opportunities for women to own land and improving protection for widows, especially where marriages have not been formally registered, would help realise the principles of equality enshrined in the Constitution.

Social Tolerance (African Rank 36th)

Zimbabwe ranks 36th for Social Tolerance. Zimbabwe is near the global median in terms of tolerance of ethnic minorities. Aside from tension between the white and black population, the main ethnic tension in Zimbabwe exists between the Shona, who make up most of the population, and the Ndebele. On the other hand, perceived tolerance of migrants has declined somewhat over the last decade, ranked 33rd in Africa.

An area of relative weakness is in the perceived tolerance of LGBT individuals. In a recent Gallup survey, just 7% of Zimbabweans surveyed say that their area is a good place for LGBT individuals to live (41st in Africa).¹⁶ For LGBT individuals, there are “long-standing traditional views about sexuality and gender that limit their full participation in the community and workforce”.¹⁷ Problems are more acute for those in rural or conservative areas.

However, there has been some recent progress. Gays and Lesbians Zimbabwe (GALZ) have stated that “there is growing tolerance of LGBTI in Zimbabwe especially amongst younger people in urban areas who have grown up with the knowledge that gay and lesbian people exist within their midst.”¹⁸

GOVERNANCE (AFRICAN RANK 40TH)

A stable and trustworthy state is one of the central components of political stability and economic development. The more culturally embedded the rule of law and good governance become, the more effective these measures are in promoting and supporting a healthy political, economic and social environment.

The importance of strong governmental institutions to long-run economic growth cannot be overstated; institutional capacity is more important to long-term success than discrete policy choices. Economic progress is also far more difficult without the firm foundation of the rule of law. Failure to respect the rule of law will usually result in depressed domestic and foreign investment and cronyism in the business environment, leading people to rely primarily on personal networks and patronage rather than the strength of their own ideas.

Minimising corruption is also critical to the functioning of a society. High levels of corruption are often associated with higher levels of poverty and income inequality. Corruption will corrode trust. A culture of trust invariably takes time to become established and is most effective if good behaviours, such as trust, respect, and diligence are embedded in a culture, rather than imposed from some outside force as part of a treaty or international agreement.

Zimbabwe ranks 40th for Governance. This is driven by the weak performance on government effectiveness (African rank 44th) and executive constraints (African rank 44th) and is partly explained by the fact that the ruling party has had control of the Zimbabwean state for more than 40 years, except during the 2009-2013 Government of National Unity.

ZANU-PF and the security forces are closely intertwined, and they have been effective in suppressing constraints on executive power – checks and balances from the legislature and the judiciary – or preventing transfer of power to other political groups. This monopoly in the control of the state has contributed to a significant weakening of government effectiveness and integrity, as the state is often used for party and personal gain.

The potential for a prosperous Zimbabwe is to have power shared between different stakeholders for the public good, with meaningful constraints on how power can be exercised in the political, institutional and economic spheres, and where the military is separate from party politics with a focus on security. A competent and independent judiciary guarantees that everyone, including the state, is subject to the rule of law, with no political interference in judicial processes. Such circumstances help ensure the Government delivers public services with integrity and competence.

Elements of Governance

Executive Constraints – the level of checks and balances and separation of powers – especially with respect to the executive. For effective executive constraints to be in place, a government must not only have checks and balances and separation of powers, but be free from military involvement, and effective sanctions must be in place for misconduct within office.

Political Accountability – the degree to which the public can hold public institutions accountable, capturing the degree of political pluralism and other mechanisms of accountability.

Rule of Law – the fairness, independence, and effectiveness of the judiciary (in applying both civil and criminal law), along with the degree to which the state itself and every citizen are subject to the law.

Government Integrity – the integrity of a government, encompassing both the absence of corruption, and the degree to which government acts for the public good and fosters civic participation and engagement through open information and transparent practices.

Government Effectiveness – a combination of the quality of public service provision, the quality of the bureaucracy, and the competence of officials.

Regulatory Quality – all aspects of the running of the regulatory state – whether it is burdensome and impedes private sector development, and whether it is smoothly and efficiently run.

Executive Constraints (African Rank 44th)

Zimbabwe ranks 44th for Executive Constraints. Checks on executive power exist in the 2013 Constitution, but these checks and balances are not respected in practice, with oversight bodies failing to do the same due to lack of independence and appropriate financial capacity. The ruling party controls the state and has remained in power since independence, more than 40 years ago, except for a short power sharing Government of National Unity (2009-2013).

Neither Parliament nor the judiciary is effective as a countervailing power. The executive acts frequently through statutory instruments. Ministers often refuse to be held to account by Parliament. Inconvenient court orders are ignored. Critical reports on the executive from the Office of the Auditor General are not generally followed.

The structures of ZANU-PF and the security forces are intertwined, with the security forces ensuring that the ruling party stays in power. The security forces benefit from the control of the state and occupy important business and political positions in the country.^{19 20} Improving governance will mean ensuring that the state does not belong by right to any political party and is not intertwined with the military.

Key recommendation – Constraints on the Executive: Increasing Parliament's legislative and executive oversight capacity would increase the overall quality of governance. This could be enhanced by increasing MPs' access to policy-relevant information including government documents.

Key recommendation – Security forces: Governance would be further enhanced by separating the security forces from party politics and the running of the state, while retaining their operational autonomy on security issues, including promotions.

Recommendation – Oversight bodies: Executive constraints could be further enhanced by giving full political support, operational independence and secure funding to oversight bodies, including: Justice Department, Human Rights Commission, Office of the Auditor General, Attorney General, Anti-Corruption Commission, etc.

Political Accountability (African Rank 31st)

Zimbabwe ranks 31st in Africa for Political Accountability. ZANU-PF inherited a strong state and acquired broad legitimacy through its leadership in the War of Liberation and initial successes in education, health and land reform. The land reform was also partly a response to political pressures and demands and brought further legitimacy to the ruling party in Zimbabwe. ZANU-PF has used state resources, including the security forces, to undermine opposition groups and ensure that it remains in power.

However, the use of the state for political and private gain, economic mismanagement and economic crisis have affected the legitimacy of the Government. Political and social groups, particularly in urban areas, have united in pressuring the Government, resulting in contested elections and the Government of National Unity of 2009-2013. However, today the political opposition is weak and fragmented: the opposition Movement for Democratic Change has suffered from intimidation and internal disputes and has been affected by corruption. However, opposition parties still control many local governments especially in urban areas. Churches and faith groups have helped to hold the state to account and support reconciliation.

Polarisation of society, distrust, and fear do not allow for dialogue between government, the opposition and other stakeholders. There are very few effective complaint mechanisms to support government accountability. Elections are compromised by biases in the Electoral Commission, violence, misuse of state resources, and coercion. In the 2018 election, EU observers noted numerous issues, including violence, errors in the final results, and a lack of independence in the state media and electoral commission.²¹

The Government should commit to and respond practically to the demands and priorities of all its citizens, and particularly of the most vulnerable – including rural constituencies. It should also respond to the demands of other groups for a more open economy, the rule of law, the respect of civil liberties, curbing of corruption and a competent and responsive state. Such responsiveness is best ensured by robust political accountability.

Key recommendation – Political party regulation: Regulations and laws should be enacted to support the role of political parties to channel the voice and accountability of citizens, including strictly regulating their financing. All donations and electoral spending should be made transparent.

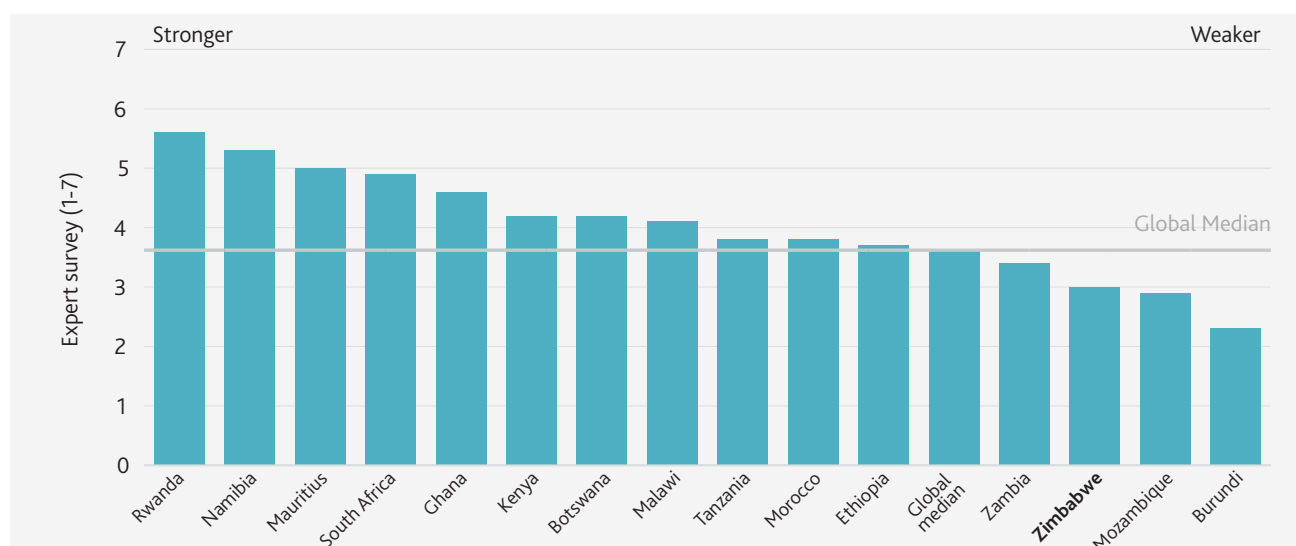
Key recommendation – Electoral regulation: In order to support the integrity of future elections, the legal and regulatory framework covering the electoral process should be revised to strengthen the independence and capacity of the Zimbabwe Electoral Commission.

Rule of Law (African Rank 30th)

Zimbabwe ranks 30th for Rule of Law. While the rule of law is constitutionally protected, the judiciary is not independent of the state: key judicial appointments are controlled by the Government, patronage is widely used to subvert judicial independence, and access to justice for unfair incarcerations is hard to obtain. As a result, the administration of the law is often influenced by the interests of the ruling party rather than by public interest. Most recently, the President has sought the power to appoint judicial officers (including the Prosecutor General) directly and without oversight.²² In addition to this, there are few constraints on the use of emergency powers.

Despite these severe weaknesses, Zimbabwe retains some aspects of a strong legal system. There are good lawyers, the result of a strong professional legal culture in the past, and some judges who rule with autonomy, particularly in the High Court.²³ For these to be fully operational in practice, the Government should commit itself to be bound by the law and to honour judicial rulings, ensuring equal treatment of all under the law, as well as limiting the use of emergency powers.

Figure 3: Judicial independence



Source: World Economic Forum Global Competitiveness Index 2019

Key recommendation – Judicial independence: The independence of the judiciary can be enhanced by more transparent mechanisms to ensure the appointment of impartial judges, based on professional qualification and integrity. Procedures to protect the independence of judiciary could also include clarifying the length of the term of office, security of tenure during that term, remuneration, and pension.

Key recommendation – Judicial integrity: The integrity of the judiciary could also be strengthened by ensuring clear processes for disqualification and removal from office, and broader institutional conditions.

Recommendation – Access to justice: The rule of law can be strengthened by making access to justice widespread and uniform. This would include ensuring that defendants in politically sensitive cases receive a fair hearing in higher courts and by improving access to justice for victims of police brutality, particularly where people are incarcerated unjustly for long periods.

Government Integrity (African Rank 35th)

Zimbabwe ranks 35th for Government Integrity in Africa and 139th in the world. The fact that the ruling party has been able to limit political accountability and executive constraints over 40 years has contributed to a situation where the state has been captured by the ruling party and is used for personal gain and patronage.

As a result, corruption is endemic throughout Zimbabwean society, which was recognised by the new government. The economic costs of corruption are high. Civil service appointments are driven by political patronage, leading to a dramatic decline in state capability and in the competence of government departments and agencies. There is no enforcement of internal financial controls, and the use of extra-budgetary resources is pervasive.

State dysfunction has resulted in several periods of economic crisis (including the second highest inflation in the world) that have severely reduced the remuneration of key public workers, fostering a tendency to resort to bribes. More than 100 state-owned companies and several ruling-party linked cartels crowd out private competition and investment.²⁴ They also suffer from inflated wage bills and are heavily indebted, relying on substantial government transfers to survive.

A number of oversight institutions are in place, but sanctioning corrupt officials is difficult. The Zimbabwe Anti-Corruption Commission and the Auditor General carry out important investigations of high-profile corruption cases, but their investigations are often not followed by the prosecuting authority, or parliament. In addition, a lack of resources has curtailed the effectiveness of the anti-corruption agencies and there is evidence of a lack of political will to support their efforts.

Expert surveys suggest that publicised laws and government data and government policies are not easily accessible to private companies and the public.

Key recommendation – Opportunities for corruption: One of the most effective ways to reduce corruption is to engineer it out of the system. This can include eliminating discretionary decision-making and burdensome administrative procedures that support bribery through automation and e-government of most services e.g. natural resources, large procurement processes, revenue collection, licensing and administrative procedures.

Key recommendation – Anti-corruption measures: Strong public efforts to counteract corruption are an important part of reducing it. This includes implementing meaningful zero tolerance for corruption throughout government, whereby it is run for the benefit of all Zimbabweans, not for party or private gain. This commitment can be reinforced by ensuring that all incidents of corruption in government are fully investigated and prosecuted speedily by independent courts, with support from internal audits, the Auditor General and the Anti-Corruption Commission. Further supporting measures could include formalising clear procedural guidance on the Government's anti-corruption policies, introducing a whistle-blower law, and strengthening the independence and capacity of enforcement agencies such as the ZACC.

Key recommendation – Government transparency: Government integrity can also be enhanced by greater transparency. In addition to setting clear expectations on transparency, this would require strengthening the capacity of institutions to provide public access to information and data; publication and auditing of government expenditure and asset declaration for public officials.

Government Effectiveness (African Rank 44th)

Zimbabwe ranks 44th for Government Effectiveness. ZANU-PF inherited a strong but unequal state and used this to deliver substantial health and education gains for the majority of the population in the 1980s and 1990s. It also instituted a broad base land reform. However, over time, government effectiveness has been eroded by patronage in civil service appointments, corruption, and economic crises.

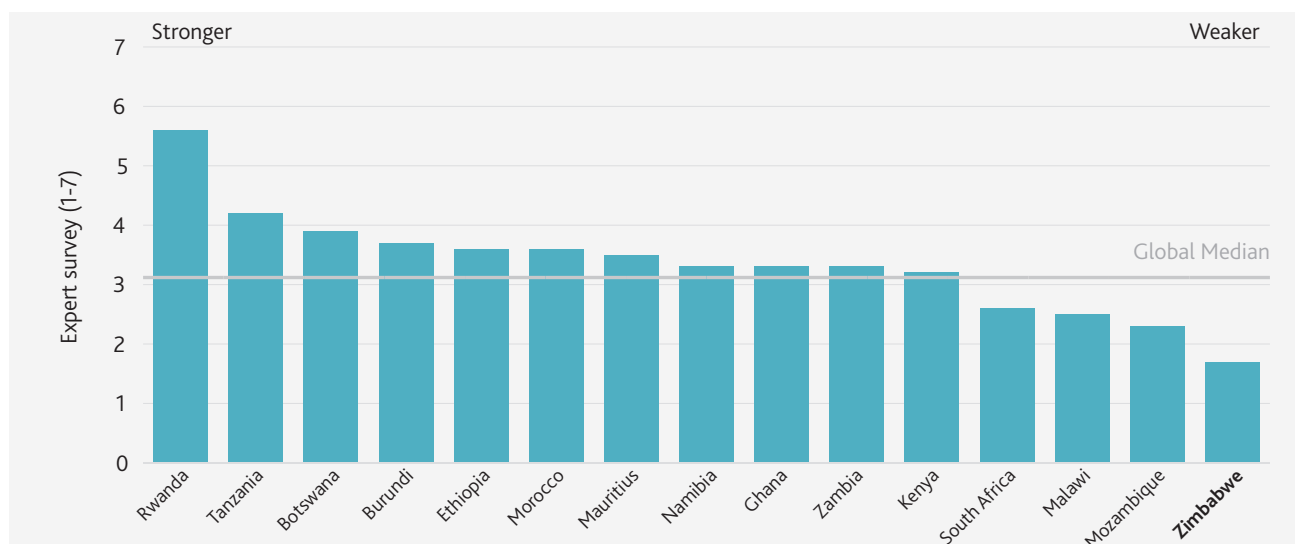
Civil service and state-owned enterprise appointments have been driven by political patronage rather than merit, leading to a dramatic decline in state capability and in the competence of government departments and agencies. There is a weak capacity for prioritisation and implementation, poor enforcement of internal financial controls, and the use of extra-budgetary resources is pervasive.

This decline in state capability has resulted in several periods of economic crisis (including the second highest inflation in the world in 2009), which decimated the remuneration of key public workers. Poor salaries and working conditions have made it difficult to retain qualified staff, which has resulted in many teachers, health workers and skilled civil servants leaving the country, particularly after the 2008 crisis.

Government departments and agencies often pursue narrow political objectives, rather than national priorities. As a result of all these factors, service delivery is poor across nearly all areas of government, from utilities to health and education and in both national and local government. This has a knock-on impact on all citizens, particularly the most vulnerable, who are in great need of accessible services, such as education and health.

To compound this, policy coordination is not smooth or effective, and is exacerbated by policy and party differences between local and national government and by overlaps, duplication, and conflicts between different parts of the national government and local government.

Figure 4: Efficiency of government spending



Source: World Economic Forum Global Competitiveness Index 2019

Key recommendation – Professional leadership: The degree of professional leadership across government departments and agencies is the most impactful driver of government effectiveness. Making good appointments will be critical to the success of national transformation. Hence, a merit-based process should be established for appointing senior officials, centred on proven integrity and focused on the public good, public service, and professional experience and competence, not on political affiliation/patronage. The 2019-2020 Public Service Commission Action Plan provides a good starting point. A strengthened Public Service Commission should monitor these appointments, proposing a temporary salary structure and recording experiences in different departments to identify and disseminate best practice.

Recommendation – Focus the administration on citizen-centred service: Give priority to understanding the key needs of citizens, particularly the most vulnerable, and to identifying ways to make the provision of services to vulnerable people more relevant, easier, accessible, and corruption-free. Leaders should embed and foster a new civil service ethos that demonstrates a commitment to service, empathy and transparency, so as to bring public services closer to all Zimbabweans.

There is also potential to devolve more budget powers and powers of appointment to local governments. Providing more accountability to local citizens over local issues, including urban land grants, would improve effectiveness.

Another practical means of increasing Government effectiveness is to digitise services, ensuring the internet becomes a backbone for Government services. The Government should take early steps to support the provision of digital services following the successful model of countries such as Estonia and India. This would require the gradual introduction of a digital citizen ID, stringent data privacy protection legislation and the adoption of the X-Road infrastructure.

Regulatory Quality (African Rank 45th)

Zimbabwe ranks 45th for Regulatory Quality. The perceived ability of Zimbabwe's government to formulate and implement sound policies and regulations to promote private sector development is particularly weak. This is partly explained by the same factors that generally explain poor government effectiveness and civil service capacity (patronage, endemic corruption, lack of resources) but also by weak legislation. Furthermore, complex regulation structures, overlapping mandates, and lack of independence and transparency compound the existing challenges. The lack of access to and poor availability of public information add to the problem of transparency of the regulatory framework. There are many regulations, but enforcement is inconsistent, thereby accentuating the need for institutional bodies and practices covering impact assessments of existing and new regulations.

Recommendation – Implement regulatory impact assessments: Create a centralised office responsible for ensuring the quality of regulatory impact assessments across government.

SOCIAL CAPITAL (AFRICAN RANK 36TH)

Social capital represents the networks and the cohesion a society experiences when people trust and respect one another – considering effectively functioning social groups, encompassing interpersonal relationships, a shared sense of identity, norms, values, trust, co-operation, and reciprocity.

A person's wellbeing is best provided for in a society where people trust one another and have the support of their friends and family. Societies with lower levels of trust tend to experience lower levels of economic growth. Thus, the word 'capital' in 'social capital' highlights the contribution of social networks as an asset that produces economic returns and improves wellbeing.

Zimbabwe ranks 36th for Social Capital in Africa, and 130th in the world. Over the past decade, social capital has seen a considerable improvement, held together by strength in Zimbabwe's social networks and its culture of personal and family relationships. However, the rankings on institutional trust (African rank 51st) and interpersonal trust (African rank 48th) are low.

A prosperous Zimbabwe is a nation at ease with itself, with the issues that divided it in the past, including internal conflicts, having been confronted and resolved. National reconciliation has been achieved and a strong sense of *Ubuntu* has been restored. People are predisposed to trust each other, participate in civic society, and the nation's institutions have earned the trust and confidence of the public.

Elements of Social Capital

Personal and Family Relationships – the strength of the closest-knit personal relationships and family ties. These relationships form the core structure that individuals can turn to for support emotionally, mentally, and financially on a daily basis.

Social Networks – the strength of and opportunities provided by ties that an individual has with people in their wider network. These ties are a vital part of social support, and these networks can bolster bridging capital when social and community networks straddle different strata within society. Local social networks depend on building and maintaining relationships with other individuals and families, including neighbours.

Interpersonal Trust – the amount of trust within a society, encompassing the degree to which people trust strangers and those outside their known social sphere.

Institutional Trust – the degree to which individuals trust their institutions. Trust in institutions is an important foundation upon which the legitimacy and stability of political systems are built, with trust in numerous institutions essential for true institutional trust.

Civic and Social Participation – the amount to which people participate within a society, broadly split into the civic and social spheres.

Personal And Family Relationships (African Rank 15th)

Zimbabwe ranks 15th for Personal and Family Relationships, especially in relation to help from family and friends when in trouble. These have traditionally been strong, due to the *Ubuntu* philosophy. This philosophy has ensured, for example, that orphaned children are cared for by the extended family. However, this is being challenged by urbanisation.

Social Networks (African Rank 12th)

Zimbabwe ranks 12th for the strength of its Social Networks. This is an area of strength in Zimbabwe, in which it has performed well over the last 10 years, rising from 37th place. It reflects a strong culture of helping other households and opportunities to make friends. Community and social networks are an essential component of social action in Zimbabwe, bringing people together and making individuals more aware of their social and cultural identity.²⁵ The defining philosophy of Zimbabwean community culture is *Ubuntu*, which means that someone's wellbeing is defined by the wellbeing of others around them.

Interpersonal Trust (African Rank 48th)

Zimbabwe ranks 48th for Interpersonal Trust. Many people think that one has to be careful, rather than trustful, in interactions with others. This is partly because of political and ethnic tensions, but also because of the stresses created by the health and economic crisis. Economic inequality is also a major contributor to lack of trust. Strengthening interpersonal trust is key to rebuilding Zimbabwe.

Key recommendation – Dialogue between communities: Trust and reconciliation can be developed from the bottom up at a community level. It is worth supporting projects at the grassroots levels, to focus on reconciling differences and promote cooperation and dialogue, especially in local communities through traditional leaders – invoking *Ubuntu*.

Institutional Trust (African Rank 51st)

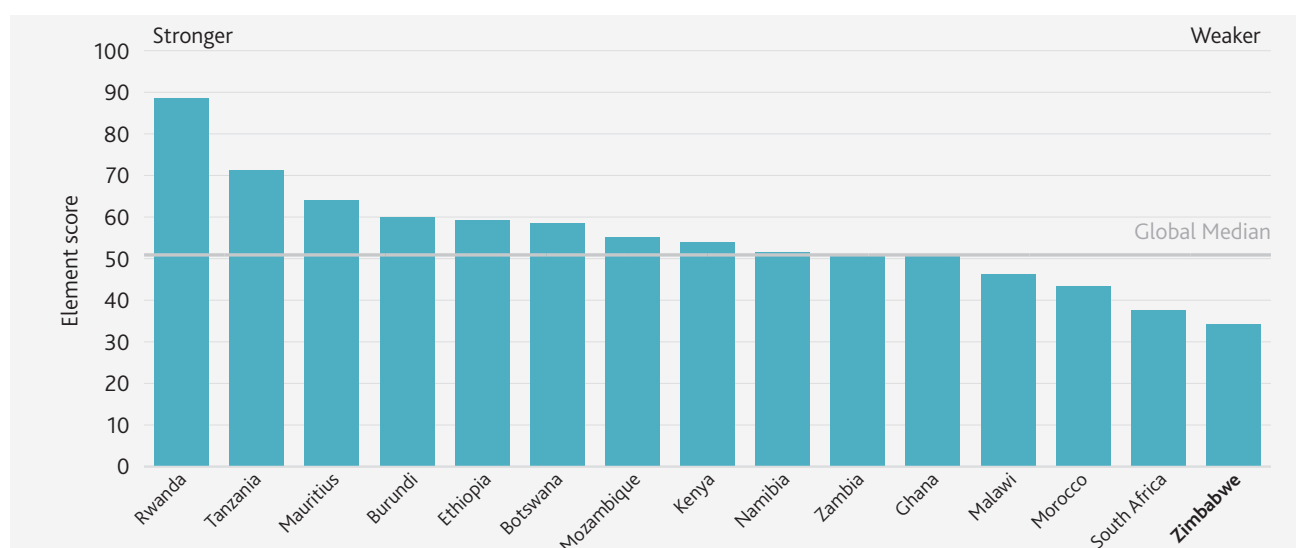
Zimbabwe's 51st ranking for Institutional Trust is very low. Public trust in politicians is particularly low (African rank 54th).²⁶ However confidence in financial institutions, national government, the military, and the local police are also low by African standards.

The low trust in politicians reflects the economic and political crisis that the country suffers and the political polarisation in the country. This level of trust in politicians has a direct impact on the economic situation, for example in relation to trust in the new local currency. The trust in the police and military is also low, but it has improved in the last 10 years. However, since 2010, more than half of Zimbabweans have consistently said that "most" or "all" police officials are corrupt.²⁷ According to the 2019 Global Corruption Barometer, 24% of people who encountered the police have paid bribes to officers in Zimbabwe in the last year.²⁸ Finally, according to another recent survey, just half of the population thinks that the military acts professionally and respects citizens' rights.²⁹ Institutions and bodies created to combat these issues have not been able to fulfil their mandate.

In contrast to these centralised powers, other institutions such as citizens' wards councillors, churches and village heads were identified as "very important" and "socially close."³⁰

Regaining the trust of citizens in institutions is likely to be a by-product of reforms in governance and the security services. These institutions will become more trustworthy as they become more accountable to the public and are seen to function for the common good.

Figure 5: Institutional Trust score



Source: Prosperity Index 2020

Recommendation – Post Election Violence Commission: Fully embracing and implementing the recommendations of the Commission would help strengthen institutional trust.

Civic And Social Participation (African Rank 21st)

Zimbabwe ranks 21st in Africa for Civic and Social Participation. While Zimbabwe has a developed philanthropic sector³¹, donating money to charities is limited. Many more give money to family and friends. In a recent survey, 20% of respondents said that they did not give because they did not trust the recipient organisations, while 49% said they did not give due to lack of disposable income.³²

Zimbabwe has a high degree of informal volunteering, with many of the poorest helping to deliver programmes for which they themselves are eligible. In recent years, volunteers have filled gaps in government services. The church plays a major part in building social capital, providing many services as well as being a meeting place for multiple groups of people.

83% of all adults interviewed preferred to “choose our leaders in this country through regular, open, and honest elections” rather than by “other methods.”³³ Furthermore, 61% of the respondents believed that “voting helps improve lives.”³⁴ This is consistent with high voter turnouts. However, there is some evidence that youth participation in the 2018 elections was low.³⁵ Their political participation in other local level activities is higher.³⁶ Knowledge and information about elections and voting is not very prevalent nor well-designed to reach all levels of society effectively.

Key recommendation – Youth political participation: Leadership training and training in elections and governance processes could help ensure active and purposeful engagement by young Zimbabweans.³⁷ Resources and support should be given to youth-led initiatives that are reaching out to young people.³⁸

Recommendation – Civic education: Delivering civic education programmes in schools and in community venues could promote national reconciliation, widen knowledge and participation among citizens, leading to an informed and active citizenry.

LOOKING AHEAD

A prerequisite for Zimbabwe to achieve prosperity is the security of all persons and property. The Government should seek to foster a culture of respect for human life that refrains from the use of violence to resolve personal and community disputes. The police and security services should be focused primarily on the safety and needs of the people and be even-handed in their prevention and prosecution of crime. This would create a sense of policing by consent, with greater community involvement in improved safety and security, as well as increasing public confidence in the police.

For Zimbabwe to be prosperous, essential personal freedoms must be respected by government and protected by an independent judiciary. The respect of these essential freedoms will contribute to the legitimacy of the Government and to bringing trust and reconciliation to the country.

Reform in governance is key to putting Zimbabwe on the path to prosperity. The president of Zimbabwe tweeted on 2 November 2020: "Let me be very clear. If you engage in or promote corruption, you will be arrested and prosecuted. There are no excuses for corruption. No one is above the law". In order to achieve this, it is important that the state becomes autonomous and separate from the ruling party. There also needs to be genuine adherence to the rule of law and civil liberties, with the state bound by law that is enforced by a fully independent judiciary. The integrity of the judiciary should be unquestioned and rulings applied fairly to all citizens and the state, with no political interference.

Improving interpersonal and institutional trust is an important part of creating a pathway to prosperity in Zimbabwe. A prosperous Zimbabwe has an inclusive culture that embraces and celebrates difference and political plurality. There is a rich network of civil society groups and widespread citizens' participation in civic and democratic processes.



Endnotes

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OPEN ECONOMIES

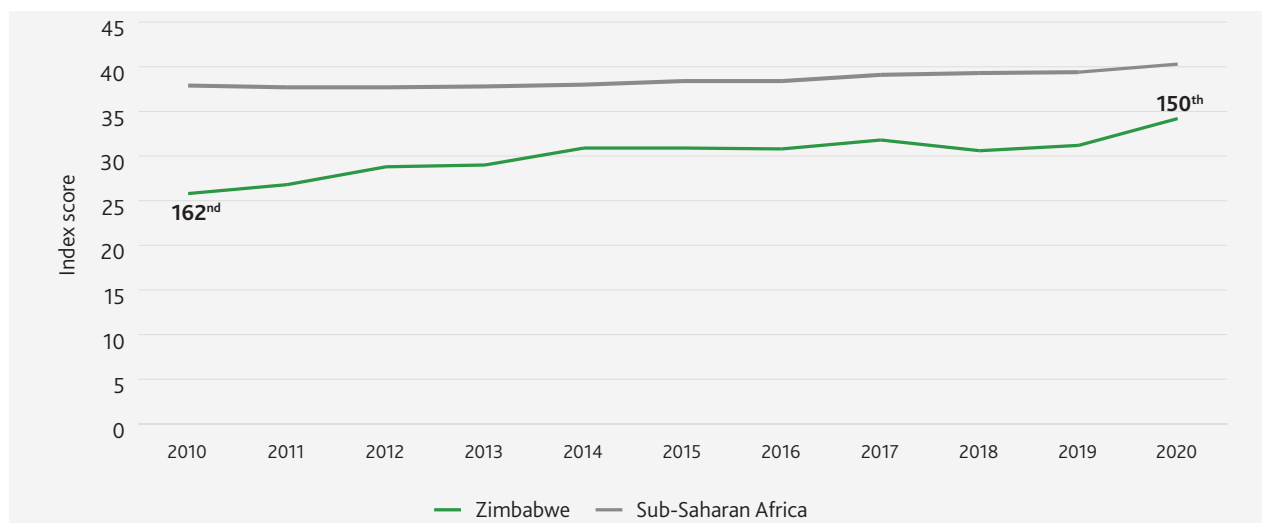
This second part of the report focuses on the **Open Economies** domain, which captures the extent to which an economy is open to competition, encourages innovation and investment, promotes business and trade, and facilitates inclusive growth. Prosperity is driven by an open economy that harnesses ideas and talent to create sustainable pathways out of poverty.

Without an open, competitive economy it is very challenging to create lasting social and economic wellbeing where individuals, communities, and businesses are empowered to reach their full potential. Trade between countries, regions, and communities is fundamental to the advance of innovation, knowledge transfer, and productivity, which creates economic growth and prosperity. Open economies are more productive. In contrast, in an uncompetitive market, or one that is not designed to maximise welfare, growth stagnates and crony capitalism thrives, with knock-on impacts elsewhere in society. In an open economy:

- Property rights are protected, so investment can flow.
- Business regulation enables entrepreneurship, competition, and innovation.
- Open markets and high-quality infrastructure support trade and commerce.
- Fiscal and monetary policy are used responsibly to foster employment, productivity, and sustained economic growth.

In analysing Zimbabwe's performance in the Open Economies domain, we examine past performance, present conditions, and identify how the Government might strengthen opportunities and neutralise potential threats moving forward. Zimbabwe ranks 151st globally in this domain and 35th of 54 countries in Africa (see Figure 6).

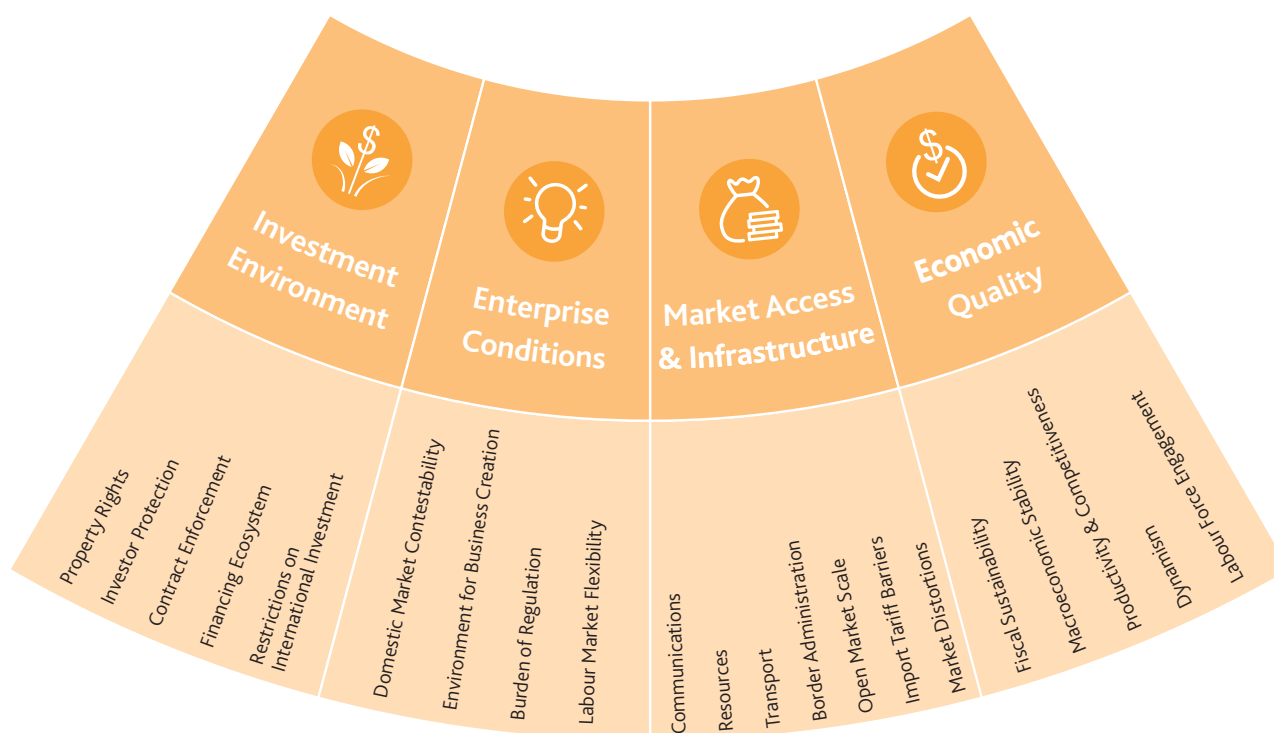
Figure 6: Open Economies



The analysis of Zimbabwe's performance in this report focuses on what we consider to be the key characteristics of economic wellbeing across the world. This domain consists of four pillars: Investment Environment, Enterprise Conditions, Market Access and Infrastructure and Economic Quality:

- **Economic Quality** considers how robust an economy is (fiscal sustainability, macroeconomic stability) as well as how an economy is equipped to generate wealth (productivity and competitiveness, dynamism). It also captures the degree of labour force engagement and the diversity of goods and services.
- **Investment Environment** reflects the extent to which investments are protected adequately through the existence of property rights, investor protections, and contract enforcement. Also measured is the extent to which domestic and international capital (both debt and equity) is available for investment.
- **Enterprise Conditions** encompasses how easy it is for businesses to start, compete and expand. Contestable markets with low barriers to entry are important for businesses to innovate and develop new ideas. This is essential for a dynamic and enterprising economy, where regulation enables business and responds to the changing needs of society.
- **Market Access and Infrastructure** captures the quality of the infrastructure that enables trade (communications, transport, and resources) and the inhibitors to the flow of goods and services between businesses.

Pillars and Elements of the Open Economies domain



Full details of each of the four pillars outlined above can be found in our Prosperity Index and a summary of the component parts of each pillar is provided in the relevant section below.

Our analysis indicates a clear link between the extent to which a country's economy exhibits these characteristics and its productive capacity.¹ This link is supported by a long history of academic literature, and can also be seen in the economic histories of those countries that have achieved a high level of economic wellbeing

Over the last 10 years, Zimbabwe's economic openness has improved, gaining ten places in the African rankings. However, this rate of improvement has been uneven, with improvement in Investment Environment, Enterprise Conditions and significant improvements Market Access and Infrastructure but a substantial deterioration in Economic Quality.

The following chapters examine in detail Zimbabwe's performance across the four pillars and the discrete elements that constitute our measure of Open Economies. We examine past performance, present conditions, and identify how the Government might strengthen opportunities and neutralise potential threats moving forward.

ECONOMIC QUALITY (AFRICAN RANK 35TH)

A nation's economy needs to be equipped to generate wealth sustainably and with the full engagement of its workforce. A strong economy is dependent on the production of a diverse range of valuable goods and services and high labour force participation. Trust in the economic system is underpinned by predictability, which is important for both consumers and businesses. For a country's economy to be of high quality, it must be robust to shocks. Volatility has also long been shown to correlate negatively with economic growth.

The ability to produce valuable products, more so than producing the same product faster or at a lower cost, is also vital to economic growth. Acquiring new productive capabilities, thereby creating a comparative advantage, is one of the cornerstones of economic growth. A dynamic economy means that more ideas are entering the market. Prosperity is inclusive; hence, everyone must have the opportunity to participate in the labour market, use and develop their skillset, and reach their productive potential. Not only is this important at the level of the individual, but it means that income inequality can be mitigated – this being a key determinant of happiness and subjective wellbeing.

Zimbabwe currently ranks 35th for Economic Quality, having deteriorated significantly since the middle of the decade. On virtually any measure, Zimbabwe's economy ranks poorly relative to other African countries – 38th for fiscal sustainability, 53rd for macroeconomic stability, 40th for dynamism and 28th for productivity and competitiveness.

A prosperous Zimbabwe has a macroeconomic policy that delivers price stability, with easy access to foreign exchange. Fiscal deficits, monetary growth and interest rates are also low, allowing individuals and businesses to carry out their normal economic activities and transactions without the fear of dramatic instability.

Elements of Economic Quality

Fiscal Sustainability – the ability of a government to sustain its current spending, tax, and other policies in the medium-to-long term. For a government to achieve meaningful fiscal sustainability, the budget balance and debt of the Government must be under control and the country must be deemed low risk by external investors and credit agencies.

Macroeconomic Stability – two key elements of the economy – the GDP per capita growth rate and the volatility of the inflation rate.

Dynamism – the churn of businesses – the number of new start-ups entering and failed firms exiting an economy.

Labour Force Engagement – the intersection of demography and the workforce, including the rates of unemployment and gender ratios. Participation in the labour force, the level of unemployment, and percentage of the workforce in waged and salaried roles underpin the degree of labour force engagement.

Productivity and Competitiveness – the efficiency with which inputs can be converted into outputs and the level of diversification in the economy. Competition enhances productivity by forcing firms to innovate new ways to reduce cost and time constraints.

Fiscal Sustainability (African Rank 38th)

Zimbabwe ranks 38th for its Fiscal Sustainability. Since 2013, the Government has found it very difficult to control its expenditure and to raise sufficient revenue to cover it.

As a percentage of GDP, Zimbabwe raised 13.5% of GDP in revenue in 2019, mostly through taxes. Total government expenditure is much higher. In June 2017, the World Bank conservatively estimated total public spending - including expenditures by the central government, local authorities, and state-owned enterprises - at roughly 50% of Zimbabwe's GDP.²

As a result, Zimbabwe runs persistent fiscal deficits, which soared to an unsustainable 8.4% of GDP in 2017. However, it was reduced significantly in 2019 to 2%.³ In 2020, the World Bank expects COVID-19 and poverty alleviation efforts to cause the 2020 deficit to widen.⁴

One of the primary contributors to weak fiscal discipline is the state capture for political and private gain, reflected in large agricultural subsidies and the public sector wage bill. Under the GNU, the Government used cash budgeting to maintain fiscal discipline. However, this only lasted until 2016 when unbudgeted agricultural programmes and wage bill overruns increased. This led to Reserve Bank financing and subsequent inflation. Furthermore, a number of key expenditures are not included in the Government accounts. Most recently, the spending in the 2020 budget did not include about 10% of additional spending for gold incentives and maize subsidies.⁵ Until recently, the public sector wage bill share of Government expenditure was 90%. It has since been reduced to 37% in 2019 due to inflation reducing the real wages of public sector employees by 80%.⁶

Zimbabwe continues to be in debt distress, with a large and unsustainable external debt of about US\$10 billion as at September 2019, of which a large part is in arrears.⁷ The public sector debt-to-GDP ratio, including legacy debt and farmers' compensation, is projected to be 102% in 2020.⁸ The arrears on its external debt mean it has been unable to access finance through international institutions. Government expenditure and spending priorities also need to be re-visited.

Key recommendation – Tax structure: Income tax can be improved with a simpler and broader system by eliminating distortions and excessive burdens, which are characteristic of the current tax system. The use of e-government in collaboration with the private sector could simplify tax administration and payments, using simple assessments and eliminating exemptions and discretion as much as possible.

Key recommendation – Fiscal discipline: The implementation of fiscal rules could be strengthened by adopting cash budgeting and strictly forbidding extra-budgetary expenditures. Increased parliamentary scrutiny of government investment contracts would also have an impact, as would holding leaders of government departments and agencies directly accountable for maintaining their own budgetary discipline and expenditure limits.

Key recommendation – Government wage expenditure: A key component to ensuring fiscal discipline will be containing government wage expenditures – especially personnel numbers. It will be imperative to establish an affordable level of government employment and wages, taking into account revenues and the need to provide adequate compensation to key workers, particularly in schools and health centres. As part of the control measures, it will be necessary to eliminate political patronage from government expenditure.

Key recommendation – Debt management: Starting debt renegotiation with creditors will be an important part of a credible and comprehensive reform programme. This can also include sharing information on terms of recent borrowing (including recent collateralised borrowing against future gold and platinum export receipts). Gradually building a domestic market for government debt with transparent issuance is also a sensible medium-term ambition.

Recommendation – Fiscal transparency: Investor and public confidence can be enhanced by publishing a national set of accounts that includes a balance sheet of assets and liabilities and an accrual-based annual operating statement of income and expenses.

Recommendation – Prioritising key public services: Achieving fiscal discipline and ensuring social wellbeing necessitates that government expenditures are focussed on the delivery of key basic services (health, education, roads, basic extension services), with an emphasis on alleviating poverty, particularly in rural areas. This will also require scaling back low-priority current and capital spending. Outside the poorest areas and essential services, where direct state intervention is the only feasible strategy, provision should be made using a self-help, public/private partnership model of financing.

Macroeconomic Stability (African Rank 53rd)

Zimbabwe ranks 53rd in Africa for Macroeconomic Stability, having deteriorated significantly since 2014. GDP growth and inflation have both been volatile over the last 10 years.

After 10 years of contraction from 1998 to 2008, Zimbabwe's economy grew at an average of 12% per annum from 2009 to 2013 under the multi-currency regime adopted by the GNU. After slowing to a low of 0.6% growth in 2016, there was higher growth in 2017-18, driven by favourable rains, mining, and a public sector wage increase. This was reversed in 2019 when

the economy shrank by 6.5% year-on-year amid declines in agriculture (-18%), construction (-14%), mining (-12%), and manufacturing (-6%).⁹ The World Bank expects GDP to contract in 2020 by between 5% and 10% partly because of the impact of COVID-19. Over half the population suffered from food poverty in 2019 and this is expected to worsen in 2020.¹⁰ Reliance on agriculture and mining make Zimbabwe particularly vulnerable to external shocks such as periodic droughts and fluctuations in international commodity prices.

The country's volatile economic performance over the last 40 years can be attributed in large part to the capture of the state as a patronage vehicle to ensure continued political control. Other factors, such as the externally influenced structural adjustment programme in the 1990s, economic sanctions, and droughts, have also played a part. Economic mismanagement and political pressures for unconstrained government spending have necessitated the Reserve Bank's provision of monetary financing for unconstrained government spending, which was further compounded by RBZ's leadership issues and appointment structures. In 2009, this resulted in the second highest hyperinflation in the world prompting the GNU's decision to adopt a multi-currency regime (de-facto dollarisation) and cash budgeting. These policies eliminated hyperinflation and contributed to high economic growth.

However, the monetary financing of the public deficit resumed in 2014, resulting in rapid monetary growth and inflation, as well as the re-introduction of capital and foreign exchange controls. The RBZ monetary financing of the public deficit accelerated in 2016 (peaking in 2018). In the context of accelerating inflation, the Government introduced a new domestic currency in February 2019. The Government also ended the use of multi-currencies as legal tender. These reforms were unable to stem the spiralling of the (official) inflation rate, which reached 761% for the year ending August 2020.¹¹

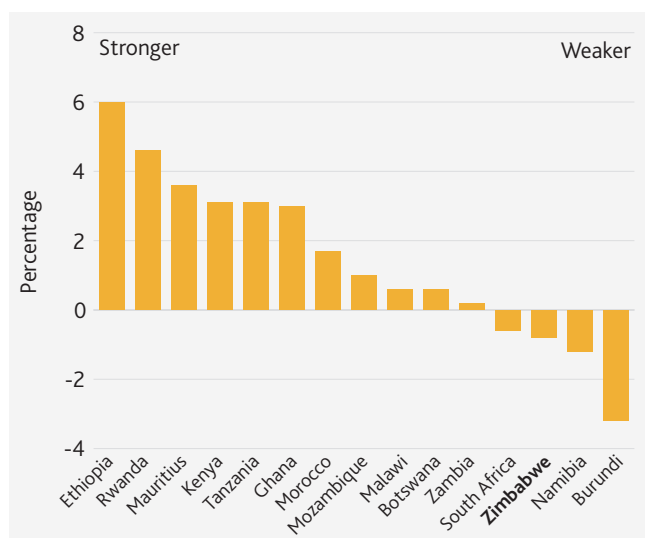
With limited access to forex, businesses that rely on imported intermediate goods have been unable to pay for their imports. Exporters in mining and agriculture have struggled to secure the local currency market value for their product. Regional and international businesses are not able to repatriate profits and dividends.

In the last few months, the Government has re-introduced the dollar as legal tender temporarily and has also introduced an auction of foreign exchange that has stabilised the depreciation of the local currency.

Key recommendation – Monetary stability: Establishing and maintaining a clear policy for achieving low inflation will be essential for economic stability. Consider different ways to accomplish stabilisation e.g. monetary targeting under the supervision of the IMF (which may take some time and require technical resources and international supervision) or the 2009 adoption of multi-currencies, which achieved stabilisation. The latter option could also involve the adoption of the South African Rand, possibly in the context of joining the Common Monetary Area. Joining the Rand would link Zimbabwe more to neighbours with which it has high levels of trade, supporting regional integration, trade, financial flows, and economic convergence.

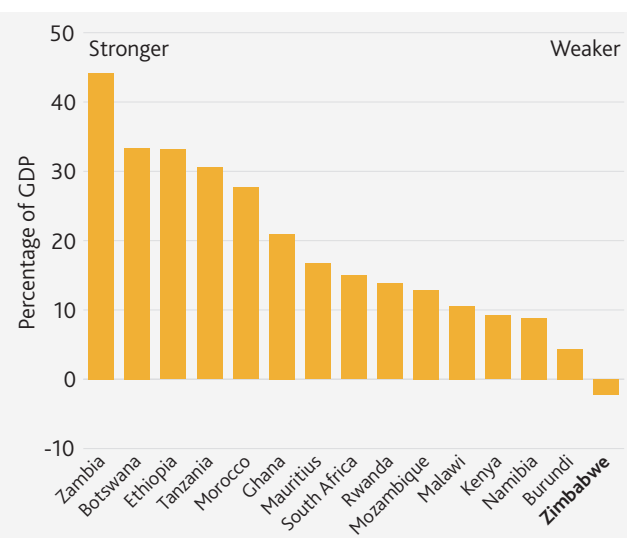
Key recommendation – Foreign exchange: Making foreign exchange available in a liberalised forex market would help attract investment. Easing capital controls would also help.

Figure 7: 5-year average GDP per capita growth rates (2015-19)



Source: World Bank World Development Indicators 2019

Figure 8: Savings rate



Source: World Bank Development Indicators 2017

Recommendation – Reserve Bank mandate: An independent and transparent RBZ would provide increased confidence of monetary stability. This could be achieved by re-affirming that the mandate of the RBZ is to focus on monetary stability and low inflation, and not to provide extra-budgetary monetary financing of expenditures – reinforced by publishing its balance sheet and monetary statistics in a timely manner. It could be further insulated from political interference, particularly in the appointment, removal and remuneration of the Governor and senior officials, its budget, and policy-making processes.

Dynamism (African Rank 40th)

Zimbabwe ranks 40th in Africa for Dynamism, making it difficult to attract and retain talented people. As a result of the economic environment (including lack of capital and burdensome regulations), relatively little dynamism is evident in the formal sector. The most dynamic sector may be the informal sector.

One of the best ways to increase dynamism would be greater engagement with the diaspora, with the long-term goal of attracting back many of those who have left. Over the last 20 years, Zimbabwe has suffered from a major brain drain of talent to more advanced countries, such as South Africa, the UK and the USA.¹² As of 2015, it was estimated that there were 3 million Zimbabweans abroad, and that between 2000 and 2015, 50% of all professionals emigrated.

Key recommendation – Diaspora engagement: Engaging the diaspora is a way to bring back much needed skills, especially those that will have immediate pay-off, such as in agriculture and mining. This can be supported by developing an IT-self-reporting skills database for diaspora-based professionals, which both the public and private sector can tap into.¹³

Labour Force Engagement (African Rank 5th)

Zimbabwe has a relatively high labour force engagement, ranking 5th in Africa. However, this is partly because much of this employment is in the low-productivity independent sector, with more than 76% 'informally employed'. Zimstat's 2019 Zimbabwe Labour Market Survey found that out of the working age population, 57% were outside the labour force (including subsistence farmers).¹⁴ Within the labour force, 16% were unemployed.

Unemployment is rising, particularly among the young and in rural areas suffering from drought conditions.¹⁵ Zimstat estimates the most recent unemployment rate at 27% for 15-24 year olds.¹⁶ The statistics are even more difficult in relation to formal employment. Out of 300,000 young people who enter the labour market each year, less than 10% are absorbed into formal employment.¹⁷ This particularly affects secondary and tertiary students, as there are few opportunities for these groups in formal employment.¹⁸

Zimbabwe's independent sector has become the backbone of its economy and is now responsible for most economic activity and employment (estimated to account for 60% of GDP, the second largest independent sector in the world).¹⁹ Throughout repeated crises and falling formal employment, Zimbabwe's independent sector has cushioned people from even more poverty, stimulated the formation of small-scale businesses, and provided basic income-generating activities for large parts of the urban and rural populations (in retail, agriculture, artisanal mining, repairs, and small-scale manufacturing).

Entry to the independent sector is easy. It adopts labour-intensive technologies, is unregulated but competitive. It provides informal processes for acquiring skills, supports family ownership, self-employment, and apprenticeships.²⁰ There is some evidence that in some cases it also adopts innovations at speed. The independent sector is also the main recipient of remittance funds.

However, given its financing and regulatory constraints, productivity of the independent sector is low (although it varies significantly). It does not own many assets either. According to a World Bank survey, "informal" businesses in Harare were found to be 88% less productive than formal businesses.²¹

The wider independent sector benefits from the skills of many of the educated Zimbabweans (including graduates) who have been unable to find formal jobs. In some areas, independent workers have organised themselves into local interest associations to defend their economic rights, combining their resources to acquire a much stronger voice.

In the past, the Government has launched repressive campaigns against the independent sector- e.g. 2003 Hawker Act and in May-July 2005 the massive repression of the "Removal of Filth" Murambatsvina campaign that resulted in loss of homes and businesses of 650,000-700,000 people and 2.4 million people were affected directly or indirectly.²²

Productivity and Competitiveness (African Rank 28th)

Zimbabwe ranks 28th for Productivity and Competitiveness. One of the main barriers to improved productivity is the lack of diversification in Zimbabwe's economy, where agriculture and mining dominate. According to the Atlas of Economic Complexity, Zimbabwe ranks 130th globally, down from 96th a decade ago, for the diversity of its exports. In particular, there is a decline in textile exports, while tobacco and gold have increased their share of exports. The export of goods and services, at just 19% of GDP, is below many comparative countries in Africa.

Labour productivity is \$5,428 per person (2011 US PPP), ranking 34th, having declined in the last 10 years. Given the large numbers that work in agriculture, value added per worker is low relative to other African countries. Value added per worker is also very low for industry (including construction) but mid-ranking in services.

Agriculture

Agriculture remains the backbone of Zimbabwe's economy. Agricultural activities provide employment and income for 60-70% of the population, supply a large part of the raw materials required by the industrial sector, and contribute about 40% to total export earnings. Zimbabwe's agriculture sector performed strongly after independence and until 2000. Agriculture has also been subject to periodic climate-related shocks, particularly droughts, which severely affect Zimbabwe's mainly rainfed agriculture.

Zimbabwe has a low agricultural labour productivity. Most of Zimbabwe's population lives on communal lands that have poor soils and are rainfed. Improving the productivity of this land has not been given a strong focus. While A1 reallocated farms were able to recover their production, this has not happened in the same way with A2 resettlements. The combination of lack of skills, poor maintenance, poor access to financing - particularly after the financial crisis of 2015, and uncertainty over property rights has disrupted the production of A2 farmers. Furthermore, productivity in A2 farms has been affected as some of the land was allocated for political reasons.

Tobacco production has improved productivity. Since 2009, production has tripled, partly supported by contractor arrangements with producers that provide access to inputs and some extension services. In 2014, 71% of A1 farmers and 35% of "farmworkers" were engaged in tobacco production. This has provided new dynamism to rural towns such as, Chatsworth and Mvurwi, and businesses linked to transport, equipment, seed, and fertiliser, etc.²³

Most government expenditure to support the agricultural sector has focused on income support and subsidies, while fewer resources have been dedicated to investments in irrigation, roads, and research and development. Agricultural subsidies (the largest in the world)²⁴ have contributed to fiscal deficits and the country's economic instability, e.g. Special Maize Programme, GMB, and the Tobacco Input Revolving Fund, etc. Support was poorly targeted and not transparent.

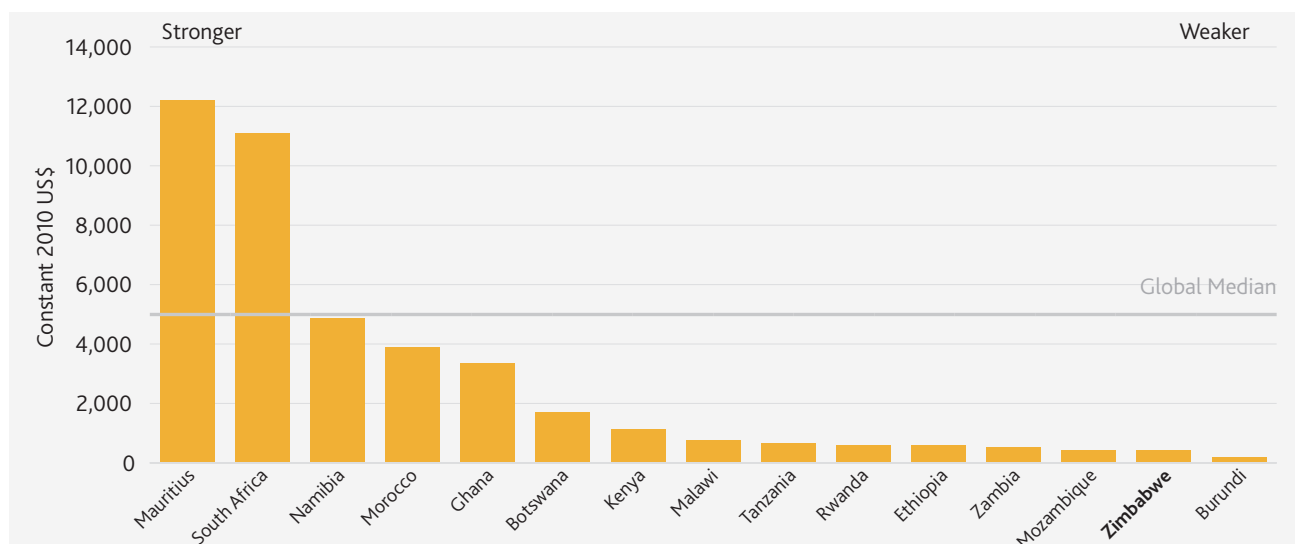
Road infrastructure is particularly needed, with many rural areas lacking access to markets and therefore, farmland cannot be used for anything other than subsistence farming.

The following are opportunities for enhancing agriculture:

1. **Implement Malabo commitment** to allocate 10% of national budget, focusing particularly on supporting productivity in communal lands through irrigation, rural roads, catalytic investments that can improve access to technological innovations.
2. **Invest in irrigation.** Support farmer-led irrigation in communal areas built by community decision, collective action and local leadership, using pumps and pipes bought locally. Encourage voluntary contribution of community labour for environmental rehabilitation, building stone terraces and other soil and water retention structures, digging wells and planting trees.²⁵
3. **Invest in roads.** Build local rural feeder roads linking communal areas that have surplus production with markets in local towns. The removal of all roadblocks will also contribute to improving farmers' access to markets.

4. **Scale up climate-resilient agriculture.** Scale up successful initiatives supporting climate-resilient agriculture, including Pfumvudza and conservation agriculture (FAO) initiatives. Encourage innovative business models to support the adoption of climate-resilient agriculture, micro-irrigation, and solar energy by communal farmers. Use support of contractors and mining companies.
5. **Fund innovation in agriculture.** Support creation of a capital fund²⁶ to incentivise the adoption of climate-resilient agriculture and the diversification of production. Scale up successful pilots e.g. FAO conservation programmes based on climate-resilient seeds and breeds, micro-dosing of fertiliser etc.
6. **Promote catalytic investment/incentives for dissemination of digital support** with bundled services to communal farmers. For example by extending mobile payment system to include the provision of micro-saving, micro-lending, extension services, etc. - as with Ghana's Esoko and Vodaphone, Farm.ink in Kenya²⁷ and the index-based agricultural insurance used by Acre in Kenya, Rwanda and Tanzania.²⁸ Products may need to be offered to groups of farmers to gain acceptability.²⁹ These investments could be supported by impact investors, foreign assistance, and the diaspora.
7. **Promote technologies to share productive assets.** Promote services that allow the renting of tractors or other capital equipment for days at a time, without the expense of buying an asset e.g. Hello Tractor, the Uber for small farmers, now active in many African countries.
8. **Strengthen risk management.** Support crop insurance to help farmers in low frequency, high severity regions.³⁰ Strengthen Early Warning Systems and meteorological services. Link these systems to the planning of employment-based social protection programmes.
9. **Monitor implementation of the agricultural transformation plan** through a network of research universities to ensure cross-sector priorities of communal areas and climate change resilience.
10. **Promote commercial advisory services.** Catalytic investment to promote quality commercial advisory services for improving the understanding of contractor agreements with large corporations (Chinese Tian Ze and British American Tobacco). Provide a simple framework to encourage partnerships of A1 and A2 farmers with skilled commercial farmers.
11. **Extend supply chains.** Provide incentives for contractors to increase the number of small-scale farmers in their supply chains and introduce incentives for improvements in quality and value added.
12. **Support growth of agro-industry, eco-tourism and aquaculture.** Catalytic investments for agro-industry growth, for services supporting agriculture and housing in rural towns. Ensure these jobs provide off-farm employment for people from communal areas. Provide basic social infrastructure in small rural towns. Invest/lend to catalyse communal investment in eco-tourism and aquaculture as high-value activities that contribute to diversification and natural conservation.
13. **Enable growth of cooperatives.** Provide supportive legal framework to develop farmer cooperatives that can provide extension services to farmers, facilitate the introduction of digital tools that support agriculture, coordinate the collective action on micro-irrigation and climate-resilient conservation agriculture, provide access to last mile shops for inputs and facilitate access to storage, equipment, finance and marketing services.

Figure 9: Agriculture, forestry, and fishing, value added per worker (2019)



Source: World Bank Development Index 2019

Mining

Mining is central to the economy. Zimbabwe ranks in the top 10% of countries for the significance of the mining sector's contribution to the national economy.³¹ It has substantial reserves of gold and the world's third largest platinum reserves.³² Mineral exports were responsible for 60% of the country's export earnings as of October 2018, and the mining sector contributes around 16% of national GDP. The mining sector has shifted from a dependency on metal (particularly ferroalloys) to a more diversified basket of metals, minerals, and stone. There has been a particularly large increase in exports of gold.

Small-scale mining is a major source of production - Zimbabwe is said to have more mines than the rest of Africa. About 500,000 people are estimated to work in small-scale mining operations, which were responsible for nearly half of the 24.8 tonnes of gold produced in Zimbabwe in 2017. Small-scale mining, or artisanal mining, has historically been largely a subsistence activity, complementing small-scale farming as an alternative source of livelihood. Many work illegally without a mining title, while some artisanal miners work side by side with the larger mining companies. The sector has been exploited by illicit agents, some with support from the state, sometimes using violence.³³

High inflation, lack of access to foreign exchange, poor investment environment and poor infrastructure have severely affected the mining sector. There has been very little progress in providing value added to mining operations. This is despite some government attempts, such as banning export of chromite to encourage construction of smelters (this policy failed). Part of the challenge is that small-scale/artisanal miners are usually not included in the supply chain of larger mines.

Corruption is hampering the mining industry³⁴ and international environmental standards cannot be enforced. Zimbabwe has not signed the EITI and most of the mining industry is veiled in a cloud of secrecy, particularly in the diamond sector. State-owned enterprises introduce governance 'vulnerabilities',³⁵ including their role as sole buyers of some minerals. Contracts are not scrutinised, there is undue discretion in awarding licenses, and a lack of monitoring of production, resulting in theft.

There is complete absence of a transparent regime that ensures that mining generates revenues for the Government. Instead, there is a complex and incoherent, discretionary use of income tax, royalties, specific taxes and tax exemptions that resulted in mining contributing only 2% of total government revenues in Q1 and 4% in Q2 2020.³⁶

The investment environment in Zimbabwe in the last 40 years has been hostile to the development of the mining sector on all fronts, with heavy-handed and unpredictable government interventions in the sector. Mining policies are among the least attractive for investors in the world, with Zimbabwe ranking 75th out of 76 countries in the Policy Perception Index for Mining (compared to a ranking of 22nd for Botswana and 14th for Namibia). The systemic weaknesses apply across sectors: legal system, property rights with indigenisation policies, taxation, regulations, socioeconomic agreements, quality of infrastructure (including rail transport and electricity), trade barriers, political stability, security, and availability of skills.

The Government's goal of quadrupling the sector's total value to \$12 billion by 2023 will require it to address many of these challenges. The following are potential opportunities:

1. **Professionalise leadership of mining sector.** Recruit high-level technical and leadership capacity for the Government to manage the sector efficiently and with probity. Remove regulatory roles in the sector from all state-owned mining enterprises.
2. **Implement EITI.** Become an implementing country of the Extractive Industries Transparency Initiative, disclosing information on the value chain (including mining agreements, revenues received by all government agencies, gender, environmental impact, etc).
3. **Establish mining rent framework.** Consult and adopt a simple framework to share mining rents with investors transparently and through general laws rather than specific contracts. Favour long-term agreements that avoid costly renegotiations, possibly including sliding-scale royalties based on international prices. Supplemental agreements could include the mining company's commitment to building or rehabilitating infrastructure that they need and commitments to creating value added in their operations.
4. **Support creation of value added in the sector (Beneficiation):** Government could require international mining companies to include small-scale miners and artisanal miners in their supply chains.³⁷
5. **Support to artisanal miners:** Government should commit publicly to the support of artisanal miners and make them central to the mining strategy: simplifying licensing requirements, providing training (including to comply with environmental legislation).
6. **Protect the environment.** Government selection of mining companies should take into account their environmental and socio-developmental record,³⁸ including their successful experience negotiating impact benefit agreements with local communities, supporting employment, local infrastructure, climate-resilient infrastructure, extension services, eco-tourism, protection of the environment and environmental remedial action.
7. **Modernise the mining cadastre.** Digitalisation and modernisation of cadastre system.
8. **Establish prospecting regime.** Identify reputable mining investors to explore Zimbabwe's mining reserves.
9. **Localise licence powers.** Allow licenses for artisanal/small-scale miners to be allocated and managed by local government.
10. **Review and consolidate progress.** Mining Act to consolidate the successful changes introduced in the previous two years and the conclusions of a Mining Sector Diagnostic that reviews legislation, regulations, institutional capacity, and accountability – including environmental monitoring, human rights and rules of community engagement.

INVESTMENT ENVIRONMENT (AFRICAN RANK 37TH)

Investment is critical for both developing and sustaining an economy. Ideas and businesses need investment to develop and grow effectively. Long-established businesses and new entrepreneurs alike need investment, and investors need the protection and confidence to back them. A strong investment environment will not only ensure that good commercial propositions are investible, but also that adequate capital of the right type is available for such propositions.

A business proposition is made investible when the assets of the business are protected through property rights, the interests of the investors are protected, particularly in the context of insolvency, and commercial arrangements of the business can be upheld through courts of law. For capital to be available for investible propositions, there needs to be a pool of savings and a range of intermediaries such as banks, stock exchanges, private equity, and venture capital. In addition, tapping into global markets for international investment is a helpful booster for domestic capital, and in addition, tends to bring with it management expertise and fresh ideas.

Zimbabwe is not perceived as providing a friendly environment for investors. Zimbabwe is ranked 37th in Africa for its Investment Environment.

In a prosperous Zimbabwe, there is public consensus on property rights in different sectors of the economy, where a variety of secure land tenures are recognised and the rights to them are administered efficiently in an open and transparent manner. There is also a thriving financial sector, with domestic and international participants, that provides access to competitive lending, savings, insurance, and capital markets services for all sectors of the economy.

Elements of Investment Environment

Property Rights – how well property rights over land, assets and intellectual property are protected. In addition to the protection of these rights, there must be lawful, efficient, and effective systems in place to register and regulate property.

Investor Protection – the degree of investor protection, including the quality of corporate governance, minority shareholder rights, and strength of insolvency regimes.

Contract Enforcement – the efficacy and efficiency of a country's system to enforce the rights of a contract holder. In addition, alternative dispute resolution mechanisms must be accessible and efficient.

Financing Ecosystem – the availability of money for investment from sources such as banking and bank debt, to corporate debt and more sophisticated financial markets.

Restrictions on International Investment – the impact of policies that enhance or deter the volume and quality or type of international investment into a country.

Property Rights (African Rank 48th)

Zimbabwe ranks 48th on Property Rights, significantly below the regional average. In international indices, Zimbabwe is ranked among the lowest countries in the world for property rights. This affects the credibility of Zimbabwe as a destination for international investment.

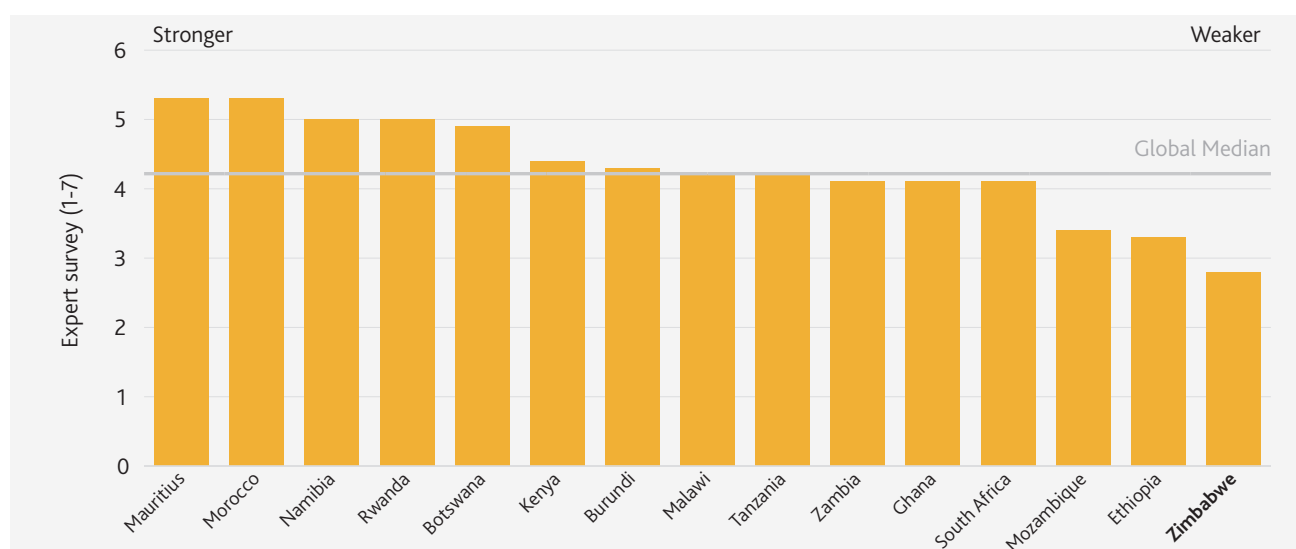
While registering urban property is relatively straightforward, rural property rights remain contentious. Colonial-era land distribution at the point of independence was highly inequitable. The land reform was able to address this critical issue but at the same time the Fast Track Land Reform Programme disrupted agricultural production and employment, forced thousands of white farmers off their farms without compensation, undermined the rule of law, and affected Zimbabwe's international standing.

The redistributed land was assigned leases and permits. However, leases for A2 farmers and permits for A1 farmers have been issued only in a few instances. Moreover, the Government has reserved its right to cancel leases and permits with only 90-days' notice. This situation undermines security, and land rights are generally not accepted as collateral, restricting farmers' access to finance, especially for A2 farms.

The land certification system lacks transparency and there is corruption in some administrative procedures.

Town planning rules and building regulations are rarely followed or enforced, and this creates substantial losses. Land in communal areas is still allocated mainly to male household heads. This practice contravenes the Constitution.

Figure 10: Protection of property rights



Source: World Economic Forum Global Competitiveness Index 2019

Key recommendation – Property rights: In order to enforce property rights, the judiciary should be granted the ability to independently enforce land rights, contracts and competition rules. Commercial courts should also be strengthened for the resolution of property rights disputes.

Key recommendation – Leases and permits: As part of the settlement of the land issue, the Government should issue guaranteed 99-year leases to A2 farmers and 99-year permits for A1 farmers. The possibility of government breaking the holder's title under such leases and permits should be removed. Where applicable, ground rents should be set at a rate that encourages productive use of the land.

Key recommendation – Land transferability: Regulations that enable the right of A2 farmers to transfer their leasehold title to others should be confirmed and implemented.

Key recommendation – Land administration: In order to make best use of the new land settlement, it needs to be complemented by effective land administration. This could include establishing a land commission to map and register land ownership, including rights to mining, developing cost-efficient and simple surveying and register of lands, and land information management systems. All leases should be available and searchable in the land registry, with details of owners, transfers of ownership, subdivisions, mortgage bonds, transfer duties, sales prices, and conditions or restrictions that apply. This would ensure a clear process for transferring title and updating the register.

Key recommendation – Expropriation: In order to build confidence in settlement, it will be important to refrain from expropriation of property without compensation. Supporting actions could include implementing a compensation plan for land expropriation and creating a complaints authority - for land use and the granting of leases.

Investor Protection (African Rank 15th)

Zimbabwe ranks 15th for Investor Protection. Although now under review, and with even metals deleted from the reserve list, indigenisation laws have infringed the rights of investors and have been administered in an arbitrary way, without transparency.

While there are reasonably good investor protections on paper, the main challenge is adherence to norms and ensuring effective and impartial implementation of the law. Corporate governance is poor, and there are major lapses, particularly in government-run companies. Furthermore, insolvency protection is generally weak, with competence and training a significant issue, as many working in insolvency do not have the professional skills required.

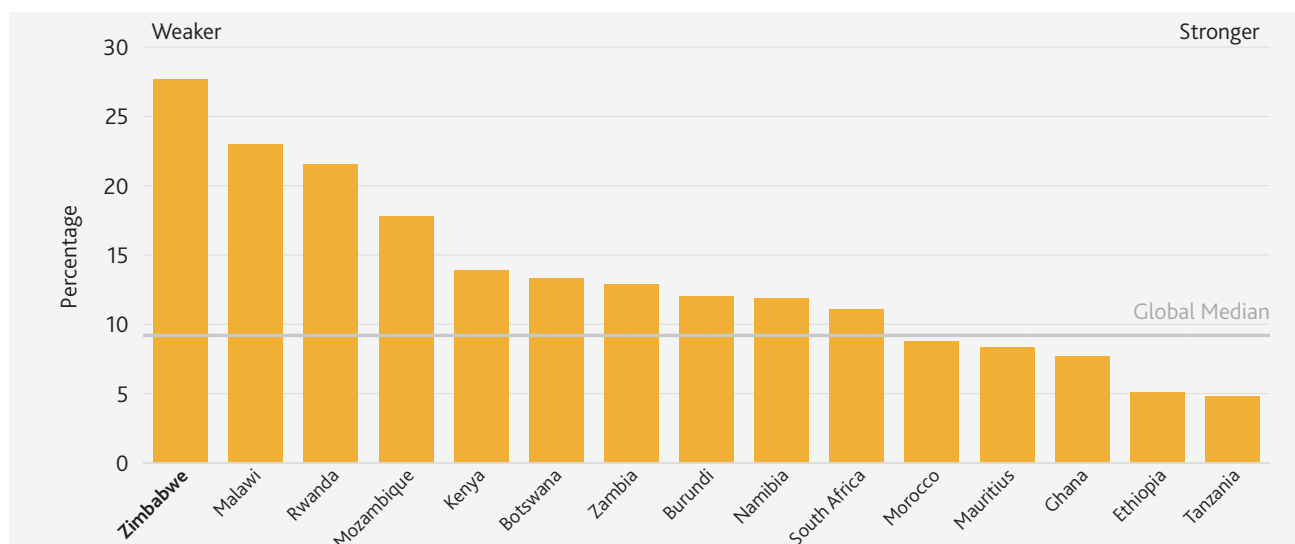
Key recommendation – Investor protections in practice: Strengthening the capabilities of practitioners is critical to ensuring investors are protected. This includes ensuring that insolvency professionals, government officials and businesses receive training on corporate governance. Professional standards should also be enforced, with meaningful sanctions for misconduct.

Contract Enforcement (African Rank 35th)

Zimbabwe ranks 35th for Contract Enforcement, having shown some improvement. In particular, the development of a commercial court offers some hope that there will be greater investment in the commercial expertise of judges. However, there are still major challenges in improving the quality of commercial dispute resolution, and this mainly centres around the training and expertise of judges and arbitrators. Furthermore, according to the World Bank, the legal costs are high. Despite decreasing over the last decade, legal costs in Zimbabwe average more than 27% of the claim value, ranking Zimbabwe 164th globally.³⁹

Many parties prefer Alternative Dispute Resolution, due to its faster processes and opportunity to employ specialist arbitrators.⁴⁰ It is becoming more popular for settling disputes between parties based in different jurisdictions.⁴¹

Figure 11: Legal costs



Source: World Bank Doing Business Index 2019

Key recommendation – Judicial expertise: Given the importance of commercial experience and expertise on the bench, consider hiring experienced judges from overseas jurisdictions, as well as experienced commercial lawyers to sit as judges in commercial courts.⁴²

Key recommendation – Alternative Dispute Resolution: Given the potential of ADR as a reasonable and clear means of dispute resolution, consider creating higher standards for arbitrators and consider using overseas arbitrators.

Financing Ecosystem (African Rank 48th)

Zimbabwe ranks 48th for its Financing Ecosystem. Zimbabwe has comparatively well-developed private sector banking, and some capital market activity (including a stock exchange and bond market) and state-owned development banks have been established (e.g. Agricultural Development and Infrastructure Development Banks).

Larger firms enjoy relatively good levels of financial access. Mobile banking technology has revolutionised access for many households (particularly among the unbanked and in the independent sector). 80% of all transactions are now conducted on mobile phones.⁴³ The Reserve Bank has established a Microfinance Development Committee to develop a strategy for financial institutions to serve low-income and marginalised groups. Having said that, the RBZ needs to play a greater role in regulation of the financial sector.

Beset by repeated macroeconomic crises, bad debts and state interference, Zimbabwe's banks have not yet adjusted to the structural shift, from an economy dominated by large companies to one driven by independent activity and SMEs, mostly anchored in the agricultural sector. As a result, the most important parts of the economy are starved of finance,⁴⁴ and even the microfinance institutions channel most lends to formal sector clients.

Other non-bank sources of private sector finance for long-term projects (the stock market and private equity/venture capital) are underdeveloped and foreign direct investment is limited by sanctions and Zimbabwe's international arrears. As a result, productivity has declined since most enterprises are unable to invest in updated technology, equipment or infrastructure.

Despite a Government bailout, experience with loan impairments and the lack of lending collateral led commercial banks to continue scaling back lending to agriculture and other parts of the private sector. This cautious lending approach has continued with banks' high March 2020 liquidity ratio (68% vs regulatory minimum of 30%) and low loans to deposits ratio (41.28%) reflecting inherent credit risk and preference for securities and investments, including lending to Government.⁴⁵

A 2% intermediary money transfer tax and suspension of mobile financial transactions in October 2020 threatened to undermine the progress in financial inclusion of marginalised communities achieved by mobile banking.

Key recommendation – Bank balance sheets: It is important that bank balance sheets are healthy enough to meet withdrawals and sustain lending to productive sectors. RBZ should ensure that this is preceded by an asset quality review across the sector and covering sovereign and related party exposure, non-performing loans, loan provisioning and real assets. To ensure credibility, this should draw on independent expertise.

Key recommendation – Electronic payments: A standardised system of electronic payments would help their normalisation. The Government should consider aligning the legal and supervisory framework for payment and settlement systems with international standards to catch up with rapidly growing electronic payments. Forums with public authorities and private stakeholders could help facilitate further development of the system.

Key recommendation – Mobile banking: Additional support for mobile banking, especially in relation to rural farmers. For example, strategic investment to support mobile-linked financial innovation that reduces the high transaction costs of micro-credits, continuing the mobile developments in eco-cash and eco-diaspora.^{46,47}

Key recommendation – Competition: The Government should consider facilitating the entry of a broader range of financial providers (e.g. crowdfunding, input suppliers, large mining, agricultural or industrial companies, private equity and venture capital and community co-operatives) in order to stimulate competition and provision of innovative products. New products might include drought insurance, wider use of mobile and online services, and also accepting tractors, livestock or crops as collateral.

Key recommendation – Access to risk capital: Access to risk capital can be widened by creating incentives for privately managed venture capital funds to service the most dynamic, productive, and profitable areas of the independent sector.

Key recommendation – Microfinance regulation: Micro Small and Medium Enterprises and the self-employed need an expanded offer of competitive credit facilities.⁴⁸ The state can play a key role in the regulation of the microfinance industry to ensure that financial literacy initiatives are introduced prior to the provision of small loans.⁴⁹

Key recommendation – Lending to independent sector: Banks should allow greater access to finance for the independent sector by lending to partnerships and clusters and to established enterprises that already work closely with the independent sector (for on-lending to individual businesses).⁵⁰

Restrictions on International Investment (African Rank 41st)

Zimbabwe ranks 41st for Restrictions on International Investment. The reported presence of foreign-owned companies has been decreasing since 2013. FDI is below what it potentially could be, with Zimbabwe not reaching the levels seen in other countries. The economy and government remain the main disincentives for investment, but there are some legal impediments as well. Policy uncertainty and currency risk have been major inhibitors of foreign investment in Zimbabwe. Until recently this has been compounded by an unwelcoming stance – best exemplified by the Indigenisation and Economic Empowerment Act of 2007, which, among other things, required businesses to be 51% Zimbabwean-owned.

However, the legislation has been applied selectively and was formally amended in December 2018 to apply only to diamond and platinum mining (and these sectors are also in the process of having it removed). The Government has also announced plans to replace the Indigenisation Act.

The Zimbabwe Investment and Development Agency Act officially came into force in February 2020 and aims to promote and protect foreign investors and their investments within Zimbabwe.

Despite these positive changes on paper, there are still impediments, especially the shortage of foreign exchange. The difficulty with accessing foreign currency means that many investors are unwilling to invest, as it is uncertain whether they will be allowed to take their profits out or whether their profits will be reduced by high inflation if they are forced to use the Zimbabwean dollar. In the last months, auctions of foreign exchange are improving this situation.

Key recommendation – Foreign investors: In order to end discrimination against foreign investors, the Government should complete the process to repeal and replace the Indigenisation and Economic Empowerment Law, focussing on investment-friendly ways to support local participation in the economy.

Key recommendation – Capital and foreign exchange controls: Reducing the extent of capital controls and ensuring a liberalised foreign exchange market will help strengthen the confidence of investors.

INFRASTRUCTURE AND MARKET ACCESS (AFRICAN RANK 32ND)

An environment supportive of trade and commerce allows new products and ideas to be tested, funded, commercialised, and delivered easily to customers. Equally important is the role that trade provides in communicating new ideas and raising productivity. Where markets have sufficient infrastructure and few barriers to the exchange of goods and services, trade can flourish. Such trade leads to more competitive and efficient markets, enabling new products and ideas to be tested, funded, and commercialised. Competition from international trade ensures that even when a business does not export, it is forced to respond to new ideas from the increased competition in domestic markets.

Market Access and Infrastructure in Zimbabwe is weak, ranking 32nd in Africa. Historically, Zimbabwe was dependent in three main industries: agriculture, mining, and manufacturing. These industries were highly interdependent, requiring an extensive and effective infrastructure of power, water and transport links to support the production and freight of goods across the country.

A prosperous Zimbabwe has enhanced infrastructure that serves urban and rural populations alike in terms of mobile communications, electricity, water, and transport. The country has the potential for a more open trade policy with smoother border facilitation leading to a more diversified group of trading partners and a wider range of value-added agricultural, industrial and mineral exports.

Elements of Infrastructure and Market Access

Communications – the means of communication and how widespread access to communication is. Infrastructure for communications must necessarily be in place for strong communications within a nation, as well as the actual take up and use of communications by the population.

Resources – the quality, reliability, and affordability of the energy network within a country, as well as the access to, and use of, water resources.

Transport – the ease and efficiency with which people and goods travel between and within countries. This is a measure of the quality, diversity and penetration of all forms of transport; air travel, shipping and seaport services, and road and rail infrastructure.

Border Administration – the time and administrative cost of a country's customs procedures, alongside the efficiency of this process.

Open Market Scale – the size of the market to which providers of goods and services have privileged access.

Import Tariff Barriers – the fees associated with trading products and services across borders, raising an income for government and making foreign goods more expensive.

Market Distortions – how competitive markets are disrupted by non-tariff barriers to trade and the extent of market liberalisation of foreign trade.

Communications (African Rank 21st)

Zimbabwe ranks 21st for Communications, having risen 22 places over the last decade. There has been a major uptake in mobile phone use and increasing use of the internet. Cash shortages and the economic crisis have led to mobile technology becoming the overwhelmingly preferred vehicle for payments and have contributed to financial inclusion and innovation. The education profile of the population, including literacy and years of education, provides a strong skill basis for wider and more extensive mobile internet use.

However, while use of mobile technology has increased across Zimbabwe, coverage and access are poor in places, with only 28% of rural users having access to mobile internet – the main way for people to access internet services – and 15% of the population have no mobile access at all.⁵¹ Mobile costs (tariffs, handsets, and taxation) are also very high, discouraging data usage.

Zimbabwe relies on 2G coverage more than most countries, and penetration is low in rural communities. Internet speeds are slow – according to Speedtest, Zimbabwe ranks 108th for mobile download speeds (14.01 Mbps). Cost is also very high, discouraging data usage. The Alliance for Affordable Internet ranks Zimbabwe at 52 out of 60 low-income countries in terms of affordability.⁵² The average price for a gigabyte of data equates to \$75.20.⁵³

There has been investment increasing capacity and coverage – for example, POTRAZ has built a number of new base stations in the country. However, more investment will be needed. In order to enable recommendations we have made in other areas (for example, areas such as e-government and distance learning), a modern and widespread communications network is necessary.

Better regulation would also promote greater competition. For example, reducing charges for mobile licenses, (20 times higher than in South Africa), allowing more voluntary infrastructure sharing would lower the entry costs for new competitors and avoid favouring state operators.

Increased competition would allow greater use of high-capacity networks, reducing consumer costs and encouraging downstream investment.⁵⁴

Key recommendation – Mobile services: Mobile services can be enhanced by providing catalytic investment to support the development of mobile applications (agriculture, banking, insurance) in rural areas. Put a few key government services online, for example the registration of companies, submission of taxes and customs declarations. Launch a wide dissemination campaign to inform citizens how to use digital government services- including in schools and hospitals.

Key recommendation – Competition: Services could be extended with a more complete liberalisation of the mobile sector. This could include substantially reducing the cost of licenses, reducing restrictions, and allowing voluntary commercial infrastructure sharing to lower mobile tariffs, more competition, and faster roll-out of 3G to rural areas.

Key recommendation – Infrastructure: The Government should encourage mobile operators to upgrade 2G infrastructure in rural areas and to provide services in community information centres, including schools, hospitals, police, and local council offices. Reduce restrictions and (if needed) incentivise commercial infrastructure sharing.

Electricity and Water Resources (African Rank 32nd)

Zimbabwe ranks 32nd on Resources. There is inadequate investment in all areas of electricity generation, transmission and distribution. Despite installed capacity of 2,000 MW, much of this capacity is unavailable due to low water levels at the Kariba Dam or poorly maintained powerplants. The average age of transmission and distribution infrastructure is 35 years, and 75% of substations have old transformers.

This means that Zimbabwe is reliant on electricity imports and rolling blackouts to manage demand, leading to unreliable access to electricity. The situation has improved recently but blackouts can last up to 18 hours per day, affecting factories and mines. A major problem is tariff collection – the state-owned electricity company does not collect enough tariffs to cover the costs. Electricity is either stolen or not paid for – with government departments and state-owned companies owing 45% of the Zimbabwe Electricity Transmission and Distribution Company's outstanding receivables.⁵⁵ Furthermore, prices are controlled, making the industry unattractive for investors.

Access to electricity is extremely unequal (80% vs 20% for the urban vs rural populations) and the unreliability, cost and limited reach of mainstream power mean that independent sources of power predominate. Wood remains the main source of fuel in rural areas and 67% of the total population use wood for fuel (leading to deforestation concerns across the country). Given this situation, there is a clear opportunity for solar energy and investments to be exploited here.

Key recommendation – Electricity system investment: Additional investment could be encouraged by an investment framework that enables both private sector investment in new, large-scale power facilities (such as solar farms)⁵⁶ and public/private partnerships to upgrade and improve efficiency of existing core assets such as Kariba South and the four coal-fired power stations.

Key recommendation – Maintenance: Given the need to maintain service, there is a need to undertake “keep the lights on” maintenance and rehabilitation of core electricity generation, transmission and distribution assets.

Key recommendation – Rural electrification: For the poorest farmers, there are multiple benefits from providing communal access to electricity - initially through government provision at a network of rural community hubs such as schools, clinics, post offices and retail centres.

The Government should establish a system of community collaboration for the provision and management of alternative energy sources to replace wood burning and paraffin lamps. This could also include licensing that requires mining companies to support electrification in adjacent communities and tobacco companies, such as Tian Ze, to incentivise contract farmers to switch from wood to solar for tobacco curing.

Key recommendation – Electricity pricing: In order to ensure necessary cost recovery, pricing should reflect international fuel prices and generation and transmission costs.

Key recommendation – Market distortions: In order to minimise market distortions, the Government should liberalise electricity market pricing and other controls, and gradually remove price and financial support from state-owned companies such as Zimbabwe Electricity Supply Authority (ZESA), obliging them to compete with new entrants on commercial terms.

Recommendation – Localised solar generation: For communal farmers there should be a focus on supporting small-scale solar projects that serve practical purposes, such as transitioning away from the use of wood as fuel, and powering irrigation pumps, cottage industries and mobile phone charging/internet access.

The Government should consider relaxing licensing rules for small producers to encourage solar investments. Catalytic investment would allow wealthier farmers and urban residents to build their own solar facilities (with government acting as enabler rather than provider – e.g. encouraging banks to offer loans on attractive terms and imposing minimal import tariffs on solar equipment).

In the 1980s, Zimbabwe launched an ambitious programme to develop its water supply and sanitation infrastructure, emphasising the extension of irrigation to small-scale farmers. By the late 1990s, levels of service coverage were among the highest in sub-Saharan Africa; however, economic decline since the 1990s has reversed progress in the water sector. Little new investment, unenforced pollution regulations and inadequate revenue collection due to poor management structures have led to a sustained decline in the operation and maintenance of irrigation, water and sewerage assets – reducing resilience to drought conditions, causing repeated cholera outbreaks, and impacting the viability of all sectors of the economy.

As an agricultural nation that suffers from limited rainfall and periodic droughts, Zimbabwe is highly dependent on water, but most irrigation infrastructure has fallen into disrepair. Today, just 8% of 2 million hectares of potentially irrigable land is actually irrigated.⁵⁷ This is low compared to other sub-Saharan African countries.⁵⁸ Its recent medium-term plan proposes \$2.6 billion in investment in dams, water storage, and irrigation over the next decade.⁵⁹

Wells and boreholes supply 80% of rural water needs but over 60% of the rural water supply infrastructure is in a state of disrepair.⁶⁰ There is also a major problem with water provision in urban areas. The African Development Bank notes that over the last decade there has been a collapse in the quality of water services.⁶¹ Alongside the serious health consequences, this has had major consequences for manufacturers. Rural-urban migration has imposed rising demand strains on dilapidated infrastructure suffering from polluted groundwater, outdated waste treatment, cracked pipes, poor refuse collection/disposal and mismanagement by government agencies.

Key recommendation – Rural water provision: The multiplicity of organisations charged with the provision of rural water should be rationalised. The Rural Capital Development Fund could be re-established as the principal vehicle for transferring national government and donor funds to rural water and sanitation projects, clarifying both local authorities' ownership of rural assets and their responsibility for maintenance.

Key recommendation – Water storage and management: Improving monitoring and governance of groundwater resources would be an important step to more reliable service.⁶² Strengthened cross-border cooperation could increase the benefits from shared water resources.

Key recommendation – Wells and boreholes: Another short-term benefit can come from decontaminating and repairing the existing wells, boreholes, and associated pumps and pipes that supply most rural needs.

Key recommendation – Water tariffs: Set a water tariff with the Zimbabwe National Water Authority (ZINWA) to ensure there is cost recovery as well as equitable access to help it become a customer-oriented, commercially viable entity.⁶³ Ring-fence revenue from water tariffs.⁶⁴

Key recommendation – Irrigation: In order to serve small farmers, the Government should rehabilitate or modify large-scale irrigation infrastructure. In a limited number of cases, it would make sense to respond to local demand by establishing new, small-scale projects that support higher farm productivity.

Transport (African Rank 44th)

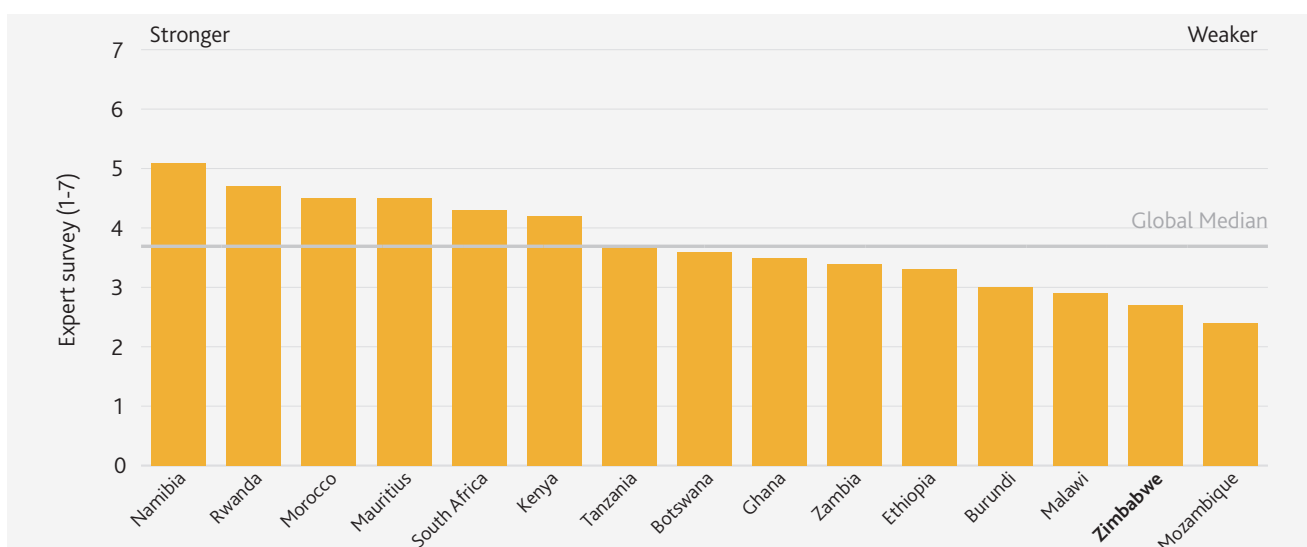
Zimbabwe ranks 44th for Transport. Zimbabwe inherited a relatively sophisticated colonial-era transport infrastructure but since independence it has made a limited number of enhancements to the legacy road, rail and air network. The country is a strategic corridor between Central and Southern Africa. Nevertheless, Zimbabwe faces serious transport challenges.

Although primary and secondary roads are still in passable/good condition, almost 80% of the total network is in need of rehabilitation. In particular, underinvestment and poor maintenance have severely undermined the quality of unpaved tertiary roads in rural areas.⁶⁵ Responsibility for roads is fragmented (between the Department of Roads, urban councils, the District Development Fund and Rural District Councils). There is a need for a more streamlined set of institutions, well-staffed and backed by specific expertise.

Government initiatives have historically focused on expensive, large-scale, trophy projects rather than day-to-day transport needed by most of the population. Furthermore, state-owned transport enterprises are heavily indebted as a result of weak management/patronage, corruption and inflated wage costs. Poor maintenance and underinvestment caused by general economic decline mean that transport assets are largely decrepit. This has reduced services and capacity (for example NRZ's annual freight volumes have declined dramatically, displacing freight onto the road network). There are opportunities in public private partnerships and implementation of revenue collecting tolls to be realised here.

There has been a steady loss of international airlinks and little new passenger growth. Many of the airports need upgrades and many runways throughout Zimbabwe need to be lengthened to accommodate larger planes. The financial position of the Civil Aviation Authority of Zimbabwe (CAAZ) and Air Zimbabwe is hampering development, as both have large debts. CAAZ is the only source of funding for aviation facilities in Zimbabwe, and the ability to meet international air safety and communication requirements is low.⁶⁶

Figure 12: Quality of roads



Source: World Economic Forum Global Competitiveness Index 2019

Key recommendation – Road maintenance and rehabilitation: Ensuring the ongoing maintenance of rural roads, possibly with community participation, is a high priority. Consider allocating a high proportion of the transport budget to rural roads to embed this activity as a key government priority.

Key recommendation – Rural connectivity: Consider prioritising transport expenditures to support implementation of a rural roads enhancement programme, connecting towns and villages to all-weather roads drawing on funding from the Government budget, and when possible through international donors. A focus on rehabilitating existing rural roads and extension of the network can emphasise economic and social gain, including support for exports of added value agricultural products.

Key recommendation – Transport funding: There is value in identifying supplementary private-sector sources of rural road finance and capacity (e.g. as a condition of mining licences, from commercial agriculture, industry, ring-fenced allocation of levy income etc.). For example, tolling major truck roads and ring-fencing resources to road maintenance.

Key recommendation – Air services: As part of a longer-term development, there is value in reopening air routes and supporting continent-wide liberalisation of air services. Ongoing civil aviation reforms should be pursued together with the process to ensure regulatory and operational functions are separated.⁶⁷

Recommendation – Transit infrastructure: There is benefit from commercialising transit infrastructure, such as upgrading transit rail and road routes through transit toll income and public/private partnerships with users. Transit regulations could be streamlined to ensure frictionless transit and incentivise use of rail rather than road to transport bulk commodities

Border Administration (African Rank 39th)

Border Administration ranks just 39th, having worsened over the last 10 years. There are major inefficiencies in border administration, resulting in high costs and long wait times for importing of goods. The inefficiencies are driven by multiple agencies and processes that goods need to go through to enter the country. In particular, the way that the Consignment Based Conformity Assessment (CBCA) programme is implemented adds significant delays and costs. Furthermore, there is little cooperation with foreign border agencies to speed up processes.

This not only results in many independent/informal companies bringing goods into the country without going through the border, but the lack of cooperation between agencies and inspections also raises the cost of importing and exporting goods.

Key recommendation – Single window system: In order to strengthen the single window system, allow importers and exporters to submit paperwork to a single, online service. The Government should publish and make available online all fees and forms that are needed, with the aim of reducing informal trade. Introducing an electronic border booking system to decongest the border area would replace physical queues with virtual queues.

Key recommendation – Cooperation between Zimbabwean border agencies: The Government should focus on streamlining requirements and increase cooperation between Zimbabwean border agencies. Consolidate roles into as few border agencies as possible.

Key recommendation – Cooperation with foreign border agencies: The Government should aim to reduce the number of total inspections goods face by certifying inspections in other countries. For example, it could carry out necessary inspections at ports in South Africa and Mozambique, and hold regular stakeholder management meetings with foreign border agencies.

Open Market Scale (African Rank 8th)

Zimbabwe's Open Market Scale is relatively good, at 8th in Africa. Agricultural production has declined over the last 20 years, and Zimbabwe has moved from exporter to importer of agricultural goods. This change has significantly damaged the country's trade balance, which has long been in deficit: 2018: -US\$2.22 billion, result of total exports of goods and services US\$4.04 billion and total imports US\$6.3 billion. On GDP of US\$ 31 billion (in 2018 US\$), exports of goods and services was 22.9% of GDP while imports were 25.5% of GDP.⁶⁸

The low diversification of imports and exports makes the economy vulnerable to global price volatility: exports are very largely primary commodities (gold, nickel ore, tobacco, etc) while fuel is the largest component of the imports bill.⁶⁹

ZimTrade is a joint private sector-government partnership for trade promotion. It was recently nominated for a partnership World Trade Promotion Organisation award. It would benefit further from capacity building, and the setting up of specific mechanisms, such as for trade disputes. Zimbabwe has longstanding memberships in all the leading regional and global trade organisations, providing good access to foreign markets. These include a trade deal with the EU but no current deal with the US; however, it has strengthened its ties with the SADC countries and diversified its export destinations (particularly through better links with Asian markets such as China, Singapore). South Africa is overwhelmingly its main trading partner (51.5% of 2018 exports and 39.3% of imports) followed by the UAE, Mozambique, China, Zambia, the UK and Japan.⁷⁰

Key recommendation – Preferential trade terms: Zimbabwe should work intensively on gaining access to the United States under the African Growth and Opportunity Act (AGOA).

Recommendation – Capacity building: The Government should develop the analytical capacity to assess impacts of different trade policies on the economy, and also expand the capacity of the team responsible for trade negotiations.⁷¹

Recommendation – Dispute settlement mechanisms: To improve the effectiveness of bilateral trade agreements, the Government should set up working dispute settlement mechanisms and find a similar way to resolve the absence of an independent tribunal in the SADC.⁷²

Import Tariff Barriers (African Rank 27th)

Zimbabwe ranks 27th in Africa for Import Tariff Barriers. Zimbabwe uses tariffs, and disparate tariffs within sectors, to protect local industry, although there has been a lowering of some tariffs in recent years. The cost of this protectionism means some firms in Zimbabwe cannot secure the raw materials, intermediate goods, or equipment they need to function efficiently. The result is greater economic stagnation.

There have been some positive changes in recent years, with a number of products becoming duty-free. The Government waives some import taxes on capital equipment (as part of a range of tax incentives). Furthermore, raw materials and intermediate products imported by firms in special economic zones can be imported duty-free. Some tariffs have been reduced to ease imports (particularly in economic development zones). Zimbabwe levies lower duties on imports from SADC countries.

Key recommendation – Import tariffs: The Government should move towards more efficient and lower tariffs across most goods. This would involve reducing tariffs on all raw materials, intermediate goods and capital goods, including lowering maximum tariffs to 15%, and removing the import surcharge.

Key recommendation – Export duty-drawback system: The Government should allow exporters to claim back the cost of any imported product to make exporters more competitive.⁷³

Recommendation – Tariff complexity: The high disparity in tariffs within sectors leads to distortions and would benefit from being eliminated.⁷⁴ Furthermore, the Government could replace all specific and formula tariffs with their ad valorem equivalents.⁷⁵ Reducing the number of tariff bands could also reduce opportunities for corruption.⁷⁶ There is also real benefit from removing “nuisance” tariffs (tariffs that are so low they cost the Government more to collect than the revenue they generate).⁷⁷

Market Distortions (African Rank 39th)

Zimbabwe ranks near the bottom of the rankings at 39th for Market Distortions. Non-tariff barriers exist, both as a result of deliberate efforts to protect domestic industry and also from ineffective bureaucracy. At present, Zimbabwe’s main non-tariff measures are sanitary and phytosanitary measures, aimed at ensuring that stated foods are fortified with specified micronutrients.⁷⁸ There have been complaints about the road authorities not recognising foreign certificates of fitness.⁷⁹

Zimbabwe should focus on improving the ease with which goods can be imported, particularly the intermediate goods needed by its most competitive firms.

Other barriers that impact trade include stringent foreign exchange controls on exporters, shortage of forex for importers, limited correspondent banks prepared to deal with Zimbabwean banks and, more generally, the lack of long-term economic and political reforms, state control over companies, insecurity of investment, and equipment and skills shortages.

Key recommendation – Non-tariff barriers: The Government should consider removing the requirement of import licenses for most commodities. It should also recognise foreign certification, particularly of vehicles transiting through the country.

ENTERPRISE CONDITIONS (AFRICAN RANK 45TH)

A healthy economy is dynamic and competitive, where regulation supports business, allowing and encouraging it to respond to the changing priorities of society. In contrast, an economy focused on protecting incumbents will experience lacklustre growth and job creation. Entrepreneurial activity is one of the key drivers of long-term prosperity, and its importance will only grow as the pace of technological change increases and the number of people involved in that change rises. Given the pace of change inherent to the information age, a society's ability to react quickly to new firm- and market-level opportunities are critical to its overall Economic Openness.

Zimbabwe ranks 45th in Africa for Enterprise Conditions, making it the country's weakest performing pillar. The regulatory environment discourages business and fuels the growth of one of the world's largest informal/independent working sectors. These independent firms are often excluded from accessing finance, goods and services, limiting their productivity.⁸⁰ There has been a steady trend of informalisation with a corresponding loss of productivity, such as in the agricultural sector where value added has fallen from 18.7% of GDP in the mid-1990s to 11% in 2016, industry from 26.8% to 22.8%, and manufacturing from 19.5% to 9.6%.⁸¹

In a prosperous Zimbabwe, the Government provides an enabling and competitive business environment, reducing barriers to entry, discouraging restrictive practices, breaking monopolies that are contrary to the public interest and stimulating entrepreneurial activities. It largely refrains from setting or subsidising commercial prices, relying on markets instead, with simplified administrative and labour regulations.

Elements of Enterprise Conditions

Domestic Market Contestability – how open the market is to new participants versus protection of the incumbents. Market based competition and prevention mechanisms for monopolies are essential to true contestability in any domestic market, and this market cannot be dominated by just a few business groups in the first place.

Price Distortions – the extent to which regulatory restrictions, subsidies, and taxes distort market prices, which cause resources to be inefficiently managed and diverted from activities that can deliver much greater benefits to society

Environment for Business Creation – the legislative and policy driven factors that encourage entrepreneurialism. The skill of the labour force is essential to the business creation environment, as is cluster development and protections for, and ease of, starting new businesses.

Burden of Regulation – how much effort and time are required to comply with regulations, including tax regulations. Regulation can become burdensome due to the volume of regulations that businesses have to comply with, as well as the complexity of those regulations.

Labour Market Flexibility – how dynamic and flexible the workplace is for both employer and employee in terms of the flexibility of employment contracts including redundancy costs.

Domestic Market Contestability (African Rank 39th)

Zimbabwe ranks 39th in Domestic Market Contestability. The economy suffers from government involvement in a wide range of sectors. Issues of market contestability are directly linked to the political economy of the regime – those connected to the state receive preferential treatment.

There are estimated to be about 100 state-owned enterprises in key sectors such as postal services, railways, banking, media, civil aviation, and insurance. Most operate at a loss and require public subsidies to remain solvent. Cartels, monopolies, and oligopolies, often linked to senior party officials, operate throughout the economy, including foreign exchange, defence, tobacco, fuel, and diamonds. The Competition and Tariffs Commission (CTC) is not independent and therefore not effective at addressing these issues. Public procurement is also poor, with significant opportunities for conflicts and a lack of auditing.

ZANU-PF actors are both players and referees in the economy. This helps to explain many of the non-competitive features of the Zimbabwean economy: foreign exchange interventions, mismanagement of state enterprises, corruption, and monopolies and cartels in many areas of the economy. Making Zimbabwe's markets more competitive requires a fundamental strengthening of governance and the rule of law in the country.

Key recommendation – Barriers to entry: Reducing barriers to market entry will help stimulate competition and innovation. The Government should progressively eliminate rules and regulations that create bureaucratic obstacles to new entrants to key sectors (particularly agriculture, eco-tourism and mining).

Key recommendation – Competition policy: Priority should be given to support competition and reduce monopoly power in areas that affect the livelihoods of the poorest, such as agriculture, tourism, construction, and services.

Key recommendation – Appointments to competition commission: Appointments to the CTC should be independent and based on professional merits and personal integrity. The Government should also ensure that CTC is given adequate resources.

Key recommendation – Affirm the competition commission mandate: The Government should clarify that CTC has the overriding legal mandate on competition issues and should prioritise sectors that have the greatest impact in jumpstarting the economy. Enforcement of CTC decisions should be ensured by the independent judiciary.

Price Distortions (African Rank 54th)

Zimbabwe ranks 54th for Price Distortions. There are numerous price distortions throughout the Zimbabwean economy, with the most prominent being government subsidies for agriculture and fuel. These distortions lead to widespread misallocation of resources throughout the economy. However, in the last few months a number of these subsidies have been eliminated, some through the foreign exchange auctions liberalising foreign exchange.

Subsidies are often inefficient and unaffordable, with Zimbabwe spending about 7.5% of GDP on subsidies compared to the sub-Saharan African average of 4.5%. The fuel subsidy, for example, saw fuel importers paid with foreign currency. This subsidy ended in 2020.

There is a political imperative to government subsidies, but in a government with limited foreign currency and a propensity to use reserve bank financing, these policies either use up valuable foreign currency or drive up inflation. One of the distortions in the mining sector has been government paying with domestic currency, rather than US dollars. Many miners sell gold illegally because they can obtain a higher price. These regulations have also recently changed.

Where there has been inflation, the Government sometimes uses price controls to lower the cost of living. In 2007-9, these price controls contributed to major economic malaise. New price controls announced to counter recent inflation run the same risk. There are some signs of change, with the Government introducing greater fiscal discipline and eliminating many subsidies.

Key recommendation – Subsidies and price distortions: In order for market participants to have appropriate price signals, subsidies and price distortions should be phased out. Hence, the Government should review agriculture subsidies with a view to replace them with other more direct ways of supporting the productivity of farmers. The RBZ monopoly over the purchase of gold could be removed. Fuel prices and other commodities should better reflect international prices.

Key recommendation – Price controls: In order to ensure retailers can access supplies of goods economically, the Government should focus on shifting price controls upwards on commodities.

Environment For Business Creation (African Rank 44th)

The Environment for Business Creation in Zimbabwe ranks 44th in Africa. Zimbabwe's Environment for Business Creation remains one that discourages growth.

It is difficult for independent businesses to become formal, due to high bureaucratic burden. It takes on average 27 days to start a business and requires nine distinct processes. It can take international businesses over 100 days, requiring up to 13 different certificates and licenses. In contrast, it takes 21 days in South Africa, 28 days in Zambia, and 30 days in Botswana. Independent/informal businesses fall into a low productivity trap, with the inability to raise finance and access government services restricting growth. There are productivity gains to be realised from investing in the country's educated youth.

There have been some signs of reform, although mostly in intent, rather than implementation. Most notably, the Government has announced a National, Micro, Small and Medium Enterprises policy to create a better enabling policy for MSMEs. The Government has also encouraged the use of SEZs to attract global firms to Zimbabwe. In 2018, Zimbabwe introduced 13 new SEZs.⁸² There are different focuses, with SEZs in Bulawayo and Harare focusing on reindustrialisation and rural provinces investing in agro-processing and tourist zones.⁸³

Key recommendation – Business registration: In order to simplify business regulation the Government should ensure effective operations of one-stop-shop for registering with government, with registration linked to incentives provided by government.⁸⁴

Key recommendation – Strengthen SEZ governance and business support: A strong policy commitment from the Government would help strengthen legal and regulatory framework and improve SEZ management and governance capacity. The Government should ensure that all SEZs have access to five basic facilities (water, electricity, gas, telecommunications, and roads). Special commercial regulations to boost investment possibilities should be applied to these zones.

Key recommendation – Use SEZs to promote sectors that are natural strengths: The Government should create further special economic zones in competitive locations. The Government should focus on developing SEZs in mining, tourism, and agriculture in the short term, with a greater focus on manufacturing in the medium term.⁸⁵ There is also the opportunity to expand into agro-industry, as well as the pharmaceutical and construction sectors.

Burden Of Regulation (African Rank 41st)

Zimbabwe ranks 41st for its Burden of Regulation. This high burden has led to, by some estimates, Zimbabwe having one of the largest shadow economies in the world (60.9%).⁸⁶ The size of the shadow economy reflects not only the extreme burden of complying with regulations and taxes, but also the weakness of local institutions (corruption).⁸⁷ The burden of regulation on business is particularly high. In a World Bank case study, firms spend 242 hours per year filing taxes, with 51 separate tax payments. It is difficult for small businesses to pay tax. Some sectors, such as tobacco, face additional taxes.

There have been some signs of progress, with the Government creating the Zimbabwe Investment Development Agency (ZIDA), which is meant to create a one-stop shop for businesses to comply with tax and regulations. There have been improvements to the ease of setting up businesses and filling in tax forms. More effort could be focused on simplifying the regulatory regime faced by businesses and improving education for small businesses, in addition to supporting small businesses with the adequate financial literacy needed to operate optimally. A radical plan of regulatory simplification and transparency in the application of administrative procedures to support the people working in the shadow economy would reap major economic benefits.

Key recommendation – Embrace the independent sector: Announce government policy in favour of supporting rather than coercing or formalising the independent sector (particularly in agriculture, artisanal mining and urban food supply). Engage with independent sector stakeholders to understand the obstacles they face.⁸⁸

Key recommendation – Regulatory reform: There is value in re-directing government (and international) resources already engaged in regulatory reform to focus intensively on removing regulations that damage the livelihoods and incomes of independent sector businesses and workers. The priority should be to identify legal and regulatory barriers that can be removed/modified to facilitate independent workers' businesses.

Key recommendation – Simplify tax: Substantially simplify tax and social security systems and allow exemptions for the independent sector, so that participants are liable for tax only as productivity and profits increase.

Key recommendation – Facilitate trading: The Government should require local authorities to provide facilities and trading areas for vendors and traders to give them ready access to their customers and markets. It should establish administrative codes of conduct to protect independent workers from unscrupulous officials and administrative harassment.

Recommendation – Increase skills level of workforce: Create training programmes to enable the independent sector to scale their businesses, particularly in relation to financial literacy skills and the benefits of collective action/networks to gain better access to credit and to special social security insurance.⁸⁹

Labour Market Flexibility (African Rank 52nd)

Zimbabwe ranks 52nd for Labour Market Flexibility. Labour market regulations are also strict and one of the drivers of informality in Zimbabwe (90% of workers are informal). Improvements have been made in the flexibility of employment contracts and in reducing redundancy costs, but significant challenges remain in wage determination and hiring practices, while redundancy costs remain particularly high.

Outside SEZs (where labour laws do not apply), it is difficult to downsize firms in response to poorer economic conditions.⁹⁰ Many employers rely on temporary contracts. Zimbabwe has one of the highest redundancy costs in the world, amounting to just over 25 weeks, ranking

44th in Africa. Alongside the macroeconomic factors, Zimbabwe's inflexible labour market rules contribute to a high rate of informality and unemployment. Relaxing redundancy rules further would increase formalisation and also help businesses to adjust to changing economic conditions.

Key recommendation – Redundancy costs: The Government can encourage more long-term employment by lowering redundancy costs and making redundancy process easier. Reducing redundancy costs would increase formal employment and also help businesses to adjust to changing economic conditions.

LOOKING AHEAD

For Zimbabwe to prosper, the economy must grow in a steady, sustainable and inclusive way. The Government must be fiscally disciplined, with the Reserve Bank independent and aiming to provide a stable price environment to carry on trade and investment. The economy must also be more dynamic, with high employment and increasing productivity.

The Investment Environment should be oriented towards protecting and promoting business. Investors will feel confident about the economic stability of the country, its institutions, the protection of their investments underpinned by an independent judiciary, non-discriminatory laws and respect for the rule of law. In particular, there should be clearly defined forms of land ownership, whether leasehold, freehold or communal, and such ownership should be clearly registered.

A developed financial sector would contribute to supporting high levels of savings and financing the nation's investment needs. There also needs to be a business environment suitable to attract international investment. FDI will require the end of foreign exchange controls.

Long-term improvement in Zimbabwe's international trade position is possible, but depends critically on reconciliation with developed world trading partners and wider economic reform within the country (including changing production from commodities to value-added goods that are in demand in the major markets). In the interim, the Government should take immediate steps to help itself by removing well-known blockages to trade.

In order to prosper, Zimbabwe should enable the efficient transfer of goods and services through world-class infrastructure and low-cost access to its own markets. Zimbabwe has the potential to offer smooth transit between Central and Southern Africa across its primary rail, road, and air infrastructure. A well-maintained transport network would boost economic growth substantially.

Taking maximum advantage of trade deals requires a liberal trade policy. This includes greater openness to imports, better border administration, lower import tariff barriers, and fewer non-tariff barriers. It also requires a positive investment environment to support the private sector. Strong export growth will give the country the ability to finance the imports needed for development. Trade agreements contribute to the removal of trade barriers, especially tariffs, levelling the playing field for all countries to compete in international markets.

The state and economy should create a supportive environment for business growth. The state's role in the economy should be minimal, with its role limited to ensuring there is a level playing field amongst participants and ensuring that the barriers to entry in industries are as low as possible. Where there are state-owned enterprises, they should participate in the economy as if they were private actors.

Regulations will need to be transparent and simple. Better administrative procedures will encourage independent businesses to join the formal sector where they can benefit from better access to finance, skills, and other government support. Employment law should be simplified to encourage independent workers to join the formal sector. Additionally, the brain drain would be reversed through a concerted programme to attract entrepreneurial and professional talent back to Zimbabwe.

Zimbabwe has substantial potential that could be harnessed to ensure its population can compete successfully in the world economy. There are a wide range of opportunities for Zimbabwe to drive economic growth and prosperity in the coming years. The challenge now is to grasp them with determination and rigour with a strong focus on implementation so as to translate intentions into reality for the benefit of all in Zimbabwe.



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EMPOWERED PEOPLE

This third part of the report focuses on the **Empowered People** domain, which captures the quality of people's lived experience and the features present that enable individuals to reach their full potential through autonomy and self-determination.

In a prosperous society:

- Everybody is able to live free from poverty.
- People are able to take care of their physical and mental health and have access to effective healthcare.
- Learning is valued and everyone receives a high-quality education, so they can reach their potential.
- The natural environment is stewarded well, as a legacy for present and future generations.

This domain addresses the necessary resources required for a basic level of wellbeing ranging from levels of material resources, to adequate nutrition, to basic health and education outcomes, access, and quality, and to a safe and clean environment. Many of these issues are interrelated, with a particularly strong relationship between education and living conditions. Each of the pillars in this domain captures Zimbabwe's performance on these fundamental measures of social wellbeing.

This domain consists of four pillars: Living Conditions, Health, Education, and Natural Environment:

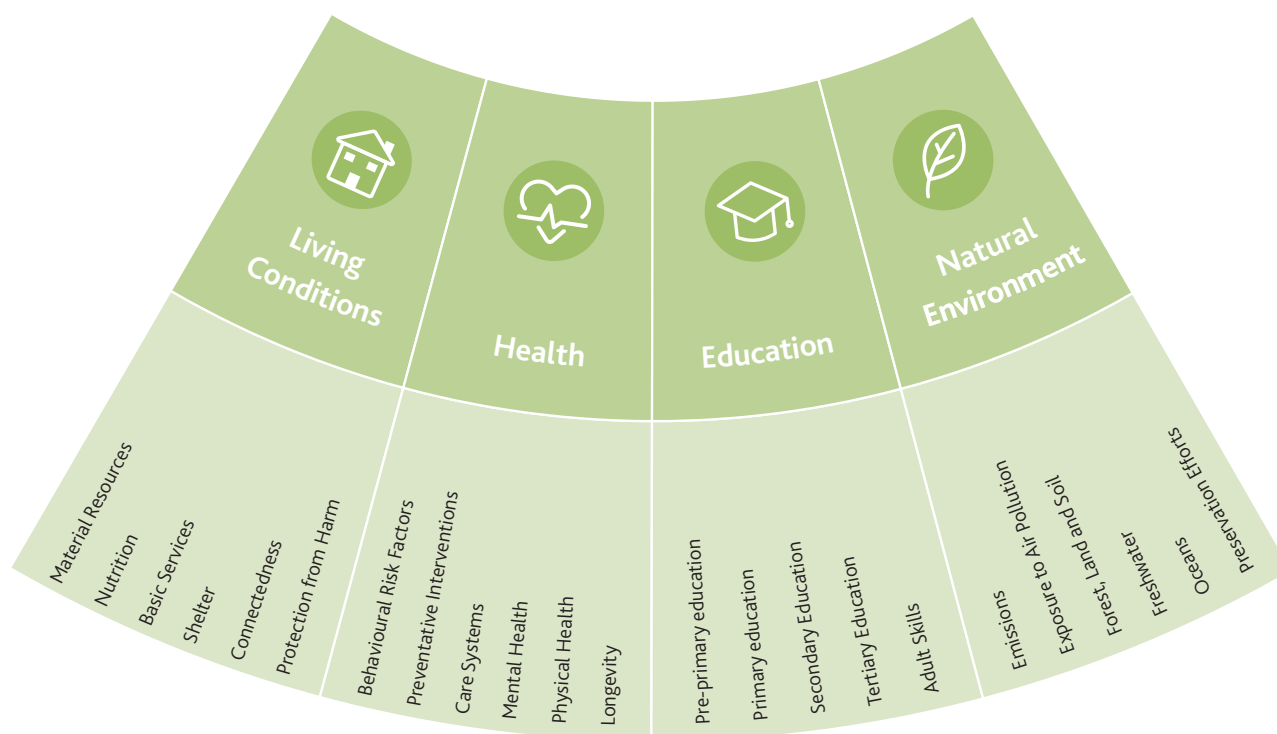
Living Conditions incorporates the set of conditions or circumstances that are necessary for all individuals to attain a basic level of wellbeing. This set of circumstances includes a level of material resources, adequate nutrition, and access to basic services and shelter. It also measures the level of connectedness of the population, and the extent to which they have a safe living and working environment.

Health captures the basic healthcare services in a nation and the health outcomes of a population – including the quality of both mental health and physical health, each of which affects longevity. It also assesses the set of behavioural risk factors that affect the quality of the population's health, and the quality of the healthcare provision through the lenses of care systems and preventative interventions.

Education reflects the enrolment, outcomes, and quality of four stages of education (pre-primary, primary, secondary, and tertiary education) as well as the skills of the adult population.

Natural Environment encompasses the elements of the physical environment that have a direct impact on the ability of residents to flourish in their daily lives. It also includes the extent to which the ecosystems that provide resources for extraction (fresh water, forest, land and soil) are sustainably managed and the extent of preservation efforts.

Pillars and elements of the Empowered People domain



This part considers each of the four pillars outlined above. Full details of these can be found in our Prosperity Index and a summary of the component parts of each pillar are provided in the relevant section below.

LIVING CONDITIONS (AFRICAN RANK 29TH)

Living conditions are the set of basic material conditions present in everyday life that provide the platform for members of society to attain prosperity and wellbeing. If these basic materials are present, then poverty – along a multi-dimensional approach – will be avoided. This outcome is a good in itself, and furthermore provides individuals an opportunity to flourish in society.

Adequate living conditions not only provide intrinsic worth, but also provide a platform for success. Ensuring basic needs are met is an effective way of maintaining health and furthering education, both of which are key components of human capital and have significant economic benefits to individuals and society. To be productive, individuals should have access to sufficient material resources to provide for themselves and their loved ones, have access to suitable accommodation that is connected to the necessary services, be free from illness or death caused by an unsafe living or working environment, have adequate nutrition and energy intake to be healthy and work effectively, and have sufficient resources to access jobs and technology

Living conditions in Zimbabwe are poor, ranking 29th out of 54 nations in Africa and 138th in the world. This lowering in its living conditions is particularly affected by a poor performance in nutrition. Over recent years, living conditions have worsened due to the economic crisis and difficulties in the agricultural sector.

The opportunity exists for a prosperous Zimbabwe where the majority of people can afford to live on their income, with access to sufficient food, shelter, and basic services. Those who can work

are able to support themselves and their dependents by employment or, if not, through public works programmes, while those who cannot work and cannot be supported by their families are given social assistance.

Elements of Living Conditions

Material Resources – the proportion of individuals with income and wealth above the basic level required to survive and attain wellbeing, accounting also for the reliability of income and resilience against economic shocks.

Nutrition – the availability, adequacy, and diversity of food intake required for individuals to participate in society, ensure cognitive development, and avoid potentially long-term health impacts.

Basic Services – the access to, as well as the availability and quality of, the basic utility services necessary for human wellbeing. Electricity, water, and sanitation are key basic services that must be easily accessible.

Shelter – the availability and quality of accommodation and the impact of the accommodation environment on the health of residents.

Connectedness – the extent to which individuals are able to engage with each other, both digitally and physically. Within the digital aspect of connectedness, cell phones, bank accounts, and digital payments are considered. Within the physical aspect, roads and public transport must provide effective means of physical connectedness, and the physical connectedness of rural populations is of particular importance.

Protection from Harm – the safety of the environment in which individuals live and work. This includes accounting for injuries and accidental deaths from workplace activities and from natural disasters.

Material Resources (African Rank 33rd)

Zimbabwe ranks 33rd (146th in world) for Material Resources, with 34% of people living under the international poverty rate of US\$1.90 a day and 70% of the population living on, or below, the national poverty line.¹ Only 15% of Zimbabweans report that they can afford to live on their household income. This is the lowest proportion in Africa, having declined from 60% in 2011. Most recently, high inflation is further undermining the purchasing power of the poor.² Rural poverty is acute, with the MZF survey noting a rural poverty rate of 95%, with 68% of rural households classified as “very poor”, in comparison to the 8% of urban households in the same category.³

Since 2016, the Government has introduced non-contributory social protection programmes. However, these programmes have remained poorly targeted, fragmented, donor-dependent, and suffer from high exclusion errors, uneven coverage and transparency concerns.⁴ The economic crisis has also made them unsustainable, and donors have reduced their support.

Key recommendation – Social protection programmes: In order to reduce gaps and overlaps in coverage, it would be preferable to consolidate the various social protection interventions into two or three high-impact programmes that can be adequately targeted to the poorest and most vulnerable. Such consolidation could also simplify the process and start digitalisation.

Key recommendation – State pension: As part of a consolidated anti-poverty programme, consider introducing a modest, non-contributory old-age and disability pension, with reduced payment levels for those also in receipt of a contributory pension.

Key recommendation – Public works: In order to support the most vulnerable who are able to work, consider introducing a broad-based public works-led employment guarantee scheme remunerated at close to the agricultural minimum wage. Such a scheme could focus on irrigation and conservation projects in the poorest rural areas.

Key recommendation – Social insurance: The benefits of social insurance could be extended from the formal sector to also cover independent workers. This would allow the introduction of social insurance contributions on a voluntary basis to extend NSSA coverage to independent workers. Such a programme could be complemented with financial incentives to encourage savings, as has been done for example through Kenya's Haba haba and Mbaao programmes.⁵

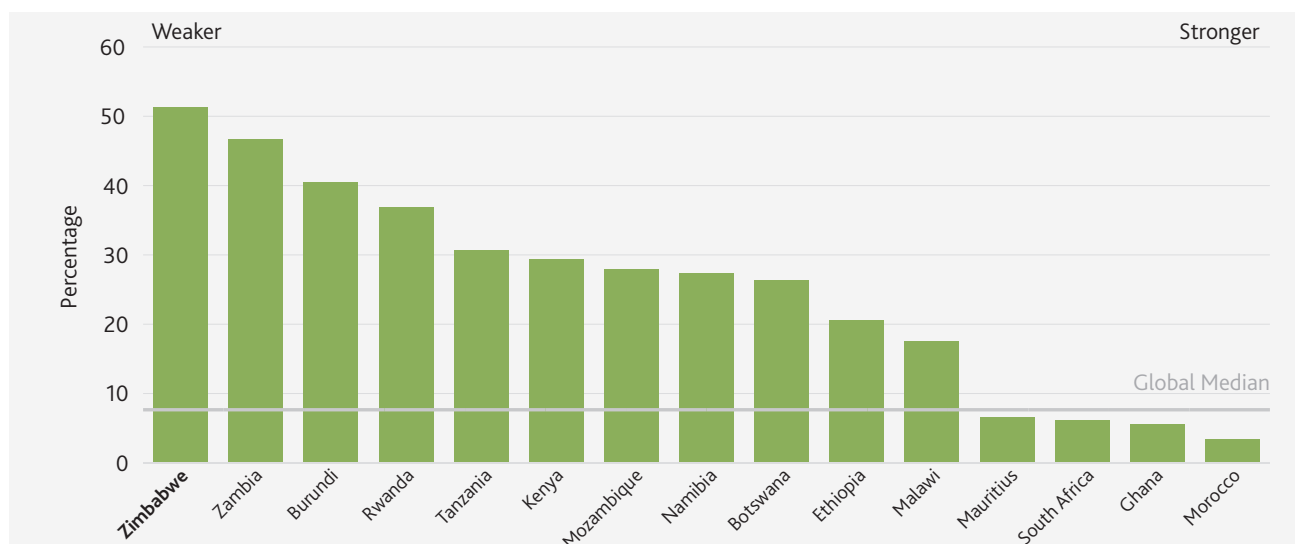
Nutrition (African Rank 45th)

Droughts and the economy have had a particularly detrimental impact on Nutrition, where Zimbabwe ranks 45th in Africa (156th in the world), especially in relation to availability of adequate food and prevalence of undernourishment (51.3% of the population are undernourished, which is the second worst figure in Africa). The World Food Programme declared in December 2019 that climate disaster and economic meltdown have left Zimbabwe facing its worst hunger crisis in a decade. Half of the population are classified as food insecure, and 90% of children aged 6-24 months are not consuming the minimum acceptable diet.⁶ This was updated in 2020 to 8.6 million food insecure people due to the effects of COVID-19.

Between 2016-2018, the three-year average for the prevalence of undernourishment in Zimbabwe reached a record high of 51.3%.⁷ The prevalence of stunting in children under five is most prevalent in rural provinces, with the highest prevalence in Manicaland and Mashonaland provinces.⁸

There are two major causes of the recent food insecurity. Firstly, there has been major crop failure in recent years, caused by prolonged dry spells, pests, droughts and flooding.⁹ Despite the increasing future likelihood of these events, there is limited preparedness or risk mitigation. Secondly, rising prices and the economic crisis continue to worsen food insecurity and this has been exacerbated by COVID-19. Most food products are increasingly being priced in US\$, and this is further constraining access to foods as many poor households do not have access to US\$.¹⁰ A multi-pronged approach will be effective at tackling the issue of malnutrition and rising poverty.¹¹

Figure 13: Prevalence of undernourishment



Source: Food and Agriculture Organisation 2017

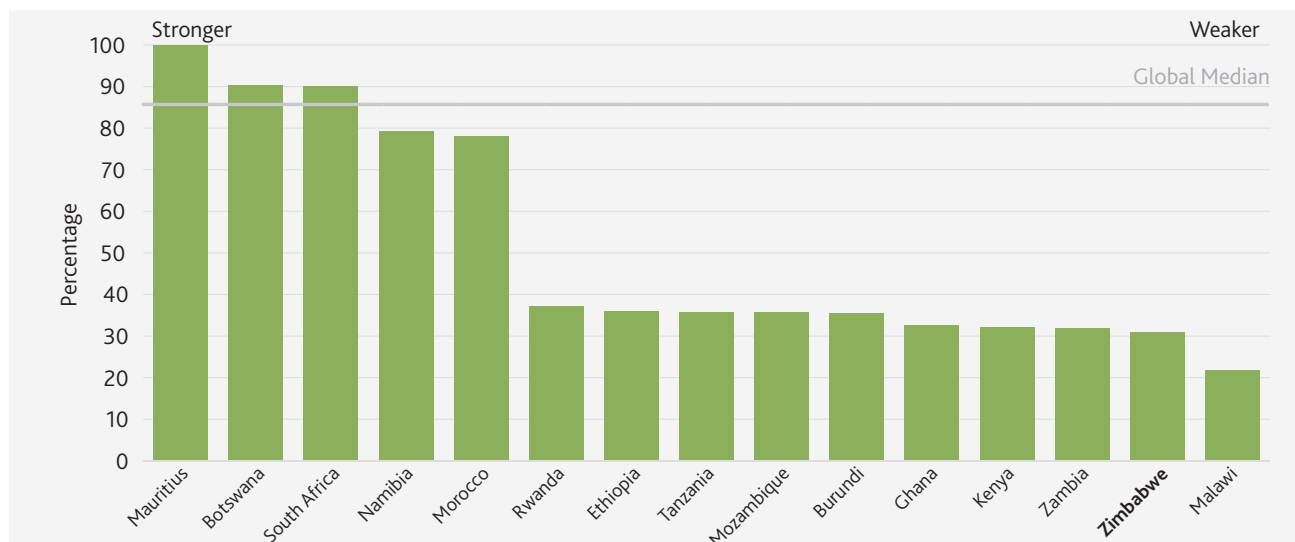
Basic Services (African Rank 30th)

Zimbabwe's rank for Basic Services is 30th in Africa (141st in the world). Access to many basic services such as basic water, piped water, and sanitation services has declined over the last 10 years. Access to piped water is limited to 31% of the population, and only 41% have access to electricity.

Piped water is often unavailable outside major towns and cities, and contaminated water and poor sanitation lead to illness, with diarrhoeal diseases among the leading causes of death for under-fives. Access to the sewer network by the population has also declined.¹² Droughts and mismanagement of existing resources have forced residents to stockpile as much water as possible. When taps run dry, they are forced to queue at communal boreholes (sometimes contaminated), rely on unsafe sources of water, or buy water at extortionate prices. Access to basic water services has fallen to 64%.¹³ Rural access to water fell from 60% in 2000 to 50% in 2017.¹⁴

Electricity provision is skewed towards high-income groups. 60% of the population still lacks grid-supplied electricity, with 90% of the rural areas lacking access to the electricity grid.¹⁵ The lack of electricity leads many to resort to cheaper, inefficient, and unclean alternatives, such as charcoal and fuelwood for cooking, contributing to deforestation. There is an urgent need for rehabilitated and upgraded sanitation infrastructure, supplemented with community awareness programmes.¹⁶ For example, by providing toilets, pit latrines, and drilling, as well as maintaining boreholes to prevent communities from resorting to contaminated sources.

Figure 14: Access to piped water



Source: WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation 2017

Key recommendation – Municipal water charges: Given that water charges are prohibitively expensive for many, consider implementation of a sliding fee scale for municipal water for low-income families. Ideally, no home should be disconnected from the city water supply for lack of payment without other support mechanisms in place.¹⁷ This may also require upstream revision of ZINWA's bulk water scheme.

Key recommendation – Electricity charges: To increase access to electricity, it will also be necessary to make it more affordable. One approach could be targeted public funding to install pay-as-you-go purchase models for electricity, making it more accessible.¹⁸

Shelter (African Rank 18th)

Zimbabwe ranks 18th in Africa (123rd globally) for Shelter. This ranking is negatively affected by the indoor air quality from the use of solid fuels. Shelter has been relatively stable in the last 10 years.

The percentage of the population responding that they do not have enough money to provide adequate shelter has increased from 18% to 32% in the last 10 years.¹⁹ There are many Zimbabweans who have struggled to find adequate homes as a result of changes in land ownership and other policies to clear unplanned settlement areas across the country. In recent years, most municipalities in Zimbabwe have not been able to provide new low-cost housing stock due to financial constraints. Furthermore, there have been a number of other events reducing access to shelter. For example, in 2018, approximately 113,000 households were displaced. Overall, 270,000 people were affected and displaced by natural disasters such as Cyclone Idai.²⁰ Rural evictions accounted for 45.7% of the cases. Most houses are traditionally built, and many are vulnerable to natural disasters. Generally, building regulations are poor and not properly followed.

Shelter is also affected by the high prevalence of indoor cooking using unclean fuels, leading to numerous health issues. 70% of Zimbabweans use solid fuels as the primary source of domestic energy for their cooking — biomass cooking.²¹

Key recommendation – Construction techniques: Promoting improved techniques could be a low-cost approach. For example, the Government could introduce a housing self-help education project covering low-cost construction techniques, financing, solar power, sanitation etc. In rural areas, this could be delivered by housing-trained Agriculture Extension Officers, while in urban areas, local authorities and community groups could convey the messages, supplemented by mobile, internet and radio programming.

Key recommendation – Land allocation: Land allocation mechanisms could be strengthened through more community partnership. For example, in rural hub centres, the Government could establish partnerships with local communities to allocate land, and also provide road access and build community service points (power, water, sanitation, internet etc). In urban areas, more impact can be achieved by clarifying title and property rights.

Key recommendation – Planning laws: In urban areas, planning laws could be improved to allow a switch from relatively expensive formal housing to local or foreign technologies that migrate people from slum shacks to better but cheaper intermediate dwellings. For the more limited numbers who can afford formal housing, the Government should improve urban laws, policies and practices as well as assist local authorities and utilities with infrastructure development.

Connectedness (African Rank 15th)

Zimbabwe's relative strength is Connectedness, ranking 15th in Africa (108th globally). Access to bank accounts, digital payments, and cellphones is relatively high. However, the satisfaction with public transportation and with roads and highways is low at 17% (African Rank 51st) and 32% (African Rank 40th), respectively.

Mobile ownership is relatively high in Zimbabwe - as it is in India and Kenya - and digital payments have become the preferred vehicle for payments due to cash shortages and the economic crisis. The rise of digital payments has made owning a cell phone a practical necessity, which is evidenced by the high mobile penetration rate of over 90% across Zimbabwe.²²

The rural roads are mostly unpaved and during the rainy season, they are washed away. Gullies and dongas have rendered some roads inaccessible, forcing rural residents to walk several kilometres to get transport. There is very little satisfaction with the disorganised public transport due to poor maintenance and regulation, resulting in travel delays, high levels of traffic, unreliable bus services and inconsistent fares.²³

Key recommendation – Mobile coverage: By extending the ongoing mobile penetration rate it will also be possible to expand financial services and digital payments.

Key recommendation – Rural roads: The rehabilitation of rural roads could bring significant socioeconomic benefits to poorly connected communities. The national government budget could make provisions for transfers to local authorities to invest in adequate road rehabilitation in the short term.²⁴

Key recommendation – Public transport: Smarter transport systems in urban areas can be developed by introducing mass transit through both public and private investment partnerships, which can contribute to solving Harare’s socioeconomic and environmental challenges.²⁵

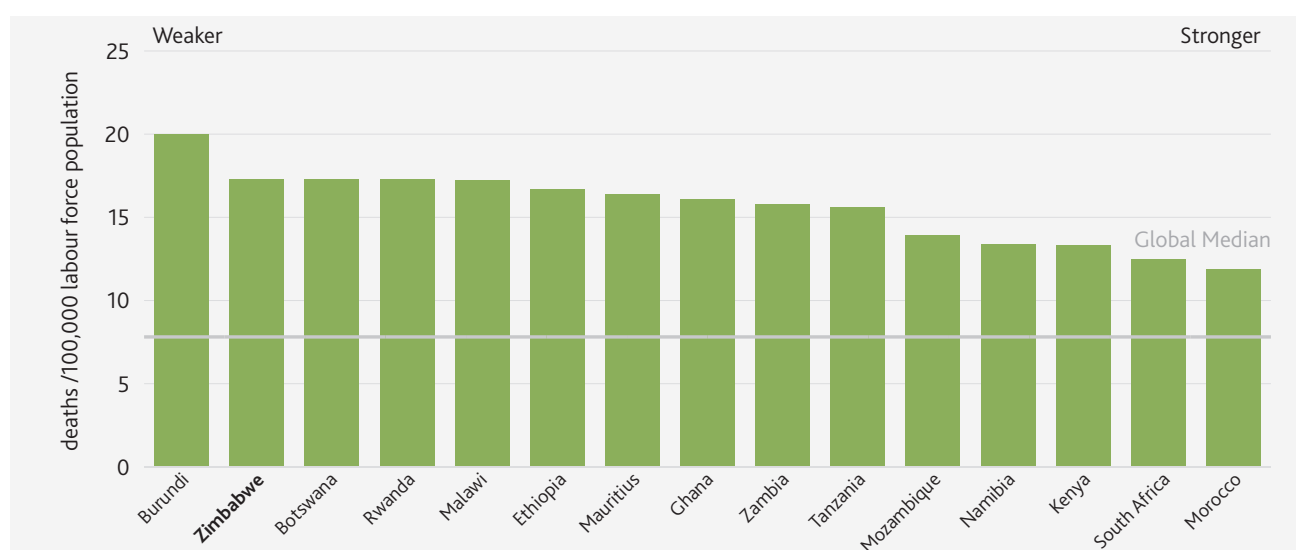
Protection From Harm (African Rank 32nd)

On Protection from Harm, Zimbabwe ranks 32nd in Africa (129th globally). Zimbabwe has one of the highest occupational mortality rates in Africa, a rate of 17.3 out of 100,000.²⁶ The National Social Security Authority’s (NSSA)’s 2017 report indicated that the majority of the accidents and diseases happened in mining and quarrying, commerce and distribution, personal services and security guards, local authorities and tobacco processing.²⁷

There are also deaths related to forces of nature. Cyclone Idai resulted in the deaths of 340 people and a larger number of people went missing.²⁸

Road traffic accidents are among the leading causes of death in the country after HIV/AIDS, malaria, and cancer.²⁹ According to the Traffic Safety Council of Zimbabwe (TSCZ), at least 15,000 people are hurt and 2,000 people killed every year in road accidents.³⁰ Most main roads lack passing and breakdown lanes, lighting, reflectors, and other safety features. Large potholes are present with great frequency in the cities, as well as on the highways.³¹

Figure 15: Occupational mortality



Source: International Labour Organisation 2019

Key recommendation – Natural hazards: Strengthening regulatory regimes for both urban and rural infrastructure and settlement would help to ensure buildings are resilient to hazards.³² Disaster risk reduction may require the transformation of settlements through building new ones, strengthening their regulation and the assurance of compliance with 23 appropriate building codes that local people are familiarised with and/or receive practical training on.³³

Key recommendation – Occupational safety: Ensuring effective Safety and Health Management Systems in companies is an important goal for reducing unintended injuries and deaths. This can be strengthened through inspection of the work environment as well as using the Government's National Occupational Health and Safety Policy.³⁴

Key recommendation – Traffic safety: To improve road safety, the Road Traffic Safety Authority could be given legal powers to enable it to regulate, as well as coordinate, control, enforce and audit road traffic safety, and demand further action and accountability for interventions from the relevant stakeholders.³⁵ The remaining recommendations of the Road Safety Performance Review set up by UNECA should also be implemented.³⁶

HEALTH (AFRICAN RANK 28TH)

Good health allows individuals to flourish and to lead more fulfilling lives than would otherwise be possible and it is shown to positively impact wellbeing. Ill-health can cause poor educational outcomes, worsen life-satisfaction and negatively affect productivity. A healthier workforce is more productive as fewer sick days are taken, people are physically and mentally able to work for longer, and there is a greater chance of developing experience. Poor health during childhood can affect educational outcomes through worsening cognitive ability, so improving child and infant health is of particular importance for productivity outcomes, though reducing the impact of diseases that affect those of working age is equally important.

Zimbabwe ranks 28th in Africa for Health. In the early years of independence, Zimbabwe made the largest gains on health indicators in sub-Saharan Africa, with policies focused on basic health, family planning, health education, prevention, and community outreach. However, from the late 1980s to mid-2000s Zimbabwe suffered a major decline in health outcomes. The HIV/AIDS epidemic was the primary reason for this decline, but health outcomes were also affected by a sharp deterioration in the effectiveness of the healthcare system, leading to increased deaths and illness in areas such as maternal and neonatal health.

With the help of international organisations, Zimbabwe had gone some way towards restoring its basic healthcare system. However, a combination of strikes and COVID-19 have placed it under severe pressure. Preventative interventions are relatively good, incidence of communicable diseases has been steadily declining and there have been successes in increasing immunisation rates and contraception coverage. Mortality has improved as the worst impacts of HIV/AIDS have receded. However, despite improvements, maternal health remains poor.

The opportunity for Zimbabwe is to be a nation where people can better take care of their own health and expect an extended lifespan with fewer diseases and disabilities. The big killers of HIV/AIDS, tuberculosis, and malaria have been reduced through emphasis on prevention, treatment, care, and support. Good quality health services that are resourced with sufficient hospital infrastructure, supplies and an increased number of medical professionals.

Elements of Health

Longevity – the mortality rate of a country's population through different stages of life, as well as maternal mortality, and common life expectancies in later life.

Behavioural Risk Factors – the set of lifestyle patterns moulded by a complex set of influences that increase the likelihood of developing disease, injury or illness, or of dying prematurely.

Care Systems – the ability of a health system to treat and cure diseases and illnesses once they are present in the population. For care systems to be effective, a country must have effective healthcare coverage and facilities, and skilled health staff, as well as effectively treating common diseases and illnesses.

Preventative Interventions – the extent to which a health system actively prevents diseases, illnesses and other medical complications from occurring to save many children and adults from an early death. Immunisations are a crucial method of preventative intervention, as is effective preventative care.

Mental Health – the level and burden of mental illness on the living population. Mental health can have a significant impact on an individual's wellbeing and ability to participate effectively in the labour market.

Physical Health – the level and burden of physical illness on the living population. Physical health can have a significant impact on an individual's wellbeing and ability to participate effectively in the labour market.

Longevity (African Rank 37th)

Zimbabwe ranks 37th in Africa for Longevity, improving by 13 places in the last decade. Zimbabwe's improving mortality rates have seen life expectancy rebound to 61.2 years from its low point of 43.1 years in 2004. However, this is the same level as in 1985 before it began declining sharply due to the HIV crisis. Today, Zimbabwe has achieved improving mortality rates across all ages.

Behavioural Risk Factors (African Rank 43rd)

Zimbabwe ranks 43rd in Africa on Behavioural Risk Factors. This relatively poor ranking is driven by the poor rankings in obesity and substance use disorders. Following global trends, the rate of smoking has declined. Overall, substance abuse has been increasing in the last decade. Those aged 15 to 49 have the highest rate of substance use disorders at 660 per 100,000.³⁷ The Health Ministry has reported that currently 57% of all admissions to psychiatric institutions are attributed to substance abuse, and 80% of those admissions are aged between 16 and 40. Obesity increased from 3.7% in 1975 to 15.5% in 2016. There is a 52.8% prevalence of being overweight for women in Zimbabwe compared to the male prevalence of 22.2%.³⁸

Key recommendation – Obesity: The increased levels of obesity mean it is becoming a more significant public health challenge. Therefore, encouragement of healthier lifestyles, especially among target groups such as women, focusing on engaging them in more physical activity,³⁹ and changing society's views of aspirational physiques are worth considering.

Care Systems (African Rank 16th)

Zimbabwe ranks 16th among African nations for Care Systems. The care system ranking is brought down by health care coverage⁴⁰ (African Rank 47th), and health facilities⁴¹ (African Rank 32nd). The care system ranking has improved by 10 places in the last decade (ranking 26th in 2009, a particularly difficult year for the health system). Zimbabwe ranks particularly well in the indicator for antiretroviral HIV therapy (African rank 3rd).

Zimbabwe has a strong track record in health. In the 1980s, it made some of the largest gains in sub-Saharan Africa, with policies focused on basic health, family planning services, health education, prevention, and community outreach. The health system has a strong capacity for immunisation and addressing HIV/AIDS, although capacity is dependent on donor support.

However, there is a low quality of health care and high mortality rates, particularly in the poorest regions. The health sector is near collapse. It suffers from political patronage in appointments and procurement, and there is pervasive corruption.

Health services are not accessible to the people that most need them in rural areas. Only 5% of the health budget is dedicated to rural centres and spending is not targeted at reducing inequalities in the sector. The health system is not integrated with the operations of mission hospitals and donor funded health initiatives.

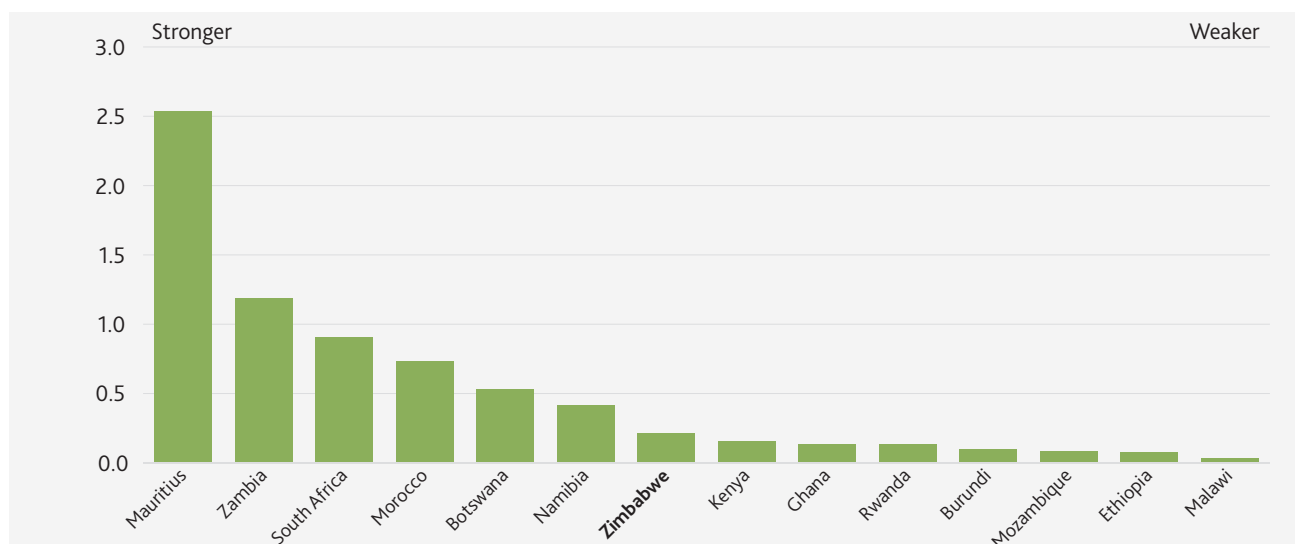
In addition, there is irregular availability of essential medicines and medical supplies and inadequate provision and maintenance of equipment and infrastructure, particularly at a local level.

There is a deficit of skilled and experienced health workers and other health professionals as many healthcare personnel have left the country because of poor wages, and there have been recurring strikes.

The financing of the health sector has been about 10% of government expenditures compared to the Abuja commitment of 15%. Funding of the health sector relies extensively on user fees (about 15%) and donor funding (about 20%). Reliance on patients' fees has introduced a high degree of hardship and inequality in rural areas. The situation in urban areas is also difficult.

Foreign donors have helped to avoid the collapse of the health sector through emergency rescues (with Health Trust Funds and other instruments). However, these interventions have not addressed the structural weaknesses of the health system. and instead have introduced overly complex donor systems.

Figure 16: Physicians (per 1000 people)



Source: World Health Organization's Global Health Workforce Statistics, OECD, supplemented by country data.

Key recommendation – Rural healthcare provision: To address the under-provision in rural areas, the Government should increase the health sector's share of overall government expenditures up to a target of 15% and target the spending to rural areas. In order to achieve global benchmarks for the sector, it should also start a process of recruitment of up to 20,000 more doctors and 30,000 more nurses. Incorporating community health workers into the health workforce would be a particularly efficient way of strengthening rural delivery, with decentralised deployment and support from treatment guidelines. Increased use of telemedicine and increased networks of mobile clinics could also broaden rural access to high quality medical services.

Key recommendation – Management structures: More coordinated planning, monitoring and evaluation could be achieved from a reduced fragmentation of services. For example, a specialist health procurement agency could be formed to achieve better value for money.

Key recommendation – Leadership: As with so many public services, good quality leadership is critical. It will be important to ensure that leadership appointments to the health team are made on merit and reputation for integrity.

Key recommendation – Staff retention: Given the challenge of building out the health service, it will be imperative to retain and attract qualified and senior health staff. Pay and other financial incentives should be used to attract, train and retain health workers, including from the diaspora. Improved working conditions in the sector and linking pay increases to the upskilling of health care staff could also help.

Key recommendation – Staff training: Junior staff would benefit from further training on management and clinical issues. Mentorship could be used to raise standards and improve training in regional centres, which would lead to improved skills, better morale, and better accountability among medical officers.⁴² Radio programming, digital and online learning should be developed to complement the training of healthcare staff.

Key recommendation – Emergency preparedness: In order to allow more effective response to future crises such as COVID-19, the health system should work in partnership with non-government actors (regional and global) and particularly with mission hospitals in rural areas to strengthen resilience.

Preventative Interventions (African Rank 13th)

Zimbabwe ranks 13th in Africa for Preventative Interventions, having risen by 10 places in the last decade. Zimbabwe's ranking is particularly strong on contraceptive prevalence (African rank 1st) and measles immunisation, with less success on diphtheria, hepatitis and antenatal care.

With the help of international donors, Zimbabwe has increased the percentage of children being vaccinated. Across a range of immunisation measures, there has been major improvement to the immunisation programmes. For example, Zimbabwe now has better immunisation rates than the sub-Saharan African average and many African peers.⁴³ However, the response to COVID-19 is likely to disrupt immunisation programmes.

HIV/AIDs prevention depends on both greater use of protection as well as public education. Generally, the provision of condoms is very good as shown by the ranking on contraceptive prevalence in Africa (based on UNICEF data). Contraception use has risen in Zimbabwe since 1984, from 38.4% to 66.8% in 2015.⁴⁴ The number of women with unmet needs for contraception has fallen, and the percentage of women whose demand is satisfied with modern methods of contraception has risen to 89.4%.⁴⁵ However, all these gains may be affected by the impact of COVID-19.

Births attended by skilled staff has been increasing, from 60% in 2009 to 78% in 2015.⁴⁶ Nevertheless, there are still a significant number of preventable deaths in maternal care. In 2015, the WHO described the three “delays” for why maternal mortality remains high in Zimbabwe: delay in seeking health care, delay in reaching a health facility, and delay in receiving expeditious and effective care at a health facility.⁴⁷

Key recommendation – Antenatal care: Improving antenatal care can have a dramatic impact. Routine care should include birth preparedness and provider-initiated testing and counselling.⁴⁸ It is also worth identifying how to make accessing clinics easier for repeated, regular visits.

Key recommendation – Screening services: In order to provide access to affordable, quality cancer-screening services, consider pooling together public and private cervical cancer providers, and support a financing system for it. Community engagement initiatives could also be established to provide education on how to prevent the development of cervical cancer, as well as promote screening for early detection.⁴⁹

Key recommendation – AIDS prevention: A community health model could be used to deliver effective care through hiring local Zimbabweans, building capacity, and listening to local communities.⁵⁰ Increased community-led treatment literacy programmes could increase understanding of HIV/AIDs and tuberculosis.⁵¹ Consider whether greater use of data in AIDS treatment through increasing the rollout of an integrated database system to capture data on who has AIDS and where the challenges can be found would also be an effective approach.⁵²

Recommendation – Primary care: The delivery of essential primary care and disease prevention and control could be improved by strengthening and expanding high-impact public health interventions such as the Expanded Programme of Immunisation, nutrition, and family planning.⁵³

Physical Health (African Rank 36th)

Zimbabwe ranks 36th for Physical Health in Africa, driven by relatively high levels of both communicable and non-communicable diseases (African ranking 42nd and 40th, respectively).

The physical health challenge is significant whereby, in the words of the National Health Strategy 2016-2020, there is “a double burden of communicable and non-communicable diseases”. Although it remains a challenge, the burden of communicable diseases has been declining. By far, the most major health crisis in Zimbabwe over the last 20 years has been the HIV/AIDS epidemic, which in 2018 led to 22,000 deaths.⁵⁴ In 2018, 1.3 million (12.7%) people were still living with HIV. However, there have been declining death and infection rates, primarily driven by education and behavioural change.⁵⁵ Furthermore, over a 10-year period, the percentage of people living with HIV/AIDs who are receiving treatment has increased from 30% to 84%.⁵⁶ Nevertheless, there is need for improvement in access to viral load testing; in the fourth quarter of 2019, just 44% of adults with HIV received a viral load test, whereas the target is 74%.⁵⁷

Another major cause of death is tuberculosis. In 2017, the percentage of people living with HIV and tuberculosis who were being treated for both diseases was 62.0%, up from 49.7% in 2015.⁵⁸ Diarrhoeal diseases are also a major cause of death for children under five.⁵⁹ A number of outbreaks of cholera and typhoid have been reported.

Non-communicable diseases are becoming a larger issue in Zimbabwe and the health system is having difficulties in coping with the increasing burden of these illnesses. The years lived with disability from non-communicable diseases has stayed relatively stable over the last 10 years, at 7,166 per 100,000 people.⁶⁰

In terms of impact on disability-adjusted life years, the most damaging non-communicable diseases are cardiovascular diseases (6.8% of total DALYs), neoplasms (5.2%), and diabetes and kidney diseases (2.9%). Of these, diabetes and kidney diseases have seen the largest increases, doubling its DALY from 763 to 1384.⁶¹

Mental Health (African Rank 28th)

Zimbabwe ranks 28th in Africa for Mental Health. This element is mostly driven by a high rate of suicide⁶² (African rank of 49th), while the indicators on emotional wellbeing (African rank 20th) and depressive disorders (African rank 4th) are relatively positive.

However, the country has one of the world's highest suicide rates, with 19.1 deaths per 100,000 people caused by suicide (Global rank 155th). There is a stigma around mental health and no tradition of using counselling therapy. There is also a stigma around depression, with some people thinking it is caused by evil spirits and is retribution for a crime they have committed. Some turn to traditional healers rather than hospitals and clinics.⁶³ Police attribute the causes to social problems, including marital and financial. Academics have recommended addressing these issues in the workplace and centres of learning with the same urgency as road traffic deaths.⁶⁴ Recent reviews have identified a lack of human resources in this area, though some potential to redirect some HIV/AIDS resources to address mental health and the high suicide rate.⁶⁵ The WHO situational assessment also identified the Friendship Bench initiative as an innovative programme to treat people with depressive symptoms through lay counsellors. The programme receives international funding and attention.

Key recommendation – Mental health services: Mental health provision could be improved by increasing the number of psychiatrists. A strategy for tackling drug abuse in Zimbabwe, framing it as a health (rather than criminal) problem, could also be effective in addressing mental health issues.

EDUCATION (AFRICAN RANK 13TH)

Education is a building block for prosperous societies; the accumulation of skills and capabilities contributes to economic growth. Education provides the opportunity for individuals to reach their potential and to experience a more fulfilled and prosperous life. A better-educated population also leads to greater civic engagement and improved social outcomes – such as better health and lower crime rates.

Zimbabwe's African rank is a relatively strong 13th, with primary education (African rank 6th) and adult skills (African rank 4th) performing particularly strongly. Zimbabwe has a relatively young population (42% in the range 0-14 years, 55% 15-64 years and 3% 64 years and older).⁶⁶ To reap the potential of this "demographic dividend", it is essential for the country to increase and maintain its investment in education.

A prosperous Zimbabwe is one where all benefit from universal access to high-quality education that provides both academic and technical/vocational skills – where completing secondary education is the norm and school leavers are all literate and numerate. Schools with adequate numbers of teachers for all age ranges are accessible by every community, without cost being a barrier.

Elements of Education

Pre-Primary Education – enrolment in pre-primary education. Pre-school supports the development of linguistic, cognitive, social and emotional skills. Students who participate in pre-primary education are more likely to make it through secondary education and less likely to repeat grades.

Primary Education – the availability, quality of, and enrolment in, primary education. The critical formative stage of schooling, providing pupils the opportunity to develop their cognitive, social, emotional, cultural, and physical skills, preparing them for their further school career. Most critically, this includes core literacy and numeracy skills.

Secondary Education – the availability, quality of, and enrolment in, secondary education. More years of higher quality education has been shown to increase life outcomes in both economic and social terms. Beyond attending and completing school, obtaining good test scores are a strong indicator of cognitive ability and a strong determinant of better economic performance of a country.

Tertiary Education – the availability, quality of, and enrolment in, tertiary education. Further education (including technical, vocational, and university-level) is key to social and economic development through the creation of human capital and building of knowledge bases.

Adult Skills – the skill-base of the existing working-age population, which is a reflection of the historic quality of education as well as providing a base level for the short-term potential of the economy. Adults who are above a threshold level of education are far less likely to be disadvantaged in society and this will lead to better employment opportunities. Increased skills in the workplace are closely connected to productivity.

Zimbabwean education was transformed in the 1980s: schooling was expanded, especially in rural areas, and attendance doubled in a single year. The Ministry of Education imported teachers from overseas and rapidly implemented an intensive teacher training programme. Initial shortages of school buildings were overcome through communities “rapidly building more infrastructure for education.”⁶⁷ By the 1990s, “primary schooling was nearly universal and over half the population had completed secondary education.”⁶⁸ Teacher training was of a high quality, and Zimbabwe’s literacy rate became one of the highest on the continent. Even today, the nation has the 3rd highest adult literacy and women’s average years of schooling in sub-Saharan Africa. Zimbabwean nationals, artisans, technicians and professionals occupy influential positions in international corporate and multilateral organisations.

The benefits of that investment remain, but Zimbabwe’s educational progress has stopped since the 1990s. Despite the Education Act 2018 enshrining the right of students to ‘state funded education’, Zimbabwe has lost the capacity to fund its education system adequately. The Government’s expenditure on education is below the SADC benchmark (22% of the overall budget) and this is combined with inefficient spending, e.g. high spending in secondary education/primary, high disparity in pupil teacher ratio, etc.

Education sector capacity suffers from political patronage in appointments, corruption, and low salaries, leading to loss of teachers and managers. There is a shortfall in teachers, especially at secondary level. Many teachers have left the country in recent years. The sector is near collapse with substantial demand for investment in education, as under-16s now represent 40% of Zimbabwe’s population.

Schools rely heavily on student fees and levies, creating a barrier to education for poor families and an imbalance in funding between schools in rural and urban areas. As a result, the quality of education between urban and rural areas varies substantially, with rural areas performing poorly, including Mataberland, given unequal distribution of resources.

The country has a skill deficit of 62%, with engineering, technology, and health sciences the most affected with a deficit of 95%. Other sectors heavily affected by the skills deficit include agriculture and the legal profession.

Pre-Primary Education (African Rank 19th)

Zimbabwe's Pre-Primary Education has deteriorated slightly and fallen from 15th to 19th place in Africa, but it is still above the sub-Saharan African average. In 2014, the initial funding of pre-primary education equated to the Government spending US\$25.9 per year per pre-primary aged child.⁶⁹ At 0.1% of GDP, this was equal to peers such as Ghana, Ethiopia, Kenya and South Africa.⁷⁰

According to UNESCO, the percentage of pre-primary age children enrolled in education was 25%, ranking 19th in Africa, down from 27.7% in 2009. One of the problems identified is that children enrol too late, with 59.1% of learners in ECD A and 42.5% of students in ECD B over-aged.⁷¹ Furthermore, there is a lack of professionally trained teachers, with just 58% of all teachers being trained.⁷²

Key recommendation – Pre-primary services: The quality of pre-primary education could be increased with additional training of ECD teachers. To focus resources, consider reducing pre-primary education from 2 years to 1 year until finances permit extension for all.

Primary Education (African Rank 6th)

Primary Education in Zimbabwe performs relatively well, ranked 6th in Africa, though primary enrolment has an African rank of 13th. The primary education ranking has fallen from 2nd place over the last decade and there has been some deterioration in the quality ranking. Zimbabwean students from urban areas perform relatively well in reading and maths scores when compared with other SACMEQ countries. However, this is not the case for students in rural areas.

UNICEF estimates that there is a teacher-pupil ratio in primary schools of 45:1.⁷³ Between 2014–2018, there was a net decrease of 1,617 teachers in primary education.⁷⁴ The reason for declining teacher numbers is that there has been substantial emigration of teachers to neighbouring countries, largely as a result of the declining economy. According to the 2018 annual report, 97.1% of primary teachers are professionally trained (up from 89% in 2014).⁷⁵

Primary education spending accounted for 37% (or US\$333.9 million) of the Ministry of Education's 2018 budget.⁷⁶ Donations and external funding are also used to fund special programmes and materials such as textbooks. However, one of the major challenges is the lack of investment in school infrastructure. Nationally, 27.4% of learners do not have a place to sit in school and 34.5% do not have a place to write.⁷⁷ Furthermore, many schools cannot provide access to basic services such as water or the internet.

Key recommendation – Teacher quality: A critical element of enhancing teacher quality is ensuring they are trained in the new curriculum and have access to the required materials. Raising teacher salaries based on qualifications and performance could also promote quality.

Secondary Education (African Rank 21st)

Zimbabwe ranks 21st for Secondary Education in Africa. Secondary education has deteriorated since the 1990s. In the 1980s, secondary education was one of Zimbabwe's greatest success stories. Under the initial reforms, secondary education was vastly expanded, and between 1980 and 1989, secondary school enrolment increased from 7.5% to 45.6%.⁷⁸ Nevertheless, following the country's economic challenges, secondary education has been one of the hardest hit areas of education.

Compared to primary education, secondary education outcomes are weak. This is in part due to fees being co-funded by parents. There are also steep drop-offs throughout the secondary system. Just 63.1% of students complete lower secondary school (first four years of secondary) and 14.9% complete upper secondary school (last two years of secondary).⁷⁹ The greatest challenge in the education sector is the transition from O Level to A Level.⁸⁰ In a recent survey, 46.6% of secondary school dropouts cited financial difficulties as the main reason for dropping out. There is also a major issue with pass rates - while A Levels had a pass rate of 91% in 2017, O Levels only had a 32% pass rate.⁸¹

Furthermore, there is a shortage of specialist teachers in secondary schools in STEM subjects. It is estimated that during 2000-2010, 45,000 out of 100,000 teachers left the country, primarily due to low pay and poor working conditions.⁸²

Key recommendation – Teacher training and hiring: Increasing the number of teachers in the education system, particularly in STEM subjects, would help reach international benchmarks. The Government should review the training curriculum to incorporate realistic ICT training for all educators, retrain and upskill those already in practice. Given the inconsistent levels of education, there is significant value to be gained from upskilling teachers to help with alternative learning, reintegration, and supporting learners who fall behind. Improving teacher compensation (including non-pecuniary) would help increase motivation.

Key recommendation – Education resources: In order to accommodate the number of students graduating from primary schools, the Government should build and fully equip 30-50 new secondary schools each year, using joint ventures and the diaspora. The focus should be on equalising educational resources, including teachers, across the country and reducing the quality gap between urban and rural schools.

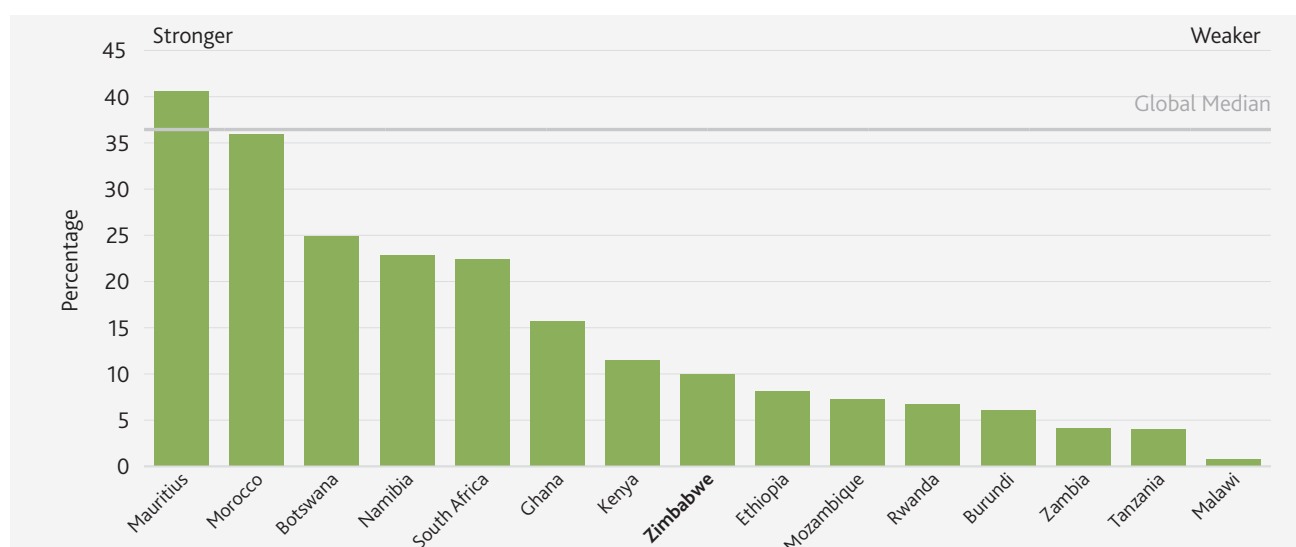
Key recommendation – Resilience of education system: Alternative learning approaches, including radio programming, digital and online learning, and provision of supplementary learning materials could all help when the system is disrupted.

Key recommendation – School fees: It is important that the fees system does not deny access to education to the most vulnerable, while also being an important resource for the education system. By working towards equalising spending per student across different areas to provide a high-quality education across the country, the pressures on fees could be reduced and more evenly spread.

Tertiary Education (African Rank 25th)

Zimbabwe ranks 25th for Tertiary Education. The quality of vocational training is particularly weak (African rank 28th). Funding limits quality and restricts access to tertiary education. Students do not have access to government loans and there have been university tuition fee increases, restricting the access to tertiary education of those without financial means.⁸³ According to the World Bank, the gross enrolment rate (GER) in tertiary education was just 10% in 2015. This was much lower than neighbouring countries. Many of the courses are of low quality and there is a mismatch between skills taught and what is required by the economy, which contributes to the production of unemployable graduates.⁸⁴ Facilities and infrastructure also remain poor.

Figure 17: Tertiary enrolment



Source: UNESCO Institute for Statistics 2019

Key recommendation – Vocational education: Expanding vocational education can help ensure that young Zimbabweans develop practical skills that are needed in the workplace, especially if courses are designed with input from employers, and with greater funding of apprenticeships.

Key recommendation – Addressing labour market needs: The curriculum could be strengthened through better liaison between employers, universities, colleges and government to determine tertiary education priorities, development of skills programmes and delivery of skills training. Strengthening STEM research capacity at universities would also serve the needs of employers.⁸⁵

Adult Skills (African Rank 4th)

Zimbabwe's Adult Skills are an area of strength, where it ranks 4th in Africa, with rankings particularly high for low education inequality and for women's average years in school.

The greatest improvements were made from 1980-1995. The legacy of early education reforms has ensured a high adult literacy rate at 89%, which is up from 78% in 1982.⁸⁶ Zimbabwe's historical investment in education has been good for women, with female literacy improving from 72% in 1982 to 88% in 2014, almost equal to male literacy.⁸⁷

Key recommendation – Lifelong learning: The Government should ensure that there is sufficient training available for adults (particularly the generations who graduated from a stagnating education system from the early 2000s on) with the view to enhancing their capacity to become entrepreneurs or compete for better jobs.⁸⁸ Adult skills training should be aligned with private sector skills needs. Therefore, any comprehensive strategy for adult skills needs to be developed with employers in both the private and public sectors.

NATURAL ENVIRONMENT (AFRICAN RANK 44TH)

The Natural Environment pillar captures those elements of the physical environment that have a direct impact on the ability of people to flourish in their daily lives, as well as those that affect the prosperity of future generations. At the basic level, ecosystems provide the resources for extraction upon which many economies depend. A well-managed rural environment yields crops, materials for construction, wildlife and food, and sources of energy. A healthy climate has an impact on many areas of society; industries such as agriculture rely on healthy soil and favourable weather in order to be fruitful, while recreational activities require that natural resources (such as lakes and reservoirs) are free from pollutants and are well managed. More directly, the quality of people's everyday lived experience is dictated by exposure to environmental health hazards such as air pollution.

Zimbabwe's Natural Environment rank has risen three places from 2010–2020, but it still ranks 44th of 54 countries in Africa. The main areas of challenge are indoor pollution from stoves, and freshwater resources, which are being depleted.

A prosperous Zimbabwe is one where the natural environment is a protected and valued resource. In particular, there is improved home cooking technology to reduce indoor pollution. Forests are better protected and managed, with social and economic incentives aligned with environmental ones, so that cutting down trees is no longer seen as the best economic choice. Furthermore, freshwater can be maintained as a more sustainable resource.

Elements of Natural Environment

Emissions – the level of emissions of air pollutants within a country. This captures the long-term effect of pressures on the atmosphere that a given country will have imposed on the lived experience of future generations (broadly through CO₂ and methane emissions), as well as short-term effects (SO₂, NO_x and black carbon emissions).

Exposure to Air Pollution – the level of emissions to which a country's population is physically exposed, and the effects this may have on their quality of life.

Forest, Land and Soil – the quality of a country's land, forest, and soil resources and the impact this may have on citizens' quality of life.

Freshwater – the quality of a country's freshwater resources and the impact this may have on citizens' quality of life.

Preservation Efforts – the extent of efforts to preserve and sustain the environment, in terms of land, freshwater, and marine areas, for future generations, and public satisfaction with those efforts.

Emissions (African Rank 47th)

Zimbabwe's largest improvement has been in emissions, where it now ranks 47th. Zimbabwe has gained six places, with large reductions in carbon dioxide (CO₂), nitrogen oxides (NO₂), and methane emissions. Zimbabwe's level of emissions per unit of GDP has fallen substantially since 1992. Furthermore, the carbon intensity of the total primary energy supply has declined from 1990-2011.

However, these improvements are likely to have been driven by reduced economic activity rather than the adoption of cleaner technology. The CO₂ per unit of GDP is still higher than the sub-Saharan African average.⁸⁹ This is due to the structure of the economy and the inefficiency of the industrial base. Furthermore, household cooking and heating account for 58% of total black carbon emissions.⁹⁰

Key recommendation – Shift from high-to low-pollution activities: The Government can reduce pollution by policy actions such as increasing tax on polluting companies, especially those that use fossil fuels in their production activities, and scaling up the uptake and implementation of cleaner initiatives.⁹¹

Exposure to Air Pollution (African Rank 26th)

Zimbabwe's Exposure to Air Pollution has slightly worsened over the last 10 years, where it now ranks 26th. According to the WHO, there were 3,800 deaths due to indoor air pollution in 2009. In rural Zimbabwe, 80-90% of people are heavily dependent on wood fuel and light their homes with kerosene.⁹² The use of fuels is exacerbated by lack of adequate ventilation, small kitchens, and not using glass covers (which reduce black carbon emissions).

There were also 600 deaths due to outdoor air pollution.⁹³ Urban areas are affected by outdoor air pollution from traffic and industry, including mining, cement, and steel industries and fertiliser manufacturing.⁹⁴

Key recommendation – Indoor pollution: Replacing traditional cooking and heating with clean-burning biomass stoves could help significantly in reducing indoor pollution. Measures to do so would include removing barriers to adoption and changing building regulations to include: installing chimneys, eliminating (or requiring glass covers for) kerosene lamps, and requiring larger windows to increase ventilation.

Key recommendation – Outdoor pollution: Pollution could be cut by creating better waste management options to prevent open burning of harmful chemicals.⁹⁵ Banning open-field burning of agricultural waste (particularly for contract farmed tobacco, where solar power could substitute for wood-fired flue curing) and providing landfill alternative could help. Furthermore, using diesel particulate filters for road and off-road vehicles would also reduce pollution.

Forest, Land, and Soil (African Rank 30th)

Zimbabwe ranks 30th in Africa for Forest, Land, and Soil, having seen a deterioration over the last 10 years. The largest issue facing Zimbabwe's Natural Environment is deforestation. From 1990-2015, there was a 37% decrease in forest land.^{96,97} According to the Forestry Commission of Zimbabwe, 330,000 hectares of forest are lost annually due to clearing land for tobacco curing, infrastructure development, firewood collection, and agricultural and settlement expansion.⁹⁸

Harvesting wood is an easy source of income and fuel and there is little policing or enforcement of forestry legislation by the authorities. The ease of illegal forestry originates from Zimbabwe's land allocation policies, in particular the Relocation Act that designated 43% of Zimbabwe's forest lands as "communal forests".⁹⁹ Most deforestation is occurring in these communal lands, with little oversight.

Zimbabwe performs even worse for the regulation of pesticides. The pesticide market is highly regulated, with specific quantities of pesticide prescribed, no market competition, and exact spray calendars. As of 2015, many farmers believed that the quality of pesticide had deteriorated and have begun spraying double the recommended quantity.

Key recommendation – Forest protection: Forest protection could be strengthened with increased resourcing of the Forestry Commission and/or extension officers to implement and enforce regulations on timber extraction.¹⁰⁰ The Government should consider alternative commercial and ownership models to protect forests, giving communities a stake in forestry preservation and creating a set of incentives for preservation/husbandry of forests.

Key recommendation – Timber demand: The demand for timber could be reduced by further electrification of rural communities. Introducing alternative energy sources would reduce excessive use of fuelwood.¹⁰¹

Recommendation – Pesticides: In order to promote more careful use of pesticides, consider allowing private development of pesticides – to improve quality and reduce dosages used. The Government could also implement mandatory education for farmers, clear pesticide instructions, and oversight of the pesticide market for safety.

Freshwater (African Rank 48th)

Zimbabwe ranks 48th in Africa for Freshwater Provision. In urban areas, freshwater systems are operating at maximum capacity. Urban wastewater and water purifying facilities are highly centralised, and their plants outdated and poorly maintained. The lack of wastewater capacity has meant that untreated or undertreated wastewater flows into Harare's nearby lakes. One suggestion has been a decentralised system and underground storage systems that are capable of expanding to accommodate further urban population growth.

In rural areas, the forecasted normal to below-normal rainfall season in 2019–2020 has exacerbated water shortages, following the 2018–2019 drought.¹⁰² So much so, that in rural areas, of the 55,600 water sources tracked by the Rural Water Information Management System (RWIMS), only 30% of the sources are actually protected and functional.¹⁰³ Rural communities with sufficient boreholes are protected from these freshwater issues. However, increasingly villagers are resorting to drinking dirty water from drying-up wells.¹⁰⁴

Key recommendation – Infrastructure: Water and wastewater infrastructure need investment, and to deliver this the Government should consider decentralising Harare's and smaller towns' sewage systems. Decentralised systems are cheaper and easier to scale, while requiring less up-front investment.¹⁰⁵

Recommendation – Underground storage: Underground water is usually cleaner than water stored on the surface due to better protection from contamination by pollutants.¹⁰⁶ This would require addressing both land and soil to combat water loss. It also encompasses increasing filtration by protecting areas of river catchment, managing grazing areas, agroforestry, and increasing the use of mulch.¹⁰⁷

Preservation Efforts (African Rank 26th)

Zimbabwe ranks 26th for Preservation Efforts. Zimbabwe has had some success in preserving certain areas. The successes are rooted in Zimbabwe's protected area network, with 27% of land protected. This consists of national parks, wildlife estates, gazetted forests, conservancies and the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE). CAMPFIRE has been a successful programme, albeit small, that began in 1989 and allowed local communities to bring the wildlife on their lands to market as large safari-hunting and tourist operations. There needs to be further government attention to the allocation of resources in educating and building the quality of conservation management.

Key recommendation – Institutions: The Government should build stronger institutions to develop integrated interventions, including coordination to steer statutory subnational bodies towards sustainable natural resource management.¹⁰⁸

Recommendation – Education: The Government should allocate resources to quality assurance and educating farmers in conservation management.

LOOKING AHEAD

In a prosperous Zimbabwe, everyone has access to the resources required to live a good life. There is sufficient food, shelter and they have access to basic services. There is a safety net in the case of unemployment, and meaningful pathways out of poverty.

In a prosperous Zimbabwe, the health system contributes to increased longevity as well as good physical and mental health. Tackling these issues requires major investment and effective implementation of policies to increase the capacity of the healthcare system. The most immediate challenge is retaining and increasing the number of skilled healthcare professionals; thereafter, Zimbabwe should aim to build a more robust system of healthcare that is less reliant on external funding and support.

In a prosperous Zimbabwe, the education system produces qualified and in-demand graduates who will contribute to the Zimbabwean economy. Zimbabwe can build on previous experience to improve the access to and quality of the education system, improve school infrastructure, and make education more affordable.

In a prosperous Zimbabwe, the natural environment is a protected and valued resource. There is clean air to breathe, protected and managed forests, and clean fresh water. As far as is possible, economic incentives are aligned with environmental ones, so cutting down trees is no longer seen as the best economic choice.



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CONCLUSION

Given its starting point, Zimbabwe's future pathway from poverty to prosperity has many components. Since independence, it has had to contend with institutional crises, a stagnant economy, persistent poverty, and the impact of external shocks such as recurring droughts. The myriad of reforms Zimbabwe should undertake will need to be addressed pragmatically, with an initial and single-minded focus on the most binding constraints. These include the need for an accountable and enterprising government, sound fiscal and monetary policy, enhancing the productivity and incomes of the poorest, unleashing the potential of the commercial sector, and opening up to the world.

Our report outlines major challenges in environmental and social policy, among other needs. For example, the Government's stewardship of its citizens requires investments in education and health in ways that provide access to good quality services to everyone. Government departments and agencies need to focus relentlessly on serving the health and education needs of Zimbabweans, working collaboratively with other participants, and not using their organisations as sources of employment and patronage.

For Zimbabwe, the challenge of securing impetus on reform should not be underestimated. For nearly all dimensions of reform, including those that would benefit the majority of the population, there are powerful groups with vested interests. For example – as in other countries – political reform is resisted by the elite, market liberalisation is opposed by incumbent enterprises that run the existing systems, liberalisation of foreign investment is resisted by dominant domestic firms, changes to land policy are viewed with suspicion by traditional and regional authorities, and finally subsidy and price reform is opposed by beneficiaries, even those who as citizens would benefit from the resulting higher levels of public investment and lower prices of, for example, agricultural products.

Five areas are proposed below as priority themes for transforming the nation; however, there are numerous other reforms that will also need to be undertaken in time. To be effective, reform will need to be packaged in a way that offers a bright enough future for all to warrant the challenges and sacrifices needed to get there.

Accountable and Enterprising Government

The first priority is accountable government. Without accountability as part of the social contract, governments tend to become corrupt and inefficient. No other meaningful reform can happen without government accountability. A single-minded focus on the integrity and capacity of the state as a driving force in the development process is key to success.

This focus on state integrity and capacity is the missing component in many development plans around the world, including those supported by international organisations. While there is usually great attention paid to strategies, policies, laws, and plans, it is ultimately the way that a state operates in practice that matters most to outcomes. Success depends on state actors behaving with integrity, focusing on the public good, empathising with citizens, having the technical capacity to deliver projects effectively, working collaboratively on a common mission, and finding solutions while experimenting and innovating.

There is a need for society consensus to build a capable civil service protected from corruption. The political consensus would produce a social contract to support the merit based selection of enterprising officials to lead government departments and agencies, with strong adherence to the rule of law, backed by the enforcement actions of an independent and competent judiciary.

The state needs to be reoriented towards serving its citizens and stewarding the resources of the country. Moving away from a state dominated by vested interests and towards a state responsive to citizens' needs is the single biggest challenge that Zimbabwe faces on the road to prosperity.

As reported by the 1989 Kavran Report of the Public Service Commission in Zimbabwe, the example set by high quality managers is the best way to foster "the values of public service, delivering for citizens in a transparent way and preventing corruption and dishonesty in their services." The officials should be responsible not only for delivering on the key priorities, but also for ensuring that in their day to day interactions they embed and foster a new civil service ethos - one that demonstrates a commitment to service and empathy, embraces transparency and brings public services closer to all Zimbabweans, for example, through digitalisation.

Civil servants should also be responsible for enforcing a policy of zero-tolerance to corruption. If any of the managers are found to be involved in corrupt activities, they should be investigated by the appropriate institutions. Officials should be responsible for ensuring that their departments have clear strategies for becoming corruption-free within a short timeline.

Given the constraints in state capacity that the Government faces, it is essential to focus on only a few national priorities. A substantial part of the Government's technical capacity should be targeted at coordinating private sector delivery of developmental outcomes in rural areas, for example, ensuring that mining companies provide support for eco-tourism or rural infrastructure in communal areas.

Specific individuals should be made responsible for delivering the outcomes associated with these priorities – even when these outcomes involve different departments. The outcomes and targets for each of these priorities should be publicised broadly to encourage active participation as well as monitoring by the public.

A competent state needs to have civil servants who work for the country as a whole and who possess an ethos of service and empathy towards citizens - factors that are all critical in the successful delivery of services and gaining citizens' trust. A service culture among civil servants is especially needed in a country like Zimbabwe.

A citizen-centred and service-oriented state will give priority to understanding the key needs of citizens, particularly the most vulnerable. It will seek ways to make the provision of services to vulnerable people more relevant, easier, accessible, and corruption free. These changes in how the state operates need to be accompanied by a communication campaign that encourages citizens to demand high standards from the Government.

Civil servants should be expected to leave their offices and visit the front line of service delivery to better understand citizens' needs and to work collaboratively with citizens in the co-design of services, ensuring that these services are relevant to users. Designing policies or services that do not incorporate the feedback of users can result in significant waste of resources, which Zimbabwe cannot afford.

The rapid development of digital services offers a radical opportunity to make public services available in ways that are simpler, more transparent and bribe free. Digital services have great potential to facilitate the provision of services in remote areas of the country. For example, telemedicine can greatly improve access to health services. The focus of the digital provision initiative should not be the technology or the gadgets per se, but on identifying which are the services that are most needed in rural areas and which are the best ways to provide services to those areas (including the upgrading of mobile infrastructure).

Sound Fiscal and Monetary Policy

The second major priority is establishing sound fiscal and monetary policies (including the closely related areas of foreign exchange and capital controls). Macroeconomic resilience provides the foundation for a strong economy. On the other hand, a nation that is struggling to pay the interest on its debts or using precious foreign exchange to defend the value of its currency will have fewer options for crisis response and such options have tended to come with conditionalities.

Revenue-raising is a prerequisite for successful government. Fiscal sustainability reflects the ability of a government to sustain its spending, tax, and other policies in the medium-to-long-term. Public finances should allow the stable funding of necessary expenditures for public provision of key services, such as schools, hospitals and roads, and supporting development needs.

Zimbabwe could reinforce its fledgling macroeconomic stability rapidly by deliberate monetary targeting or by adopting multi-currencies or the South African Rand, possibly in the context of joining the Common Monetary Area. The Government would also need to revert to cash budgeting. Extra-budgetary expenditures would have to be strictly forbidden. Fiscal discipline, expenditure limits and expenditure accountability in government departments and agencies would need to be strictly enforced.

The Government should determine an affordable level of public sector employment and the associated wage bill, taking into account revenues and the need to provide adequate compensation to key workers, including in schools and health centres.

Fiscal discipline and transparency can be improved by online publishing of the national accounts (fiscal, monetary) to include a balance sheet of assets and liabilities and an accrual-based annual operating statement of income and expenses. Fully implementing the biometric payroll administration system in the public service would also enhance fiscal discipline.

Distortions and excessive burdens built into the tax system should also be eliminated. There should be greater e-government to simplify tax administration and payments in collaboration with the private sector. ZIMRA should also use simple assessments and eliminate exemptions and discretion as much as possible.

Supporting Increased Productivity and Incomes of the Poorest

The overriding priority of the transformation should be communal farmers, independent workers, and artisanal miners. Government will need to support the entrepreneurial drive and the productivity of these citizens, rather than focusing on their "formalisation".

The state should equip communal farmers with tools to enhance their productivity (information and education, infrastructure, market access) but leave farmers to make their own business decisions. The state will need to provide upgraded rural roads that maximise market access and catalytic investment in micro-irrigation and to support the adoption of solar energy as a localised source of power. It should also introduce guaranteed public-works employment (as social protection) for rural road maintenance, micro-irrigation, water conservation, reforestation and the protection of the natural environment.

The state should ensure that mobile internet infrastructure is expanded to rural areas, enabling the import of best practice digital and technological innovations that reduce the isolation of communal farmers. Digital innovations will include the provision of extension services, support for climate-resilient agriculture, mobile payments, banking, micro-lending, index based micro-insurance, climate information, "uberisation" of tractors, etc. The state will ensure that foreign aid and impact investors support the scaling of innovations that improve the productivity of communal farmers e.g. last mile-shops, digital innovations, etc.

Unleashing the Commercial Sector

While poor producers in the economy need to rely on direct support from the state, larger producers in the new pro-investment and market-friendly environment can use their productive assets and commercial success to scale up their own investment.

As a priority, the Government should speed up the issue of 99-year leases for A2 farms and permits for A1 farms and facilitate the transfer of land rights. The issuing of leases and permits, together with economic stability and the liberalisation of the financial sector, should make finance available to successful farmers (and on more affordable terms).

In addition, the state should consult regularly on how to improve the economic and regulatory environment that producers face, and remove/modify unnecessary regulations or administrative processes.

When larger producers require infrastructure (roads, rail, energy, etc.), the state should engage with them to make it possible for these producers (including mining companies) to build this infrastructure themselves.

To enable a truly effective commercial ecosystem to evolve, it is critical to shift from an environment characterised by many good laws on paper to one that implements them. Government will need to trust businesses and embrace trade and commerce – confident in knowing that policies to enhance the livelihoods of the poorest are not going to be threatened by increased commercial activity.

Openness to the World

The Government will need to embrace with confidence technologies, ideas, and people from around the world. A new social compact should provide for the rule of law and include economic and investment-friendly commitments that will attract investors and people, critically including the millions of the most educated Zimbabweans who live abroad.

Every effort should be made to bring these people back to contribute to the rebuilding of the Zimbabwean economy. There is a need for civil servants, doctors, nurses, teachers, entrepreneurs, agricultural scientists, farmers, engineers etc. Given the limited resources and great needs of the Zimbabwean Government, access to these external resources is invaluable – as proven by the impact of Chinese investment in many sectors.

Importing world-class innovative technologies is a key priority to support better livelihoods in rural areas, e.g. solar energy, precision and climate-resilient agriculture, micro-irrigation, sanitation, digital banking etc. Successful ideas can also be imported, for example last-mile rural digital shops or community telemedicine projects from India.

The Government should encourage the innovative use of impact investment to support commercial initiatives in rural areas. It should encourage partnerships with investors in different sectors, particularly mining, to develop or rehabilitate the infrastructure that is needed. In other sectors, it will encourage foreign investors to include domestic producers in their supply chains.

Government professional capacity in all sectors should be supplemented, when needed, by technical and managerial expertise from abroad, including the Zimbabwean diaspora. The focus of this support would be on building indigenous capacity at all levels in the civil service and delivering the key national priorities.

To be effective, reform will need to be packaged in a way that offers a bright enough future for all to warrant the challenges and sacrifices needed to get there. Nonetheless, Zimbabwe has substantial potential that could be harnessed to ensure its population can enjoy significantly improved levels of social wellbeing. There are a wide range of opportunities for Zimbabwe to drive social and economic development in the coming years. The journey is undoubtedly a long one, yet feasible and worthwhile.





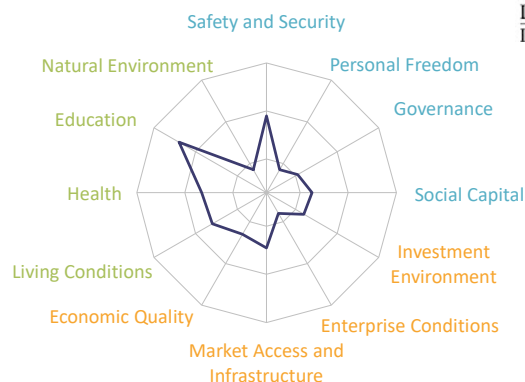
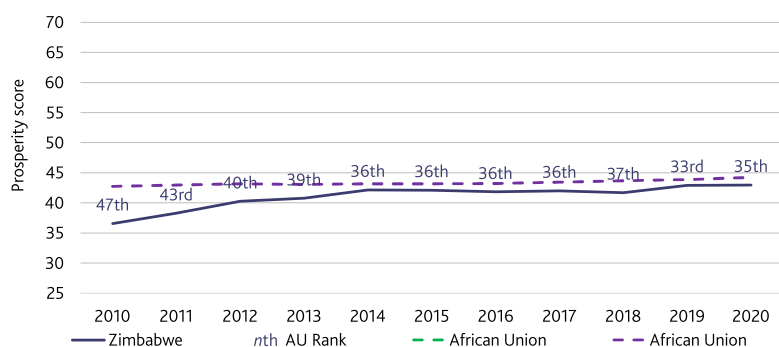
APPENDIX



Zimbabwe: Prosperity score 43.0 (35th)















Prosperity over time



Breakdown of performance

	2010	Score 10-year trend	2020	Rank - AU Countries (1 to 54) 2020	10-year rank change	Rank - African Union (1 to 54) 2020
Prosperity score	36.6		43.0	35	▲ 12	35
Inclusive Societies	33.5		43.6	40	▲ 10	40
Safety and Security	46.5		63.5	23	▲ 23	23
Personal Freedom	25.8		33.1	44	▲ 7	44
Governance	22.5		30.8	40	▲ 10	40
Social Capital	39.2		47.1	36	▲ 9	36
Open Economies	30.2		35.2	40	▲ 10	40
Investment Environment	29.7		36.7	37	▲ 14	37
Enterprise Conditions	29.5		35.8	45	▲ 8	45
Market Access and Infrastructure	21.5		33.5	32	▲ 19	32
Economic Quality	40.0		34.8	35	▼ 10	35
Empowered People	46.1		50.1	23	▼ 2	23
Living Conditions	45.4		46.0	29	▼ 8	29
Health	41.7		57.2	28	▲ 19	28
Education	51.1		49.9	13	▼ 7	13
Natural Environment	46.3		47.3	44	▲ 3	44

<div></div> <div>Safety and Security</div>	<div>2010Prosperity score10-yr trend2020</div> <div>46.563.5</div>	<div>AU Countries Rank202010-yr rank change</div> <div>23▲23</div>	<div>African Union Rank2020</div> <div>23</div>	<div></div> <div>Personal Freedom</div>	<div>2010Prosperity score10-yr trend2020</div> <div>25.833.1</div>	<div>AU Countries Rank202010-yr rank change</div> <div>44▲7</div>	<div>African Union Rank2020</div> <div>44</div>
War and Civil Conflict20%	82.984.9	19▲12	19	Agency25%	21.234.5	40▲12	40
Terrorism15%	97.096.5	26▲4	26	Freedom of Assembly and Association20%	24.021.3	50▼2	50
Politically Related Terror and Violence30%	8.062.1	25▲28	25	Freedom of Speech and Access to Information20%	30.340.7	44▲3	44
Violent Crime25%	29.933.1	45▲1	45	Absence of Legal Discrimination20%	23.933.1	42▲5	42
Property Crime10%	54.851.2	20▲8	20	Social Tolerance15%	32.236.3	36▲3	36
<div></div> <div>Governance</div>	<div>2010Prosperity score10-yr trend2020</div> <div>22.530.8</div>	<div>AU Countries Rank202010-yr rank change</div> <div>40▲10</div>	<div>African Union Rank2020</div> <div>40</div>	<div></div> <div>Social Capital</div>	<div>2010Prosperity score10-yr trend2020</div> <div>39.247.1</div>	<div>AU Countries Rank202010-yr rank change</div> <div>36▲9</div>	<div>African Union Rank2020</div> <div>36</div>
Executive Constraints15%	19.825.4	44▲6	44	Personal and Family Relationships20%	68.060.8	15▬-	15
Political Accountability15%	29.047.2	31▲16	31	Social Networks20%	53.966.2	12▲25	12
Rule of Law15%	34.437.0	30▲6	30	Interpersonal Trust20%	28.728.3	48▼8	48
Government Integrity20%	27.930.5	35▲5	35	Institutional Trust20%	18.734.3	51▲1	51
Government Effectiveness20%	9.024.1	44▲9	44	Civic and Social Participation20%	27.045.9	21▲17	21
Regulatory Quality15%	17.723.1	45▲5	45				
<div></div> <div>Investment Environment</div>	<div>2010Prosperity score10-yr trend2020</div> <div>29.736.7</div>	<div>AU Countries Rank202010-yr rank change</div> <div>37▲14</div>	<div>African Union Rank2020</div> <div>37</div>	<div></div> <div>Enterprise Conditions</div>	<div>2010Prosperity score10-yr trend2020</div> <div>29.535.8</div>	<div>AU Countries Rank202010-yr rank change</div> <div>45▲8</div>	<div>African Union Rank2020</div> <div>45</div>
Property Rights30%	29.735.0	48▲5	48	Domestic Market Contestability30%	21.728.7	39▲9	39
Investor Protection20%	39.046.0	15▲7	15	Environment for Business Creation25%	36.146.9	44▼3	44
Contract Enforcement20%	31.936.5	35▲6	35	Burden of Regulation25%	37.942.5	41▲2	41
Financing Ecosystem20%	28.832.7	48▼1	48	Labour Market Flexibility10%	21.329.8	52▲2	52
Restrictions on International Investment10%	8.531.7	41▲13	41	Price Distortions10%	23.218.6	54▼1	54
<div></div> <div>Market Access and Infrastructure</div>	<div>2010Prosperity score10-yr trend2020</div> <div>21.533.5</div>	<div>AU Countries Rank202010-yr rank change</div> <div>32▲19</div>	<div>African Union Rank2020</div> <div>32</div>	<div></div> <div>Economic Quality</div>	<div>2010Prosperity score10-yr trend2020</div> <div>40.034.8</div>	<div>AU Countries Rank202010-yr rank change</div> <div>35▼10</div>	<div>African Union Rank2020</div> <div>35</div>
Communications25%	16.047.1	21▲22	21	Fiscal Sustainability25%	35.540.1	38▲10	38
Resources20%	23.924.4	32▼5	32	Macroeconomic Stability10%	50.213.9	53▼13	53
Transport25%	26.024.3	44▼7	44	Productivity and Competitiveness30%	30.928.7	28▼4	28
Border Administration5%	33.831.2	39▼9	39	Dynamism15%	34.419.5	40▼33	40
Open Market Scale5%	13.529.3	8▲18	8	Labour Force Engagement20%	58.259.2	5▼1	5
Import Tariff Barriers5%	12.546.7	27▲27	27				
Market Distortions15%	21.335.8	39▲15	39				
<div></div> <div>Living Conditions</div>	<div>2010Prosperity score10-yr trend2020</div> <div>45.446.0</div>	<div>AU Countries Rank202010-yr rank change</div> <div>29▼8</div>	<div>African Union Rank2020</div> <div>29</div>	<div></div> <div>Health</div>	<div>2010Prosperity score10-yr trend2020</div> <div>41.757.2</div>	<div>AU Countries Rank202010-yr rank change</div> <div>28▲19</div>	<div>African Union Rank2020</div> <div>28</div>
Material Resources20%	36.128.1	33▼13	33	Behavioural Risk Factors10%	70.069.1	43▬-	43
Nutrition20%	39.140.8	45▼4	45	Preventative Interventions15%	68.678.8	13▲10	13
Basic Services10%	44.444.9	30▼8	30	Care Systems15%	24.143.7	16▲10	16
Shelter20%	53.251.8	18▬-	18	Mental Health10%	58.657.3	28▲2	28
Connectedness15%	49.255.1	15▼4	15	Physical Health20%	32.648.2	36▲10	36
Protection from Harm15%	52.760.8	32▬-	32	Longevity30%	28.155.1	37▲13	37
<div></div> <div>Education</div>	<div>2010Prosperity score10-yr trend2020</div> <div>51.149.9</div>	<div>AU Countries Rank202010-yr rank change</div> <div>13▼7</div>	<div>African Union Rank2020</div> <div>13</div>	<div></div> <div>Natural Environment</div>	<div>2010Prosperity score10-yr trend2020</div> <div>46.347.3</div>	<div>AU Countries Rank202010-yr rank change</div> <div>44▲3</div>	<div>African Union Rank2020</div> <div>44</div>
Pre-Primary Education5%	30.928.1	19▼4	19	Emissions15%	51.463.2	47▲6	47
Primary Education20%	82.482.4	6▼4	6	Exposure to Air Pollution15%	82.780.4	26▬-	26
Secondary Education30%	46.638.8	21▼10	21	Forest, Land and Soil20%	36.134.7	30▬-	30
Tertiary Education20%	20.023.0	25▲6	25	Freshwater20%	35.230.1	48▼7	48
Adult Skills25%	60.363.3	4▬-	4				
				Preservation Efforts15%	33.038.3	26▲6	26



Italics: Indicator contains imputed values

War and Civil Conflict (19th)																	Terrorism (26th)																
Source	Unit	Weight	2010	Value 10-yr trend	2020	No. countries Rank	2010	2020	Source	Unit	Weight	2010	Value 10-yr trend	2020	No. countries Rank	2010	2020																
Two-sided conflict deaths	UCDP	deaths /1,000,000 population	0.5	0.0	0.0	1	1	1	Terrorism deaths	GTD	deaths /1,000,000 population	2.0	0.1	0.0	30	24																	
Civil and ethnic war	CSP	coding, 0-9	1.0	0.0	0.0	1	1	1	Terrorism injuries	GTD	injuries /1,000,000 population	1.0	0.2	0.7	34	34																	
Conflict-driven internal displacement	IDMC	people /1,000,000 population	1.0	0.0	0.0	1	1	1	Terrorism incidents	GTD	incidents /1,000,000 population	0.5	0.1	0.1	35	24																	
Refugees (origin country)	UNHCR	people /1,000,000 population	1.0	1,767.3	724.0	40	30	30	Property cost of terrorism	GTD	US \$ /billion US 2010 \$	1.0	0.0	0.0	1	1																	
Politically Related Terror and Violence (25th)																	Violent Crime (45th)																
Source	Unit	Weight	2010	Value 10-yr trend	2020	No. countries Rank	2010	2020	Source	Unit	Weight	2010	Value 10-yr trend	2020	No. countries Rank	2010	2020																
Political terror	PTS	index, 1-5	2.0	4.5	3.0	49	21	21	Intentional homicides	UNODC	homicides /100,000 population	2.0	8.2	6.7	44	43																	
Extrajudicial killings	CIRIGHTS	coding, 0-2	1.0	0.0	2.0	43	1	1	Dispute settlement through violence	WJP	expert survey, 0-1	1.0	0.4	0.4	38	30																	
Use of torture	CIRIGHTS	coding, 0-2	1.0	0.0	0.0	22	33	33	Safety walking alone at night	Gallup	percentage	1.0	40.8	45.1	46	41																	
Disappearance cases	CIRIGHTS	coding, 0-2	1.0	0.0	2.0	51	1	1	Physical security of women	WomStat	index, 0-4	1.0	4.0	4.0	27	22																	
Political imprisonment	CIRIGHTS	coding, 0-2	0.5	0.0	1.0	40	16	16																									
One-sided conflict deaths	UCDP	deaths /1,000,000 population	0.5	4.0	0.2	49	40	40																									
Property Crime (20th)																																	
Source	Unit	Unit	2010	Value 10-yr trend	2020	No. countries Rank	2010	2020																									
Property stolen	Gallup	percentage	2.0	26.7	26.0	38	28	28																									
Business costs of crime and violence	WEF	expert survey, 1-7	0.5	3.9	4.4	37	13	13																									
Business costs of organised crime	WEF	expert survey, 1-7	1.0	5.8	4.8	10	11	11																									

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Domestic Market Contestability (39th)								Environment for Business Creation (44th)							
Source	Unit	Weight	2010	<div>Value10-yr trend</div>	2020	2010	<div>Rank2020</div>	Source	Unit	Weight	2010	<div>Value10-yr trend</div>	2020	2010	<div>Rank2020</div>
Market-based competition	BTI	expert survey, 1-10	1.0	2.0	3.0	49	40	Private companies are protected and permitted	BTI	expert survey, 1-10	1.0	3.0	3.0	48	46
Anti-monopoly policy	BTI	expert survey, 1-10	1.0	2.0	4.0	42	27	Ease of starting a business	WB-DB	index, 0-100	1.0	38.3	72.0	44	44
Extent of market dominance	WEF	expert survey, 1-7	1.0	3.5	3.1	21	41	State of cluster development	WEF	expert survey, 1-7	1.0	2.8	2.9	43	50
								Labour skill a business constraint	WB-ES	percentage	0.5	5.0	5.8	4	5
								Availability of skilled workers	WEF	expert survey, 1-7	0.5	4.3	4.4	11	12



Italics: Indicator contains imputed values

				2010	Value 10-yr trend	2020	No. countries Rank						2010	Value 10-yr trend	2020	No. countries Rank						2010	Value 10-yr trend	2020	No. countries Rank		
Communications (21st)				25%	16.0		43	21	Resources (32nd)				20%	23.9		27	32										
International internet bandwidth	ITU	kilobits per second per capita	1.0	28.7		43.4	36	22	Installed electric capacity	UNESD	kilowatts per capita	1.5	0.2		0.2	12	17										
2G, 3G and 4G network coverage	GSMA	index, 0-100	2.0	19.6		67.7	46	24	Ease of establishing an electricity connection	WB-DB	index, 0-100	1.0	43.7		48.6	29	37										
Fixed broadband subscriptions	ITU	number /100 population	1.0	0.1		1.4	17	14	Reliability of electricity supply	WB-DB	index, 0-7	1.0	1.0		1.0	10	22										
Internet usage	ITU	percentage	1.0	3.5		27.1	27	20	Gross fixed water assets	IBNET	USD per population served	1.0	14.8		14.8	28	28										
									Water production	IBNET	litres per capita per day	0.5	258.1		258.1	11	11										
									Reliability of water supply	WEF	expert survey, 1-7	1.0	2.4		2.3	45	52										
Transport (44th)				25%	26.0		37	44	Border Administration (39th)				5%	33.8		30	39										
Logistics performance	WB-LPI	index, 1-5	1.5	2.4		2.1	26	46	Efficiency of customs clearance process	WB-LPI	survey, 1-5	1.5	1.9		2.0	48	44										
Airport connectivity	WEF	index, 0-100	2.0	2,588.7		3,605.3	36	31	Time to comply with border regulations and procedures	WB-DB	hours	1.0	82.0		124.0	24	39										
Efficiency of seaport services	WEF	expert survey, 1-7	2.0	3.0		3.1	29	33	Cost to comply with border regulations and procedures	WB-DB	USD (current)	0.5	204.2		291.7	7	17										
Liner shipping connectivity	UNCTAD	index, rebased to 100 in 2004	0.5	2.0		2.0	53	53																			
Quality of roads	WEF	expert survey, 1-7	1.0	3.2		2.8	25	35																			
Road density	FAO	km per 100 sq km of land area	0.5	24.9		24.9	14	15																			
Rail density	UIC	km per sq km of land area	0.5	0.0		0.0	24	24																			
Open Market Scale (8th)				5%	13.5		26	8	Import Tariff Barriers (27th)				5%	12.5		54	27										
Domestic and international market access for goods	WTO	percentage of global GDP	1.5	1.6		24.3	13	10	Share of imports free from tariff duties	WEF	percentage	1.5	19.3		64.3	35	13										
Domestic and international market access for services	WTO	percentage of global GDP	2.0	0.0		0.0	29	27	Average applied tariff rate	WEF	percentage	2.0	21.0		14.6	54	53										
Trade-weighted average tariff faced in destination markets	WEF	percentage	0.5	4.0		3.8	43	44	Complexity of tariffs	WEF	index, 1-7	0.3	4.1		4.5	54	54										
Margin of preference in destination markets	WEF	index, 1-100	0.5	55.7		55.7	8	12																			
Market Distortions (39th)				15%	21.3		54	39																			
Extent of liberalisation of foreign trade	BTI	expert survey, 1-10	1.0	2.0		4.0	52	42																			
Prevalence of non-tariff barriers	WEF	expert survey, 1-7	1.0	3.8		4.1	39	26																			
Non-tariff measures	UNCTAD	number	0.3	322.8		322.8	35	35																			


Italics: Indicator contains imputed values

	Source	Unit	Weight	2010	Value 10-yr trend	2020	No. Countries Rank 2010 2020			Source	Unit	Weight	2010	Value 10-yr trend	2020	No. Countries Rank 2010 2020
Material Resources (33rd)			20%	36.1		28.1	20 33		Nutrition (45th)			20%	39.1		40.8	41 45
Poverty rate at national poverty lines	WB-DI	percentage	0.5	70.9		70.0	52 51		Availability of adequate food	Gallup	percentage	1.0	72.5		80.6	47 52
Poverty rate at \$1.90 a day	WB-DI	percentage	1.0	21.4		33.9	16 25		Prevalence of undernourishment	FAO	percentage	1.0	42.6		51.3	52 53
Poverty rate at \$3.20 a day	WB-DI	percentage	1.0	47.2		61.0	15 24		Prevalence of wasting in children under-5	WB-DI	percentage	1.0	7.2		3.3	19 9
Poverty rate at \$5.50 a day	WB-DI	percentage	1.0	74.0		81.3	15 23		Prevalence of stunting in children under-5	WB-DI	percentage	1.0	35.3		27.1	23 24
Households with a refrigerator	GDL	percentage	1.0	18.2		24.8	19 24									
Ability to source emergency funds	WB-GFI	percentage	1.0	56.7		54.9	34 24									
Ability to live on household income	Gallup	percentage	1.0	35.8		14.6	27 54									
Basic Services (30th)			10%	44.4		44.9	22 30		Shelter (18th)			20%	53.2		51.8	18 18
Access to electricity	WB-DI	percentage	1.0	36.4		41.0	27 37		Availability of adequate shelter	Gallup	percentage	1.0	17.9		31.8	11 10
Access to basic water services	JMP	percentage	1.0	69.0		64.1	19 32		Housing deprivation	OPHI	percentage	1.0	37.9		37.9	19 20
Access to piped water	JMP	percentage	1.0	36.9		31.0	28 42		Access to clean fuels and technologies for cooking	WB-DI	percentage	1.0	31.2		29.1	17 20
Access to basic sanitation services	JMP	percentage	1.0	43.2		36.2	18 28		Indoor air quality	IHME	DALYs /100,000 population	1.0	4,044.8		2,991.0	42 41
Unsafe water, sanitation or hygiene	IHME	DALYs /100,000 population	1.0	4,287.6		2,525.7	30 24									
Connectedness (15th)			15%	49.2		55.1	11 15		Protection from Harm (32nd)			15%	52.7		60.8	32 32
Access to a bank account	WB-GFI	percentage	1.0	40.0		55.0	11 11		Death and injury from road traffic accidents	IHME	DALYs /100,000 population	1.0	1,312.5		1,023.5	34 31
Use of digital payments	WB-GFI	percentage	1.0	30.0		52.5	17 9		Death and injury from forces of nature	IHME	DALYs /100,000 population	0.5	5.8		0.8	37 18
Access to a cellphone	GDL	percentage	1.0	82.4		82.4	9 24		Unintentional death and injury	IHME	DALYs /100,000 population	0.5	2,004.0		1,698.0	46 44
Rural access to roads	RAI	percentage	0.5	65.0		65.0	13 13		Occupational mortality	ILO	deaths /100,000 labour force population	0.5	11.9		17.3	9 40
Satisfaction with public transportation	Gallup	percentage	0.5	49.1		27.6	17 51									
Satisfaction with roads and highways	Gallup	percentage	0.5	26.7		32.3	38 40									



Italics: Indicator contains imputed values

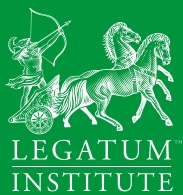
Indicators are ordered by 2020 value. Italics: indicator contains imputed values																							
Behavioural Risk Factors (43rd)				Source	Unit	Weight	2010	Value 10-yr trend	2020	2010	Rank 2020	Preventative Interventions (13th)				Source	Unit	Weight	2010	Value 10-yr trend	2020	2010	Rank 2020
Obesity	WHO-GDO	percentage	1.0	13.5		15.5	44	43	Diphtheria immunisation	WHO	percentage	1.0	75.0		89.0	36	27						
Smoking	WHO	percentage	1.0	16.3		14.9	33	31	Measles immunisation	WHO	percentage	1.0	70.0		88.0	35	21						
Substance use disorders	GBD	number /100,000 population	1.0	2,153.7		2,178.0	45	44	Hepatitis immunisation	WHO	percentage	1.0	75.0		89.0	34	27						
									Contraceptive prevalence	UNICEF	percentage	1.0	63.0		65.8	1	1						
									Antenatal care coverage	UNICEF	percentage	1.0	88.4		93.3	23	24						
									Existence of national screening programs	WHO	index, 0-1	0.5	0.7		0.3	12	17						
Care Systems (16th)				Source	Unit	Weight	2010	Value 10-yr trend	2020	2010	Rank 2020	Mental Health (28th)				Source	Unit	Weight	2010	Value 10-yr trend	2020	2010	Rank 2020
Healthcare coverage	ILO	percentage	0.5	99.0		99.0	47	47	Emotional wellbeing	Gallup	index, 0-1	0.5	0.8		0.7	18	20						
Health facilities	WHO	index, 0-0.6	1.0	0.1		0.1	23	32	Depressive disorders	GBD	years /100,000 population	1.0	488.8		503.9	4	4						
Health practitioners and staff	WHO	index, 0-1	1.0	0.0		0.1	21	19	Suicide	WHO	deaths /100,000 population	1.0	21.7		19.1	51	49						
Births attended by skilled health staff	UNICEF	percentage	1.0	60.2		78.1	23	23															
Tuberculosis treatment coverage	WHO	percentage	0.5	61.0		83.0	23	5															
Antiretroviral HIV therapy	UNAIDS	percentage	1.0	18.0		88.0	25	3															
Satisfaction with healthcare	Gallup	percentage	1.0	31.6		46.8	36	23															
Physical Health (36th)				Source	Unit	Unit	2010	Value 10-yr trend	2020	2010	Rank 2020	Longevity (37th)				Source	Unit	Weight	2010	Value 10-yr trend	2020	2010	Rank 2020
Physical pain	Gallup	percentage	0.5	26.3		33.6	14	10	Maternal mortality	WB-DI	deaths /100,000 live births	1.0	671.0		458.0	38	34						
Health problems	Gallup	percentage	0.5	23.1		27.8	15	21	Under 5 mortality	WB-DI	number /1,000 under 5 population	1.0	97.0		46.2	30	18						
Communicable diseases	GBD	years /100,000 population	2.0	2,955.7		1,726.5	51	42	5-14 mortality	UN IGME	number /1,000 5-14 year-old population	0.5	16.7		12.7	24	26						
Non-communicable diseases	GBD	years /100,000 population	0.5	7,137.8		7,165.7	35	40	15-60 mortality	WB-DI	number /1,000 population	2.0	593.3		354.2	54	49						
Raised blood pressure	WHO	percentage	0.5	28.8		28.2	26	25	Life expectancy at 60	WHO	years	1.0	15.5		17.5	39	17						

[illegible]

	Source	Unit	Weight	Value	10-yr trend	Rank
				2010	2020	2020
Preservation Efforts (26th)			15%	33.0	38.3	26
Terrestrial protected areas	WDPA	percentage	1.0	27.2	27.2	12
Marine protected areas (Insufficient Data)			1.0			
Long term management of forest areas	FAO	percentage	1.0	4.6	4.6	42
Protection for biodiverse areas	UN-WCMC	index, 0-1	1.0	71.0	81.6	4
Pesticide regulation	EPI	index, 0-25	1.0	1.0	3.0	42
Satisfaction with preservation efforts	Gallup	percentage	1.0	38.1	45.3	36

List of data sources and acronyms

Code	Organisation
BTI	Bertelsmann Stiftung Transformation Index
CII	Chinn-Ito Index
CSP	Center for Systemic Peace
FAO	Food and Agriculture Organisation
FH	Freedom House
FI	Fraser Institute
GSMA	Groupe Spéciale Mobile Association
IBNWS	International Benchmarking Network for Water and Sanitation Utilities
IBP	International Budget Partnership
IMF	International Monetary Fund
ITU	International Telecommunications Union
UNCTAD	United Nations Trade Data
UNESD	United Nations Energy Statistics Database
WBDB	World Bank Doing Business Index
WBDI	World Bank Development Indicators
WBES	World Bank Enterprise Surveys
WBLPI	World Bank Logistics Performance Index
WEF	World Economic Forum
WGI	Worldwide Governance Indicators
WJP	World Justice Project
WTO	World Trade Organisation



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ISBN 978-1-911125-65-5



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January 2021