

MIDLANDS STATE UNIVERSITY



FACULTY OF ARTS

DEPARTMENT OF POLITICS AND PUBLIC

MANAGEMENT

**AN ANALYSIS OF THE IMPACT OF GOVERNMENT OF NATIONAL UNITY ON
ECONOMIC GROWTH IN ZIMBABWE (2009-2013)**

BY

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***DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
OF THE BACHELOR OF ARTS HONOURS DEGREE IN INTERNATIONAL STUDIES.***



APPROVAL FORM

The signatories confirm that they have read the dissertation and proposed for acceptance by the Institution. The dissertation entitled: An analysis of the impact of government of national unity on economic growth in Zimbabwe. (2009-2013), submitted by Paddington Mamvura in partial fulfilment of the requirements of Bachelor of Arts Honours Degree in International studies

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DECLARATION

I, Paddington Mamvura affirm that the work that I have submitted is my own exertion which has only been submitted to Midlands State University. I surely confirm that the information that has been acquired from other sources has been acknowledged. This dissertation has been submitted in partial fulfilment of the requirements of Bachelor of Arts Honours in International Studies at Midlands State University.

Signature

.....

Date

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DEDICATION

This work has been dedicated to my loving Mother and Father for their love and care. Especially for their financial assistance throughout my success. May the Almighty God bless you profusely.

ACKNOWLEDGEMENTS

I would like to acknowledge the almighty for his protection and guidance throughout my success. My sincere gratitude goes to my supervisor, Dr S Maeresera for his upcoming expected support and encouragement. To all various stakeholders from different institutions and ministries I salute you all for your sacrifices.

ACRONOMYS

AIPPA:	Access to Information Protection of Privacy Act
CSOs:	Civil Society Organizations
GPA:	Global Political Agreement
POSA:	Public Order and Security Act
ZANU PF:	Zimbabwe African National Union Patriotic Front
ZAPU:	Zimbabwe African People's Union
SADC:	Southern African Development Community
MoU:	Memorandum of Understanding
MDC	Movement for Democratic Change
GNU	Government of National Unity
ONHRI	Organ of National Healing Reconciliation And Integration
ZCTU	Zimbabwe Congress of Trade Union

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INTRODUCTION

IN order for one to come up with a comparative analyses on the effectiveness of GNU on Zimbabwe`s economic growth during the period 2009-2013. One has to look at three phases , which are period pre-GNU, during GNU and third period post GNU. This will make it easy to see which period of time was more economically vibrant than the others. One also need to look at the sectors of the economy in order to assess their performance in the period before, during and after GNU. These sectors of the economy include Mining industry, Finance , industry and commerce, Ministry of Agriculture, Education , Health and other ministries. Looking at the period pre-GNU one can see that the economy of the country was paralyzed. The was hyper inflation , skyrocketing of prices, shortages of food commodities in shops, high unemployment levels, strikes were rampant, lot of industries were closed and many others performing at very lowest level. However with the coming of GNU in 2009. The economy was stabilized , goods were now available in shops, people regained buying power, dollarization stop hyper inflation. However one needs to note that the is a lot of controversy as to who introduced dollarization GNU or the previous government. After GNU one can see that the economy is a little bit shake. This is so because during GNU the government was able to pay the civil servants in time, but now after GNU salaries are a bit shake. More over some industries are now closing and unreliable supply of power is getting worse. Looking at the above one can see the changes in Zimbabwe`s economic status within the three different periods of time. Therefore it is the objective of this research to assess the impact of GNU on Zimbabwe`s economic growth. Statistics will also be used to highlight development in the three phases.

BACKGROUND OF THE STUDY

In February 2009 the Government of National Unity was formed. Its goal was to bring hope to an economy that had collapsed for more than a decade. This followed after the signing of the Global Political Agreement on September 28 [2008]. Pre- GNU the country witnessed a period of black economic empowerment which was a disappointment to the economy. Zimbabwe's economy in actuality shrank in genuine conditions by 50 per cent amid 1998 and 2008 as businesses clogged and the country faced momentous de-industrialization. The policies implemented by the government were very ineffective to the problems Zimbabwean economy was facing. Bureaucratic interfering hindered the flow of funds. Impeded the flow of funds and a lack of clearness misted up the whole indigenization process. Some multinationals such as Olivine, a subsidiary of Heinz and producer of the basic staple cooking oil, sold out to the government and left Zimbabwe altogether. Unemployment was running at about 80 per cent for a number of years.

The government was so involved with advancing cronyism than introducing broad-based economic empowerment. The indigenization program me did nothing to alleviate the poor but rather enrich the already elite with another form of patronage and political Oscar. The agenda of Zimbabwe's new entrepreneurs, was also shrouded in the name of indigenization, lay in harassing white-owned companies and taking business properties for personal gain, rather than in wealth establishment all the way through economic growth. The ruling party ignored these unacceptable acts preaching the political slogan 'Land is the economy, the economy is land' in the run-up to the 2000 elections and afterwards with land reform

The government also proved unfit to the task needed to stabilise the economy. The local currency, which began to display instability after Black Friday on 14 November 1997. According to FAO&WFP statistics The Zimbabwean dollar officially traded at US\$1 to Z\$30 000 in May 2008, while on the parallel market, US\$1 fetched in the region of Z\$4 million . As a result , nobody wanted to touch the local currency, preferring hard currencies or petrol coupons. Barter also became ordinary as hyperinflation reached 56 million per cent in 2008. Farm workers hoped to return to the colonial practice of payment in kind, landlords wanted rents paid in groceries such as sugar and cooking oil if they could be found. New bank notes with values of up to Z\$100 trillion had to be printed, although this denomination was barely enough to buy a loaf of bread. Zimbabwe slashed 12 zeros from the currency in early 2009. Economic indices such as these indicate that the majority of ordinary Zimbabweans are worse rather than better off after indigenization and land reform, which, at their inception, were discussed in terms of equity and poverty reduction. According to Davies It appears that by looking back and focusing on the wrongs of the past, Zimbabwe's leaders might have squandered the country's economic wellbeing for the foreseeable future.

The difficult phase in Zimbabwe's post independence era characterised along with others the misguided land reform programme. This is so since it was done in contrast with democratic principles in the political area and economic sector. More over corruption and lawless was done in the whole facet of Zimbabwean society. Therefore as a result of political divergence it appears that frantic economic policy shifts that were, by and large, done on political convenience rather than economic rationality, ushered in a cocktail of economic and moral crises that have dealt a heavy blow to Zimbabwe's once promising economy. Rukini and Jensen further argues that questionable Political legitimacy of the ZANU (PF) government's persistent hold on authority,

given its consecutive contentious electoral victories since 2000 not only made the worried international world pessimistic but also the opponent parties and Zimbabwean population to lose high opinion of the serving government.

One can argue that ,this predicament of legality had calamitous results on the economy as players in the economy seemed to make use of the crises to their advantage there by engaging themselves in a number of morally questionable practices. Therefore fraud and a fall into criminal acts characterized Zimbabwe's economic landscape. The prominent oppressive participation of the mid government in the management of the economy through, among others, the execution of wholesale price controls and the uncontrolled, disordered and violence-ridden land reform program me gave birth to unparalleled levels of ill-mannered business practices in the economy as participants in the economy seemingly took advantage of such a muddled condition. Approximate pricing of merchandise, black market trading, and universal corruption in the economy shows the level of the ethical paralysis that had absorbed Zimbabwe since the beginning of the new millennium.

Therefore it is of paramount for this research to give a clear view on the impact of GNU on such a crippled economy. Looking at new Zimbabwe since the formation of GNU one cannot deny the good brought by GNU on the economy of Zimbabwe. The economic reforms implemented since the creation of the GNU have bear with them encouraging results for the economy. The acceptance of the multi-currency government down with the strengthening of fiscal policy stance through the execution of a cash-based budget system has made it possible for Zimbabwe to bring down inflation to the creditable level of 3.0% by April 2011. Signs of economic growth after years of unprecedented shrinkage began to surface . Furthermore, in the period under review, food security has improved and the production of the staple crop, maize, rose. Most schools,

industries, companies and hospitals reopened. However one needs to note that GNU did not fully liberate Zimbabwe`s crippled economy. This is so because despite these improvements, many vital sectors such as health and education are still functioning well below their optimum capacity. GDP only increased by 4%, Sanctions are still an issue even after the tenure of GNU, Issue of democracy was not fully resolved. As a result, Zimbabwe continues to hang in the balance and the current government is struggling to develop sustainable policy alternatives to address the problems and challenges of the past.

STATEMENT OF THE PROBLEM

Zimbabwe faced a period of economic crisis between 1998 and 2008. Hyperinflation, shortage of basic commodities, High levels of unemployment and other socioeconomic crisis were the norm the day during this period. Therefore the research seeks to look on the effectiveness of GNU to these economic problems.

JUSTIFICATION OF STUDY

This research will give clear understanding to the role played by GNU on Zimbabwe`s economic growth during this period 2009-2013. It will also give an insight on the causes of this pre-GNU economic meltdown. Examine the extent to which Zimbabwe`s economy developed as a result of GNU.

RESEARCH QUESTION

- Did GNU brought economic growth to the economy
- Who introduced the multi currency regime
- What brought economic stability GNU or dollarization

- To what extent did GNU improve Zimbabwe`s economy

AIMS AND OBJECTIVES

- To understand whether the positive change of Zimbabwe`s economy was as a result of GNU.
- To examine the link between GNU and positive economic change
- To investigate causes of Zimbabwe`s economic crisis pre-GNU
- To investigate the impact of GNU on Zimbabwe`s economy

RESEARCH METHODOLOGY

Research Design

On conducting research, primary source will be used to provide valuable data to the problem. Questionnaires will be used for sourcing data from different organizations and personals.

Constraints

The overriding limitation in this study is that the findings will be solely based on information found on websites and online journals since there are yet no published books on GNU.

Delimitations

The researcher will uses primary data and it will only cover period from 2009 to 2013 date in order to come up with meaningful analysis.

Limitations

The validity of the findings might be impaired in the following:

1. Period of time stipulated for the completion of the research is too short to permit an exhaustive research. The author will therefore encounter difficulties in trying to ration time between the research and other courses. To counter this, the writers will devote all spare time including the vacation to carry out the research so that the time factor will not have a bearing on the quality of the study.
2. Data unavailability
Some people might not disclose the truth about their personal opinions. The information is restricted for people in Gweru.
3. Financial resources will surely destruct smooth and extensive investigation for the conclusive testing of the hypothesis. The writer is likely to face financial constraints hence the travelling and research costs are likely to be unbearable. To counter this, the researcher is going to allocate a considerable proportion of limited financial resources to this project so as to come up with high quality work. Literature review

Theoretical Literature review

This is an account of what has been published on a topic by other accredited scholars and researchers including substantive findings as well as theoretical and methodological contributions. Its main goals are to situate the current study within the body of literature and to provide context for particular reader.

In February 2009, Zimbabwe's Government of National Unity (GNU) was installed. The GNU consisting of Representatives from the Zimbabwe African National Union (Patriotic Front), Movement for Democratic Change- Tsvangirai and Movement for Democratic Change- Mutambara aimed at stabilizing the impulsive situation in the country. The country has gone from prosperity to extraordinary crumple in the preceding decade. Ironically, the single thing which has been mounting in Zimbabwe was inflation for which the country holds a world record. More of late and terribly, cholera-related deaths have also been mounting. This research seeks to reflect on the situation in Zimbabwe through the last decade and to examine on the positive impact of GNU on such a crippled economy.

.According to FAO&WFP statistics The Zimbabwean dollar officially traded at US\$1 to Z\$30 000 in May 2008, while on the parallel market, US\$1 fetched in the region of Z\$4 million. Justifiably, nobody sought to use the local currency, preferring hard currencies or petrol coupons. Barter also became an ordinary as hyperinflation reached 56 million per cent in 2008. Farm workers wished they could return to the colonial way of payment in kind, landlords required rents to be inform of groceries such as soap, sugar and cooking oil if they could be found.

According to the Economist Intelligence Unit, GDP growth is actually predicted to slow down in 2011, reflecting business and political uncertainty as well as static commodity prices and supply-

side constraints. The prospects for sustainable recovery, however, depend on further reforms taken by the more than fragile GNU.

According to UN 2005 in 1998, international donors met in Zimbabwe to map out a blueprint for the next stage of land reform. However, the plan was thwarted when the Zimbabwean government embarked on the contentious Fast Track Land reform Programme in the year 2000. This was done in a chaotic, violent transfer of land from commercial white farmers to African landowners. The results were very disturbing for the Zimbabwean economy. This is so because Programme destabilized the country's industrial development which was dependent on agriculture.

Secondly it undermined access to food by ordinary people who lost work in agriculture and related sectors. Thirdly, the West responded by imposing targeted sanctions on Zimbabwe. Fourthly the negative publicity resulting from this affected the tourism industry, leading to further negative impacts on and the deterioration of the country's economy. By January 2005, the Zimbabwean economy was characterised by a high inflation rate; a shortage of foreign currency; inadequate investment; a budget deficit and stagnating employment.

According to Makochehanwa and Kwaramba a fragile state is where the state power is unfit to the task needed to provide the masses of its nation with major services such as : security, protection of property rights, basic public services and essential infrastructure" leading to socio-economic and political breakdown. A decade-long of political tensions between the ZANU (PF) led government and the formidable opposition party, the MDC, exacerbated an already precarious socio-economic and political situation in the country that betrayed extreme state fragility. According to Rukuni and Jensen The sad episode in Zimbabwe's post-independence

history was occasioned by, among others, the ill-advised land reform program the contraction of the democratic space in the political arena and economic sector thereof, and lawlessness and corruption in the whole facet of Zimbabwean society. Political polarisation and apparently desperate economic policy shifts that were, by and large, predicated on political expediency rather than economic rationality, ushered in a cocktail of economic and moral crises that have dealt a heavy blow to Zimbabwe's once promising economy. Political contestations on the legitimacy of the

According to Velasquez a command economy is actually bad in that it stifles competition in the free-markets and individual business organizations are not motivated to employ their economic and human resources to the fullest because government decrees prices for commodities that are, more often than not, economically unviable. As result, production levels of manufacturing industries go down and shortages set in thereby leading to the suffering of consumers. In addition, quality of products goes down since there is no incentive and stiff competition that justify an improvement of quality of products. It is in light of the above reasons, that this essay argues a case for the utility of a free market system that was introduced by the GNU government's efforts to rebuild its battered economy. The positive economic developments that have accrued from GNU's replacement of a command economy with a market driven economy validates the contention of this paper that a free market system brings about greater utility compared to the command economy.

According to Maanda and Tsunga, The price controls were implemented in response to worsening economic crisis and record-breaking inflation by ordering price slash and freeze of most commodities. This price blitz, code-named Operation Reduce Prices (Operation DzikisaiMitengo), was implemented in order to deal with, among others, speculative pricing in

the economy that threatened the survival of the ordinary citizens of Zimbabwe. However, the outcome of this heavy handed governmental intrusion in the operations of private business organizations fomented the country's precarious economic situation as production levels of key manufacturing organizations fell because the prices they were being commanded to charge were below market value and, therefore, out rightly uneconomical. Therefore, the suicidal miscalculation of implementing price controls in the hope of taming price inflation and general lawlessness in the economic sector was been met with not only disastrous economic consequences but validated the position that a command economy was not a realistic panacea to the endemic economic crisis that afflicted Zimbabwe in the pre-GNU period.

According to IMF Country Report No. 09/139, a number of positive changes in the management of Zimbabwe's economy have given some measure of confidence to otherwise highly skeptical investors in the ability of the transitional arrangement to stop and reverse a decade long economic meltdown that was largely caused by flawed economic and political decisions by the government that was then in power. (IMF Country Report No. 09/139, 2009: 1) notes that it is against this background of the economic and humanitarian crisis, the new administration has rapidly taken several macroeconomic and supply-side policy actions in the fiscal, monetary, financial, and structural areas aimed at maintaining low inflation, halting and reversing the economic decline, and improving social conditions. These actions are articulated in the Short-Term Emergency Recovery Program (STERP) of the new administration.

According to Muzondidya & Nyathi-Ndlovu The weaknesses in the policy development aspects of the transitional government have negatively affected its ability to develop innovative strategies to deal with the legacies of the crisis and its capacity to develop the country economically (Zimbabwe Institute 2010). There is therefore need for non-state actors to find

ways of helping the state to develop policies that can move the country out of its current political and economic quagmire. Yet, very few Zimbabwean civil society organizations have taken up the challenge to develop or to help the state come up with alternative policy frameworks that can help the country to overcome its current social and economic challenges. Economic policy making decisions have remained largely in the hands of the state and political parties.

Zimbabwean civics has also failed to adequately monitor the implementation of state policies and the general economic management of the country. The suppression of civic activity by the state and the hostile working relationship between the Zimbabwe state and civics has indeed forced civil society out of the public space for many years.

According to Kamidza Zimbabwe's years of economic mismanagement and political instability, especially in the last decade of the Zimbabwe Crisis, have had catastrophic effects on the national economy, much of which has left many of its once-vibrant sectors and industries significantly depleted. The formation of the GNU has since brought some stability to the economy, particularly through the implementation of the Short Term Emergency Recovery Program that helped reduce rapid inflation levels as well as ensure the provision of basic commodities (though largely imported) that were scarce before.

According to Anthony Giddens' structuration theory is of great utility in highlighting the agency developed by both the teachers and bank tellers, who are the focus of this paper, in surviving hostile structural forces (an unfavourable political climate and economy). Despite this agency ensuring the sustenance of some households, to some extent, the survivalist responses to the crisis employed by some of the teachers and bank tellers had the effect of propping up a culture of corrupt and illicit activities that fuelled a get rich quick mentality among some sections of Zimbabwean society.

DISSERTATION LAYOUT

Dissertation Layout

Introductory Chapter

This is the chapter that introduces the topic, and also justifies the. The introductory chapter also reviews the literature of various scholars. It also reflects upon various techniques which were employed by the researcher during the research expedition.

Chapter

Origins of GNU

This chapter will give light to the background of GNU. It will examine on the events which lead to the formation of GNU.

Chapter 2

Analyses the success of GNU

This chapter will look at the positive impact of GNU on Zimbabwe's economy. It will give a clear view to the good brought by GNU as far as economic growth in the country is concerned.

Chapter 3

Analysis on the failures of GNU

This chapter will give an insight as to whether positive change in economic growth was as a result of GNU or not and if there was an positive change. This chapter will further explore on the

challenges faced by GNU and some of the aspects it failed to solve

Chapter 4

This chapter will give recommendations, summing up the whole dissertation.

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Chapter 1

Introduction

Pre- GNU, the country faced a decade of economic crises. Different political analysis are of different opinions as to the causes of Zimbabwe`s economic crisis during this period. Some argue that it is the mismanagement of funds and corruption by the ZANU PF which caused Zimbabwe`s economy to decline in an unprecedented manner. The ruling party ZANU PF state that illegal sanctions by the western countries are the causes of Zimbabwe`s economic crisis. The opposition party MDC blames the ruling party ZANU PF for the economic problems that the country has faced in the last two decades. One can also argue that political tension between ZANU PF and the opposition party MDC. In February 2009 the two parties came together to form a Government of National Unity [GNU]. This was meant to bring positive change to the economy which had been paralyzed by political tension between ZANU PF and MDC and other factors like sanctions by western countries which had crippled the economy. Therefore this chapter will look at the economic, social and political chaos during this period which led to the formation of GNU as the incumbent government was failing to bring about positive change.

Origins of GNU

A number of factors are said to have caused Zimbabwe`s economic crises pre GNU. Some scholars are of the view that poor political and economic decisions lead to a situation of extraordinary economic crisis. . Moyana argues that the way in which the government undertook the land reform affected negatively on the political and economic institutions of the country. This is so since levels of production in the agriculture industry dramatically fell which resulted in a widespread of hunger across the whole nation. and economic slide since the country bases its

economy on agro-products. The reputation of the country as a breadbasket of southern Africa became history now that the country had become a basket case of the region as it was now relying more on imports to support its starving nation. Such a dire economic status was worsened by the European Union and the United States of America who imposed illegal sanctions on the nation Zimbabwe. They justify their actions by claiming that the fast track land reform which Zimbabwean government implemented was done in an undemocratic manner. They also claim that the gross violation of human rights in Zimbabwe. As a result economic meltdown struck the country since an embargo was set on the country's imports. This is so since the Zimbabwe was isolated from the international market.

Some scholars argue that the country's economic crisis was largely caused by poor political and economic strategies, These economic miscalculations include awards of large amounts of money to the war veterans in 1997. More over involvement in the DRC war which gravely drained the the country's funds. The so called price controls also damaged the country's economy. With such an economic crisis prevailing the the inflation rates rose to critical levels. This therefore affected the social and economic stability of the country. It was as a result of such an unstable economic environment which led practice of unethical business activities thereby adding more damage to the already damaged economy.

One can also see that more than ten years of political tension between the ZANU PF party and MDC opposition party worsened an already damaged social, economic and political situation in the country. This therefore resulted in a number of economic crises around the country. It was against this background of sad economic situation which led to the formation of GNU in a bid to revive the economy since the ZANU PF government had prove incapable of solving the crisis,

More over Pre- GNU the country saw a phase of black economic empowerment which was unfruitful. Zimbabwe's economy began to fall in genuine terms by 50% in the period between 1998 and 2008. This was so because businesses were closing and the country's economy was in serious retrogressive movement. The government did nothing to solve these crisis, but rather hindered flow of funds to promote development through bureaucratic meddling. One also to point out that lack of transparency misted up the whole indigenization process. This therefore meant that the whole indigenization process was to a larger extent unfruitful since it mainly benefited the already elite in the society. Multinationals companies like Olivine producer of basic cooking oil leafy the country. such as Olivine. Given these failures a need for a new government surfaced inorder to bring up hope to such a collapsed economy. It was as a result of this which resulted in the formation of the Government of national unity (GNU).

The government also proved unfit to the task needed to stabilise the economy. The local currency, which began to display instability after Black Friday on 14 November 1997. According to FAO&WFP statistics The Zimbabwean dollar officially traded at US\$1 to Z\$30 000 in May 2008, while on the parallel market, US\$1 fetched in the region of Z\$4 million . As a result, nobody wanted to touch the local currency, preferring hard currencies or petrol coupons. Farm workers hoped to return to the colonial practice of payment in kind, landlords wanted rents paid in groceries such as sugar and cooking oil if they could be found. Every week the government had to print new bank notes with values up to Z\$50billion in an effort to met up the skyrocketing prices of commodities. However one need to see that such large amounts of money were almost not enough to buy a loaf of bread. Given such a dire economic status the establishment of a government of national unity was inevitable since a single government was proving incompetent to perform its duties.

Unstable political environment and desperate economic changes that were by a large extent dominated by political motives rather than economic logic, led to an economic environment characterised with uncouth business practices. This had a huge negative blow on the country's once promising economy. It can also be seen that political struggle on the justifiability of ZANU(PF)'s unlimited tenure in office even after its unclear electoral victories since the emergence of MDC party. This did not only make international world sceptical but also the opposition parties and Zimbabwean citizenry to lose respect of the responsible government. It is against these historical events which led to the formation of the GNU as the international community and Zimbabwean public could no longer accept the ZANU (PF)'s undemocratic hold on power.

Therefore crisis of legitimacy had catastrophic consequences on the economy as participants in the economy seemed to take advantage of these crises in order to engage in a number of morally questionable practices. Therefore Corruption and a slide into criminality characterized Zimbabwe's economic landscape. The pronounced heavy-handed involvement of the central government in the running of the economy through, among others, the implementation of wholesale price controls and the lawless, chaotic and violence-ridden land reform program occasioned unprecedented levels of uncouth business practices in the economy as participants in the economy seemingly took advantage of such a chaotic situation. Speculative pricing of commodities, black market trading, and general corruption in the economy summed the extent of the moral paralysis that gripped Zimbabwe since the turn of the new millennium.

Therefore as a result of the above, The Southern Africa Development Community (SADC) tasked the former President of South Africa, Thabo Mbeki, to negotiate a common ground between ZANU (PF), MDC T and the other MDC against a background of unstable political and economic environment. It was as a result of these silent diplomatic meetings which lead to the formation of the GNU. The mediation advocated for free and fair harmonised elections. The mediation was successful in coming up with steps that will insure free and fair elections in 2008. However this was only an agreement on paper, because soon after the election day there was five week delay in the annunciation of results. This lead to tension in the country. More over in the run up of presidential runoff elections series of violence were committed across the nation against the MDC T supporters. This resulted in the death of so many MDC T supporters across the nation. Some political analysts claim that there were also series of rape case which were reported during the runoff elections but the police could not do anything about since they had lost their authority to the ZANU(PF) youths.

It was after the run- off election of 2008 which was a complete shame to the nation and the international community that the GPA was signed. The Government of national unit (GNU) was formed and took office in February 2009. Its goal was to bring about political and economic stability to a country that had known nothing but political violence and economic poverty for more than a decade. This was as a result of quite diplomacy between the ZANU (PF) and MDC factions, which were mediated by the then President of the republic of South Africa Thabo Mbeki.

Therefore it is vital for this research to give a clear view on the impact of GNU on such a crippled economy. Looking at new Zimbabwe since the formation of GNU one cannot deny the good brought by GNU on the economy of Zimbabwe. The economic reforms implemented since the formation of the GNU have been very fruitful as far as economic growth is concerned. The introduction of international currency (dollarization) alongside stern monetary policies managed to reduce inflation rate to credible levels of 4%.The economy began to grow after years of unprecedented fall..More over during the same period food security rose, Most schools industries, companies and hospitals returned to their better operating standards. However one need to note that GNU did not fully liberate Zimbabwe`s crippled economy. This is so because despite these improvements, many vital sectors such as health and education are still functioning well below their optimum capacity.GDP only increased by 4%, Sanctions are still an issue even after the tenure of GNU, issue of democracy not fully resolved. As a result, Zimbabwe`s state of affairs continues to hang in the balance and and the country did not fully earn investors`s trust due to persistent unstable economic environment.

Conclusion

In summary one can say that the GNU was as a result of many factors but manly the political and economic crisis that had devastated the country for more than two decades. The long political tension between ZANU pf and MDC had negatively affected the country`s socio-economic status. Some scholars argue that unlogicall political and economic policies that were implemented by the pre-GNU government worsened an already damaged economy. This dire situation left the country with no other choice but to form a government of national Unity in an effort bring positive change to the country`s collapsed economy. Through quite diplomacy secret meetings between ZANU pf and MDC were held in order to come up with a solution to the crisis

that the country was facing. It was as a result of these meetings that GPA was formed which lead to the birth of GNU

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Chapter 2

An analysis of the successes of GNU

Successes

Introduction

This chapter is going to give a clear view on the impact of GNU on such a crippled economy. Looking at new Zimbabwe since the formation of GNU one cannot deny the good brought by GNU on the economy of Zimbabwe. The economic reforms implemented since the formation of the GNU have bear with them positive results for the economy. The adoption of the multi-currency regime along with the tightening of fiscal policy stance through the implementation of a cash-based budget system has helped Zimbabwe to bring down inflation to the commendable level of 3.0% by end-April 2011. Modest economic growth after years of dramatic shrinkage was achieved. Furthermore, in the period under review, food security has improved and the production of the staple crop, maize. One needs to note that with the coming of GNU Most schools, industries, hospitals, companies, businesses, municipal water supply, telecommunications, power, airways and colleges returned to their acceptable/better operating standards

GNU's gallant decree to democratise the market in Zimbabwe has significantly helped in bringing some measure of economic liveliness that had long abandoned the country. In addition, the democratisation of the market has helped in destroying bottlenecks in the economy that in past gave birth to an excess of crude business practices in the economy such as dishonesty, inducement black market trading and exploitative pricing. In a free market economy, the stiff

contest among sellers brings about product price solidity, and in most cases sellers did reduce their prices in a bid to attract consumers to their products as soon as possible.

Therefore, a free market system that the GNU rekindled after it was inattentively deserted by the pre-GNU ZANU (PF) government at the zenith of economic and political havoc has been proven to be a more enviable solution to Zimbabwe's economic crises compared to command economy that the country had known since the beginning of the new millennium. Therefore from this aspect one cannot deny the idea that GNU brought economic growth to the Country. Since most the policies it implemented helped a lot in the rebuilding of the country's economy. According to Velasquez :2002: a command economy is in reality bad in that it stifles competition in the free-markets and personal business organisations are not encouraged to employ their economic and human resources to the fullest because government decrees prices for commodities that are, more often than not, economically unviable.

As result, levels of production from manufacturing industries will go down, in so doing leading to the affliction of consumers. In addition, value of products goes down since there is no enticement and solid contest that justify an upgradation in the quality of products. It is in light of the above reasons, that this paper argues a case for the utility of a free market system in the GNU government's efforts to rebuild its tattered economy. The positive economic developments that have accrued from GNU's replacement of a command economy with a market driven economy validates the contention of this paper that a free market system which GNU implemented brings about better service unlike to the command economy

According to ministry of finance`s reports of 2012 inflation rate declined to 3,2% by September 2012. This further shows that GNU managed to stop hyper inflation and made it possible for inflation rate to fluctuate at lower levels like 3,2 , 3,8 and 4,8. To add the same bulleting states that both exports and imports increased by 32,6% and 17% to US 1billion and 2 billion respectively. From the above aspect only a blind eye will deny that GNU improved the country`s economy during its tenure in office.

Looking at the Agriculture sector during this period one cannot deny the improvement brought by GNU to the contry`s economy. This is so because availability of funds during the tenure of GNU boosted the agriculture industry .for example Tobacco output mounted to 144,5 million kgs by close of the selling season in August 2012 against the 130 million kgs that had been projected at the start of the selling season.

In an interview with Mr Gwembe director at the ministry of agriculture gave an example of milk production. Gwembe said that, “milk production increased by 30% on a monthly basis in 2012”. Gwembe further argues that this was due to availability of funds which enabled the usage of silage which is more nutritious than conventional grazing. From the above it is clear that Agriculture industry performed better during GNU era than the period before. So it is justifiable for one to argue that GNU had a positive impact on the country`s economic growth.

The acceptance of the multi-currency system alongside the strengthening of monetary policy stance through the implementation of a cash-based budget system has made it possible for Zimbabwean government reduce inflation rate to the creditable level of 3.0% by April 2011. The Zimbabwe dollar was constant in loosing value at a shocking in the middle of earth trembling inflation levels that made the pricing of goods an every day routine. A combination of economic

and ethical crisis that made up the pre-GNU period pose a stern test to the capability of the GNU since it was able to put a stop to alarming inflation rates. More over Makochekanw argue that Even though a decade prior to the formation of the GNU had seen the level of state fragility deteriorating drastically.

One can note that the background of the economic and humanitarian crisis, The new government of GNU managed to take macroeconomic and different supply -side policy activities in the financial, fiscal structural and financial areas geared to promote low inflation, stop and to reverse economic decline, and to improve social conditions. These policies were implemented through the Short-Term Emergency Recovery Program (STERP) of the new government. Specifically macroeconomic stability is to be restored and inflation contained through strict fiscal discipline and appropriate monetary policy. The GNU's key effort to change and democratize the political atmosphere and liberalisation of the market did manage to bring about much needed gradual recovery of the economy and regained investors' confidence to invest in the country.. From the above one can safely say that GNU managed to bring economic growth to Zimbabwe's economy.

In an interview with T. Gumbo a political analyst at the Harvest house in Harare. He alluded that pre-GNU the public had money but there was nothing to buy. However with the coming of GNU availability of commodities resurfaced. This therefore shows that the economy was performing better during the tenure of GNU. Gumbo further argues that post GNU, the country is now faced with deflation. That is products are available but people got no buying power. Gumbo argues that this is so because post GNU civil servants salaries are shaky, but during the time of GNU salary date was certain since the GNU government was able to pay them in time. More over Gumbo stated that during the GNU era there was salary increment which is no longer a thing now that

there is a new government. Therefore In light of Gumbo`s opinion GNU did brought economic growth in the country.

More over Positive signs of the recovery of the country`s economy following the formation of the GNU validates the utility of a market driven economy. Key economic sectors of the economy like Mining industry are gradually back on the road to a painful recovery process even though the fractious coalition between Zimbabwe`s political protagonists, the MDC-T, MDC-M and ZANU (PF) has not helped matters to in still significant confidence among key international investors. However a number of positive changes in the management of Zimbabwe`s economy have given some measure of confidence to otherwise highly skeptical investors in the ability of the transitional arrangement to stop and reverse a decade long economic meltdown that was largely caused by flawed economic and political decisions by the government that was then in power.

In an interview with Doctor Jailos a deputy director at the ministry of finance. Pointed out that although they were some overall slowdown in economy`s growth during the tenure of GNU output improvement were noted in some sectors particularly in the mining industry jailos stated that the mining sector did perform well during this period. This is so because most minerals including gold, platinum, Palladian and nickel recorded improved outputs in 2012 compared to previous years. Gono argued that this was due to adequate flow of funds towards mining industry which boosted mass production. However one should note that this was more associated with the recovery in international mineral prices. So for one to give all the credit to GNU will be a gross miscarriage of justice.

In addition such cautious monetary Policy moves that were introduced by Finance Minister, Tendai Biti, that include, among others, a cash budgeting system in 2009 in an endeavour to restrain governmental expenditure in order to lash out the long and complex genuine economic stimulation project that would bring about greater convenience to the Zimbabwean masses . Most significantly, before the creation of the GNU, unsound political and economic policies such as the retrenchment of price controls and exchange limits worsened the decline in business climate thereby exacerbating Zimbabwe's catastrophic economic fall. Such an encouraging economic policy change and modification programme during the short period next to the establishment of the GNU has made it possible in transforming and bring about economic stability to a country's economy that had suffered for more than ten years an extraordinary melt down. Accessibility of essential products on the local market, acceptance of a steady international currency, with other affirmative economic reforms, has managed to improve the general living standards of the Zimbabwean people. More significantly, the freedom of the economy has to a great extent improved the availability of essential products thereby clearout the economy of some ill-mannered business practices such as black market trading and corruption. Such optimistic and "...reliable record of muscular policy execution to guarantee macroeconomic stability, establish change through, along with others, Therefore liberalisation of the economy adds weight to the view that a free market in contrasting with a command economy brings about the greatest convenience to the market players and is therefore more attractive in the context of the GNU's scary task to revive its tattered economy.

In Views and Perspectives on the Health Delivery System in the pre- and post-GPA eras in Zimbabwe: The case of Mashonaland West Province, Mugari et al observe that the establishment of the GPA has had a strong blow on different sectors of the economy as well as the health sector

which had been gravely affected by the economic and political crisis in the country. In their research on the health delivery system in the Mashonaland West Province of the country since the beginning of the GPA, they found out noticeable desirable positive changes in the GPA phase to a structure that had become seriously crippled. Yet, they state that , these positive improvements were not the ones expected of, by the stake holders as a result of persistent financial challenges the government was facing. In a bid to solve these problems, they edged the government to utilise the enhanced participation of non-governmental organisations (NGOs).

In his article entitled Impact of the Global Political Agreement at micro level: The Case of Long-Valley Farm Community Development Project in Makonde District, Kwaira looks at how the fortunes of a community development project in a farming community changed for the best after the start of the GPA. Kwaira claims that the project was finding it difficult to keep buoyant pre-GNU as a result of unsure and shaky economic atmosphere, only to respire a sigh of relief after the signing of GPA . March 14 2013 study was set to verify the effectiveness of GNU on the project by evaluation process of the experiences of the community pre-GNU and during GNU . Results gave a noticeable improvement to the conditions on the ground concerning particular actions of the project since the inception of the GPA. This therefore shows that the environment created under GPA contributed importantly to the improvement in the state of affairs to the the community under study, And possibly other communities in some parts of the country.

Problems experienced within the project before the GPA the Long-Valley Community Development Project was now off the ground and findings here resulted from data that were obtained during the 21 meetings held between March 2006 and September 2008. Since focus was now concentrated on issues specifically relating to food processing, all the other problems that had emerged during earlier meetings were no longer of interest to the project. From total lack of

food, farmers were now able to process their crops into specific food items. Going by the sentiments shared during meetings, they were excited about producing their own food. It also emerged that the availability of food had had a positive impact on health, especially that of children, due to improved nutrition. Clearly, the community had moved some steps out of the original crisis. However, having said all this, a new set of problems began to show within March 2013 the project. For example between June 2007 and September 2008, the most critical problems bedevilling the project related to situations where some of the pieces of equipment suffered relentless breakdowns, particularly the grinding mills. This was not at all unusual. In any production system, machinery needs service where parts are repaired and replaced. Although the manpower to repair the machines was locally based, with some of the major parts locally manufactured, there were those few materials, small components and machine tools where the community had no choice except to source them from distant places like Chinhoyi and Harare. This is where the problem became worse, especially relating to transport; where members raised funds for travel, it was not obvious that they would come back with the required items. During meetings it emerged that most of the funds the community raised and thought would be sufficient would in actual fact not be enough by the time one got to town. Prices were changing almost every day, if not every hour. The situation actually worsened during the time of bearer cheques when some of the shops would not accept them as legal tender. These were some of the problems adversely affecting the project most of the time resulting in frustration.

Improvements in the situation since the GPA Coming to the period October 2008 and July 2012 the situation drastically improved. A ray of hope and promise emerged with the advent of the GPA that was signed on the 15 of September 2008. Suddenly most of the problems disappeared, particularly with the introduction of the multi-currency March 2013 system immediately after the

GPA. From discussions during meetings and general observations, one could actually feel and see the difference. People could travel as much as they desired and components or materials for repairing and servicing machinery were no longer a problem. It became clear that people were now taking advantage of the stable prices resulting from the stable exchange rates. Budget plans developed during meetings those days were becoming more and more meaningful.

This situation of progress and stability has resulted in the people of Makonde engaging in projects where apart from meeting their subsistence requirements, they are also able to produce in excess for sale, either within their community or elsewhere in neighbouring communities and in towns and cities like Karoi, Chinhoyi, and even Harare. For the community development project at Long-Valley Farm, this has been a very positive development resulting in more benefits such as employment creation to benefit women and youths. During meetings, farmers have actually indicated that the standard of life in their homes has greatly improved.

Conclusion

From the above one can see that GNU managed to liberate Zimbabwe's crippled economy. Looking at new Zimbabwe since the formation of GNU one cannot deny the good brought by GNU on the economy of Zimbabwe. The economic reforms implemented since the formation of the GNU managed to produce positive results for the economy. The adoption of the multi-currency regime along with the tightening of fiscal policy stance through the implementation of a cash-based budget system has helped Zimbabwe to bring down inflation to the commendable level of 3.0% by end-April 2011. Modest economic growth after years of dramatic shrinkage was achieved. Furthermore, in the period under review, food security has improved and the production of the staple crop, maize. One needs to note that with the coming of GNU Most

schools, industries, hospitals, companies, businesses, municipal water supply, telecommunications, power, airways and colleges returned to their acceptable/better operating standards.

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Reflections on Zimbabwe's Past as Building Blocks for its Future

Chapter 3

An analysis of the failures of GNU

Failures

Introduction

The thrust of this topic is to look at the failures of GNU. One need to note that GNU did not fully liberate Zimbabwe`s crippled economy. This is so because despite these improvements, many vital sectors such as health and education are still functioning well below their optimum capacity. GDP only increased by 4%, Sanctions are still an issue even after the tenure of GNU, Issue of democracy not fully resolved, frozen of employment during the tunure of GNU, no expansion of industries, As a result, Zimbabwe continues to hang in the balance and the current government is struggling to develop sustainable policy alternatives to address the problems and challenges of the past. Therefore the research below will give an insight on some of the objectives that GNU failed to fulfil.

The fact that GNU failed to expand an industry means that the government was no different from its predecessor. During the tenure of GNU there was no expansion of industries , so fro one to say that GNU did brought economic growth to the country will be gross representation of facts. The only thing that GNU did was to keep in play the already existing industries. More over one need to note that some industries even close during the time of GNU in power , for example Blue ribbon company did close. So from these events only shallow minded person will claim that GNU did brought economic growth to the country.

More over in terms of local and international trade GNU did nothing to improve the country`s trade activities. This is so because as long as the economic sanctions the western powers imposed on the country were still in play there was nothing even the GNU could do to improve the the country`s trade activities under such tight conditions. So for one to say that GNU did brought economic growth to the country will be a mis carriage of justice since there was nothing permanent that was set forth by the government of national unity.

One also need to note that GNU did constrain the economy of the country. This is so because the government of national unity was made up of two political parties with very different political ideologies. This hindered a lot of developmental projects which could have been done during that time. The two strong parties in the GNU ZANU PF and MDC T could not hide their uncommon ground to both the nation and the international community. Due to the above reasons the government of National unity failed to gain investors` confidents and this avoided an changes of foreign investors to fund the country`s economic activities, for example ZISCO project was delayed due to divergence of interest within the government of national unity. More over the issue of sanctions affected the effectiveness of GNU. This affected the availability of resources. sSo even with the coming of GNU the country`s economy could not prosper cause the sanctions. Therefore inlight of the obove statements one can safely say that GNU did nothing to improve the country`s economy . Since divergence of intrests and different political ideologies among the political parties within GNU impeded an development which could have been done. More over the issue of sunctions also limited the effectiveness of the coalition government.

In light of the above can one realy blame the ZANU PF government for the economic mis fortunes that the country has faced inthe past years or it is all because of the economic sunctions that were imposed by the western powers. This is so because shortages of commodities in tthe

country is not because of the flaws of the government but rather an embargo set forth by the western powers on the country's imports. More over the reduction of inflation rate in the country cannot be said to be because of the good deeds of GNU but rather because of the introduction of international hard stable currency. So only a shallow analyst will say that GNU manage to stabilise the economy, because it is not GNU, but use of US dollar which was introduced by finance minister Chinamasa.

It is also important to note that during the period of GNU in power there was no salary increment. This therefore shows that there was no different fro GNU and its previous government since the two could not increase works' salaries. So only a short-sighted scholar will say that GNU brought economic growth to the country's economy. To add GNU did worsen the country's situation buy freezing employment. This further exacerbated the already unspeakable unemployment rate which was in the country. More over lives of many Zimbabweans became more miserable. Therefore how can one claim success from a government which worsened the situation in the country.

If one takes a look at the urban environments during the period of GNU in power. There are issues of poor service delivery of water and sanitation which was an issue even before the time of GNU in power. So the fact that GNU did nothing to improve such poor conditions in the country means that the coalition was no different from its previous government. So only a fool will think that it liberated the country's economy. Weak GNU institutions paved way fro persistent of such informal warped delivery service. Such poor service delivery pose health threats and GNU did nothing to insure the safety of its people so for one to say that GNU improved the country's services will be grossly misleading.

One can also argue that the country's urban councils were experiencing poor service delivery since the year 2000. With the adoption of US dollar it was expected of the urban councils to take advantage of a stable currency and improve its service delivery. However these expectation were all in void since the performance of these urban councils was even worse during the period of GNU in power. So from the above one can see that nothing much was improved in the country during the tenure of government of national unity in Office.

More over to prove the failure of GNU for example if one takes a look at the performance of city council in Bulawayo. It is justifiable to describe the GNU's administration as the worst one ever in the history of the city. Pre-GNU Bulawayo was rated the cleanest city in the country due to the best service delivery which was offered by its city council. However during the time of GNU in office the city of kings and queens faced some serious delivery service challenges. Such challenges include the uncontrollable dumping of rubbish in the bush by residents, sewer bursts leaving unattended to for a long time, water cuts became the norm of the day in the city . The government of national unity did nothing to solve these problems and proves the highest level of mismanagement of the city council during the phase of GNU in power and MDC councillors managing most of the city councils. Therefore using the above evidence one can see the incompetence of the government of national unity.

One also need to note that the economy of the country had had some serious challenges during the tenure of GNU. This is highlighted in the treasury bulletin of 2010. It shows that the economic performance of the country during the first quarter of 2010 had intrinsic challenges that pose a great threat of retrogressive movement of the economic gains attained under STERP1. These challenges were mostly related to poor performance of some major sectors of the economy like the agriculture sector which was expected to grow by 10% in 2010 but later on

revised down to 7%. The bulletin further argues that other challenges which worsened the situation were related to rising inflation pressures, shortage of working capital deteriorating current account balance. Judging from the above aspects one can see that GNU did not had an impact on the country`s economy.

More over the critical supply of utility services such as water and power which was still a great deal even during the tenure of GNU shows that it did nothing to improve the country`s economy. This is so because the same problems of poor water and poor supply that the country faced during the previous government before GNU were still a major problem even in the time of GNU in office. More over this affected performance of most industries across the country due to critical supply of electricity and water. This further adds weight to the argument that coalition government did nothing to improve the country`s economy.

Moreover on the issue to deal with Gender equality GNU did nothing to improve the role women in decision making. One can see that women in Zimbabwe have been marginalised in terms of decision makin ever since the Lancaster house. The role women played in the resolution of conflicts since 1979 in the Lancaster house conference to the 1987 unity accord and to the current global political agreement. One can see that the role of women in conflict resolution in the country is limited. More over even in peace building and governance initiative the role of women is still marginalised and the government of national unity did nothing to solve such unbalanced gender structure in the country. Therefore one can see that GNU did nothing to improve the lives of women, so to say that it brought economic growth to the country while women were neglected will be gross representation of facts.

To add GNU failed to solve the cultural norms of women access to land ownership. Zimbabwe`s cultural norms state that land ownership is largely owned by man, This therefore means that women are left behind in terms of development in the country, As they are left out of most developmental projects due to cultural norms which denies them landownership. More over one can see that women`s capabilities are limited to peripheral positions due to the cultural norm domestication of women and therefore end up as subordinates in politics. This there fore conclude that GNU paid little attention to solve the gender access to land and other fruitful activities because the parties in the coalition government were now more drawn by sharing power rather than serving the interests of the masses.

GNU did nothing to improve the conditions of Economic institutions that needed urgent reform in the country. One can see that lack of participation of the youth in the economic activities of the country has managed to destroyed their potential of being successful in life. For example none of the youths across the country did benefit from the land reform programme that took place in 2000. More over even in the current ongoing indigenization programme none of the youths are benefitting as it is only benefitting the already elite the society and the ones with connections. That`s even though the National Youth policy is calling for the involvement of the youth in the economic activities of the country in an effort to empower them a lot still need to be done to see that this is achieved on the ground not just on paper. The GNU did nothing to address these economic disparities so for one to say that GNU brought economic growth to the country will be miscarriage of justice since no positive change was brought to unequal economic institutions of the country.

Furthermore some scholars argue that multi-currency regime which was adopted during the time of GNU in office only managed to bring economic stability regarding things like prices and

availability of commodities in the shops. However one needs to note that this only improve living conditions of the people due to the use of dollarization, but permanent developments like infrastructure development and expansion of industries among other things GNU failed in doing major economic developments.

Lack of sustainable power energy also shows the incompetents of GNU. This has resulted in a massive deforestation across the country in a bid to find fire energy for cooking. About 70% of rural peri-urban households in the country rely on biomass(that is cow dung, wood and crop) for cooking and other households activities. These people in the rural area got limited access to he nation will be did nothing to solve these problems. The same level it found rural electrification projects when it got in to the office is the same level it left it. To add power critical supply of 2007 and march 2013 resulted in an intense deforestation which estimates thinks that about 200 000 to 350 000 hectares of forest coverage was lost each year. Given such evidence one can clearly see that GNU did little to improve the country`s economy since even during its time in power a lot of informality activities were still at large.

Looking at the Country`s health sector one can see that GNU was a failure. Through questioners most health professionals` responses showed that the outcome of GNU were not as they had expected. For example the issue of employee`s salaries remained very low, something they thought was going to be the first resolution of GNU. This was as a result of poor funding from the government. In an interview with one of the doctors at Gweru general hospital, He alluded that the budget allocation of the Health ministry was only 30% which was barely enough for the

medical drugs and other hospital equipments. Therefore looking at these research results one can safely conclude that GNU was as failure as far as economic growth is concerned in the country..

In addition Doctor madzinga revealed that for an institution to recruit more staff it was suppose to apply first to the Minister of Finance for approval before taking an recruitments. As a result of such a long process many qualified nurses remained jobless during the time of GNU in power and along with some professional who had returned from Diaspora. More over many people could not afford hospital drugs during the GNU era since they were very expensive. This further add weight to the view that GNU did not liberate the Zimbabweans from poverty, since even during its time people still could afford some basic needs.

The benefits of business incubation are multi-varied. However, the adoption of this system in Zimbabwe failed due to different political ideologies within the inclusive government. Their main challenge was political instability. Political skirmishes which have been predominant since the formation of the inclusive government. As a result, the environment has not been conducive not only for foreign direct investment but also for the development of an entrepreneurship culture in Zimbabwe. The political impasse among the parties to the GNU also affects unity and consistence in policymaking and implementation in the country. Deadlocks within parliament, local government and even within cabinet were the order of the day.

This scenario killed the development of the entrepreneurship spirit in Zimbabwe. Election talk since the inception of the inclusive government led the political leaders to support and champion economic recovery programmes that have short-term benefits at the expense of long-term projects such as business incubation that would have sustainable benefits. Therefore with the

above points only those who lack insight will say that GNU brought economic growth to the country when it failed to implement long term projects which had sustainable benefits.

Closely related to the aforementioned argument is the problem of macro-economic instability. The inclusive government inherited from the previous government an economy that was constantly declining. Lalkaka and Shaffer (1999) noted that a stable macro-economic environment is important for the success of business incubators. They noted that 'the Brazil incubator programme began to expand rapidly only after the country's economic situation was stabilized after 1993'. The best that can be said regarding the inclusive government is that it managed to restore relative stability of the economy. In 2008 the economy was heavily informalised; the informal sector was burgeoning whilst the formal sector was dwindling. Chitambara (2010:2) notes that 'the percentage of population employed in the formal sector declined to about 6 per cent by March 2013 2004'. The declining of the formal sector negatively affected the flow of revenues into the national economy, resulting in a liquidity crisis and high Inflation levels.

McGreal2008 notes that in 2008 Zimbabwe's year on year inflation had reached the world's stratospheric levels of 231 million percent. An unfavourable regulatory and policy framework discourages the formation of SMEs such that starting up a business incubator under the current situation would not bear any fruit. Most of the policies and regulations in the developing countries are not optimised for entrepreneurship. Legal incentives to start new businesses and the assurance of intellectual property protection are weak in most developing countries. This precarious situation also exists in Zimbabwe with detrimental effects on efforts towards sustainable economic growth and poverty alleviation.

The success of incubation processes anywhere in the world rests upon the adequacy of other auxiliary infrastructural developments. On this score, Lalkaka and Shaffer (1999) argue that 'commensurate investments are required in transport and communication infrastructure, technical education and entrepreneurship development from school onwards, scientific research and technology'. Quality assurance is also important to ensure that the processed goods match the international minimum standards. In Zimbabwe, the Standards Association of Zimbabwe (SAZ) is responsible for approving the quality of goods produced within the country. However, in most cases SMEs are just producing their products March 2013 and selling them at the market without considering the issue of quality standards. A good example is the carpentry industry. Although most of these carpenters are housed at Council owned and controlled premises, they produce poor quality products.

Conclusion

In summary one can note that GNU did not fully liberate the Zimbabwean economy. This is so because a lot of the country's economic sectors are still operating under expected working conditions. These sectors include ZEDC, ZINWA, NRZ, Telone, Local authority, Housing and other key sectors of the economy. Moreover if one takes a look at the Country's health sector it can be noted that GNU was a failure. Through questioners most health professionals were quick to point out that the results of the GPA were not as people expected. For instance the salaries of employees remained very low even after the GPA due to poor funding from the government. Moreover one can also see that shortage of medication is still an issue in a lot of government hospitals around the country. So from the above it is plausible or one to say that GNU only

managed to stabilize the country's economy and provide food security but as far as economic growth is concerned the GNU did little. This is so because a lot of country's economic institutions are still operate under their expected working conditions.

RECOMANDATIONS

Zim Assert Plan is expected to consolidate the gains brought about by the Land Reform, Indigenisation and Economic Empowerment and Employment Creation Programmes, which have empowered the communities through Land Redistribution, Community Share Ownership Trusts and Employee Share Ownership Schemes, among others.

In order to improve the country's economy the government should insure that goals in the Zim assert blue print should be fully implemented and be beneficial to everyone in the country.

The international community should also bear with the country's fragile economy and cut the or reduce debt Zimbabwe owes to IMF . This debt crisi has hindered the country's development programmes since some of the money which should be used for developmental projects will be used to pay the debt it owes to IMF.

This goes along with the issue of sanctions, if Zimbabwe's economy should recover the western powers should remove their so called targeted sanctions which have isolated the country from the international market. This has affected the country's development potential since history has proved that countries prosper through trade and not necessarily through subsistence farming. The perfect example of this is the globalization of China's economy, which has propelled the country as a competitive force on the world stage

It is also important that the so called developed nations should stop meddling in our internal affairs. This is so since their involvement is causing a lot of political and economic chaos. For the regime change

Agenda by the west through the use of MDC has caused the ZANU PF party to use extremely violent measures in order to protect the country`s sovereignty .

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