



**University of Fort Hare**  
*Together in Excellence*

**An analysis of the implementation of the Indigenization Economic Empowerment  
policy in Zimbabwe.**

**By**

**Trezah Nyathi**

**201013489**

**0744243590**

**A thesis submitted in fulfilment of requirements for the degree of Masters**

**Of Administration in Public Administration**

**In the Faculty of Management and Commerce at the University of Fort Hare**

**Supervisor: Prof D.R.Thakhathi**

## **DECLARATION**

I Nyathi Trezah hereby establish that “An *analysis of the implementation of the Indigenization Economic Empowerment policy in Zimbabwe*” is my own work and it has not been submitted before at any other given institution or journal. All the references are appropriately acknowledged and pointed out.

.....

**January 2016**

## **ACKNOWLEDGEMENTS**

First and foremost I would like to thank God who has continuously been there for me guiding and steering me in His path of righteousness by leading me with His forever faithful hand.

A special Thank you goes to my supervisor Professor D.R. Thakhathi for his leadership, support, endurance, guidance both academically and spiritually. Without your support and guidance I would not have made it this far. I pray that our good Lord and faithful Savior be with you, that He continues adding more blessings to you and your family, I thank you.

I would like to thank GMRDC (Govan Mbeki Research and Development Centre) for their financial support making it possible for me to go through my Masters degree. I would like to offer a special thank you to the Department of Public Administration for giving me the opportunity to make history and be part of their department.

I owe special gratitude to the love of my life who has stood by me through thick and thin and held my hand through the difficult challenges that I faced. It might not have been easy being around me at that moment I hope you will endure to the end. I thank you from the bottom of my heart Prince Daughin Ngqabutho Ncube.

Saving the best for last I thank my parents for their continuous love, support, sacrifices, endurance and hard work. If I did not have you as my parents, I don't think I would have come this far. You are the cream of all parents I would not ask for more. To my siblings, thank you for being my pillars of strength and I hope you will follow in my footsteps someday. Words could never express how grateful I am to you all.

## **ABSTRACT**

The anchor of this research was to analyze the implementation process of Zimbabwe's IEEP. Implementation of policy has been the Achilles heel of most African countries it has been proven that it is a disease of the continents. In this research the focus is on analyzing what happened between the tabled idea and the implemented policy, this is because the implemented policy had a tremendous contradictory impact to the world as it disempowered the investors in an attempt to economically empower its citizens. The tabled idea was great it had its own flaws because it lacked clarity in some of its definition and the goals, objectives and how the policy were to be implemented are not clear there is basically lack of clarity pertaining to the policy. This study made use of two theories the Top- down approach and the politics and administration dichotomy, these two theories are in favour of an autocratic way of policy implementation which follows a chain of command. These two theories highlighted that administrators are being covered by politicians and that administration as a practice and discipline are dead. This has led to policies being made implemented first before they are formulated because there are no administrators. This study reviewed that the implementation process of the IEEP is not clear or rather it does not exist; there is little or no transparency on the events that took place between the tabled idea and the implemented policy.

## Table of Contents

<b>DECLARATION</b> .....	i
<b>ACKNOWLEDGEMENTS</b> .....	ii
<b>ABSTRACT</b> .....	iii
<b>ACRONYM LIST</b> .....	vii
<b>CHAPTER ONE: INTRODUCTION AND BACKGROUND</b> .....	1
<b>1.1 Introduction</b> .....	1
<b>1.2 Background</b> .....	6
<b>1.3 Problem Statement</b> .....	17
<b>1.4 Objectives of the Study</b> .....	18
<b>1.5 Significance of Study</b> .....	19
<b>1.6 Research Methodology</b> .....	19
<b>1.7 Limitations of Study</b> .....	21
<b>1.8 Chapter Outline</b> .....	22
1.8.1 Chapter 1- Introduction and Background.....	22
1.8.2 Chapter 2- Literature Review .....	22
1.8.3 Chapter 3- Research Methodology.....	23
1.8.4 Chapter 4- Data analysis.....	23
1.8.5 Chapter 5- Conclusion and Recommendation.....	23
1.8.6 Chapter 6- Bibliography.....	24
<b>1.9 Key Terms</b> .....	24
1. 9.1 Implementation .....	24
1. 9.2 Empowerment.....	24
1. 9.3 Indigenization.....	25
<b>1.10 Ethical Consideration</b> .....	25
<b>1.11 Conclusion</b> .....	25
<b>CHAPTER 2: LITERATURE REVIEW</b> .....	28
<b>2.1 Introduction</b> .....	28

2.1.1 Implementation .....	32
2.1.2 Policy Cycle.....	35
2.1.3 The Implementation Phase.....	38
2.1.4 Generations of Researchers on Implementation.....	39
2.1.5 Theoretical Frameworks.....	41
2.1.5.1 First: Top down approach.....	42
2.1.5.2 Second: Politics and administration dichotomy.....	45
<b>2.2 The International view .....</b>	<b>57</b>
2.2.1 Brief Background of Countries in Africa.....	57
2.2.2 Empowerment programs in other developing countries.....	60
2.2.2.1 Malaysia’s Economic Empowerment Reforms .....	60
2.2.2.2 Botswana citizen economic empowerment policy .....	61
2.2.2.3 South Africa’s Economic Empowerment Reforms (BEE) .....	64
<b>2.3 The Local view .....</b>	<b>69</b>
2.3.1 Introduction.....	69
2.3.2 Policies implemented from independence to the IEEP .....	72
2.3.3 Origin of policy .....	90
2.3.4 What the Policy entailed.....	92
2.3.5 The case for Zimbabwe: The Indigenisation and Economic Empowerment (IEE).....	99
2.3.6 Stakeholders Involved .....	115
2.3.7 Implementation of the IEEP.....	116
2.3.8 Reactions of institutions to policy implementation .....	120
<b>2.4 Conclusion .....</b>	<b>129</b>
<b>CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY .....</b>	<b>134</b>
<b>3.1 Introduction.....</b>	<b>134</b>
<b>3.2 Research design.....</b>	<b>134</b>
<b>3.3 Research paradigm.....</b>	<b>135</b>
<b>3.4 Qualitative research approach.....</b>	<b>136</b>
<b>3.5 Rationale for using the qualitative research methodology .....</b>	<b>138</b>
<b>3.6 Data collection .....</b>	<b>140</b>
<b>3.7 Data collection methods in qualitative research.....</b>	<b>141</b>
3.7.1 Interviews.....	142

3.7.2 Advantages and Disadvantages of using interviews .....	143
<b>3.8 Observation.....</b>	<b>144</b>
3.8.1 Advantages and disadvantages of observation.....	145
<b>3.9 Secondary analysis.....</b>	<b>146</b>
3.9.1 Advantages of Secondary analysis .....	147
3.9.2 Disadvantages of Secondary analysis .....	147
<b>3.10 Rationale for the choice of data collection .....</b>	<b>148</b>
<b>3.11 Why secondary analysis .....</b>	<b>149</b>
<b>3.12 Delimitation of the research study .....</b>	<b>151</b>
<b>3.13 Type of the officialdom .....</b>	<b>151</b>
<b>3.14 Conclusion.....</b>	<b>151</b>
<b>CHAPTER FOUR: DATA ANALYSIS .....</b>	<b>153</b>
<b>4.1 Introduction.....</b>	<b>153</b>
<b>4.2 Data analysis .....</b>	<b>153</b>
<b>4.3 Content analysis.....</b>	<b>154</b>
<b>4.4 Objective one: Analyze the policy implementation processes using the Indigenization Economic Empowerment.....</b>	<b>155</b>
<b>4.5 Objective two: To compare the implementation and results of Indigenization and Economic Empowerment in Zimbabwe and empowerment in other countries .....</b>	<b>158</b>
<b>4.6 Objective three: To understand the gap between the tabled idea and the policy implemented.....</b>	<b>163</b>
<b>4.7 Objective four: To examine how economic empowerment will be achieved by the policy in its current form.....</b>	<b>165</b>
<b>4.8 Conclusion .....</b>	<b>169</b>
<b>CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS.....</b>	<b>171</b>
<b>5.1 Introduction.....</b>	<b>171</b>
<b>5.2 Recommendations .....</b>	<b>179</b>
<b>5.3 Conclusion .....</b>	<b>181</b>
<b>CHAPTER SIX: BIBLIOGRAPHY .....</b>	<b>183</b>
<b>List of References.....</b>	<b>183</b>

## ACRONYM LIST

**AAG** Affirmative Action Group

**BACCOSSI** Basic Commodity Supply Side Intervention

**BBEE** Broad-Based Black Economic Empowerment

**BEE** Black Economic Empowerment

**BEEA** Black Economic Empowerment Act

**BIPPAs** Bilateral Investments Protection and Promotion Agreements

**CSOTs** Community Share Ownership Schemes/Trusts

**CZI** Confederation of Zimbabwe Industries

**DERUDE** Department of Rural Development

**DTI** Department of Trade and Industry

**ESAPs** Economic Structural Adjustment Programmes

**ESOT** Employee Share Ownership Trusts

**FDI** Foreign Direct Investment

**GDP** Gross Domestic P

**IBDC** Indigenous Business Development Centre

**IBWO** Indigenous Business Women Organization

**IEE** Indigenization Economic Empowerment

**IEEA** Indigenization Economic Empowerment Act

**IEEP** Indigenization Economic Empowerment Policy

**IMF** International Monetary Fund

**LAA** Land Apportionment Act of 1930

**LED** Local Economic Development

**LTA** Land Tenure Act of 1969

**MDC** Movement for Democratic Change

**MP** Members of Parliament

**MYDIE** Minister of Youth Development, Indigenization and Empowerment

**NANGO** National Association of Non-Governmental Organizations

**NGO**

**NIT** National Investment Trust

**NITZ** National Investment Trust of Zimbabwe

**NIEEB** National Indigenization and Economic Empowerment Board

**NIEEF** National Indigenisation and Economic Empowerment Fund

**NEP** New Economic Policy

**NDP**

**NRZ** National Railways of Zimbabwe

**OM** Operation Murambatsvina

**PLC** Parliamentary Legal Committee

**RBZ** Reserve Bank of Zimbabwe

**SAPs** Structural Adjustment Programmes

**UDI** Unilateral Declaration of Independence

**UNDP**

**UN** United Nation

**WB** World Bank

**ZANU** Zimbabwe Africa National Union

**ZANU PF** Zimbabwe Africa National Union Patriotic Front

**ZAPU** Zimbabwe African People's Union

**ZESA** Zimbabwe Electricity Supply Authority

**ZIA** Zimbabwe Investment Authority

**ZIAA** Zimbabwe Investment Authority Act

**Zim Asset** Zimbabwe Agenda for Sustainable Socio-Economic Transformation

**ZIMPREST**

**ZIPAM** Zimbabwe Institute of Administration and Management

**ZMDC** Zimbabwe Mining Development Corporation

**ZNCC** Zimbabwe National Chamber of Commerce

**ZLHR** Zimbabwe Lawyers for Human Rights

**ZSE** Zimbabwe Stock Exchange

**ZYC** Zimbabwe Youth Council

## **CHAPTER ONE: INTRODUCTION AND BACKGROUND**

### **1.1 Introduction**

On the 7<sup>th</sup> of March, 2008 the gazette reported that the Indigenisation Economic Empowerment Act 14 of 2007 was created which was then signed and made into a law on the 17<sup>th</sup> of April, 2008. This law stated that every single company should arrange 51% of their shares or interests with “share capital above US 500 000 dollars operating in Zimbabwe”. These companies are supposed to give the 51% shares to indigenous Zimbabweans. The Government of Zimbabwe put in print the regulations with high opinion to the Act on the 29<sup>th</sup> of January 2010, therefore depicting the Law effective. According to Munyedza P (2011:6) these regulations comprised a condition that proposed that by the 15<sup>th</sup> of April, 2010 all companies that are operating in Zimbabwe should provide precise information on how their company is going to fit into the indigenisation plan therefore they had to submit information on their company as well as an indigenisation implementation plan of that company. There were going to be submitted to the Minister of Youth Development, Indigenisation and Empowerment (MYDIE), by the above mentioned date. Therefore the circulation of the set of laws “marked the finalization of the Act and consequently the real implementation effects of the Act would become observable from the latter date onwards”. (ibid)

To analyse the Indigenisation Economic Empowerment Policy two main theories are going to be used, the Top down theory and the Politics and Administrative dichotomy theory. These two will unpack the implementation process by analyzing and criticizing the way the IEEP was implemented. These two theories processes will try and explain why the Indigenization Economic Empowerment Policy has proven to be a very controversial policy both externally (internationally) and internally (home). This policy has managed to cause commotion, mistrust, and economic loss. Debates have been had pertaining to this particular issue which has put Zimbabwe on a pedestal for some of the African countries.

Africa as a whole is a rich continent which has a vast amount of mineral resources which remain untapped ranging from diamonds to platinum. Ore deposits have been discovered all around Africa which has lead to the belief that miners around the world are coming into Africa also for the ascending commodity price of these minerals. Alexluu (2013) states that this situation has led to “resource nationalism” this is where most of the African countries are hunting for ways to increase royalties and taxes on mining companies so as to maximize the profits. Zimbabwe on the other hand went as far as putting the “Indigenization Policy” which requires foreign countries to own 49% and 51% being owned by indigenous Zimbabweans in the next five years ( ). On the 4<sup>th</sup> of August 2011 the Indigenization Indaba was held where, Minister Saviour Kasukuwere

stated that the minimal 51% of shares that the government was going to take would be divided and directed among three sectors or beneficiaries. These would gain empowerment especially from the mining sector , the plan was to divide the percentage as follows firstly 10% would go to the communities where the actual mining is being done, this 10% would serve as a way or means to develop those communities or townships. Secondly 10% is supposed to go to the mine workers by increasing salaries whilst providing room for employment. Finally the remaining 21% is meant to go to the Sovereign Wealth Fund which then will help with the National Reservoir of resources.

This Indigenization act obliges foreign-owned businesses to cede (meaning to surrender) at least 51 percent of their companies to black Zimbabweans. The act was sternly opposed by the opposing party Movement for Democratic Change (MDC) they dreaded that the implementation of such a policy/ act would cause a flight in capita by scaring away investors.

The policy was put into place so as to address the imbalances of the past with which the economy was still linked to (colonial rule). As a result policy stated that companies should hand over 51% of their shareholding to local partners. The act was a foundation for disputes in ZANU PF, others opposing the actions and others maintaining unwavering standpoint. This act did not only cause dispute internally it horrified

investors which lead to flight in capital affecting the core of the act. The Minister of Information Jonathan Moyo said, "We are reviewing and tightening the indigenization and empowerment policy by being pragmatic without being dogmatic about it," he then went on to say that "(Foreign) investors will be allowed to recover their initial capital investment, an appropriate return on investment and operational costs before the sharing of production outputs or profits."(BDlive news by Foreign Staff, May 26 2014, 04:52). Therefore under act in the mining sector foreigners who owned mines were given a choice to risk nationalization or to give up 51% of their shares

This is where the lack of clarity and uncertainty comes in and it might be the main reason why investors are afraid to invest or go to Zimbabwe for business. This does not clarify how the 51% shares are to be handed over, are they going to be paid for? Or are they to be taken with no return to the owners, hence the controversy.

The period of colonialism left traces of marginalization and oppression that was left by the colonial masters' evidence is vivid in some Asian countries and right across the African countries through taking over their business and land. This marginalization also affected the education systems which lead to the unequal employment and business opportunities. In South Africa it was the apartheid era where land was taken from natives also the training of blacks for certain types of labor through Bantu education

(Mathonsi, 1998:16). Crouch (2004:25) then mentions that the Afrikaner economic empowerment was ensured and racial supremacy over people who were not white (Steenekamp, 1991). According to Chiumbe et al (2003) the same situation took place in Zimbabwe blacks were downgraded to poor agricultural communal areas, Nherera (2000) then emphasizes by noting that this restricted the stipulation of education making sure that the blacks were under educated by the missionaries. To undo the discrimination and marginalization in Zimbabwe there are two main reforms that have molded the economy, social and political structure in the 21<sup>st</sup> century to be exact the Land Reform of 2000 and the Indigenization and Economic Empowerment Policy of 2010 (IEEP).

Implementing the Indigenization Economic Empowerment policy (IEE) highlighted the need that the Zimbabweans have to empower themselves through job creation as compared to business takeovers. Empowerment is especially important to the former colonies, specifically those who were under colonial regime. The heart of these issues is how to fairly redistribute national wealth as well as resources among former colonizing marginal and the indigenous preponderance of the population. Therefore,

black empowerment, especially in post colonial government is a policy that is important so as to cure historically deep-rooted prejudice that produced racially based economic and social inequalities (Masunungure and Koga, 2012).

## **1.2 Background**

The colonial period in Africa marginalized, oppressed and suppressed the Africans to a point where they felt they were inferior to the super powers. Zimbabwe is one of the many countries that were colonized by Britain which took their land, riches (live stock) and possessions. This occurred by force, there were no papers signed or a civilized way of land grab. The infiltration of the Europeans became in 1858 during the reign of King Mzilikazi who welcomed the white Christian missionaries, this paved way for the land grabbing settlers, soldiers and fortune hunters (Bussiek et al, 2009: 28). To create peace with the people who took their land in 1890 King Lobengula signed the Rudd Concession which was meant for mining purposes. This Concession came with Cecil John Rhodes who got it from the British South African Company, this Concession was signed in good faith that the white settlers can dwell in Zimbabwe and mine their mineral also assisting the people by educating them. Instead Cecil John Rhodes came with an army and inhabited a city we now know as Harare. King Lobengula then fought with Rhodes so that he gains his land back but was over thrown and that same year the country was named Rhodesia, this then means Rhodesia became a British Colony

([www. Zimembassy.se](http://www.Zimembassy.se)) mentions that the land was taken without reimbursement to title-holders it was then given to any white settler be it the Rhodesian soldiers or the 20th century war veterans of the two world wars, as long as they are not black persons. The Land Apportionment Act of 1930 (LAA) was behind the division of land so racially with the help of the Land Tenure Act of 1969 (LTA) which then focused on an Act that made sure no black person owned land especially in white areas. These two Acts were the two main pieces of legislation during the colonialism period these two Acts began geographical segregation of the population because of land and land rights.

According to Yudelman M (2000) this premature land reform fashioned a structure that resembled feudalism structure of political principles founded on class discrimination as well as racial forced to a large extent when looking at the African populace by the white Rhodesians and British government. The beginning of land problems in Zimbabwe began when the colonial masters noticed that clannish conduct had no structure of property rights as unrecorded by Western culture. From the European pioneers' point of view the land in Zimbabwe was for taking since there were no property rights, this meant that the Africans had no solid legislation for their land and anyone who wanted it could come and grab or get land because the Africans had no say. Even though there was an abundance of land in the late 1890's and early 1900's, most of it was not arable; as a result this created a rush for arable land by the Europeans who were already in Africa.

When reviewing this early land situation some twenty years later in 1915, the Native Reserve Commission stated that “the European authorities had acted on some very poor assumptions” (Meredith, M 1992). The fact that the Europeans took the arable land it means that the Africans were supposed to take land that was not good for farming. Even though a bit of land was left over and not occupied the land was unsustainable because it was poor quality. There was a point in time when the pioneers established legislation which certified Africans to buy fastidious land, the lack of understanding on the Africans part provided an ineffective way of buying the rights due to the fact that the exchange economy was new to them (Meredith, M 1992). Which was unfair because they took over their land because of their own understanding and now they wanted to sell land to its owners with their way of understanding if they had been interested in knowing them a bit more maybe the issues of colonialism would have been different

Another land issue that surfaced in the years between the LAA and the LTA was migrant labour (Meredith, M 1992). The majority of young African men left the African areas in search of work in the European areas. Which means a problem was created because the system in the African set up was that the younger men take the homestead from their fathers when they have become of age. This then left the women and children to work on the land meaning that productivity was lower and in the long run the African populace was going to suffer socially. On the up side, some of the men did return with

either enough money to buy land or with enough exposure to advanced agricultural technology to influence the tribal trust lands positively. The labour force produced by migrant labourers became a vital part of Zimbabwe's economy, for as the economy advanced, these men became the backbone of the labour force (ibid). The land situation in what was then Rhodesia worsened after the LAA. As if the segregation and prohibition where not enough blacks where then excluded from any political issues or the process itself, this resulted in blacks being stripped of their right to contest for congress or vote, even having high ranking office in the public service, police and army. These barns did not stop there they went on to target the young children who were not allowed to attend the best school this made sure that the education blacks got was below standard. Blacks were also banned from any place or activities that were reserved for whites for example residential areas. Rhodesia was then a reflection on what went to happen in South Africa.

Blair, D (2002:172) highlights that in 1945, white settlers relocated to the country in their thousands because the British government had promised them land, and soldiers demobilised who fought in World War II where rewarded by being given land to farm on in Africa. Around 85, 000 African families were evicted from their land in the ten years between 1945 and 1955. From 1952 to 1954, the same sort of eviction (100,000 people) took place in Kenya and resulted in the Mau Mau uprising (The Mau Mau uprising was a

violent battle between a specific African tribe in Kenya and the British settlers. The British suppressed it, and the Mau Mau lost their land. Yet the uprising did lead to Kenyan independence).

The 1960s in Rhodesia are highlighted with high levels of conflict between the Rhodesian administration and the colonial policy in London. This argument which had the Administration protesting against majority rule and the Policy that wanted to take control of everything finally gave birth in 1965 to the Unilateral Declaration of Independence (UDI) which was led by Ian Smith a Rhodesian Prime Minister. The top courts England as well as in Rhodesia made their judgment which led to illegal social upheavals and treasonous. The British government forced economic sanctions on Rhodesia that had to last fourteen years after refusing to send troops to help suppress the upheaval. The blacks refused to accept the British rule from when the Europeans settled in Rhodesia. In 1979 there was a conference at the Lancaster House in London and the main agenda was the land issue in Zimbabwe, where British and Zimbabwean representatives met to resolve the transfer of power and other pre – independence issues (Meredith, M 1992). The issue of land was very complicated to resolve.

There was a new constitution that was made by the British government who backed up the whites in Zimbabwe this constitution persisted on ensconced in the bill of rights (ibid). This very bill of right that was created it forced Mugabe to accept the terms that the government could only buy land from the owner (against their will for ten years) if it was needed for public use or purposes, the use of foreign exchange rate was used to purchase the land and the owner had to be paid promptly and it had to be the whole amount. This then meant that it became what was known as the “willing seller – willing buyer” this environment was not suitable for the Zimbabwean government because it limited and restricted the government to buy the land they wanted instead they were to buy land that was less arable because it was the land that was being voluntarily being put on the market. The British government established that they were going to finance the programme of distributing land and a strict budget was put into place.

Even though in 1893 King Lobengula was defeated, in 1896- 1897 the First Chimurenga War took place where blacks in Matabeleland and Mashonaland came together to fight against the white settlers. This Chimurenga War was led by Mbuya Nenhanda and Sekuru Kaguvi the famous spirit mediums, the war ended because of the unparalleled torture and brutality of civilians and prisoners of war. In the 60 years that followed no armed opposition occurred be it the political, labour protest or British minority rule only traces of the unrest continued (Chibisa and Sigauke, 2008).

In 1966 the Second Chimurenga War took place which is known as the Chinhoyi Battle this occurred after the UDI, 4 years later in 1970 there are “traces of freedom fighters who fought occasional battles with the security forces of Rhodesian. This era was followed by continued war which was led by the Zimbabwe African People's Union (ZAPU) and the Zimbabwe African National Union (ZANU), and they were supported by the Soviet Union, by China and some independent African states, for example Botswana, Tanzania, Mozambique and Zambia” (Nyathi T and Nzewi O 2013). December 1979 marked the end of the war, and then the Lancaster House Conference followed, where the British government and the Rhodesian regime conceded defeat and approved independence underneath a democratic constitution. According to Bussiek et al, (2009) the 18<sup>th</sup> of April 1980 marked the uprising of a new independent state the Prime Minister was Robert Mugabe and the ceremonial President being Canaan Banana. One has to understand that the liberation struggle of Zimbabwe was centered on land distribution and evidence has shown that this same issue has continued be at the core of Zimbabwe’s needs up to date (Herbst, J 1992:129). The land distribution in 1980 was not fair at all, Meredith, M (1992: 120) mentioned that 6,000 white land owners who did large scale commercial farming owned 39% of land whilst 8,000 black farmers specializing in small scale commercial farming where on 4% of the land; they were also communal lands where roughly 4 million households these covered about

41% and lastly state forests and national parks had the remaining 16%. According to Herbst, J (1992:129) “during the colonial period, European settlers appropriated African land and the present land issue in Zimbabwe is thus a result of continued social inequality”. Much Zimbabwean politics is thus the result of land reform.

Zimbabwe after Independence went through a lot of changes especially in the first seven years, people were terrified that the war crimes that they committed the other race was going to retaliate. This resulted in the majority of whites fleeing the country despite of the policy that was announced by Mugabe the then Prime Minister in a public statement which was offering an official pardon for all the things that happened before independence (Mukuvare M, 2013). The white population plunged from 250 000 to 75 000, even though the population dropped the very few white settlers and farmers who remained their lives were constant and very prosperous (Meredith, M 1992). Chowa T (2013) is of the opinion that the “numbers were reduced from 5 000 to 4 500 farmers, during the first ten years of independence, the racial division of land lingered to trouble Zimbabwe.”

According to Chowa and Mukuvare (2013) during the first few years where very important the government went on a hasty merge to take control of the civil service, police, army and any other parts of the government. According to the UNDP (2002) the Government came up with the Department of Rural Development (DERUDE) in 1981

which was responsible for resettling people on 9 million hectares of land within 3 years the aim was to settle 162 00 families by the end of 1987. By the end of 1987 only 2 million hectares had been distributed to 45 000 families, the next 12 years slower improvement is shown, up to 1999 only 3.5 million hectares had been distributed to a total of 90 000 families.

Masunungure and Koga (2012) are of the opinion that the core reason of the failure for the government to deliver their objectives of land distribution is linked to the land distribution restraining legal framework and unconvinced guarantees by the international community. Gono G (2013) mentions that the reason why the US\$2 billion that was assured to the blacks by the UK along with the US governments at Lancaster House Peace Conference for land acquisition/resettlement never happened, was because President Carter placed an oath to pay the money but without a reason his successor President Reagan, and his Assistant Secretary, Chester Crocker put a stop to the payments. The British government between 1981 and 1995 gave Zimbabwe money that summed up to US\$75 million (Zanu PF, 2013). In 1996 the British Labor government stopped additional payment reason being that the colonial commitment to Zimbabwe was no longer recognized. Bussiek et al, (2009) believes that the refutation of pledges by Britain was the main reason why there was a land crisis in 2000. Due to this disappointment the Zimbabwe government modified the laws for resettlement so that

they work without British money. The Zanu PF, 2013 spokes person mentions that in February 2000 1 700 farms that were owned by white farmers were no occupied by landless blacks and liberation war veterans round about 60 000 people got land. This demonstration highlights the frustration and anger of the blacks because of the continued racial distribution of land which was occurring 20 years after independence. According to UNDP (2002) there is a report that states that the government started a "fast track" resettlement programmed in July 2000, which resettled 100 000 families over a six month period on to 3 000 farms that had been acquired, even though the initial goal was to resettle 110 000 families over 5 million hectares of land.

Zimbabwe has had one party the Zimbabwe African National Unity-Patriotic Front (ZANU-PF) that ruled from 1980 up to date. The fight for liberation in Zimbabwe was supported by the motion that land was taken from them as a result they had to reclaim it and it was going to be reclaimed by the Africans and for the Africans. It is also important to highlight that from 1980 the same government has been in power ZANU-PF and their main goal has been to redistribute land so that all native Zimbabwean blacks can have better land to cultivate from. Due to the fact that ZANU-PF is still ruling the land issues have become more important by the years. As a result the main theme for their campaign is focused on the redistribution of land and resources. In the researcher's

opinion this should not have come as a surprise/ shock to the world that it has been the government's goal for over 26 years to take the land back. From February 2009 to 2013 ZANU-PF as the reigning party its powers had to be split and shared in a coalition government with the Movement for Democratic Change (MDC) following the quarrelsome and brutal elections of 2008. The ZANU-PF's view of empowerment was believed to be greatest attained in the course of occupying businesses that are foreign-owned so as to give advantage to the indigenous blacks. In October 2007, ZANU-PF subjugated Parliament and voted for the Indigenization and Economic Empowerment Act (IEEA) and in March 2008 the President acquiesced it, prior to the elections of March that year (Masunungure. V and Koga H 2012:1). In the midst of additional things, according to Act 14 of 2007 the Act intended to "provide for support measures for the further indigenization of the economy to provide for support measures for the economic empowerment of indigenous Zimbabweans," an indigenous Zimbabwean is defined by the Act as:

"any person who, before the 18th April, 1980, was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest" (Act 14 of 2007).

The Act then defines indigenization to mean "... a deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which up till now they had no access, so as to ensure the equitable ownership of the nation's resources." Reality is that the economic empowerment is the extensive policy objective whereas indigenization becomes the utensil meant for accomplishing the target moreover unstated to involve every non-indigenous company to organize 51% of their shares to black Zimbabweans. Masunungure and Koga (2012) are of the opinion that the IEEA did not get implemented until early 2010.

### **1.3 Problem Statement**

According to Vithal and Jansen (2006: 4) a problem statement is a first step in the research design process that could be deciding on the focus of research. Therefore for Zimbabwe its Indigenization Economic Empowerment Act of 2008 has flaws; it does not clarify if white Zimbabweans or citizens of color are indigenous people. This lack of clarity has lead to the inhibiting of investment in mostly the local industries. This then leads to the people wondering on how the country can develop whilst the local industries are suffering. The policy is not the only problem that Zimbabwe is facing even though the policy is sound the formulation and implementation processes are not vivid hence the lack of clarity. Also the policy does not clarify who benefits from the various

programs that are to be designed or those that are in place. The question of how does it assist the people is yet to be discovered.

#### **1.4 Objectives of the Study**

Since objectives set the concrete steps or blueprints rather purpose of research this study is to analyze and asses Zimbabwe's Indigenization Economic Empowerment Policy's capability to bring empowerment and economic development to the wide-ranging population. The following objectives are going to be used so as to attain the goals and soul purpose of this research

- Analyze the implementation processes using the Indigenization Economic Empowerment.
- To compare the implementation and results of indigenization and economic empowerment in Zimbabwe and empowerment in other countries
- To understand the gap between the tabled idea and policy implemented
- To examine how economic empowerment will be enhanced or achieved by the policy in its current form.
- Offering recommendations

## **1.5 Significance of Study**

When it comes to formulation and implementation of policies in Zimbabwe, it is a field which the researchers noted that it is a view of study that has not been exhausted and not widely researched upon. This research is of paramount importance as it serves as an informative and educational study which will expose the weakness and strengths of the policy formulation and implementation process. With such results government officials can then aspire to transform the relevant weaknesses to strengths by observing the actual process and ideal protocol used for policies. By criticizing the implementation of policies especially the Indigenization Economic Empowerment policy in Zimbabwe, the research seeks to educate the general populace of Zimbabwe about the different between Acts and policies thereby letting the people they know that they have the right to be heard when making policies. If the relevant authorities adopt the recommendation it will assist in the improvement of the economy as well as develop the country in the long run. This research will also highlight the importance of indigenization by hinting on the notion that if the policy is implemented in the correct and rightful manner it can be successful and vice versa is factual.

## **1.6 Research Methodology**

This research was carried out using a desktop or a qualitative research. According to Myers (2009: 8) qualitative research methods are action research, case study research

and grounded theory. This means that this research will be based on what people have said or highlighted by the interviews, questionnaires, documents etc. By using qualitative methods this research will study selected issues in detail, openness and depth as they categorize and attempt to appreciate the classes of information that materialize from the data. Two theories and four frameworks were used as a benchmark so as to analyze the IEE policy of Zimbabwe. Namely the two theories namely are the Top down theory of implementation and the politics and administration dichotomy.

The researcher is going to make use of four frameworks so as to understand the process of implementation that was taken; also these four frameworks are going to help to understand how the policy is going to help Zimbabwe to reach sustainable development. The four frameworks are as follows:

1. Policy implementation infrastructure – this will look into the basic structures that were used as tools for coming up with the policy
2. Competences by officials in the Zimbabwean services – this particular framework will be unpacking the quality of the work done by the Zimbabwean officials when they implemented the policy the question of did they have the knowledge of the rules that govern the IEE policy and where all steps followed

3. Political support and buy-in- the question of political support in the country as well as the buy-in when implementing this policy, in other words how did politics affect the implementation of the policy itself
4. Participation of civil society in the policy implementation of the policy – when it comes to this framework the researcher will be using the Batho Pele principles as a guideline so as to understand whether the people were put first when this policy was implemented and how much did people contribute.

### **1.7 Limitations of Study**

Studying the challenges that are facing the Zimbabwean government with regards to the implementation of the Indigenization Economic Empowerment policy has its limitations. These limitations are going to impact the study and the results thereof, firstly the research is based in Zimbabwe and due to lack of funding or finances it will be impossible for the research to be interactive so as to gain better understanding. The fact that the challenges that the government is facing are difficult to find and most often not written about making it difficult to have adequate information. Implementation of policies seems to be a challenge for the country therefore it will be difficult to assess challenges of the policy itself. The area of research is broad it covers roughly about nine sectors that are crucial to the sustainable development of the country, some information might

be left out not saying that the issues or matters are not important. The duration of this research is two years and the research method chosen for this study are also limiting factors.

## **1.8 Chapter Outline**

### **1.8.1 Chapter 1- Introduction and Background**

This chapter will serve the purpose of bringing the analysis of the indigenization economic empowerment policy of Zimbabwe to the attention of the academic field for the first time. The researchers will look into the explanatory or rather the contributory information history of the Country mainly focusing on the circumstances that lead to the implementation of the policy. Mainly this is to try and understand the reasons behind the implementation of the policy.

### **1.8.2 Chapter 2- Literature Review**

This research will be mainly based on reviewing and analyzing reports, literature of the policy by looking at journals, books, reports by the government, parliament, newspapers and conferences. By reviewing what has already been written by other individuals it will assist in analyzing and understanding the IEE policy of Zimbabwe by comparing it to what other countries have done internationally

### **1.8.3 Chapter 3- Research Methodology**

A qualitative method was used to study and understand the IEE policy of Zimbabwe. Reviewing literature on what other scholars have written on the policy helped in explaining and understanding the implementation process. The use of secondary data for example analyzing reports by government, parliament and interviews as well as looking into journals, books and the media assisted the researcher to look into and try to explain the implementation process. The researcher made use of four frameworks to try and unpack the IEE policy.

### **1.8.4 Chapter 4- Data analysis**

When analyzing data it means that there is going to be a procedure of editing as well as plummeting of data build up to a controllable size, looking for patterns, applying analysis techniques and developing summaries. In this research study the data collected from all the relevant literature was summarized so as to minimize data therefore making it simple for the researcher to make recommendations and conclusions for Chapter five.

### **1.8.5 Chapter 5- Conclusion and Recommendation**

The summing up of the research will show the judgement or decision the researcher made concerning the whole research. Also a course of action was be put forward with approval as being suitable for the purpose of implementing policies in the future

### **1.8.6 Chapter 6- Bibliography**

The final chapter of this research will be the list of references which will be acknowledging the authors that are going to be used in this research.

### **1.9 Key Terms**

The section for key terms is meant to define and explain the words in the research that are important to the researcher.

#### **1. 9.1 Implementation**

Rouse M (2014:1) defines Implementation as “the execution, or practice of a plan, a method, or any design for doing something. Implementation is the action that must follow any preliminary thinking in order for something to actually happen.”

#### **1. 9.2 Empowerment**

According to the United Nations Social Development Network (UNSDN, 2012: 5) “empowerment is the process of allowing people to increase control of their own lives, so as to gain control over the factors and decisions that shape their lives. This will assist them to increase their resources, qualities and to build capacities to gain access, partners, networks, a voice in order to gain control.”

### **1. 9.3 Indigenization**

Act 14 of 2007 defines indigenization as a “deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, so as to ensure the equitable ownership of the nation’s resources.”

### **1.10 Ethical Consideration**

Locke et al (2007: 27) states that “what constitutes ethical behaviour in research, as elsewhere in life, is the product of social definition, as a social construct, it is relative to particular place, time, and set of people.” In this research an ethical clearance has been applied for from the University Ethics Community. When this paper is was being written it was checked for plagiarism so as to acknowledge the actual authors and respecting their work. Issues of integrity are going to be considered in the production of knowledge, responsibility and confidentiality for the emotional, physical and intellectual well-being of the study, more so the researcher is not going to be biased be it racial or gender related.

### **1.11 Conclusion**

The Implementation process of the Indigenization Economic Empowerment Act 14 of 2007 has had its problems. But clearly from the background Of Zimbabwe one has to acknowledge that it is not totally ungrounded. For decades there is evidence of the

people wanting to be self -empowered which goes way back before Zimbabwe became independent in 1980. The Chimurenga wars that took place in 1896- 1897 and 1966- 1979 happened so as to gain independence in all aspects are a clear indication of this fact that there was a need in the people to be empowered. After Zimbabwe gained its independence there are traces of pressure groups that were created in 1990 the Indigenous Business Development Centre (IBDC) which was a platform that helped other groups image like Affirmative Action Group (AAG) in 1994 and the Indigenous Business Women Organisation (IBWO). These pressure groups were created by the government due to the fact that 80% of the private sector was foreign owned, and the government wanted to empower their people. Then in 1996 the National Investment Trust (NIT) was created by the government so as to stock shares, this was a way of redressing the perverse economy created by the colonial government. As if there is not enough evidence mentioned above, even the so called fast tracked Land Reform program highlighted the need to be empowered economically (Zimbabwe's economy was based on agriculture) so they had land redistribution or reallocation be it by force or by agreement. When the researcher looks at the history and background of the country of Zimbabwe one can conclude that the Zimbabwean government was justified when they implemented the IEEP, because there was a need in the populace to be

economically empowered. The chapter that follows will review literature on the views of other scholars with regards to the implementation of the IEEP of Zimbabwe.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

Policy can be defined as a plan of action for a government, organization etc. When looking into a public policy Pal L (1989:5) stipulates that “what makes a policy a public policy is not its impact but its source”. Dye T (2002:12) further emphasis that “a policy does not become a public policy until it is adopted by some government institution.”

The definitions of public policy above it can be deduced that public policies are sequences of inaction or action that the government embarks on to respond to a problem. Anderson J (2005:79) states that policy problems are conditions that affect people on a wide spectrum causing them to be dissatisfied and they need the government to look in to the issue and redress it. This then highlights that there is a relationship between government institutions and public policies, due to the fact that the government’s practices have direct bearing on public policy at the same time policy outcomes have an impact on the legitimacy of the government (Hardlife Z and Zhou G 2012: 212).

Public policies remain dominant tools by which “fundamental choices” of political establishments are implemented (Dye, T 2002: 14). Public policies are put in place to control social behavior and allocate, distribute and extract resources to various sections of civilization in an economy. This then implies that public policies play a key role when

it comes to the development of the nation especially when it comes to socioeconomic development. When a public (national) policy is soundly made they offer feasible networks that allow communication to move swiftly between the government and the demands of the citizens. This will improve service delivery of all the things that are supposed to get to the citizens from the government. When there is good service delivery policies will assist the society to interpret and read the priorities and mind-set of the national leadership (Hardlife Z and Zhou G 2012: 212). Public policies serve on two fronts international and domestic, at the domestic level policies act as instruments of conflict in organization, attaching and harmonizing opposing interests as well as values surrounded by the nation. The international level policies serve to market the government to other countries by providing means for them to inter-relate. As a result governments are to work so that their foreign and domestic policies are able to attract the foreign direct investment so as to improve the state of the nation. Domestic policies specifically the investment policy, labor policy, tax, policy, land policy and defense policy communicate directly to international and regional communities.

Regardless of these optimistic characteristics, there are gaps that frequently exist between policy intents and policy action, this is the gap we seek to study in this research. It is worthwhile to mention that sound policies are put to the table but

sometimes they are not well implemented. And they might not always deliver to the targeted group which becomes a problem; they have infamy for profiting third parties. There is need for transparency, accountability and responsiveness when dealing with the process of implementing a public policy. Therefore since implementation of policy is the fourth stage of the policy cycle where approved policies are turned into reality therefore implementation is to fully fill, produce, and carry out, meaning that it is converting an idea into practice (turning theory into reality). DelLeon (1999: 314-5) stipulates that when looking into implementation it's simply "what happens between policy expectations and (perceived) policy results." Effective policy implementation involves three chief elements generally characterized as organization, interpretation and application. When we are analyzing the implementation process of the IEEP of Zimbabwe these three are going to be used as guidelines on how the policy was implemented.

Before getting ahead and analysing this process that was used in Zimbabwe we have to mention that, when looking into public policy its ecological contexts are important because public policy in practice and content usually have an imprint of their environment. For this reason the implementation of the IEEP can be looked at as a way of reducing poverty and a way of improving the livelihoods of the people who were previously disadvantaged groups. If an economic empowerment policy is successfully

implemented it can then in turn assist with the development of enterprises and improve the skills of the people, this will occur due to the fact that these people will be economically active. When the people become economically active it then means that there is job creation and it will open a path for development on the country for the places that are still underdeveloped. It is important to highlight that the environment of policy making is vital because it is characteristically rooted in the politics. A study of public policy making raises essential questions on the state politics of any country.

This chapter will focus on reviewing literature both internationally and locally for progress sake the researcher will split the chapter into two. One on the International Cooperatives and Indigenous looking into the relationship between NGOs and IEE policy and this section will scrutinize how NGOs reacted to the policy. The second section will focus on the local economy by looking into the SMEs strategy, at the same time we will analyse the LED (Local Economic Development) Strategy.

This discussion will review economic empowerment programmes of other African or developing countries it will also look at concerns vital to policy implementation, it will momentarily look at the Economic Empowerment Reforms of Malaysia, Botswana citizen economic empowerment policy, Black Economic Empowerment (BEE) programme of South Africa and the Indigenisation and Economic Empowerment (IEE)

programme of Zimbabwe, in that order. It is important to understand the background of these previously disadvantaged countries. Before we get to the heart of the research it is imperative that we understand what the implementation process entails

### **2.1.1 Implementation**

Successful policy implementation is highlighted by figure 1 below which hints on the facts that the policy implementation has a lot to do with a number of factors. When the policy is being create the crucial phases to focus on are planning and development because these lay the ground work for the policy and these two phases surpass the actually delivery phase of the policy. For a policy to be successfully implemented it has to have six chief structure blocks namely they are resources, good governance, planning, engaging stakeholders, managing risks and review, monitoring and evaluation. With these six the foundation for vigorous management of the policy can be created and this will lead to the successful implementation of the policy itself. There are several major prerequisites and aptitudes for the effective implementation of policy creativities. According to McPhee I and Watt J I (2014:3) these major prerequisites comprise of essential necessities that require that when the policy is being implemented it should be measured at each single phase of policy development. If implementation matters are addressed as a second thought or when moderately done this can introduce extensive threat it can compromise fruitful policy implementation. It is imperative to

mention that for successful implementation there is need for sufficient capacity and clear capabilities. These include “strong and ongoing leadership, an inclusive approach, sound processes and the effective use of resources” (ibid). “ An inclusive approach will involve the use of consultative governance and coordination arrangements designed to harness relevant skills and expertise from within the entity, the wider public sector, and externally” (<http://www.dpmc.gov.au/implementation/planning.cfm>). Figure one below shows what we have been discussing above. Since implementation is just a phase in the policy making process, it is crucial to address and view the cycle that the policy goes through



Figure 1: Successful policy implementation

### **2.1.2 Policy Cycle**

According to Harold Dwight Lasswell (1956) implementation is a phase inside the policy cycle. Jann & Wegrich, (2003: 75) highlight that Lasswell formulated several mechanisms of the policy cycle namely “intelligence, promotion, prescription, invocation, application, termination and appraisal.” As time went on these were then turned into “problem definition, agenda setting, decision making, implementation, evaluation and re-definition or termination proposed by Jones (1970) and Anderson (1975) as cited by (Blum & Schubert, 2009, p. 102).”

To understand the policy cycle figure 2 gives a visual of what we are going to be discussing below. A brief summary of policy cycle would be that the interest groups have to recognize the problem in the first phase in the case of Zimbabwe these interest groups namely are, the Reserve Bank of Zimbabwe (RBZ), Confederation of Zimbabwe Industries (CZI), the Zimbabwe Youth Council (ZYC) and Zimbabwe National Chamber of Commerce (ZNCC) in the case of IEEP for medial discussion. An agenda is then set to discuss the problem meaning that political parties\ the dominant interest groups informed so that a decision can be made. In Chapter one the researchers highlighted that the policies that are to be made are supposed to fit in to the environment and in line with the goals of the Government. Hence the decision on the problem will then depend on the political tasks and those who have the power in the decision making process,

whatever decision made it has to be according to political engagement. Implementation Claudia Liedt (2011:5) defines it as “both the creation of a new law in which a solution for the problem is formulated and the enforcement of this new law in the society.” After all this the decision is sent to administration where the decision is then enforced into law then evaluate it in order to measure the level of enhancement it will bring to the actual problem and to find out the unanticipated undesirable consequences (Brodin, 1990: 108). “If the legal act is regarded as being satisfying the policy process is terminated - if not, a re-definition of the problem is necessary” (ibid).

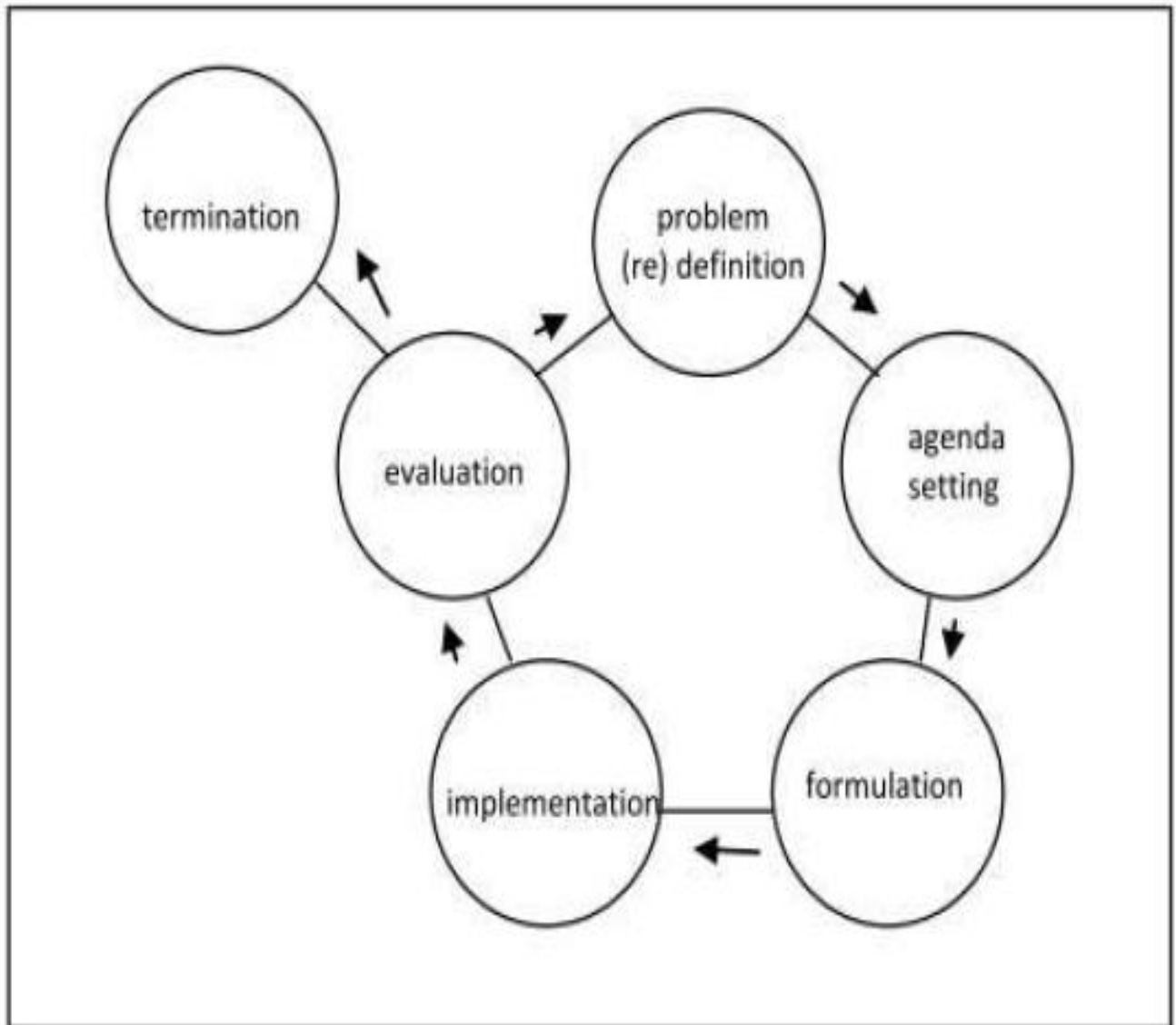


Figure 2: The Policy cycle by Blum and Schubert, (2009:102)

The main focus of this research is the implementation phase and it will look into three questions why, how, and when policies are defined as well as made. After understanding the cycles that policy goes through to become a successful policy it is of utmost relevance to look at the implementation phase of a policy.

### **2.1.3 The Implementation Phase**

According to Goggin, Bowman, Lester, & O'Toole (1990: 9) "there is still no widespread agreement among those who do implementation research about what actually constitutes a case of implementation. There is still some confusion over when implementation begins, when it ends, and how many types of implementation there are."

Evidence of confusion in implementation begins in the definition itself. According to Berman & McLaughlin, (1977: 1) Paul Berman defines implementation "as the process of carrying out an authoritative decision." Van Meter & Van Horn (1975: 147) accurately state that "policy implementation encompasses those actions by public or private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decisions." Matland (1995: 154) is of the opinion that when doing research on implementation of policies it is important to define what "successful implementation" is in advance. Therefore in this research successful implementation of the IEEP will be by looking at how successful the policy was when we look at the five variables below:

1. Policy implementation infrastructure,
2. Competence of officials in the Zimbabwean Service,
3. Political buy-in and support,
4. Participation of civil society in the policy implementation of the policy and
5. the impact of the policy on poverty eradication and economic development

Implementation of policies has been the Achilles heel for most of the developing countries. There have been arguments and debates on which is the best way to implement policies. There have been generations of researchers who have tried to unpack this implementation phase. The next sub topic will focus on the different generations of researcher and what they have come up with.

#### **2.1.4 Generations of Researchers on Implementation**

Najam, (1995: 8) highlights that “implementation would happen ‘automatically’ once the appropriate policies had been authoritatively proclaimed.” Actors acted according to commands given shorn of own discretion and they were also efficient, orders were followed without interruption. According to Claudia Liedt (2011:5) “this first generation of implementation researchers did not pay special regard to the implementation process as it was viewed only out of a theoretical perspective without any connection to the process as carried out in real life. This generation thus recognised the presence of the implementation phase, yet did not analyse it.”

Regardless of the stand point of the researchers in the first generation of that the academic civilization stood sure of the understanding that implementing political pronouncements did not spontaneously get anticipated outcomes. This lead to the conclusion that the second generations of researchers came to, of that the implementation phase is very complex because it has a lot of people interfering with the

process because they all push for their desired outputs .Several empirical studies have been carried out which showed that “implementation could not be taken for granted as the classical model had implied” (Najam, 1995:11).

Lastly academics came up to with an idea that there is supposed to be a theory that is consistent despite of the different circumstances surrounding them, also to gather all the most important findings.

Najam, (1995: 11) further went to mention that the third generation therefore “set as its goal an analytic understanding of how implementation ‘worked’ generally.” Nevertheless the academics at no time thrived in making a theory that was going to suit all of the diverse tactics. Instead of making a single theory for implementation they decided on separate the process into two unlike categories especially in the primary phase: the bottom-up approach and the top-down approach. *Vis-à-vis* the implementation research Elmore (1979-80: 602) spoke of “forward mapping’ (top-down) then “backward mapping” (bottom-up)

In this research we make use of two theories the Top-down theory and the politics and administration dichotomy so as to analyse the implementation process of the IEEP of Zimbabwe.

### **2.1.5 Theoretical Frameworks**

Even though there are numerous theories of policy implementation this paper is going to make use of just two namely the top down theory and politics and administration dichotomy these two theories have a lot of similarities when we look into both of them they both have the same qualities. They look at the command and chain of hierarchy that starts from top to bottom, and these two theories have been used in the implementation of the IEEP of Zimbabwe, we use both theories to further understand the way policies are implemented in the country. According to Buse K, Mays N and Walt G (2005: 1) top down theory looks at the formation and execution of policy as activities that are distinct. Policies are made and discussed at higher levels meaning that policies are made by the politicians then they are transferred down to the administrators and assistance who are supposed to look at the administrative, technical and the managerial tasks of transforming the policy into practices (implementation). The second theory is also similar to the top down theory, the politics and administration dichotomy which looks into the overlapping of politics into the administrative exercises. Woodrow Wilson in 1887 was the first to write about this dichotomy which was the separation of politics from administrative work. Holzer and Rutgers (2003:13) states that the reformers like Woodrow Wilson (1887) advocated for complete separation of politics and administration he recommended “a dichotomy between policy determination via politics

and policy implementation via non-political administration.” Nyathi and Nzewi (2013:11) explain that in government public policy implementation would trail philosophies of administration which are business like and in order to do this, the government in charged had to dedicate thoughtfulness to the discipline of administration, which are sound management and administrative principles.

#### **2.1.5.1 First: Top down approach**

The top-down approach focused on the implementation of a policy it looks into how policy decisions are made Matland (1995: 146) highlights that be it executive order, statute or by the court, the commanding decisions are centrally positioned by specific actors or interested third party who then pursue anticipated effects that are mostly in line with the goals of those in power. Top-down is said to be “the starting point is the authoritative decision; as the name implies, centrally located actors are seen as most relevant to produce the desired effects” (ibid). Key actors are the decision-makers and they are in charge of formulating well-organized acts that match the problem prevailing. According to Matland (1995: 147), to escalate efficiency the theorists for top-down should demand clear and dependable accounts of policy goals, a restricted number of modification required, they **should** minimize the numbers of actors involved lastly find an organization that goes hand in glove with the ideas of the policy makers so that the

implementers are guaranteed that the policy makers will be identified when it comes to the new order.

Top-down approach is mostly condemned for the reason that its focus is on the new order created. This is because it means that the discussions made before the order\ statue is made, they are all phased out and when implementation comes no other ways or views are used they only focus on the statue that has been decided on. This creates bitterness between the implementers especially those who were for the other solution.

In a government they numerous are different parties involved as a result legislation that is democratic has to find a mutual solution even though opposing legal act content so as to mollify every party. Matland (1995:148) mentions that the chief prominent disapproval of the top-down theory is that it's pact of dealing with single actors inside the process.

This theory vividly shows nepotisms to key actors' decision makers to be specific in the implementation process and shows little consideration for the administrative staff who are responsible for the legal work. This theory highlights that the politicians have the skill to formulate good policies and acts so the implementers' role is to deliver legislation to the people. Meaning that administrators and implementers are not recognized as people who know their work and they hold little significance.

This implementation approach is basically a straightforward system of control and command which is from the government then down to the assignment, this then

trepidation the public. A lecture done by Elder in 2011 about this system displayed five ways in which the system of command works they are as follows

1. Consistent and Clear goals which are voiced from the top ranked officials,
2. The information relevant for foundation plus effects
3. Unblemished hierarchy of authority,
4. At the top rubrics are well-known and policies are to be aligned to those rubrics
5. capacity /capitals to convey the instructions from the top

From the five above it can be said that it is a planning approach, unswerving when it comes to directly above democracy, while “elected officials delegate implementation authority to non-elected public servants (civil service) who are accountable to the democratically elected officials.” Nonetheless, DeLeon and DeLeon (2001: 484) “point out that top-downers may implement policies with standards that citizens do not understand which might also circumvent their rational preferences.” “When this happens, top-down becomes a “tactic” and not a strategy for implementation.”

When looking at the Top down theory there are about three common criticisms that mainly highlighted, firstly the government habitually initiates their analysis with the legislative etymological, which according to Matland (1995:147) “fails to consider the significance of actions taken earlier in the policy-making process.” As a consequence

implementers frequently absorb ideas from innumerable groups, who fluctuate in history and concentration; none might be reflected in the legislative etymological. Secondly Matland (1995) states that top-down implementers eliminate or ignore the political facets of implementation. For example, top downers established vibrant objectives for a policy, whereas legislation “often requires ambiguous language and contradictory goals “in order to gain enough votes for passage” (Matland 1995: 147). Matland (1995: 148) highlights that a Weberian tactic could be appropriate in theory; nonetheless the practical side might cause “policy failure.” Lastly implementers of top-down view “statute framers as key actors,” “however, local officials and people impacted by the policy could more reasonable be considered as the key independent variable of analysis.”

#### **2.1.5.2 Second: Politics and administration dichotomy**

Musavi S, M and Tahmasebe R (2011:130) are of the thought that politics and administration dichotomy is one of the largely significant theoretical hypotheses in public administration, even though it has a strange history. Svava and Overeem (2006:121) agree with this when they highlight that the theory rises and falls, expands and contracts but it never goes away or die. The relationship between administrators and politicians are the heart of public administration, the theory focuses on how they interact so as to certify the needs of the populace. Waldo (1987) was the first person to bring out this relationship he wrote I quote: “Nothing is more central in thinking about public

administration than the nature and interrelations of politics and administration. Nor are the nature and interrelations of politics and administration matters only for academic theorizing. What is more important in the day-today, year-to-year, decade -to-decade operation of government than the ways in which politics and administration are conceptualized, rationalized, and related one to the other.”

This theory came to life in the 1940s but it can be traced back to Wilson’s essay ("The Study of Administration") in 1887 the idea was to buffer administration from political meddling, He mentioned that: “The field of administration is a field of business. It is removed from the hurry and strife of politics.... Administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices (Wilson, 1887: 18).” According to Stillman (1973) Wilson was troubled by two issues namely the politicization and corruption that was happening with the intrusion of the organisations of the political parties and the administrative affairs especially when it came to Congress and policy making. This did not set well with the people in power because this simply was looking down upon this issue. Wilson suggested that policy making was disorganised and the way policies where being made where weak. Svara (1998:52) then mentions that when the difference were set between administration and politics, “he was seeking to strengthen and redirect the former while protecting the

latter” Musavi S, M and Tahmasebe R (2011: 131) then states in his book (In the Study of Administration) Woodrow Wilson gives explanation on the separation of government functions as follows: “Public administration is detailed and systematic execution of public law...but the general laws...are obviously outside of and above administration. The broad plans of governmental action are not administrative; the detailed execution of such plans is administrative” (Wilson 1966: 372).

In this study it is important to look at the relationship between (administrators) appointed officials and elected officials (politicians), by looking in to this relationship it will be easier for the researchers to look into the political buy in when policies are being made. Kasper and Ejersbo (2002) are of the opinion that in public administration literature there is a debate about the connections that connect politicians and administrators, these connections are at the foundation of understanding the central procedures for governing a country. According to Demir and Nyhan (2008) the relationship between appointed and elected officials is supposed to be based on division of labour and authority. This then means that the council is elected intended for policy making so as to balance with the professional manager and this manager is appointed by a council that is responsible for policy implementation. “Rather than expecting conflict over the allocation of values,” “reformers thought that a wise and public regarding council with expert advice would reach decisions in the public interest” (Loveridge 1971, 21). Svava

(1990: 35) stipulate that an innermost influence gives an arranged foundation for collaboration and it obviously should be there, and not from bloodthirsty interaction. Demir and Nyhan (2008) concluded that disagreement are restricted near the nuisance heated discussions of power amid two parties can only be determined officials in a higher rank. Kaufman (1956; 1060) in his classic work therefore states that the “ability to do the work of government expertly and to do it according to explicit, objective standards rather than to personal or party or other obligations and loyalties.” In South Africa the “dissatisfaction with partisan politics and its negative consequences in local government (e.g., widespread political corruption) provided thrust to isolate public administration from political influences” (Demir and Nyhan 2008). Politics and administration dichotomy required to diminish politics in public administration through imposing neutrality, hierarchy and expertise. Public administrators being the experts they have unique skills and knowledge on these subject matters. Nalbandian and Edwards (1983:125) highlight that these administrators “understand the meaning of professionalism, the professional’s desire to his or her expertise, to demonstrate his or her competence and to have it acknowledged”. Policies are made feasible and sound by experts. The model for dichotomy believes that the elected leaders are enthusiastic to slot in specialists for advice in the formulation phase of policy, these experts are administrators (Hassett and Watson 2002). A neutral stance has been a continuing

subject matter within public administration. When it comes to neutrality it needs “public employees and activities to be non-partisan, apolitical, and void of any particular policy agenda,” (Mosher 1982) “administering the affairs of the city with integrity and efficiency and loyalty to the council, without participating in or allowing their work to be affected by contending programs or partisans,” and Watson (1997) further stipulates that “maintaining a neutral stand on policy issues that divide the community” (Wolf 1999: 146 – 47). Public administration in this view highlights a vision or direction. When looking into this view public administrators are supposed to receive directions of policies from officials that are elected. According to Demir and Nyhan (2008) the dichotomy illustrates awareness to the leeway that “the political activities of administrative officials might pose a threat to elected officials’ guiding function”. Svara (1990; 37) mentions that “there are cases of cities controlled by an appointed manager who cannot be challenged because of longevity or community support.” He also mentioned that “the manager has become the master to whom the board defers out of respect and dependency”. Demir and Nyhan (2008) highlighted three detailed goals in advising a low political profile for public administrators

- to avoid undermining the political power of elected officials and by creating competition between elected officials and administrative officials regarding policy,

- to keep the rough-and tumble of politics away from administration to ensure rational administrative decisions rather than bargaining based decisions.
- and to minimize their identification with political positions

For neutrality to be built two variables have to be acknowledged policy advocacy and conflict avoidance. According to Fox and Miller (1995) politics and administration dichotomy envisages a “loop model of democracy” where an intermitted and unilateral influences surge among public administrators, electorate and elected officials. In this policy model communication flows up and down amongst elected officials, public administrators and the citizens. According to Carrell (1962) this then means that the course of the flow of policy is from citizens to the elected official and finally to the public administrators. Abney and Lauth in 1982 stated that the hierarchical character of administrative companies assist in reducing what Koehler 1973 highlights as unwarranted political authority over the public administrators. This can happen by giving the manager extra control over the staff (Svara 1990). Montjoy and Watson (1995, 236) clearly states that, “neither individual members nor the whole council by pass the manager in giving directions to the staff”.

As a result in a bid to understand the connection linking politics and administration in the government, it is imperative to identify the role players in both political and administrative responsibilities and also have knowledge on the roles that each is

expected to play, this case presents lessons to be drawn in relation to the arguments in this study.

Zimbabwe has gone through three different phases of policy formulation and implementation, they are classified into three separate decades, and each decade affected the country in its specific way. Zhou (2012:206) highlights in 1989 there was a report made by Kavran who was then a Public Service Commission they identified that they were weaknesses that had to be addressed towards the end of first decade. This report exposed a system of government that the following characteristics high staff over turns, arrogance, secretive, bloated, poor work attitudes and lack of a performance management culture (Chimhowu, 2010: 112). One of the most important findings for this period was that there was poor communication from the top management to the those holding lower post in the government, this then means that the general public got bad communication as well (Mukonza 2011). With this in mind it only makes sense that they were multiple jobs that had the same functions. The period that followed the government wanted it to be a result based phase between 1996 and 2002, they were reforms that were put into place in the public service, they were to maintain expenditure so that the money saved can be channelled to address issues of unemployment, poverty and service delivery so that the socio-economy can be improved. They were efforts made to reduce the chain of command so that information could travel smoothly

at the same time reducing the duplication of jobs and functions, the government tried to look into the private sector (entrepreneur) and see how they function so as to duplicate their ways of decision making and cutting extra cost. The period between 2002 and 2008 showed great suffering because of the political crisis and socio-economic structures where affected the public sector was not an exception. However Mukonza (2011) mentions that this set back did not bring to an end more reforms from being made, the government focused on enhancing good governance, performance and service delivery. Chimhowu (2010:115) then additionally stated that “values such as integrity, honesty and ethical standards diminished in the public sector particularly from 2003 up date because of the economic and political crisis.” As a result in 2005 government redressed its ethical approach which incorporated inter alia and agreed with administrative heads to increase performance management. With this goal in mind the administrative heads performed reviews on their staff so that they are in line with objective of the ministries (Mukonza 2011). One of the important mechanisms in the reforms in public sector was leadership. The government introduced executive management programmes that were targeted at middle managers and above courses were done at Zimbabwe Institute of Administration and Management (ZIPAM) (Chimhowu, 2010:115). Feltoe (2012) states that there is an administrative law in Zimbabwe, and Administrative Law is defined as the law relating to the State

(administration of the State is the detailed and practical implantation of the policies of the central government aimed at the running of the State). The primary functions of the Administrative Law are namely to put forth reasonable legal control over the way in which administrative authorities exercise their functions so as to ensure that authorities do not go beyond or abuse their powers plus to smoothen the progress of good administration by imposing the rules that are favourable to sound administration. This then can mean that the State made provision to protect administration in Zimbabwe but maybe this provision is not very clear due to the fact that there are some administrators who are still afraid to be retribution and some to lose their jobs. Also the fact that politics has managed to over shadow it can also hint that the State has to strengthen this provision.

This theory is relevant to this research because of the fact that Nyathi and Nzewi (2013:31) highlighted that there was no separation between these two roles as a results it thwarts service delivery, policy implementation. Also they highlight that roles for administrators and elected officials / politicians should be separated and also defined so as to eliminate conflict of powers and functions. This theory is relevant in the implementation of the IEEP because there is evidence that will be highlighted below that shows that there is over ride of functions. It actually seems that administrators do not

know their jobs or rather they do not exist. According to Professor J. Moyo (21, October 2011) in a lecture at the University of Zimbabwe he stated that “the biggest and serious challenge facing public administration in Zimbabwe up to date is that it is for all intents and purposes dead,” meaning that as a field of practice professionally and as a discipline for study they are dead, non existing. The lecture went on to point out the death of public administration in Zimbabwe by highlighting the problems or issues or rather challenges of service delivery. For example NRZ (National Railways of Zimbabwe) which he highlights that it only exist in name because it has collapsed due to infrastructure, secondly ZESA was then said to be over charging people’s electricity. Which then leaves the question of where are the administrators to fight for the people’s rights all the country has been politicized. In agreement with Professor Hasu Patel (2011) who is also of the opinion that in a country with no national consensus public administration cannot succeed, this was in response to the following question “what a good society in Zimbabwe today is and how the discipline and practice of public administration will respond to questions concerning the society?” There are seven reasons that highlight why Zimbabwe’s administration is said to be dead, these reasons are mentioned below (Moyo, 2011):

1. In the country there is an omnipresent “Lazarus Moment” which is in every institution be it private or public.
2. Public administration as a discipline or academic field has not been acknowledged in Zimbabwe, this then means there is no funding for the discipline
3. The continued mystification between policy slogans or pronouncement of policy and policy design. Policy design is professional because they are technical whilst on the other hand pronouncements of policy are more executive and political. Moyo goes on to indicate that the roles and duties of public administration have been confused, they are supposed to be dealing with designing the policy were policy pronouncements are clear but now they deal with policy pronouncement.
4. There is evidence of tension between the Ministry of the Public Service and the Public Service Commission. This then shows a typical example for the politics and administration dichotomy which has gone for a long time without being resolved.
5. Public policy making has turned into a completion, for personalization for public discourse. Policies are no longer being made for the benefit of the people but so that the people know who developed that policy. It is no longer professional or technical.

6. The elections that occurred in 2003 (internal) and 2005 (general), the Reserve Bank of Zimbabwe was responsible for defining public administration and it took over the functions of the government; public administration was turned into a BACCOSI affair. Baccossi refers to Basic Commodity Supply Side Intervention.
7. Finally the discipline failed to interpret a very important and clear political agreement also failed to form an implementable policy programme for Constitutional Amendment

Which then conveys in short as mentioned above the public administration in Zimbabwe is dead. According to Moyo (2011) “Zimbabwe suffers from an acute case of implemenetisis a public administration disease unique to Zimbabweans with their essence that there are unable to implement what they have formulated.” This is the case with the IEEP policy of Zimbabwe that was formulated in a good way but when it came to implementation there was a disastrous output. The policy has had negatives impacts and effects left, right and centre.

There is actually a relationship between the top down approach and the politics and administration dichotomy they both see the overlapping of politics into administration and the fact that all polices made in the country are all from the top to the bottom and

the administrators seem to be insignificant. This then leaves the policies being implemented then formulated later.

This chapter will review literature on the reviewing literature on other countries and how they implemented their economic empowerment policies. This section as it focuses on other countries facilitates the researcher's understanding of the background of African countries which are discussed below.

## **2.2 The International view**

### **2.2.1 Brief Background of Countries in Africa**

In the late 1890s and primary 1900s the United Kingdom colonised African countries the result of this was the redistribution of wealth the methods of redistribution favoured the British and marginalizing the native or rather the indigenous people. According to Chiwunze G (2014: 2) when these African countries got their political freedom rather independence, they never addressed the imbalances of wealth this is attributed to the fact that most of the governments feared to be seen as if they are embarking on a retribution operation. The fear was justified as they believe that if they redistributed the wealth the result would be the flight in capital which would result in the economy to crash, they believed that this was the only way to keep the capital and for the economy to recover. To address the imbalances of the past Marker, S (2003) highlights that a

number of countries have put in economic empowerment policies so as to successively embark on affirmative action programmes, that focus on the problem of redress. When looking into the historical background of the countries in Southern Africa one can see that there is a retro of protracted economic improvement then this fashioned a humanoid investment that is mostly uninformed, unskilled and constrained from eloquent contribution in economic matters. When these imbalances of the colonial period are addressed it means that the people are getting empowered. Empowering the previously disadvantaged groups assist in exposing the nation to the development pillars of the country which then enables them to become representatives of economic change at the same time succour their escape from wretchedness and absolute poverty.

Mihe,G (2010: 26 May) states in his report that the derivation, domineering plus the essential requirement of necessitating policies of empowerment inside Africa, for the most part, Southern Africa remains founded on the authenticity which is economies can thrive especially if they can address the citizens needs and innovativeness when it comes to development and sustainability. It is very important that individuals comprehend that economic empowerment can cooperate a vivacious function in the development of both human and economic growth. This can only come to pass if the

social, economic, political and legal systems are built on the full latent of all communities and people across the country both in its breadth and length.

Makwiramiti A, M (2011: 1) highlights this idea, for there to be economic growth that will lead to sustainable development the heart of economic empowerment has to be embedded in the economic growth of the majority this in turn will spread the benefits of economic growth and in the long run lead to sustainable development. The bulk of groups that were previously disadvantaged are mainly the people who want to get jobs that are good which is employment equity as well as skills development through skills improvement. This group there is evidence of individuals who are interested in creating their own businesses/ companies this then falls in the category of enterprise development and preferential procurement. Most of these people just want to live better lives and they are not interested in owning shares in companies (<http://gbholdings.org>).

This technique ensures that economic empowerment programmes are just not fretful with selling of share but by interventions, which are also concerned about benefits that come with economic empowerment. These economic empowering in Botswana, South Africa and Zimbabwe have affected the Foreign Direct Investment it is imported that the extent came be highlighted in line with the implementation or how the policy was implemented in each country.

## **2.2.2 Empowerment programs in other developing countries**

The researcher took their time to analyze and view the economic empowerment policies of other developing country so as to further understand the IEEP that was implemented in Zimbabwe. By looking into other developing countries it will also serve as a guideline on issues that are affecting the implementation process of policies in Zimbabwe. Malaysia is the first country that the researcher will unpack.

### **2.2.2.1 Malaysia's Economic Empowerment Reforms**

Malaysia can be said to be good example for a good comprehensive affirmative action programme that was successfully implemented and vigorously addressing imbalances of the economy in the past. The New Economic Policy (NEP) was implemented by the Malaysian Government from 1970 to 1981 it was aimed at poverty eradication by plummeting the impartial economic share of non-Malays and intensifying the economy. Roslan (2001) avers that the NEP (an outline of the pro Malay in redeployment of resources and reorganization of the society ) program was successful in lifting income, which empowered the countryside of the Malay also to moderated shortage from 49% in 1969 to 16% by 1990 then an additional decrease to 5.1% in 2001. Shireen (1998), draw attention to three principal tactics requiring social services (education, housing and health), mounting competence of the underprivileged by increase of the capital (irrigation, land, development in crops, marketing , research) and growing provision (technical, financing , education),which is then in turn strengthened by marketing

agencies and government funding (Stafford, 1997). Malaysia's economic empowerment programme basically grasps emphasises on increasing new and fresh sources of wealth through scenery of capable organization to attain economic welfare, privatization of status units and clutch in-trust (Bumiputeras Saruwatari, 1991). "The ownership separation association of even handedness stood at 20% by 1990" (Henderson, et al., 2002).

This can be regarded as a successful empowerment policy since it is embedded into the rules and laws of the country also highlighting that the empowerment programs were made to fit into the diverse population of the country which then further helped the program to have positive results. Botswana also had an economic empowerment policy which was focused on the citizen and it will be discussed below.

#### **2.2.2.2 Botswana citizen economic empowerment policy**

The evidence of the inception of the Botswana citizen economic empowerment policy shows that it was in 1999. The policy's origins can be traced to the National Conference on Citizen Economic Empowerment. NDP 2010: 10 mentions that the policy was for "the exclusion of non-citizens from participating in certain economic enterprises and the need to lower costs for citizens to go into business" (<https://extranet.sadc.int>). According to Chiwunze G the policy is not a single law or act it is actually entrenched in many laws

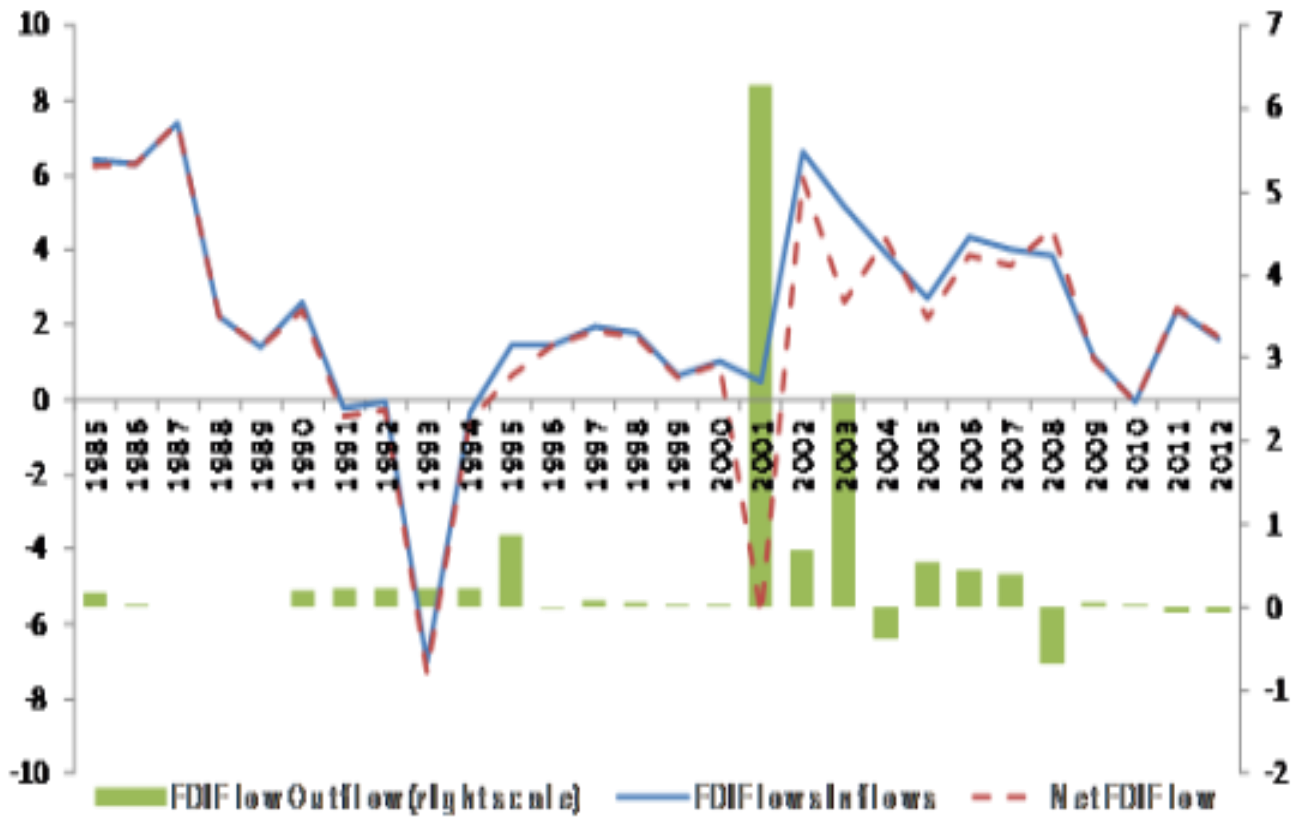
that were made over a period of time so as to help with Twanas to participate in their own economy. The laws are as follows (finance.economy@consultancyafrica.com):

- ❖ “the *Industrial Development (Amendment) Regulations Act* of 2008, which reserves small-scale manufacturing for Botswana citizens or companies wholly owned by Botswana citizens;
- ❖ the *Trade Act* of 2008, which reserves retail services for entities with less than 100 employees;
- ❖ the *Liquor Act* of 2003, which reserves liquor bars, night clubs and bottle stores for citizens, and

The *Public Procurement and Asset Disposal Act* of 2001, which gives preferential treatment to Botswana citizens or companies wholly owned by Botswana citizens in state procurement processes.”

The Botswana Government allows foreigners to own 49% of share in joint ventures, and before they get off the ground the Minister of Industry and Trade has to approve of these ventures this then means the citizens have 51% of the shares. The empowerment policy has been successful in financial resources and proprietorship of assets but it lacks on participation as in they don't have measures to enforce and maximise economic activity (<https://extranet.sadc.int>).

Figure 3: Botswana's foreign direct investment flows (<http://unctadstat.unctad.org>)



One can mention that because Botswana did not give a specific date to implement the economic empowerment programme, Figure 3 above demonstrates the evidence that show that implementing the citizen's economic empowerment policy in Botswana did not have a noteworthy impression on Foreign Direct Investment flow of traffic of the economy.

Botswana being one of the neighbouring countries of Zimbabwe had to be mentioned and discussed in this paper. Speaking of neighbouring countries there is one that is critical and has to be included which is South Africa BEE Economic Empowerment Reforms.

### **2.2.2.3 South Africa's Economic Empowerment Reforms (BEE)**

FW de Klerk, (2005) stipulates that in South Africa the need for stability fringed by empowerment and economic growth necessitated the stipulation for even handed superiority education as an essential instrument to empower blacks to get better opportunities and jobs, this mission has resulted in 60% of the blacks being enrolled into universities. The South African government managed to put the (BEE) Black Economic Empowerment policy so as to rectify socio-economic discrimination of apartheid Crouch (2004). The chief objectives of the BEE are highlighted by the (DTI) Department of Trade and Industry which are that the blacks where to take control, own and manage the country's economy (DTI 2003). Three imperatives facilitated BEE namely social, economic and moral growth (Jack & Harris 2007). Amendments plus enrichments of BEE created the (BBBEE) Broad-Based Black Economic Empowerment, which is defined as a "socio-economic process that directly contributes to the economic transformation of South Africa, the rationale being the realization of an increased

number of blacks managing, owning and controlling the economy (over a ten year period between 2007 until 2017)” (DTI 2007).

In South Africa the Black Economic Empowerment Act (BEEA) of 2003 was created so as to tackle the past transgressions, especially those of discrimination in the apartheid administration be it by color, gender or age. This BEEA of 2003 tried to bring and activate economic participation by the previously disadvantaged groups. The DTI and the BEE codes, 2004 worked hand in hand to achieve this goal. This would in the long run change the composition of management and ownership structures working with new and existing enterprises (<http://www.thedti.gov.za>). The chief objectives of the BEE are highlighted by the DTI which are as follows blacks where to own, take control and manage the economy of the country (DTI, 2003). Three imperatives facilitated BEE namely social, economic and moral growth (Jack & Harris, 2007). Amendments plus enrichments of BEE created the BBBEE, which distinctly is a “socio-economic process that directly contributes to the economic transformation of South Africa, the rationale being the realization of an increased number of blacks managing, owning and controlling the economy (over a ten year period between 2007 until 2017)” (DTI 2007).

The original BEE programme received heavy criticism because individuals who benefited from it were those who were politically associated with equity transfer. The BEE was then reviewed by an established BEE commission that was put in place to

offer recommendations and to review the policy, and the BEE that was then implemented in 2004 was the result of this review. With this in place it paved way for the implementation of the wide-ranging Broad-Based Black Economic Empowerment Strategy (BBBEE), which looked at the broader picture of involving black people in activities that enhance their skills which are linked to economic development and procurement of government ideas rather than ideas of transferring assets. The BBBEE is being monitored by the DTI because it is the department that is responsible for making sure the policy is going and moving accordingly, it is measured by scorecards which have three main fundamentals that is

1. employment equity and human resource development;
2. meandering empowerment throughout special conduct in the procurement procedure;
3. control of enterprises and assets and direct empowerment through ownership.

According to the DTI (2004) the scorecards are not the only standard for measuring BBBEE compliance, there are charters that focus on specific sectors such as tourism, mining and financial services (Rustomjee 1991)

The DTI South Africa, (2008) has what is known as the “Rationale for BEE” and it states that the Government defines BEE as “an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and

brings about significant increases in the numbers of black people that manage, own and control the country's economy as well as significant decreases in income inequalities," (<http://www.thedti.gov.za>). South Africa's BBBEE's progress is put into three places

- ❖ the Department of Trade and Industry (DTI),
- ❖ Executive Report organized for the Presidency and
- ❖ the DTI as well as the President Black Advisory Group'

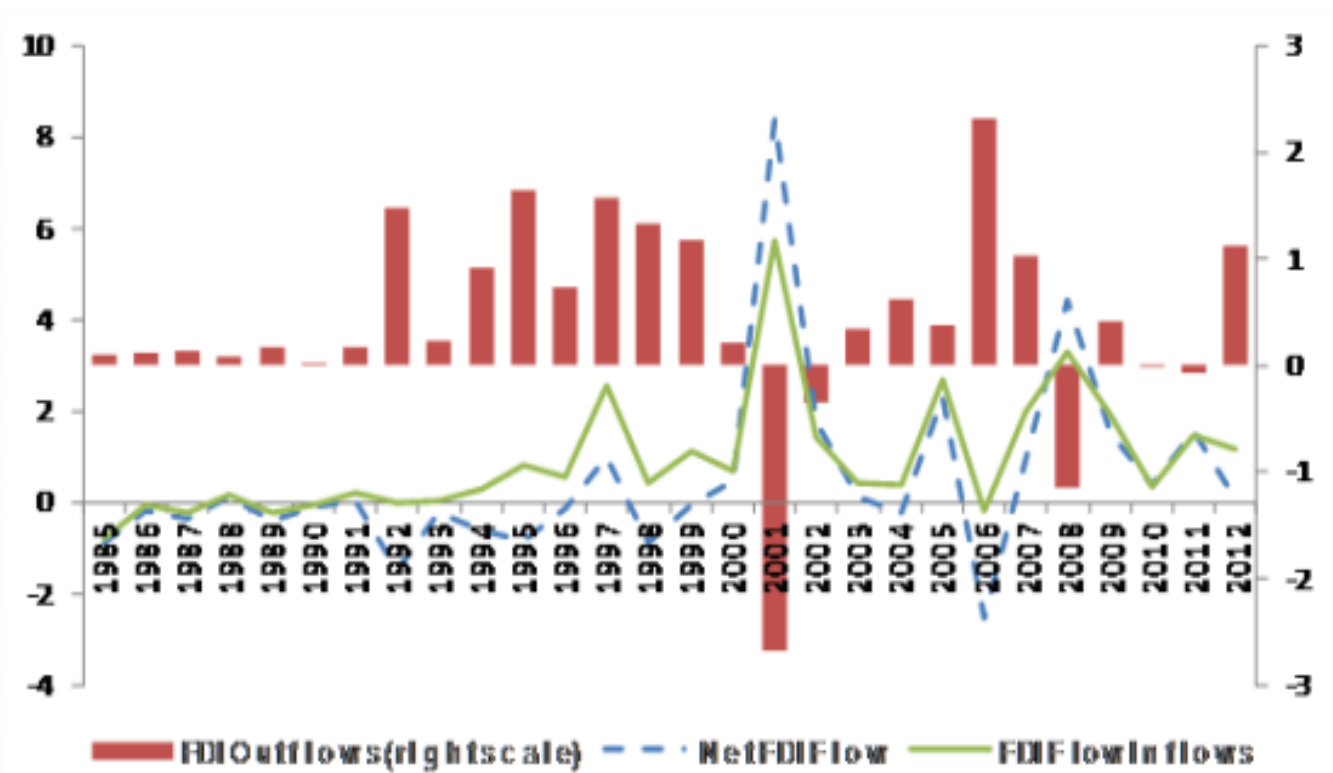
The DTI (2008) mentions that the BEE was put into place so that it can amplify black control plus businesses management in the economy by doing so the hope was to lessen economic inequalities within and among races (DTI 2010:5) <http://www.thedti.gov.za>. There is a score card that has been made so as to measure the empowerment progress of companies, they are four namely

- ❖ management at senior level;
- ❖ control of enterprises and assets and direct empowerment through ownership;
- ❖ employment equity and human resource development; and
- ❖ tortuous empowerment during privileged procurement, enterprise development and corporate social investment

Working with these four the government strive to get 40% shares that will go to JSE Securities Exchange to help empower black business persons' creativity. The

implementation of BEE had a widespread impact which attracted attention when it came to the policy's motives, definition and ways in which the government was going to attain the objects that had been set (Bendi M 2010). The Government was so determined to make sure that the policy was implemented properly that they consulted individuals in the cooperate sector like stakeholders and other policy makers to help them form sustainable targets (<http://www.mbendi.com>.) Figure 4 below highlights that the foreign direct investment was constant in apartheid and showed considerable growth in 2001. South Africa invested in other countries and that helped its BEE policy to show results and there was evidence of free flow of funds meaning that they where investors coming into the country. Since South Africa's BEE policy was focussed on assets transfer that had an impact on the foreign direct investment as hinted in figure 4 below. In 2008 to 2012 the FDI declined because of the global crisis that was present and not because of the BEE policy implemented (<https://www.deloitte.com>.) generally there was a positive response globally to South Africa's empowerment programme the reviewed one which focused on adopting an approach that was preferential and not asset transfer. This policy was also a success in helping investors to come and invest because the policy environment was transparent.

Figure 4: South Africa's foreign direct investment flows (<http://unctadstat.unctad.org>)



## 2.3 The Local view

### 2.3.1 Introduction

Since we have exhausted the economic empowerment policies of other countries it is important that we shift the attention to Zimbabwe with a brief back ground that assists us to understand how the country came to implement such an economic policy. Zimbabwe's macro-economic policies from 1980 highlight an interaction sandwiched between policy decisions and socio-political environment here is evident that can be traced through the policies implemented from Independence (Gwenhamo, 2009; Zhou

and Zvoushe, 2012). These economic policies were implemented because of the joy of gaining the country back. According to Zhou and Zvoushe, (2012) macro-economic policies were considered side by side the growth with equity policy framework which focused on equal distribution of wealth between urban and rural economy. Zimbabwe at independence got a structurally polarised and differentiated economy that was characterised by impoverished rural areas and their economy ironically that is where the bulk of the populace lived roughly about 70 % - 80% and well developed urban area (National Indigenization and Economic Empowerment Board, (NIEEB) 2013). To address this gap of wealth and development and widening socio-economic inequalities of the two economies the government had to adopt an economic policy framework and this policy was going to be very costly and time intensive it had to be implemented so as to redress the socio-economic inequalities. Zhou and Masunungure, (2006:16) are of the opinion that state was leaned more towards distribution and welfare which lead them to have socialist principles when it came to the allocation of funds and resources even social benefits.

To understand the basis of the research which is the implementation of the IEEP policy in Zimbabwe there is need to highlight, explain and reveal the policies that were implemented from independence to the implementation of the IEEP. Policies implemented since independence are categorised into three decades where the first

decade was more of the reconciliation and distribution policies. Second decade is the period of the late 1990 where they followed Structural Adjustment Programmes (SAPs) (policies put into place by Washington through the World Bank (WB) and International Monetary Fund (IMF) which failed to thrust the country's macro-economy to prosperity and led it to a further recession that then continued to rampage Zimbabwe. This helps understand where the policy was coming from and shows a glimpse of what the government wanted to achieve (Gwenhamo, 2009:3). After the SAPs the third decade of policy implementation is highlighted by Zhou and Zvoushe (2012:220) and he makes note highlighting that in the 2000s the economic liberation in Zimbabwe witnessed economic meltdowns that broke the records of any other country. This period is classified with violence, economic decline (hyperinflation), political instability, regressive legislation for political control and survival of citizen by the influential society (Zhou and Zvoushe, 2012:220). Also in this last decade that is when Zimbabwe began its redistribution of resources on a wide scale for example Land Reform of 2000 and the indigenisation of foreign-owned businesses around 2006. With this in mind it can be said that the first two decades the policies implemented focused on the distribution of wealth and the IEEP focuses on the creation of wealth.

### **2.3.2 Policies implemented from independence to the IEEP**

Zimbabwe got independent in 1980 after seven years of exhausting armed struggle, and this historic reality has remained a decisive factor when national policies are being made and decision making is based on this fact. According to Zhou G and Hardlife Z (2012: 213) after independence the new government was faced with the challenge to realign and reconstitute national policy which were hereditary national policy making structure(which was minority focused), to the new socio-politico-economic indulgence they were going to use(which was going to be majority focused). The inherited economic structure was embedded with inequality in wealth and income distribution, it had the education, agricultural, banking and industrial sectors biased towards the white colonial master. With this in mind the new government faced the need to equalize the inequality as well as the injustices brought by yesteryear polices which fortified policy making. This underlined the centre of the state's goals in the first few years after independence they wanted policy making in the following sector to favour the majority health, agricultural, labour, education and social wellbeing. Therefore the new government regarded itself as a fundamental apparatus where the imbalances of the past were to be redressed.

There was a Reconciliation policy that was implemented 1981 (Adesina J 2007) which was fixated on the necessity to shape peaceful co-existence, sustainable peace and

equality between ethnic groups and races in the country. This policy stood as a reminder that the racial discrimination of the previous years was to come to an end that there was going to be parallel co-existence in the country. Davies I, Smith D and Simpson C (1981: 206) highlight that after the first democratic elections the Prime Minister at that time was Robert Gabriel Mugabe he accentuated the necessity of establishing an environment with “space for everyone...a sense of security for both the winners and the losers- forgiveness and forgetting.” The policy was firstly moulded by the associations between former white Rhodesian and blacks, also between the two major political parties then, Zimbabwe African National Union-Patriotic Front (ZANU-PF) and Zimbabwe African People’s Union Patriotic-Front (PF-ZAPU).

In the years between 1982 and 1987 this policy was treated by the tension that was going on between the two political parties ZANU-PF and PF-ZAPU and the government retorted to by doing a “dissident-cleansing” which resulted in violence and a lot of deaths (Nyathi T and Nzewi O 2013: 6) it was popularly called “Gukurahundi.” Zhou et al (2012:213) then mentions that in 1987 there was a signing of the Unity Accord between ZANU and ZAPU and this showed a negative start and chapter of Zimbabwe post-independence. This reconciliation policy had some ethnic groups questioning the bases especially the ethnic groups that were over looked in the reconciliation dialogues namely the Ndaus in south-eastern Zimbabwe, other segments of the Ndebele

in Matabeleland and Tonga in Kariba. And up to date these groups have been left out when national unity agendas are being made (ibid).

The reconciliation policy even now has been receiving mixed reviews and some extreme for example one describes it as “reconciliation on behalf of the un consulted majority in 1980” (Muponde, 2004: 186). This shows lack of public participation when the policy was made others believe that the policy reflected the position of the government and not of the nation. Mandaza, 1986 states that this policy was put in place as an effort by the government to control the situation which was unstable both socially and politically because of the environment which was the change of the government. It is important to note that this new government was faced with racial questions, inter-tribal and ethnic coherence (ibid) also one has to mention that state and nation construction are faint procedures that barely flourish in unhinged socio-political environments categorized by penetrating hostility and suspicion. This pragmatism enlivens the policy of reconciliation of 1980 reverberations through the 1987’s Unity Agreement as well as 2008 September 15’s Global Political Agreement.

After the Reconciliation policy there was a Growth with Equality policy which was based on the dual economy that had favoured the comparatively well-built sector and focus on the mostly deprived rural sector where 80% of the country’s inhabitants lived (GoZ

MDGs Report, 2009:1). As a result the government wanted to focus on the social sectors in the rural areas where they wanted to put infrastructure and redress economic and social injustice by using land resettlement programmes. In the urban areas the policies were in favour of black affirmative, minimum wages and indigenization policies so as to make sure that the standards of living were increased.

Growth with Equity policy declaration on conditions that framework for general sectorial policies also constituting the foundation for national policy planning. This policy highlighted the desire of the government to develop the country using democratic and socialist principles when it came to the distribution and allocation of social benefits and resources. According to Zhou and Masunungure (2006:16) the Growth with Equity policy mostly had positive results in the health and education sector which led the state to transform into a “distributive and welfarist state.” Even though they were positive outcomes in the policies of welfare there was still trifling citizen participation and involvement when it comes to the planning and designing of the entire policy process, leaving the whole process in the influence of the government (Zhou 2000:195). The economy then was not yet ready for such a policy because the country was from war and also the surrounding countries were at war (South Africa and Mozambique) and they helped them this weighed down the countries’ economy. It made it clear that there

was a need to reconstruct the economy as well as to implement sound economic planning.

After the implementation of the Growth with Equality policy an education policy (education for all) was implemented this was to address the colonial regimes' policies of education. These policies' prime objective was advanced on more whites being admitted so as to diminish black rivalry when looking for jobs. "In the years 1976-77, for instance, state expenditure per African pupil was Z\$43.2, and Z\$475.2 per European pupil; in 1972-73 it was Z\$28.8 per African pupil against Z\$377.8 per European pupil" (Riddell, 1978). The slogan of the manifesto for the elections in 1980 the ruling party ZANU-PF promised a new education policy that was going to firstly eradicate racial education in addition apply the education scheme to grow in the newer generation so that they develop common loyalty to the state and a non-racial attitude. Secondly the policy was to launch an arrangement of compulsory and free education both primary and secondary school. This policy was also meant to work as a weapon for affirmative action because it was also to stop the discrimination the girl child. Fourthly this policy was supposed to link the education scheme to national objectives; after focusing on the children there was leeway for adult education for all adults who wanted to learn even those who had no education or had a little. The sixth aim of the policy was that education in the long run should help\ assist in the transformation of the society and

finally education was classified as a basic human right making it a point that every child had an opportunity to education so as to develop emotionally, mentally and physically (*ZANU-PF Election Manifesto, 1980*).

Even though the policy of providing free education for all was sound it did not take into effect the financial toll it was going to have on the country especially soon after independence. This policy proved to be a burden financially, lack of materials and human resources ended up encumbering the state. Also after independence the education policy was not the only priority of the government they were other pressing issues for example agriculture, resettling people who had been at war, health just to mention a few. The education policy sought to have development that was broad based on all economic sectors but resources were not sufficient. This then means that the objectives of the education policy were unrealistic and ambitious.

Education for all was not the only policy that sort to cover everyone there was the Health policy (health for all) these two policies have equivalent backgrounds, just that in health the society was set up in a way that racial and class arrangement was simulated in the system that delivered health care. The distribution and consumption of health services and goods come after the social and racial class patterns. According to Agere, (1986: 359) infant mortality among blacks was 120 to 220 per 1 000 whilst among

whites it was 17 per 1 000. Then Sanders, (1990:6) stipulates that “Urban-based sophisticated hospitals serving about 15 per cent of the population absorbed about 44 per cent of the publicly funded services while 24 per cent went to primary and secondary level rural health services.” The author did not take into consideration that 70 per cent of the populace at that time lived in rural areas. It is important to highlight that the distribution of health services was the same when it came to the economic power as well as political. According to Zhou (2000: 200) the indigenous people (both rural and urban) had no medical health programmes even though they covered whites. Razemba (1998:104) argues that there was a wide gap between the life expectancies where it was very low across the genders of the indigenous people: European male, 66.9 and African male, 49.8; European female, 74.0 and African female, 53.3. Because of these statistics the Health Ministry made the policy “equity in health” as a result resources were shared and evened out amongst everyone. After that was achieved the government built hospitals, clinics and health care centres in rural and urban areas.

The achievement of these goals ascertained to have challenges because of resources were not available especially “health for all by 2000” it ended up not being successful due to the fact that it was way too ambitious because of the state the economy was in it was just after war (Zimbabwe Human Development Report, 2003: 13).

There was an Agriculture policy implemented to redress the issues of land, as well as to redress the colonial policy of agriculture which was based on the notion that it should serve the interest of the colonial masters. The colonial policy had Legislative frameworks joined with a bunch of economic procedures which deprived the Indigenous right to have land; go to agricultural markets and resources. Therefore after independence there was need for a new policy but the government could not implement it because they were faced with a dilemma how where they going to balance between efficiency and equity. In theory there was going to be change but in practice the government maintained the agricultural policy of the colonial times. As a result the land policy was based on the notion of “willing seller-willing buyer,” this did not do much for the indigenous persons because they could not afford to buy the property (Nyathi and Nzewi 2013: 35)

After the government implemented policies that were focused mainly on redressing the inequality and injustices of the past they moved to a new phase, where policies had to be aligned to the goals of the WB and IMF which world followed as well as all across Africa. The policies had to focus on the framework of Economic Structural Adjustment Programmes (ESAPs) in the 1990s (UNDP/Government Publications, 2009). ESAPs are “neo-liberal market-driven policy measures” that are authoritarian clarifications that were implemented so as to look into the economic catastrophes of 1980s. These policy

measures lingered so as to reduce the expenses of the government by at least 25 per cent in all aspects of the government when it came to commercialization.

The Economic Structural Adjustment Policy Document (1990:6) in Zimbabwe wanted to “de-emphasize its expenditure on social services and emphasize investment in the material production sectors such as agriculture, mining and manufacturing”. The ESAP policy document had that gets and it had guidelines on how to achieve these targets be it in liberalization of trade and exchange, reforms of the financial sectors, institutional reforms to domestic market deregulations. The specific targets are as follows:

1. “Achieving an annual GDP growth rate of 5% during the period 1991 – 1995;
2. Raising savings to 25% of GDP
3. Raising investment to 25% of GDP
4. Achieving export growth rate of 9% per annum during the period 1991-1995
5. Reducing budget deficit from 10% of GDP 5% by 1995 and
6. Reducing inflation from over 17% to 10% by 1995.”

These policy restrictions and targets where one size fits all as a result in Zimbabwe the SAP policy recommendations points to developments that where impossible because they were preoccupied by situation constraints and structural constraints. The ZIMPREST (1998: 5) highlighted that the annual growth rate of the economy was less

than 1 per cent and that made the impact of the SAPs programme on a country that was getting up on its feet, whose budget shortage continued to be high.

Hardlife and Zhou (2012) state that in fact, “by the 1994/95 fiscal year, it had increased to 13 percent of the GDP while inflation levels also worsened in the years, going beyond set targets.” The losses of the parastatals kept on rising and not deteriorating. They then became and stayed as the chief drain on of resources (Zhou, 2001). The document by ZIMPREST (1998: 4) denotes that “only modest reductions in the aggregate public enterprise sector financial deficit during the phases of ESAP.” Even though they were areas that showed great improvement because of this policy they were two fronts that had relatively low results namely the privatization and commercialization. “In fact, by close of the ESAP programme, not a single parastatal in Zimbabwe had been fully privatized” states Zhou (2000).

Therefore the implementation of the policy was compromised because of the deficiency of legislation that was to be used to guide the companies of the state that were going to be denationalised and the self-governing denationalization agency as done by other countries for example Malawi and Zambia. According to the report by GoZ MDGs (2009:2) “implementation of cost recovery measures in the education and health sectors had a very heavy toll on the welfare of the population, especially the rural poor”. This

also limited the access to facilities like health and education because the general public could not pay the amount that was needed. They were two programmes that were put into place namely the Social Dimensions Fund (SDF) and Social Dimensions of Adjustment (SDA) Programme these were intended to moderate the anguish of both the rural and urban areas they faced devastating widespread poverty. Therefore Mlambo (1992) highlights that the inclusively the reform programmes (1990-2000) had a negative impact on the country especially social welfare.

This then led to the ZIMPREST programme that was supposed to be implemented in 1996 but ended up being shelved for two years. The ZIMPRESS programme was taking lessons from ESAP especially its shortcomings and weaknesses, the idea was to alleviate poverty, re-establish macro-economic solidity and enabling private and public investments and savings. ZIMPREST's aim was eradication of poverty buy creating employment. By creating platforms were stakeholders were involved in a process of developing human capital and enabling entrepreneurship.

This policy did not do well also because there was lack of financial support from the international community as a result the funds needed to implement the programme was not available. They relied on support because the resources had been allocated through what was called "three-year rolling budget system," also an incongruity about demand

and supply of the foreign currency. According to GoZ (2009:130).two years passed and they were still looking into the goals of ZIMPREST “the budget deficit was still at 10 per cent of GDP, inflation above 50 per cent and unemployment around 60 per cent.” ”The export sector performed poorly in terms of the US dollar; exports collapsing from about 12 per cent in 1996 to about 20 per cent in 1999” (Ibid: 131). This policy like the rest implemented was also way too ambitious, encircling a horde of goals to be attained: institutional reforms, land reform, decentralization, poverty reduction, employment creation and others. They did not look into the budgetary insinuations of each of the objectives therefore it failed.

The period between 2000 and 2010 the country underwent a period of uncertainty and turmoil. According to Cousins, 2003; Phimister, 2004; Raftopoulos, 2009; Kanyenze, et al, 2011) this period experienced a meltdown and the peak was 2008 were the socio-politico-economic was low. As a result the policy environment was not conducive for implementing any policies. Politically there was a shift in things were the ruling party felt the pressure of an opposing party since independence. According to Hardlife and Zhou (2012) ZANU PF was threatened by MDC politically at all levels of elections be it presidential, parliament or local level. The elections that followed where tense and resulted in violence.

The fast track land reform was implemented and it has received mixed reports and reviews up to date both external and internal. One of the worst reviews is the one that states that Land reform was a process that was politically driven stating that they were political motives of convenience and survival of a party that was struggling to keep afloat. Land Reform was implemented so as to redress the issues of land that had not been addressed from Independence also because the willing buyer willing seller method was going very slowly and most of the population did not have the money to buy land from the whites. There was a meeting that took place at Lancaster House where an agreement was reached upon focusing on the achievements, distribution and allocation of land among the different races in the country. After independence the country inherited four forms of land tenure namely Freehold Tenure of Small Scale Commercial Farms (SSCF); Large Scale Commercial Farmers (LSCF), this one also involved the urban areas; and Communal Areas and State Land. It is important to highlight the distribution of land so as to clearly understand what, and why the government went ahead with land reform. The commercial white farmers about 4 000 who focused on large-scale farming occupied 11, 2 million hectares of land, whilst 16, 3 million hectares of arable land was occupied by more than a million families living in the rural areas. Now that we understand the land occupied by larger scale farmer the small scale farmers were about 10 000 they had 1, 2 million hectares, which left 70 000 families on

2 million hectares of land that they were resettled on after the war, this then means that the government was left with 500 000 hectares of land which was going to be used for state farming so as to support the country (Takavarasha, 1994, 165). As a result after independence this had to be sorted out so as to achieve equality and since this was the aim of the government to redress, redistribute and allocate resources so as reduced poverty especially in the rural areas. With people empowered with land then it would mean that the indigenous Zimbabwean was going to be able to participate in the national economy. "The Lancaster House Conference Agreement fell short in providing adequate frameworks for acquiring and distributing land, a factor that pushed the Government of Zimbabwe to enact the Land Acquisition Act of 1992 to provide an operational framework for land issues and processes." This act is the one that had the agreement of willing buyer willing seller which then distributed land slower than what the state/ government had in mind. Also the government did not have the funds and resources to reimburse those people with land that was going to be taken to be used for redistribution.

In 1998 a donor conference was held the agenda was to organise financial support so that the second phase of the Resettlement Programme (LRRP II) and Land Reform, they were pledges that were made for financial support but there where condition put in for this to happen and the Government protested because the conditions were that they

had to make a vibrant land policy that was to be accompanied by apparatuses that highlighted accountability and transparency (Hardlife and Zhou 2012). It seemed like a good arrangement and proposal and why the government refused to this it surpasses my understanding maybe the government thought this was another way for them to be re-colonised, as a result the LRRP II never got implemented. This failure just became a fuel to the fire that the other policies of redress and redistribution had not gone well and they were failing they never reached the targets that were being set. From independence till LRRP II people became unhappy because nothing seemed to be working and these scenarios led to invasions of farms and violence from corner to corner of the country, even though the government managed to control this there was still a lot that had not been fixed. "But after the advent of the rejection of the draft constitution in a referendum in 2000, the government embarked on a fast track land reform programme, arguably exploiting the land crisis for political benefit."(ibid) The way land reform was carried out it showed a lot of weaknesses because after that they were a lot of amendments that were made to the Land Acquisition Act so as to put up with the new socio-political developments. Up to now the legal procedure and process of the land policy can evidently be seen as punitive and unconstitutional as well as disorderly and confusing. With this in mind there is evidence from this policy that the Zimbabwean

government implemented first then formulated a policy and then finally made it a legislate which then echoes some hypothesis in the model of “garbage-can”.

The economic crisis in Zimbabwe was deepened by three political factors the first was in the 1990s where in 1997 cash that was unbudgeted was handed out to war veterans, around the same time the army was deployed to the Democratic Republic of the Congo to assist in war there and lastly in 2000 the famous programme of land reform which was fast tracked to fit into the agenda of the government and its impact further crippled the economy (UN Habitat, 2005). It can be concluded that these three were solely responsible for factors that triggered a spiral in inflation rate which the country has not recovered from up to date. The government implemented Operation Murambatsvina (OM) in 2005 which was also very controversial it aimed at cleaning up the urban areas by demolishing the unregistered structures (Nzewi and Nyathi 2013). With the implementation of OM in 2005, for an economy that is already in crisis, this had a huge impact on the economy of the country. The impact OM was great it created a lot of problems for the country namely; transport woes, homelessness, cold weather, starvation, loss of assets, increased an immediate demand for accommodation and exposure to disease. The government was not equipped financially or in any other way assist the individuals that had been displaced, they promised to relocate these people but it was this never happened for most of the people displaced. This then means that

the government of Zimbabwe was not economically prepared for the after mirth of the operation it embarked on. De Satge et al. (2002) states that because of OM there was a lowering of income or total loss income so that the government can regain some of the finances they had lost in implementing OM. This made it difficult to survive because the economy of the country was crashing and the economic climate was unstable. OM was implemented right across the country's cities and towns which then means that its negative impact was great especially in the urban areas. Their livelihoods were affected and livelihood can be defined as activities that are required for living be it assets or capability they can be social resources or materials (ibid). Livelihoods were affected meaning the goal for sustainable livelihood was now not possible since sustainable livelihood is defined by De Satge et al. (2002), as a way of coping after stress, shock as well as maintaining and enhancing one's assets and capabilities for both present and future purposes. As a result the implications of OM on the public sector of Zimbabwe are significant. From a service delivery point of view, the operation had a huge implication for poverty eradication and elimination of hunger, an important United Nations Millennium Development Goal (UN, 2000). The other two objectives that were supposed to be made by 2015 were to reduce the number of people suffering from hunger and to reduce the number of people living below the poverty datum line which is less than 1 US dollar a day. Needless to say more Zimbabwe did not reach this target

the number of people living under the poverty datum line actually increased rather than decreasing. OM had devastating repercussions on the residents' livelihood (Devereux 2002). Indeed OM had a negative impact on the economic financial and physical dimensions of development in Zimbabwe. This then means that instead of dealing with a problem more problems were created which then leaves the country in need of major revamp and this had to be done fast but in actual effects it was left on ice because the country had to fix a situation it had come across where there was shortage of food and basic commodities (medication, maize meal, electricity, fuel and foreign currency) (MDGs Report, 2009:3). The elections of 2009 were of no assistance to the wounds made in 2005 due to the violence of OM, this led to the government being forced to have coalition government which is famously known as the period of unwilling marriage in the government. This unwilling marriage managed to stabilise things in the country.

There are policies that were put in place when there was the inclusive government although it should have been difficult to have policies that fit agendas of the two very different political parties, who had their inter-party tussles and political infighting. The inclusive government had to deal with economic and social challenges that were threatening the country. The policies that were drafted by this government to mention a

few namely are mid-term economic policy, indigenization and economic empowerment policy and diamonds policy, which were to be implemented and active between 2011 and 2015. The inclusive government era more or less clashed with the launching of a very strong period of minerals diamonds which were going to assist the country on a large scale and alleviate it from poverty but there was nothing done. Anyway the policies crafted in the inclusive government there is only one that has been outstanding the indigenization policy which in turn has caused contradictions and controversies politically in the country.

### **2.3.3 Origin of policy**

Ever since the country was under colony it was necessary for economic empowerment and traces of self-empowerment through pressure groups are highlighted by the following. In 1990 the IBDC was formed which gave way to the 1994 AAG being born, in the same year the IBWO (BCZ 2011:1). The ownership patterns of twisted economy that had been created by the colonial government had to be redressed as a result the government in 1996 created the NIT so as to stock shares (Zhou, 2000: 25). Small and medium scale were endorsed by the government farmers, miners and business representatives and the companies like ZMDC, ARDA and SEDCO became what are called stand-alone agencies. The indigenisation agenda, like the interventionism in the first decade of independence, addresses the same goals of poverty eradication, socio-

economic transformation and growth with equity. In London 2011 a Africa Resources Investment Congress was held and Prince Mupazviriho a Permanent Secretary of the Ministry of Youth Development had a presentation and he stated “that Zimbabwe initiated the indigenisation and economic empowerment in the late 1990s.” there is evidence that shows that the indigenisation and economic empowerment policy was mentioned and that there was action to do something about the situation that the ingenious Zimbabwean was in, there was a Policy Framework made in February 1998 this then laid the foundation and founding of the National Investment Trust of Zimbabwe (NITZ). According to the [www.objectivecapitalconferences.com](http://www.objectivecapitalconferences.com), the NITZ was created to financial assist the indigenous Zimbabwean so that they participate in the economy.

The policy was kept on ice and it got reviewed in October 2004 and it was revised and adopted leading to the Revised Policy Framework that became the establishment of the Indigenization and Economic Empowerment (IEE). After this framework which laid down the principles for formulating the IEE Legislation. Sokwanele, 2010 states that the Zimbabwean parliament passed the legislation of IEEA (Chapter 14:33) in 2007 and on the 7<sup>th</sup> of March 2008 as an Act and it got signed into a law on the 17<sup>th</sup> of April 2008. Then it went back on ice till 2010 January 29 were government circulated the IEE (General) Regulations, 2010, which worked hand in glove with the “Act that include the requirement for foreign owned companies operating in Zimbabwe to provide information

about their indigenisation implementation plans to the Minister of Youth Development, Indigenisation and Empowerment, by April 15, 2010 “(ibid). “The indigenization ministry consulted with chief stakeholders among them; CZI, RBZ, ZNCC and ZYC, in the development of the IEE Bill, Act and Regulations. The National Indigenization and Economic Empowerment Board (NIEEB) states that the IEE Act seeks to transform blacks from being mere suppliers of labour and consumers and improve their participation and ownership of resources, ([www.nieeb.co.zw](http://www.nieeb.co.zw)) and is being implemented through the IEE Act and two key statutory instruments (SI) namely; Indigenization & Economic Empowerment (General) Regulations, 2010, and the Indigenization & Economic Empowerment (General) (Amendment) Regulations, 2010.”

#### **2.3.4 What the Policy entailed**

The main goals and objectives of the IEEP will be discussed in this section so as to clearly understand what the policy wanted to achieve. The most important object of the IEEP was to broaden the economic base through encouraging economic even-handedness on a large quantity especially to the ones who were on denied justice (Watson, 2010), by the historical colonial system and the recent neoliberalism that was brought to light by the imperialist policies (Gowans, 2008; Mamdani, 2008; Zhou and Zvoushe, 2012). The policy’s aim was to address this issue at length.

The legal framework of the IEEA of 2007 chapter 14:33, supported the ideology of the Act, they were legal measures put into place so that the interests of the people can be safe guided so that they can participate in the economic. The guidelines and legal instructions are embedded in the effort to keep in touch with policies that were implemented in the late 1990s. The IEE legislation provided a passage for the creations Act [Chapter 14:33] of 2008 and the policy framework supplied the principles for the formulation of the IEEP. The Act set five (5) objectives for broad based economic empowerment as

1. To eradicate poverty by creating wealth, this was going to be achieved by economically empowering the previously disadvantaged Zimbabweans through expanding the economy making the citizens to participate in the economy.
2. They are going to create circumstances that will improve the economic standing of the previously deprived Zimbabweans this was to be achieved by smoothing the progress of their donation as well as profit from the country's economic development.
3. The productive assets of the country were going to be increased in a democratic way
4. To encourage domestic private sector to be more competitive with this development and economic growth can be spearheaded.

5. Lastly the policy would widen the economy so that it is self sustaining and this will create better standards of living that are satisfactory and create a lot more opportunities for development

These five (5) objectives of the IEE were to be implemented by using a mixture of five (5) chief strategies of policy and they are as follows:

1. "Increase indigenous private investment and participation in the economy by promoting the establishment of new indigenous enterprises, joint ventures, acquisition of shares in existing companies, privatization of state enterprises, takeovers, employee share ownerships schemes or trusts and subcontracting by large businesses to indigenous companies."

2. The economy was to be industrialised.

3. They were going to put programs that promoted skill development so as to empower the indigenous mainstream so that they can participate actively in the economy.

4. By mobilising fiscal resources from the standard to long term finance.

5. Re-evaluate regulations that restrain IEE.

In September 2000 a National Investment Trust of Zimbabwe Fund (NITF) was set up with a directive to endorse people to get hold of shares that the government owned in

their previous endeavours, there was also going to be the management of buy outs as well as buy in of shares, also indigenous Zimbabweans were going to be assisted with getting projects of green field by providing funding for these projects and they were going to create a way to bridge finance. The fund NITF has been altered into the National Indigenisation and Economic Empowerment Fund (NIEEF).

The existing IEE understanding is guided by two (2) universal notices that are under the General regulations and the Act for the following companies or sectors to indigenise their entities within one year (2010). The numbers are as follows: 114/2011 it was mainly for the mining sector and the 280/2012 which looked at the other ten (10) sectors of Zimbabwe namely Transport and Motor Industry, Entertainment and Culture, Tourism, Finance, Arts, Energy, Telecommunications, Education and Sport and lastly Engineering and Construction.

At this point looking at the discussion of legal framework on the IEEP it is important to highlight that items that have been implemented under this legal framework are in the form of reports that review the policy (NIEEB, MYDIE). According to Chapter 14:33 Act 14 of 2007 the IEE Act states the following I quote “(1) The Government shall, through this Act or regulations or other measures under this Act or any other law, endeavour to secure that— (a) at least fifty-one per centum of the shares of every public company

and any other business shall be owned by indigenous Zimbabweans; (b) no— (i) merger or restructuring of the shareholding of two or more related or associated businesses; or (ii) acquisition by a person of a controlling interest in a business; that requires to be notified to the Competition Commission in terms of Part IVA of the Competition Act [Chapter 14:28] shall be approved unless— (iii) fifty-one per centum (or such lesser share as may be temporarily prescribed for the purposes of subsection (5)) in the merged or restructured business is held by indigenous Zimbabweans; and (iv) the indigenous Zimbabweans referred to in subparagraph (iii) are equitably represented in the governing body of the merged or restructured entity; (c) no unbundling of a business or demerger of two or more businesses shall, if the value of any business resulting from the unbundling or demerger is at or above a prescribed threshold, be approved unless— (i) fifty-one per centum (or such lesser share as may be temporarily prescribed for the purposes of subsection (5)) in any such resulting business is held by indigenous Zimbabweans; and (ii) the indigenous Zimbabweans referred to in subparagraph (i) are equitably represented in the governing body of any such resulting business; (d) no relinquishment by a person of a controlling interest in a business, if the value of the business is at or above a prescribed threshold, shall be approved unless the controlling interest (or such lesser share thereof as may be temporarily prescribed for the purposes of subsection (5)) is relinquished to indigenous Zimbabweans; (e) no projected or

proposed investment in a prescribed sector of the economy available for investment by domestic or foreign investors for which an investment licence is required in terms of the Zimbabwe Investment Authority Act [Chapter 14:30] shall be approved unless a controlling interest in the investment (or such lesser share thereof as may be temporarily prescribed for the purposes of subsection (5)) is reserved for indigenous Zimbabweans; (f) all Government departments, statutory bodies and local authorities and all companies shall procure at least fifty per centum of their goods and services required to be procured in terms of the Procurement Act [Chapter 22:15] from businesses in which a controlling interest is held by indigenous Zimbabweans; (g) where goods and services are procured in terms of the Procurement Act [Chapter 22:14] from businesses in which a controlling interest is not held by indigenous Zimbabweans, any subcontracting required to be done by the supplier shall be done to the prescribed extent in favour of businesses in which a controlling interest is held by indigenous Zimbabweans. (2) For the purposes of subsection (1)(d), the relinquishment of a controlling interest in a business— (a) does not include the donation or disposal otherwise than for value of a business to— (i) a member of the family of the person relinquishing it; or (ii) any other partner or shareholder of the business, in the case of a business that is a private company or partnership; (b) includes the disposal by the liquidator of a company or other body corporate or the trustee of an in- solvent estate of

a business or of a subsidiary, unit or division of a business that is capable of being operated as a separate business.”

Firstly the policy draws its strength from a background of economic deprivation and dispossession when it comes to the colonial system the indigenous Zimbabwean disadvantaged. Secondly according to Zhou and Zvoushe, (2012) the policies of neoliberalism that were promoted by the WB and IMF in the 1990s auxiliary marginalised the blacks in all the sectors of the economy. Therefore Mupazviriho, (2011) states that the policy pursues the democratization of the “country’s productive assets as well as economically empower previously disadvantaged Zimbabweans by increasing their participation in the economy, thus facilitating their contribution to and benefit from the economic development of the country.” The policy’s aim is to generate an economy that is new that has definitive benefits it should be controlled and owned by the indigenous Zimbabwean. The report by NIEEB (2013) highlights that this new economy will allow Zimbabweans to be in charge of their own destiny meaning that by participating in economic enhancement their social wellbeing is going to be increased.

An indigenous Zimbabwean is defined by Chapter 14 (33) of the IEE Act as, “any person who, before April 18th, 1980, was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person, and includes any

company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of members”

### **2.3.5 The case for Zimbabwe: The Indigenisation and Economic Empowerment (IEE)**

The background of Zimbabwe shows that the marginalization of blacks during the colonial times affected all the economic sectors, as a result the IEEP states that companies with a value of US\$500 000 or more be it domestic or foreign had to submit absolute certified forms that describe the business alongside a plan that highlights that in 5 years an indigenous Zimbabwean will be owning shares that are at least 51% ([www.mydie.gov.zw](http://www.mydie.gov.zw)). The conditions where that companies that fail to submit these forms will be reminded once and failure to submit these form will result in the arrest, imprisonment or given a fine this was for all the officials in that company from the owner to the directors, they would be guilty and the length of their imprisonment would be mount up to five (5) years. The idea and reasoning behind the policy is to empower the ordinary Zimbabwean so that they can take part in economic development since they were previously disadvantaged by the colonial era. When a platform for creation of businesses was created then it meant that every indigenous person had a chance to empower themselves. The policy's strength lines in its nobility cause that motivated for its creation. Although this is a good idea and has a sunny side effect when looking at it from first glance, on the other hand it has an arguable side that has caused

controversies right across the globe as well as in internally. Arguments have been made about the very the policy implications and content. For example under Section 15 of the Act “the Minister establishes a database of people who want indigenous Zimbabweans to acquire shares in their businesses, and of indigenous Zimbabweans who wish to “partner” such people.” This Section has a problem because it gives Ministers flexibility to force what are known as “politically acceptable partners” on to hesitant businesses, and this will create a coalition that is not healthy, with partners who do not accept each other creating a marriage of unwilling parties. Just because the Minister might put politically accepted partners it means that this is more of political than suitability of parties. The other observable negative impact of the IEEP is that it is driving away investment from Zimbabwe because the policy makes it an undesirable destination for investment which in turn will reduce the implementation time they have set. To emphasis on this idea of pushing away investors the condition that was put in place that companies are to surrender 51% of their share to the indigenous Zimbabwean is a high price to pay because this leaves the investors disempowered.

When one compares the IEEP of Zimbabwe and the Black Economic Empowerment (BEE) of Namibia, the latter policy was accepted because it was flexible when it came to safe guiding the investors whilst Zimbabwe’s policy is being met with such resistance.

The IEEP is so vague on its statement that speaks about the National Indigenization

Fund (NIF) which is responsible for giving funds to the poor locals by giving them start up capital. There are a number of questions that have been lined up pertaining to this NIF the questions are as follows “how the money for the fund is going to be mobilized and what are the criteria for accessing these funds?” With these questions asked the obvious question that follows would be that of transparency.

As if these are not enough problems with the policy the biggest problem of this policy is that it is vague/ or not clear on the definition of who is an Indigenous Zimbabweans. However, the backing of the policy is very strong and persistently gathering energy for it to be implemented despite the several controversies mentioned above that are supposed to taint the policy.

The Statutory Instrument 21 of 2010 that looks into IEE (General) regulations which speak about the establishment of Community Share Ownership Schemes/Trusts (CSOTs), was amended on the 25<sup>th</sup> of March. CSOTs are seen as vehicles that will enable the local community to participate buying of shares in the various businesses that operate locally which will create broad based economic empowerment. This will also develop the infrastructure of the economy and drive for social improvement in the communities that are surrounding these companies, because these companies were supposed to transfer 10% share stake to the development of these communities (NIEEB

2013). The objective of CSOTs is to guarantee that the communities surrounding mining operations reap some remuneration since they were exploiting the natural resource(s) in the area they inhabited (Sokwanele, 2010). Looking at the IEE programme the CSOTs are regarded as efficient devices that will allow a vast number of indigenous Zimbabweans to directly participate in the economy as well as acquiring natural resources that the country has to offer.

However, the legal framework upon which CSOTs are established has been highly contested with critics questioning the legality of the scheme, with the likes of Tendai Biti (is the former Minister of Finance who was in office during the period of the Government of National Unity in Zimbabwe) charging that the schemes are “a dubiously crafted piece of regulation in the Indigenisation and Economic Empowerment Act which has no legal force “([www.newsdezeimbabwe.co.uk](http://www.newsdezeimbabwe.co.uk)). The major borne of contention is that CSOTs are not mentioned in any of the initial indigenisation policy documents, i.e. the IEE Act [Chapter 14:33] of 2008 and the IEE (General) Regulations, 2010. Only ESOSs are mentioned in the IEE (General) Regulations, 2010. CSOTs only appear in the revised Statutory Instrument 21 of the IEE (General) Regulations, 2010, as amended as at 25th March, 2011. Hence, for these critics the provision for the establishment of CSOTs is just a political gimmick by ZANU-PF to garner more supporters and placate public opinion towards the party (Mawowa, 2013). Nonetheless, despite the alleged

legal irregularities within the IEE framework concerning CSOTs, Zimbabwe's current indigenisation legislation makes it mandatory for foreign-owned companies involved in natural resources exploitation to cede a 10 per cent share stake to a CSOT as provided in the amended Statutory Instrument 21. The operational framework for the CSOS formulated by the MYDIE (2012) states that a CSOT with wide representation should be established in order to ensure transparency, fairness, justice and equitability in resource utilisation. CSOTs are mechanisms through which local communities in resource-rich areas become "masters of their own destiny by enhancing their participation in finding solutions to their own problems" (NIEEB, 2013). The CSOT is responsible for planning, designing, programming, implementation, monitoring, supervision and evaluation of development projects jointly with the communities to ensure ownership and sustainability of any development interventions. However, neither the operational framework formulated by the MYDIE or the amended IEE (General) Regulations, 2010 outline the ways in which wide representation 'of resource-rich communities can be achieved. Further the policy framework does not state the role of local communities in these CSOTs.

The amended Indigenisation and Economic Empowerment (General) Regulations Statutory Instrument 21 (2010) states that a CSOS is set up for the benefit of the community in which resources are being extracted. The monies accruing to the scheme

after the mining company from which the Trust is established has declared its dividends will be used for the maintenance of schools, educational institutions and provision of educational scholarships, maintenance of hospitals, dipping tanks, roads, water works and also for environmental conservation through works such as gully reclamation. The argument here is that Zimbabweans should benefit from the extraction of their natural resources within Zimbabwe. As custodians of natural resources, communities are given an opportunity to derive livelihoods through directly benefiting from the mineral wealth within their localities. This initiative is expected to transform the socio-economic circumstances of communities in resource-rich areas through the implementation of development projects based on regulated partnerships between communities and business. Under this scheme, the conduct of business and sharing of profits should be done transparently, fairly, justly and equitably.

Upon the establishment of a CSOT, though not legally bound, mining companies are expected to release certain amounts of money into the Trust through a —gentlemen’s agreementll between government and mining houses (Nehanda Radio, April 14, 2014). This precedes the transfer of the 10 per cent shares to the Trust and this money is called seed capital/money. Seed capital enables CSOTs to begin to implement their development objectives (NIEEB, 2013). A number of mining companies have pledged a lot of money during the launching ceremonies of various CSOTs around the country

ranging between US\$10 million to US\$15 million (Mawowa, 2012). However, Tendai Biti questions the legal basis upon which companies are required to part with such huge amounts of money. There is no citation in the IEE Act that compels companies to donate money to a CSOT as seed money, and to this end, Biti contends that the mining companies are just arm-twisted to donate the money. Owing to such anomalies, there are a number of CSOTs that until now have not yet received their seed money pledged by the mining companies, thus stalling the operation of the CSOTs.

It designated a number of white-owned farms for compulsory acquisition, excluding farms owned by indigenous black people, churches, plantations or those with permits from the Zimbabwe Investment Centre – now the Zimbabwe Investment Authority (ZIA). These sectors include agricultural production of food and cash crops, transport (buses, taxis and car hire services), retail and wholesale trade, barber shops, hairdressing and beauty salons. Others are employment agencies, estate agencies, valet services, grand milling, bakeries, tobacco grading and packaging, tobacco processing, advertising agencies, milk processing and provision of local arts as well as the marketing and distribution of these items. These permits give investors special treatment and protection from changes in government policies. The other core aspect of Zimbabwe's empowerment agenda is the IEEA of 2007, which mandates all companies operating in Zimbabwe to secure 51% ownership of shares by indigenous Zimbabweans through

partnerships with business people, community share trusts and worker share trusts. Zimbabwe's Indigenisation Regulation Gazetted, the Herald news paper stated that the law was implemented in 2010 and firms in the mining sector were given 45 days to comply (Kangondo, F 10 Feb 2010)

The IEEA, 2007 (Act 14/2007) was gazetted in March 2008. In terms of the IEEA, "empowerment" refers to the creation of an environment that enhances the performance of the economic activities of indigenous Zimbabweans ("Indigenisation" refers to the deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, so as to ensure the equitable ownership of the nation's resources. The term "indigenous Zimbabwean", refers to any person, who before the 18th of April 1980 (the country's independence day), was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person, and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest), into which they would have been introduced or involved through indigenisation. All existing and new businesses with a threshold of US\$ 500 000 are obliged to declare their shareholding status through a prescribed form. Waston. M (2010) mentions that under the empowerment regulations, foreign-owned firms are

required to cede a significant stake to local blacks by 2015 and those failing to comply risk losing their operating licenses. At least 51% of every public company and any other business should be owned by indigenous Zimbabweans. The Government also reserved some economic sectors investment by local Zimbabweans and entry into these sectors requires approval from the Government (Kangondo. F 10 Feb 2010). The legislation also provides preferential procurement from local companies, just like South Africa's BEE preferential procurement provisions.

The IEEA in Zimbabwe continued to face more attention than BEE in South Africa mainly because of how the programme was implemented, its motives and the beneficiaries. There are a lot of scepticism around this empowerment programme in Zimbabwe following the incidences concerning how the land reform project was undertaken as a way of redistributing the land to the locals (given that the country was heading for elections). In Zimbabwe, net FDI grew steadily at an annualised 0.24% of GDP between 1985 and 1998. After a 1998 peak, investor confidence was shattered by the fast-track land reform programme that nationalised private land in violation of private property rights; this resulted in FDI flows into Zimbabwe declining by on average 0.55% a year between 1999 and 2009, after which they started to show significant recovery (see Figure 5).(ibid) The Indigenisation and Economic Empowerment Act 14 of 2007',

Harare, Zimbabwe, (<http://www.sokwanele.com>.) mentions that however, the government of Zimbabwe thereafter enacted and implemented another economic empowerment policy, the IEEA programme. FDI inflows to Zimbabwe between 2010 and 2012 have not reacted significantly but there has been a significant increase in FDI outflows because the law, when enacted, lacked clarity on the protection of property rights. As Figure 5 shows, Zimbabwe's economic empowerment programmes appear to have had a significant impact on FDI flows in and out of the country in the period immediately following land reform, with a particularly drastic decline in FDI inflows. The impact of the IEEA policy is seen as follows: FDI outflows increased from 0.05% of GDP in 2007 to 0.47% of GDP in 2012 as investors feared losing their investments to a policy reminiscent of the land reform programme (ibid).

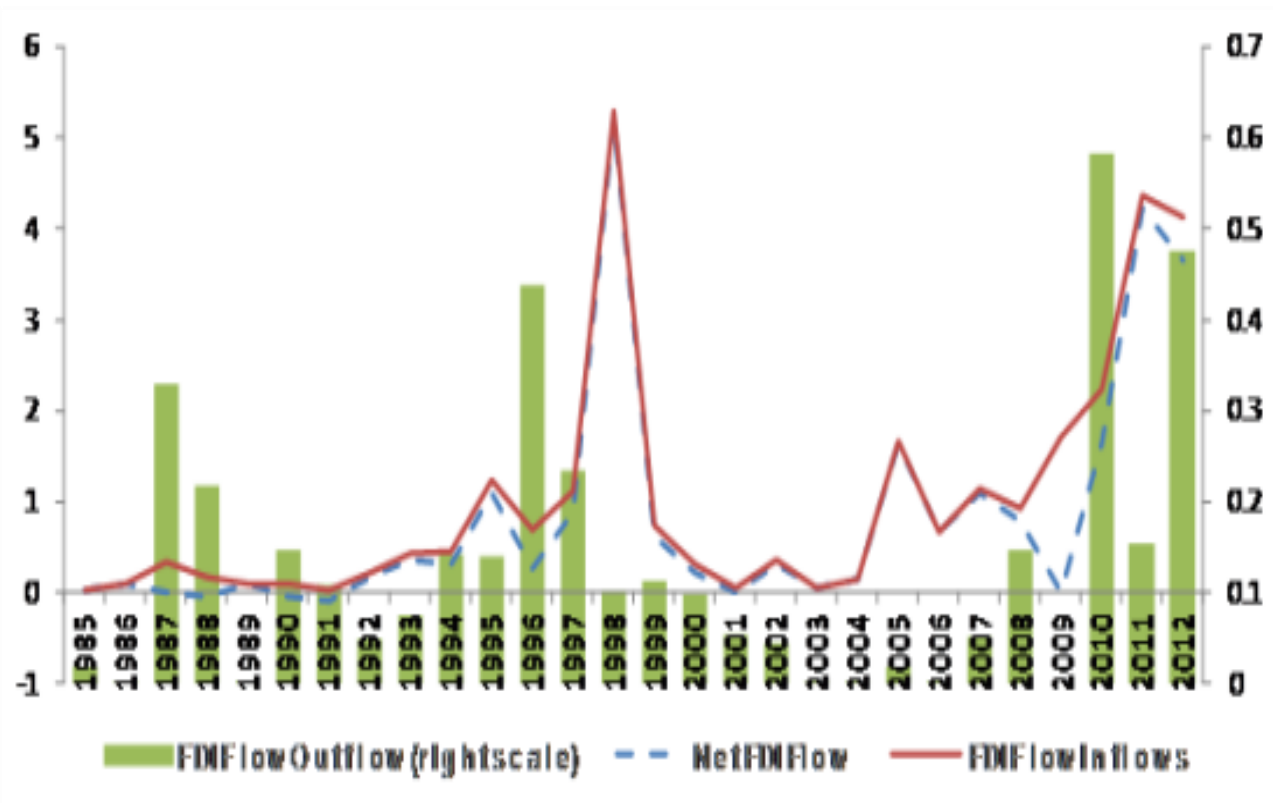


Figure 5: Zimbabwe 1985–2012 Foreign direct investment flows  
 (<http://unctadstat.unctad.org>)

Implementation of the current indigenisation program is seen as the major cause in the slowdown in new direct foreign investment. As an economy that is just emerging from debilitating challenges and near-comatose status, Zimbabwe needs foreign direct investment now more than ever. However, the investment appetite among foreign investors has largely been subdued in 2012 due to the negative perceptions around indigenisation and empowerment laws and uncertainty over the country's political

reforms. According to Zimbabwe Investment Authority, proposals worth US\$821 million were approved by October 2012, compared to close to US\$7 billion worth of projects approved in 2011. This slowdown is generally attributed to the perception of the indigenisation policy, aggressive manner in which it is implemented as well as the concerns over property rights, all increasing the country's risk profile, making it unfriendly to investors.

There has been a slowdown in the flow of foreign direct investment due to the policy, as opposed to the expected influx of investment especially in the mining and manufacturing sectors. Most companies have adopted a wait and see approach, with the hope that there will be changes to the policy framework, especially with the prospect of a new government. Despite the investors being reluctant to invest there was a steady improvement in investment inflows, from as low as US\$40 million in 2006 to US\$387 million in 2011. In 2008 total investment inflows amounted to US\$52 million, in 2009 it was US\$105 million, in 2010 the figure rose to US\$166 million and in 2011 it was US\$387 million, conversely this falls short of the US\$7 billion projects approved in 2011 (Zimbabwe Investment Authority ZIA- 2012).

This slowdown of investment led to the flight in capital meaning that while the country is in the process of attracting investment, the current indigenisation processes that have

threatened company seizures similar to the land program have achieved the direct opposite. The Zimbabwe Stock Exchange (ZSE) is experiencing a huge disposal of shares as investors' sense danger amid mounting reports of planned company seizures ahead of the country's referendum and general elections in 2013. The massive selling of shares has resulted in the market experiencing thin trading volumes with only blue chip or heavyweight counters dominating.

When a country has flight in capital the only way to get ahead of the situation is for the government to be involved in private businesses so as to sustain the country. The current practice in the indigenisation and empowerment processes is the involvement of government in the business that is regulating. State involvement and participation in business, especially the mining sector through the Zimbabwe Mining Development Corporation (ZMDC) or its subsidiaries or affiliates as well as the diamond mining projects that are done through the army and police in partnership with foreigners run against the spirit and purpose of empowerment. Giving ZMDC other mining operations to run even if they are joint ventures can result in disastrous consequences due to mismanagement and corruption.

All this leads to the increasing difficulties in raising funding for critical projects. The empowerment policy framework has made it difficult for state companies and other

public entities to attract meaningful investment from potential foreign partners. Indigenisation and economic empowerment are perceived as violating human and property rights and therefore increased the country's risk profile, causing investors to turn elsewhere where conditions are more friendly and assuring. For example, the country's power utility, Zimbabwe Electricity Supply Authority (ZESA) was reportedly failing to secure serious investors to develop two power stations worth US\$3 billion that could help to ease power problems bedevilling economic growth. While academic or politically correct answers are given, the real issues continue to hamper the expected economic recovery and development.

Examples of this fact are the German and Norwegian investors who reconsidered their decision to invest in Zimbabwe due to what they perceived as a hostile environment. A German business delegation cancelled a visit to Zimbabwe in March 2010, put off by the controversial indigenisation law saying Zimbabwe had become a "no-go area" for foreign investors. The move by Germany came about a week after Norway announced it was putting on hold a US\$1.5million project to assist Zimbabwe's agricultural sector citing the indigenisation law as the reason. These moves have decisively undermined any hope of business expansion, job creation, export revenue growth or capacity improvements that could have promoted growth, made the country more competitive or

improved revenue flows to the fiscus. All parties to the inclusive government do not deny that this has been the result, but the policies have remained the in place.

They have been challenges in mobilising the financial resources and if there is one aspect that can make or break the indigenisation programme, it is the availability or lack of capital to finance the programme. While the systems have been set through legislation and awareness has been fairly extensive, there is now an urgent need not only to define the financial mechanisms through which the programme will be financed but to raise empowerment funds and disburse them in a fair and consistent manner. For the funds currently holed up in Barclays, Standard Chartered, CBZ or Royal bank are neither adequate nor ideally structured to finance such a monumental and transformational programme that the indigenisation programme has become. While the Ministry of Youth Development, Indigenisation and Empowerment has covered a lot of ground in enforcing compliance and mobilising youth empowerment funds in very difficult circumstances, the issue of financial mobilisation has remained a cause for concern.

All this has finally led to the violation of the Bilateral Investments Protection and Promotion Agreements (BIPPAs), through STERP the Inclusive Government indicated its commitment to adhering to its bilateral and international obligations and upholding its

promises to investors, which include ensuring the protection and honouring of foreign investments covered by BIPPA's thereby ensuring observance of the rule of law (STERP 2009).

However, the indigenisation program has not spared the businesses arranged under these special bilateral agreements (BIPPA's). These have also been subject to indigenisation despite being protected under the bilateral agreements. The most prominent is indigenisation of the Save Valley conservancy which has caused a diplomatic incident between the inclusive government and Germany. Some commentators indicate that the lack of consultation and application of command and control tactics on the Indigenisation and Economic Empowerment program without broad consultative consensus could be the catalyst for another man-made economic tragedy just when the country was beginning to show signs of progress. Is there a need for this kind of action? Are there no alternative ways that can achieve better results for all concerned? These remain central questions that need the all-important answers as the nation seeks to turn around its economic fortunes.

The effect of implementing the IEEA show that the policy had glitches, therefore it is very important to expose the stakeholders who were involved in the implementation of this policy.

### **2.3.6 Stakeholders Involved**

According to Hill and Hupe 2009 implementation of public policy is not an easy task, because the implementation is not clear on the starting point and no clear ending, it is a moving object. The implications when it comes to policy implementation play a part in the political decision making process on all new policies from the start of the policy to the end. When a policy is being implemented there are a lot of stakeholders who are involved which creates a body of, interested parties who then come in to look at the development of policies. Stakeholders do this for two major reasons personal interest in policies that can affect their business and their practical knowledge is needed so as to advance the quality and feasibility of new-fangled policies. The policy objectives are usually ambiguous and vague; this makes it very difficult to measure if and when these objectives have been realized through implementation.

Policy implementation is a process where it requires the implementers to go back and forth meaning that this process cannot be described as well organised, unidirectional or a rational one it is often messy and usually goes around in circles. The reasons for going in circles can be accounted to conditions that are likely to change at any given time of this process for example the IEEP was implemented and amended after the 2013 elections which then leaves a lot of individuals thinking that it was a political stunt.

Moreover it had been in existence for a longer period all the way back to 2008 when there was the coalition government.

In the opinion of Brandsen and Pestoff, 2006 stakeholders become involved in the implementation process due to the fact that implementing agencies depend on the other agencies for information. By involving these stakeholders they can push for their interest, needs and resources which can result them using these resources to push for their agendas to be made part of the public policy that is about to be implemented.

There are a number of players who are involved in ensuring the implementation of the IEE programme. There is the MYDIE is the core ministry responsible for the implementation of the IEE programme as well as the formulation of the IEE policy and strategies, Acts, Regulations. The ministry is responsible for receiving and approving IEE applications or proposals (Mawowa, 2013). It also liaises with other stakeholders, sector ministries, the National

### **2.3.7 Implementation of the IEEP**

Since policy implementation follows policy formulation and legislation development in the public policymaking process, instigated later to positive form a passageway of policy related to legislation. There are two grave cliques of errands that are concomitant with the implementation phase of this process namely rulemaking and operations. Therefore the implementation of the IEEP policy rules were made by the minister who was working

hand in glove with the board that was put into place to implement this policy the NIEEB. The rule making phase is basically the legislation which is written in a vague way with admiration in the direction of the particulars essential for effective implementation. The filling in of the blanks is usually left to the executive branch specifically selected to implement that policy. The measures and objectives specified in subsection (1) of the IEE Act 14/2007 state I quote “may be implemented by the Government specifically on behalf of any one or more of the following groups of indigenous Zimbabweans ‘ women; young persons under a prescribed age; and disabled persons as defined in the Disabled Persons Act [Chapter 17:01].” A minister is according to Act 14 of 2007 means “Minister of State for Indigenisation and Empowerment or any other Minister to whom the President may, from time to time, assign the administration of this Act.” Therefore this minister was given power to supervise the policy and prescribe anything that is needed for its success. The act also mentions that the Minister that is in charge of the act should consult with a minister who is responsible for the Competition Act [Chapter 14:28]. This minister should also consult with the Minister for the time being responsible for the Zimbabwe Investment Authority Act [Chapter 14:30] (ZIAA). Subsection 1 part (f) and (g) then further state that the minister of ZIAA should not make a decision until the minister of the Procurement Act [Chapter 22:14] has been consulted. The IEEA further states that I quote “ The Minister may prescribe that a lesser share than fifty-one per

centum or a lesser interest than a controlling interest may be acquired by indigenous Zimbabweans in any business in terms of subsections (1)(b)(iii), (1)(c)(i), (1)(d) and (e) in order to achieve compliance with those provisions, but in so doing he or she shall prescribe the general maximum timeframe within which the fifty-one per centum share or the controlling interest shall be attained.”

In order to ensure that the Government’s policies and objectives of indigenisation and economic empowerment are implemented, the Minister shall carry out an indigenisation and empowerment assessment rating of every company, which rating shall be done in the prescribed manner. Power of Minister to review and approve indigenisation and empowerment arrangements that the 51% shareholding is met, this is to happen from the time the Minister highlights that businesses that are not indigenously owned by an indigenous Zimbabwean a temporary indigenous Zimbabwean will be put in that seat also. It is important for the researcher to highlight that the act does not mention anything about the administrative side of the act or how the policy is to be implemented and separated from politics. There is also an issue that keeps on being emphasised in this act which is “fifty-one *per centum* (or such lesser share as may be temporarily prescribed for the purposes of subsection (5)) in any such resulting business is held by indigenous Zimbabweans.” The whole implementation process revolves around

Ministers and information is to be communicated to Ministers so that they can approve the communications in writing and these are submitted to the party (ZANU PF).

“The Minister shall, in the exercise of his or her powers under this section, have access to all public records relating to business shareholdings and controlling interests, notwithstanding anything to the contrary contained in any other law.”

The top down theory in Zimbabwe highlights that government have a tendency of making use of the ambiguity –conflict model of implementation. The IEEP’s objectives were way to ambiguous just like the education, health just to mention a few they are policy implementation paradigms

1. Low conflict- low ambiguity (administrative implementation)
2. High conflict- low ambiguity (political implementation)
3. High conflict – high ambiguity (symbolic implementation)
4. Low conflict- high ambiguity (experimental implementation)

This then means that the implementation of the IEEP was all political and a bit of administration which makes it difficult to implement policies that become successful.

The policy had high conflict and high ambiguity which shows that it was a symbolic implementation.

### **2.3.8 Reactions of institutions to policy implementation**

Despite the discord and disagreement among the partners of the inclusive government, there have been concerted efforts to implement the indigenisation and empowerment policy through the responsible ministry (MYDIE). Even though the policy is being driven under existing government policy, the implementation has accordingly been viewed as partisan and driven by the need for political expediency rather than balanced economic considerations. The implementation of the policy has tended to focus mainly on the indigenisation part (mainly through community share ownership schemes, employee share ownership schemes, and the sovereign wealth fund) with limited efforts being made towards ensuring the achievement of broad based economic empowerment. This coupled with the urgency with which companies are required to comply with indigenisation provisions, as well as the application of strong arm tactics to achieve compliance, gives credence to the view that the current indigenisation program is more of a political strategy than an economic program aimed at achieving broad based economic empowerment.

Implementation of the indigenisation program has continued guided by the Indigenisation Regulations passed in 2010, despite the fact that the Parliamentary Legal Committee (PLC) had issued an adverse report on the regulations and General Notice 114/2011. The PLC has a constitutional mandate to assess the constitutionality of Bills

that come before Parliament. An adverse report is issued when the PLC is of the opinion that the regulations contravene the Constitution, in particular the Bill of Rights. However, implementation commenced despite all objections from other parts of the inclusive government, with significant agreements and commitments being made especially by companies in the mining sector.

When it comes to company compliance especially in the mining sector, a number of companies complied with the indigenisation requirements of ceding 51% of their shares for local ownership. According ministry's statistics, 120 mining companies had complied with the indigenisation law with by the end of November 2012 by submitting indigenisation plans to the responsible ministry. All eligible mining companies had complied by having their indigenisation plans approved by the appropriate authorities, giving a 100% compliance level in the mining sector.

The companies complied, despite the fact that the parliamentary committee had adjudged the general notice to be illegal, and needing to be reversed. However, although it worked in terms of the government plans and requirements, most companies complied as a response to application of political intimidation, threats of take-overs and strong arm tactics, and as well as fears of unfair legal processes should one decide to challenge the general notice. Some (Matyzac et al 2013) view survival

tactics rather than long term economic and business decisions meant to achieve broad based economic empowerment. A clear example is the Zimplats indigenisation plan that requires the NIEEB to pay appropriate market value for the 31% shares that have been 'ceded' as part of the 51% local shareholding. It goes without saying that the NIEEB does not have the money to finance the acquisition. Therefore looked at in this perspective, one wonders whether there has been compliance at all if this requirement is not going to be fulfilled by payment for the shares.

The policy had aims of establishing community share ownership schemes (CSOS) that have been successfully hurred in agreement with the provisions of the indigenisation requirements. These include Shurugwi, Mhondoro/Ngezi, Hwange, Umguza and Marange, Gwanda, Zvishavane, Bubi to name just a few. These have given 10% shareholding in the mining companies, and also credited with various amounts as seed money for community projects. The amounts range from US\$1 000 000.00 for Lupane and US\$10 000 000.00 for Tongogara and others. According to NIEEB reports, CSOTs countrywide have received capital injection worth up to US\$114 million (NIEEB 2013). These funds have been applied in the development of community projects such schools, clinics, and roads.

The concept of community share ownership scheme is noble if transparently and properly handled and managed resulting in benefits flowing to communities affected by mining operations and related extractive industries. One can also interpret the community share ownership scheme as a structured corporate social responsibility mechanism for the mining sector that exploits finite mineral resources causes permanent alteration of the landscape and environmental damage. As owners of the land from which the finite resources are mined, communities have a locus and therefore CSOTs are legitimate.

In addition, section 14 of the Indigenisation and Economic Empowerment (General) Regulations SI 21 of 2010 the revenue realized from the community share ownership scheme will be used for community projects such as hospitals, schools, and irrigation schemes among others. Given the fact that the revenue will be used for community project that seeks to uplift the lives of communities, one may then argue that the recognition of community share ownership schemes by the law is what may have been lacking in the legal terrain in making it mandatory for mining companies to carry out corporate social responsibility activities. It can therefore be argued that this provision crystallizes corporate social responsibility in the law, although the current provision does not specifically mention the phrase corporate social responsibility. Further, this has potential to be a lasting development as the financing of the community shares will be

done through the dividends due to the community. The seed finance deposited into community trust accounts gives a good starting point to a long lasting business relationship between the mining companies and the communities in which they do business.

What is of critical import in the community share ownership trusts is their ability to manage the opportunities and finances to deliver sustainable benefits to the relevant populace. This ability is dependent on the capacity of these community institutions. As such there is need to ensure that these institutions that have been urgently put in place are empowered in terms of them being able not only to properly invest the money coming from the companies, but to make meaningful contributions to the companies in which they hold a stake. Now that the CSOTs have been established through indigenisation, there is an urgent need to empower them in terms of skills and systems. More importantly, capacity building is critical to ensure that there are able to broaden the beneficiary base and maintain a non-partisan approach in their investment choices. If the experiences of extreme failure of the Campfire committees which were modelled along similar lines are anything to learn from, then capacity building, which has been omitted in the process of establishing the CSOTs needs urgent attention. Government reports also show that about 400 Employee Share Ownership Trusts (ESOT) had been created in response to the indigenisation requirements by November 2012.

After the establishment of CSOS the IEEP was also supposed to create a youth fund that had US\$10 million through a partnership between Old Mutual and MYDIE. The objective of the fund is to finance viable projects by the country's youth. The Ministry has partnered with Old Mutual Zimbabwe Limited and CABS to create opportunities for youth empowerment thereby ensuring their active participation in the mainstream economy thereby combating the youth unemployment scourge. The fund code named Kurera /Ukondla Youth Fund is meant to fund youth businesses and income-generating projects as well as enable youths to participate in the mainstream economy and contribute to economic growth and development. It is also meant to assist social and economic development in communities through reducing idleness, promoting productivity, create employment and a sense of worth among youth. The fund which has a maximum threshold of \$5 000.00 is meant for young people aged between 18 and 35. The eligible projects fall into the sectors of manufacturing, agriculture, distribution, services, telecommunications, engineering, tourism, mining and retail.

As the only purely empowerment move in the policy, media reports how that the fund has not been equitably distributed, and its implementation has been done without the key elements of empowerment, capacity assessment, namely training, systems development and mentoring (The Chronicle Saturday, 26 January 2013).

The maximum limit of the loans (US\$5000,00) is too low for the targeted sectors, and most of the new projects would be under-funded with this amount if there is no other source of funding. Implementation of the fund has not been without its own challenges. There have been a number of outcries from the youths, ranging from delays in project assessments, to the fact that their projects have not been funded. This was due to the low quality of business proposals (mainly poultry) and the stringent requirements the bank requires to fund successful applications. Further, as a competitive business facility, these undergo rigorous assessment, as the borrowers need to pay back the money with interest. This underscores the need for capacity building, which is a critical component of empowerment. Disbursement of loan funds is not the end, but the beginning of the process, which should be completed through timely repayments. Thus, simply making loans available does not solve the problems, but in fact it can compound the problems should the project fail.

National Indigenisation and Economic Empowerment Fund, or the sovereign wealth fund, stood at US\$4 billion as at December 2012 last year and is expected to top US\$5 billion by June 2013 (GoZ website). The Fund that is managed by the NIEEB, warehouses shares from the companies ceding the 51% for indigenisation. If the Zimplats case is anything to go by, the NIEEB has to pay for the 31% shares that they get on behalf of the indigenous Zimbabweans. Indications were also that the NIEEB did

not have the money to finance the shares that have been available to it. While the NIEEF has been established, it has not completed the important business of acquiring the shares offered to it due to shortage of finance. The critical question is therefore whether this process is worth going through at this stage, when there are no financial resources to finance the acquisition of the controlling stake in the foreign companies. Further, there are questions on how (or who) the indigenous people (as defined in the act) will acquire the shares from the NIEEF, which currently houses them for that purpose. Given the high capital requirements to complete such transactions, it is clear that this facility will be available only to those who can afford to raise such funds.

The idea of creating a sovereign wealth fund for acquiring shares from mining businesses will be important so long the right economic and political environment exists.

The world over many natural resource rich countries have established what are called Sovereign Wealth Funds (SWF) that are meant to support government savings and promote an intergenerational transfer of resources or to build savings for future generations. The sovereign fund is a state owned investment fund. The concept is therefore not new and some lessons should be learnt from different countries such as Botswana and its Pula Fund made up of revenue from diamonds and other minerals, Norway which used oil revenue to create the Norway Government Pension Fund Global. Kuwait has a Reserve Fund for Future Generations from oil revenue; Libya has

an Oil Reserve Fund, while Nigeria has an Excess Crude Account from oil revenue. However, what should be noted is that while the idea of creating a Sovereign Wealth Fund from mining revenue and payments is noble, in most cases such funds are created in situations where the government has budgetary surpluses and have little or no international debt. Creating the Fund in the immediate future may not work properly in Zimbabwe, until the macro-economic environment has improved and government has managed to effectively manage the economy with budgetary surplus and having cleared the huge external debt.

The other potential problem with the creation of such a fund is the lack of transparency and accountability on investment decisions and the purpose of investment. The challenge for Zimbabwe is that in the absence of a conducive political and economic environment, proper institutions that are transparent and accountable.

After the policy was implemented the government went on a quest to find how they could right some of the wrongs that were made by the IEEP. This quest gave birth to a programme called Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset) which is aimed towards empowered society and a growing economy this came into place in October 2013 and its life line is up to December 2018. Therefore Zim Asset is basically was constructed to attain social equity and sustainable development

moored on indigenization, empowerment and employment design. Zim Asset is a result based agenda which was built on four bunches that are calculated to achieving economic growth, the four bunches namely are

1. Food Security and Nutrition;
2. Social Services and Poverty Eradication;
3. Infrastructure and Utilities; and
4. Value Addition and Beneficiation.

On no account qualm, these bunches tactics will empower the Government to prioritise its projects and programmes for implementation of policies like the IEEP that have broad impacts on the socio-economic challenges of the country, this agenda will allow them to address these. It is important to highlight that the “office of the President and Cabinet will play a leading and coordinating role as overseer of the implementation process to ensure attainment of set targets of the Plan.”

## **2.4 Conclusion**

The concluding remarks of this chapter are as follows the country of Zimbabwe from Independence embarked on a reconciliation project, a drive to eradicate the ubiquitous cancer of black marginalization inherited from the colonial period. Policies implemented from the independence till IEEP have similarities. And the implementation process did

not seem to have changed, the IEEP after reviewing literature seems to be a sound policy meaning the idea is very good but then the implementation went in a different direction. The going south of the implementation of the policy can be justified by the facts that the policy itself lacked in a number of aspects for starters the policy was kept on ice for a long time because the first time it was mentioned was in 1998 as a policy framework which was then left on the shelf only to be discussed again in after six years in 2004. This subsequently makes no sense to shelve a framework for six years, even though it was revised and adopted in 2004 so as to lay foundation for the IEE Act [Chapter 14: 33] of 2007. In 2004 the framework was reviewed to lay foundation for a policy that further lay dormant for three more years. This only means one thing the time frame of implementing this policy and the environment it was created for had lapsed, the window of implementing this very idea had passed.

The reviewed literature highlighted that when the IEEP was implemented it was a one size fits all policy, which makes no sense because this very policy was to be made so as to be used right across all sectors of the government even though it was later on reviewed and corrected this very error should not have happened in the first place. This then brought the researcher to ask again where the administrators are in times like these and who is really implementing these policies. This one size fits all affected a lot

of things and caused a lot of problems as well as controversies internally and externally, leading to the flight of capital.

The policy also had issues when it came to clarity especially on the matter of who is an indigenous person; how the funds are going to be divided amongst people (CSOT\F) (this created a new problem because there was no transparency and further created a lack of trust in the government). Also it is important to highlight that the 51% threshold stipulated in policy is way too high for the ordinary civil servant or even Zimbabwean how where they going to pay for the share especially when the country is fighting a battle against poverty. The idea that was put across of taking companies and not paying much for them was not going to be accepted by the company owners.

From an investors point of view it is impossible for them to give away 51% of a company they worked hard to create and sustain. Also the thought of selling their company to someone who has no idea how the company is run investors run a risk of seeing their companies being driven into the ground. For example Eagles Vale high school closed because of this policy and up to date a lot more companies have closed.

This leaves an idea of why doesn't one create and build their own company rather than taking a company from someone else. It is believed that the policy is creating a mind-set of taking what one did not work for and some people are worried on how the country will

succeed if they continue on this taking path. Economic empowerment is supposed to be rooted in the idea of development and in the long run sustainability the question becomes is this policy going to help the country to develop or is it helping the country to continue up until it reaches a point of no return.

The implementation of the IEEP policy leaves a lot to be desired because the process of implementation is not even clear this becomes a cause of concern when the implementation process is not clear highlighting that there is lack of transparency in the country. The policy making process as highlighted above is very political there is little or no trace of administrative work which then makes it a problem because it then means that politicians are pushing for their political gain and not really looking at the effects and impact of their work.

There is also another issue that was discussed above the IEEP was kept on ice of over 10 years only to be used as a campaign slogan, this reviews a system where the country is mostly concerned about political gain rather than the actual development and sustainability of the country and its people. The use of slogans highlight on the idea that policy are being implemented before they are formulated. As a result this brings bad publicity to the country and worse off to the policy itself the IEEP is evidence of this notion.

Lastly and most important motion is that there is no evidence of public participation when the policy was formulated or implemented. This then further strengthens the ideas, notions and facts mentioned above. If the public had been informed on time about this policy the researcher is certain that some of the confusions about the policy who have been minimized also the fact that the policy would have been strengthened by understanding what exactly the nation needs because the 51% threshold was too high (was it meant to benefit the elite only or was it supposed to be for all Zimbabweans).

## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter will draw attention to the research methods that were used to conduct the research including research design, research type, the data collection process and the data analysis methods. This section of the research will focus on the research methodology and research design. We will look into the procedures of data collection, data collection instruments and the analysis methods as well as the ethical considerations applied to the research.

### **3.2 Research design**

This dissertation presents a critic of Zimbabwe's implementation processes of the Indigenisation Economic Empowerment policy. This analysis is descriptive and not explanatory; as a result the study is qualitative and not quantitative as the data presented in this research is descriptive. It seeks to capture or expose the implementation process of the Indigenisation Economic Empowerment policy of Zimbabwe. Therefore De Vos, Strydom, Fouchie & Delpont, (2011:135) highlight that research design is the modus operandi which requires the collecting, analyzing and reporting of results that the researcher uses. It involves determining how the chosen method will be applied to answer the research questions guiding the research. In this research a qualitative research approach is used. According to De Vos et al (2011:132)

qualitative research is the umbrella expression of interpretive techniques which describe, decode and translate as well as come to terms with the meaning of what naturally occurs in the social world. From this statement Welman et al (2001:34) came to the conclusion that the qualitative research approach is a reminiscent form of research. Lewis, Taylor and Gibbs (2005) speculates that qualitative data is information gathered in a non-numeric way, hence qualitative research is based on collecting data on the knowledge, values and feelings of the target population.

When the research was conducted a qualitative research method was employed so as to analyse the implementation of IEE policy of Zimbabwe. Thus the researcher took the research objects that guide this research study and explored them thematically in an attempt to derive content that was analysed in a bid to answer the research questions guiding the research.

### **3.3 Research paradigm**

A paradigm is a world view at which phenomena is understood Creswell and Plano (2007). A paradigm is a framework of interpretation which is guided by a set of beliefs of how the world can be understood De Vos, Strydom, Fouchie & Delport (2011). This research was informed by a qualitative paradigm. Qualitative paradigms use constructivist approach which is naturalistic; this implies that reality can be constructed.

This research is going to use a qualitative approach through understanding the implementation process of the IEE policy. Mason (2002:1) posits that qualitative research seeks to explore a wider magnitude in the social world, including the texture and weaving of everyday life experiences and imaginations of the research study respondents.

### **3.4 Qualitative research approach**

The various forms of research designs include descriptive, correlational, semi-experimental, experimental, reviewing other research, test study designs and comparative research studies. According to Brynard and Hanekom (1997:28) research methodology and research methods of data collection necessitate an indication on the plan, structure and execution of the research in order to comply with the demands of accuracy and impartiality. Research methodology therefore focuses on the research process and decisions which the researcher has to take to carry out for the success of the research project.

Quantitative research studies are much concerned with the measurement of quantity because numbers are dominant, whereas researchers who make use of use of a qualitative approach are more concerned with describing, understanding and explaining phenomena (Kumar, 2008: 8). In other words qualitative researchers seek to discover

for example, underlying desires and motives for certain human behaviour and social phenomena. Hence the research methodology the researcher chooses has a direct reflection on the data collection and research findings thus will certainly affect the outcome of the results as well as the conclusion of the research findings. Therefore there are two main approaches research which are quantitative and qualitative research methods. Their selection depends on the advantages and disadvantages of each research method and how the researcher plans on conducting the research study. Based on these facts the researcher chose the qualitative research methodology for use in this study.

The qualitative research methodology according to Rosnow and Rosenthal (2008:74) refers to research that elicits an account of meaning, experience and perceptions. Lewis et al (2005:38) asserts that qualitative research methods are naturalistic, anthropological, and ethnographic and are founded on post-positivism and interpretivism paradigms. Strauss and Corbin (2000:19) define research methodology as a scientific process that seeks to provide answers to questions through systematic approaches with the support of credible data. Qualitative research is therefore concerned with understanding rather than explanation as well as a naturalistic observation rather than controlled measurement and the subjective exploration of reality

from the perspective of an insider as opposed to the outsider's perspective that is predominant in the quantitative research (Kumar, 2008: 8).

### **3.5 Rationale for using the qualitative research methodology**

The research used the qualitative approach because there is some kind of information or data that cannot be quantified, but expressed only by words to describe social phenomenon. Lewis et al (2005:38) as already alluded to; argue that qualitative data is information gathered in a non-numerical form of gathering information on the knowledge, values, feelings, beliefs and behaviours of the target populace. Thus the collection of information in this study was based on exploring the non-numerical information of this research which was achieved through secondary analysis of data also known as document study approach, which is a qualitative approach to research. This was determined by way of exploring data that has already been researched on as well as current data on the Indigenization Economic Empowerment policy in Zimbabwe and the world at large.

A detailed exploration of relevant data taken from various sources including annual reports, government websites, journals and Economic Empowerment policy literature will be meaningful in a bid to understand the establishment and implementation of the Indigenization Economic Empowerment policy in Zimbabwe. Mouton and Marais

(1990:175) argue that qualitative research is characterised by the fact that the researcher is trying to get numerous meanings and explanations rather than imposing a single dominant interpretation as done through the quantitative research design. Thus a qualitative methodology was adopted in this study since it allows the interpretation of the meaning of data, describing and interpreting people's feelings and experiences rather than through quantification and measurement (Creswell, 2009: 55). This therefore made it easier to explain the findings in relation to implementation of the policy.

In qualitative research the approach allows for the use of theories in varied ways unlike in a quantitative approach where one has to prove a theory in the study. In qualitative however, a theory can be generated as the final outcome of the study and in other instances the theory may come at the beginning of the study in order to bring shape to what is being looked at and the questions to be answered (Creswell, 2014: 51). In this study the latter was used in which a theory was adopted at the beginning of the research study. The theories that were used are the Top down and Politics and Administration dichotomy. As highlighted in the literature, these two theories were used to analyse the process that occurred when the IEEP was implemented.

One of the major reasons why this study has employed a qualitative approach is because the nature of the study is tentative. In this case, the literature on the topic

reveals that not much has been written on the topic and thus an exploratory study proved relevant. Kumar, (2008: 7) speaks of descriptive research in which it is mentioned that it can take the form of a fact finding enquiry. In this case, this study sought to criticize the implementation of the IEE policy and thus a descriptive approach of the available facts on the topic seemed relevant as it gives a picture of how the policy has been adopted and is being applied since its promulgation. As Kumar (2008: 7) points out, the main purpose of conducting a research that is descriptive in nature is to describe the state of affairs and more especially as it exists at the present moment. The main characteristic of this kind of a research is that the researcher does not have control over the variables because one can only report what already happened or what is currently happening (Creswell, 2014: 51). This proved relevant to the study as it seeks to report on the current state of the IEE policy.

### **3.6 Data collection**

In the conduct of research, there are two major approaches used to gather data. In doing research in most instances one may need to collect the information that is required while in some cases the information the researcher requires is readily available and one only needs to retrieve it. Based on this, there is a broad categorization of approaches used in information gathering which are primary and secondary data.

Kothari (2004: 95) argues that primary data is collected either through direct communication with the subject or through observation.

Examples of primary sources of data include gathering first-hand information on a community's attitudes on the policy and how it has impacted their lives. For secondary data, the use of NIEEB reports, legislation and records are some of the common examples. It should however be borne in mind that of these two approaches, none is one hundred per cent accurate and reliable in gathering information as they all have their short-comings. There are three main methods used for data collection in qualitative research, secondary sources, participant observation and unstructured interviews Kumar (2011: 139).

### **3.7 Data collection methods in qualitative research**

As highlighted by Kumar (2011: 139) the three main data collection methods in qualitative research are observation secondary sources and interviews. Kumar notes that qualitative researchers usually extract descriptive (historical and current data) and therefore the data collection instruments have to ensure that the data unruffled will be of a rich texture hence the term qualitative. The following section describes and explains each data collection method outlining its strengths and weaknesses.

### **3.7.1 Interviews**

In the conduct of qualitative research, face-to-face interviews are very common as they allow respondents to participate rather than providing respondents with our “predetermined hypothesis-based questions” (Babbie & Mouton, 1998: 88). Kumar (2011: 144) speaks of two kinds of interviews, structured and unstructured interviews. In structured interviews, the researcher exerts freedom to ask questions to respondents in whatever sequence he/she wishes (Kumar, 2011: 145). This kind of interview is prevalent in both qualitative and quantitative research.

Structured interviews allow the researcher to have a set of predetermined questions that the researcher will ask the respondents (Kumar, 2011: 145). In this case the researcher follows the same wording and sequence of questions for every respondent. This is guided by an interview plan which entails a list of open-ended or closed questions which the interviewer prepares in advance for the face to face or telephonic or other electronic media (Kumar, 2011: 145). An interview schedule is a questionnaire that is made so that it can guide the researcher when asking questions during an interview (De-Vos, Strydom, Fouche, & Delpport, 2005: 314).

### **3.7.2 Advantages and Disadvantages of using interviews**

Advantages of using the interview method are many. Kumar (2011: 150) argues that interviews are very functional when collecting detailed information on a particular phenomenon. An interview allows the researcher to probe the respondent into giving in-depth information. Further, if the interviewer is very skilled, he/she is able to supplement responses with the information gained from observation of the respondent's non-verbal reactions. One other significant strength of this method is its wider application. This method can be applied to almost any type of audience, the illiterate, very old and even the children (Kumar, 2011: 150). Goodwin and Goodwin (1996: 134) also add that interviews allow researchers to gain insights on the perspectives of respondents about the phenomena under study.

However there is also a downside when using this method. One major worrisome weakness of interviews is that the researcher may probably introduce some personal bias. Bias can come in through the way in which one interprets responses or chooses words that summarise the respondent's expressed opinions. The other factor is that the quality of the data gathered is reliant on the interviewers' experience and the quality of the interaction between interviewer and respondents (Kumar, 2011: 150). One other challenge is also that interviewing is a time consuming and expensive process and this

is especially the case when respondents are so scattered over a wide geographical area (Kumar, 2011: 150).

### **3.8 Observation**

Kumar (2011: 150) defines observation as a resolute, logical and selective way of listening to an interface or phenomena as it occurs. It is an appropriate method of gathering data when one would want to gather data for a study on behaviour or personality traits of an individual (Kumar, 2011: 140). Adler and Adler 1994: 337, cited in (Goodwin and Goodwin, 1996: 131) comment about the observation method by saying “For as long as people have been interested in the study of the social and natural world around them, observation has served as the bedrock source of human knowledge.” It is a method that is highly appropriate especially in situations where one cannot get accurate or full information through questioning as respondents might not cooperate. It is useful in situations where subjects are not likely to give objective information.

Kumar (2011: 140) basically categorises observations into the participant and non-participant observation. Kumar (2011: 140) further asserts that in participant observation, the researcher engages in activities of the subjects under study. In this case, the researcher learns of the perceptions of reality through observing the subjects

as they express themselves through actions, feelings, beliefs and thoughts (Goodwin and Goodwin, 1996: 132). On the contrary, non-participant observation requires that the observer observes the subjects while they are unaware that they are being observed as this will give the researcher unbiased information.

### **3.8.1 Advantages and disadvantages of observation**

According to Goodwin and Goodwin (1996: 132) participant observers have an advantage of supplementing their field notes with photographs and video tapes. The main advantage highlighted by Kothari (2004: 96) is that observation eliminates subjective bias if the observation is accurately done. Since this method is independent of respondents' willingness to respond, it means that the method is less demanding of the active cooperation from respondents unlike the as is the case when using interviews or questionnaires. This method is therefore suitable for studies which usually deal with respondents (subjects) who are unable to give verbal reports of their feelings for personal or other reasons (Kothari, 2004: 96).

There are however some limitations to this method of data collection. Kothari (2004: 96) points out that data provided through this method is very restricted and there are unanticipated factors that may obstruct the task of observation. In conducting observations, the researcher has to keep a number of aspects in mind. For instance, aspects like how to record the observations, what to observe and how the observer will

ensure accuracy of observations (Kothari, 2004: 96). This method is very commonly used in studies that relate to behavioural sciences which therefore make it inappropriate for the study at hand which is not about behaviour.

### **3.9 Secondary analysis**

Secondary analysis is defined by Miller and Brewer (2003: 282) as “the analysis of an existing data set which had previously been collected by another researcher usually for a different research question”. It is the re-use of archived datasets. In a broad definition, it refers to the use of data that would have been collected by a different researcher for a different research study question. This brings a contrast with primary data where the same individual or team of researchers designs, collects and analyses the data for the study (Long-Sutehall, Sque and Addington-Hall, 2010: 336). De Vos, Strydom, Fouche and Delport (2005: 319) therefore argue that secondary analysis is thus a pragmatic exercise on data already unruffled. When using secondary data, the researcher will normally start where the primary analysis of data has been completed. According to Hinds et al (1997) cited in Long-Sutehall et al (2010: 337) secondary analysis is employed when researchers want to pursue interests that are distinct to those of the original analysis.

### **3.9.1 Advantages of Secondary analysis**

Kumar (2008: 58) writes that when a research makes use of secondary data, it helps the researcher understand the topic better and allows the researcher to make changes in some of the ideas because of the light of the secondary data. In some sense, secondary data is useful in making comparison with primary data (Kumar 2008: 58). Thus the use of published data sources will be advantageous because of the limitation of both time and financial resources that the researcher has in face of a study. De Vos, et al. (2005: 320) argues that this approach avoids data collection and since the need to collect data is avoided it saves on costs, time and inputs as the study design and data collection have already been completed. Secondary data is argued to be of high quality since many of the studies which are government funded involve larger samples which are more representative of the target populace which therefore gives greater legitimacy to the research.

### **3.9.2 Disadvantages of Secondary analysis**

De Vos et al (2005: 321, Maxfield & Babbie, 2010: 360) argue that the secondary data may not be appropriate in certain situation as it would have been collected for a different purpose though similar context. In some cases the information may be available in a form that is not suitable for the current research purpose. There are also arguments that certain fields and department place less value on secondary data analysis. Secondary data is also argued to have the potential to lack depth since it is known that the greater

the breath, the harder it is to measure any one construct. This generally results to constructs being operationally defined using a single survey item or through the use of a subset of test items. This ultimately leads to validity and reliability concerns.

### **3.10 Rationale for the choice of data collection**

Since the research study is tentative and made use of a qualitative research methodology, secondary data analysis seemed appropriate. In order to get a lucid understanding on the current state of the IEEP in Zimbabwe, an exploratory study on the Implementation system that the country is using seemed relevant to this study as it enabled the writer to have a narrative approach to the current state of the implementation process of the IEEP of Zimbabwe.

Data for this study was gathered from secondary sources and a thorough review and analysis of secondary data was done. As the data was being collected, the researcher generated themes which guided the research. Core concepts were derived from the guiding objectives of the study and as the study progressed and relevant theories were pointed out. The research methodology employed in this study was based on the conceptual analysis of various sources which covered a wide spectrum of the objectives that the researcher hoped to achieve. Data for this study was collected from secondary sources ranging from policy documents, journal articles, and Non- Governmental

Organisation reports to official documents like Government Records, NIEEB Reports and germane pieces of legislation. According to Mouton and Marais cited in Auriacombe (2010:17) literature review is significant in that it affords the researcher the prospect to pivot their elementary ideas, views and thoughts against well researched, peer reviewed and practical ideas of published scholars in the field. Other scholars view literature review as a progression from previous work and an addition to existing knowledge.

### **3.11 Why secondary analysis**

The nature of the study required the use of secondary data gathered over an extended period of time in order to analyse the implementation of the IEE policy. The use of interviews as a data collection method proved inappropriate because of the nature of the study as it was mostly a review of progress. Also conducting interviews for a study that covers implementation of a National policy was going to be time consuming and a costly process considering the limited resources (time and money) that were available. Further to this, adopting an observational approach was highly unsuited to the study since observation is usually a method that is used to capture aspects that have got much to do with behaviour. This view is supported by Kothari (2004: 96) when he comments that the method is highly prevalent in the behavioural sciences. Since this study was a study on the implementation of policy, it seemed relevant to follow a

secondary analysis approach that enables the researcher to give a narrative or descriptive account of the progression of policy from its development, implementation and current state.

Secondary analysis is supported by early studies which even show that from as early as the 1960's, this method had become popular. In 1963 Glaser (1963: 11) suggested that secondary analysis conducted by autonomous researchers could actually "lend new strength to the body of fundamental social knowledge." On this note, Smith et al (2011: 920) comment that the use of secondary data enables a researcher to conduct studies of high impact research questions with relatively less time than most of the studies that involve primary data collection. Implementation of National policies can be said to be an elevated research area which can prompt profound government action from the findings and recommendations brought out from this analysis and review.

Because of the limited time that the study had, use of secondary data was appropriate as pockets of data on Implementation that were significant to this research were available. Goodwin and Goodwin (1996: 131) argue that qualitative data collection methods like secondary data analysis allow data collection until saturation occurs. Saturation is defined as a point at which data, information and findings which is currently being assembled come to replicate earlier findings. Saturation in qualitative

research helps in the collection of sufficient data which therefore helps in understanding and accounting for variations. For these various reasons mentioned above, the researcher chose to adopt secondary data review in order to understand the development of the IEEP when looking into how it was implemented and the current state of affairs with respect to Implementation of the National policies in Zimbabwe.

### **3.12 Delimitation of the research study**

This section involves a brief breakdown on the research area which this research will be focused on, as well as the organisational mandate as explained below.

### **3.13 Type of the officialdom**

The organisation under research is the department that was responsible for implementing the IEEP which happens to be National Indigenisation and Economic Empowerment Board (NIEEB), an (executive department assigned for IEE matters). IEEP an escape plan to eradicate poverty and improve sustainable development that the country is striving to achieve.

### **3.14 Conclusion**

This chapter's aim was to provide an explanation on why the qualitative research method was chosen over the other two mixed method and quantitative research

method. The qualitative method was used in this paper as highlighted above the researcher made use of secondary data that highlighted on the implementation of the IEEP, because it was the most suitable method to be used so that the researcher can get information that was less biased. The chapter also highlighted on the data collection techniques that are used in the research well as an outline of the data analysis methods used to analyse collected data thereto.

The purpose of the next chapter is to give an exposition on how all the relevant data was collected for this research. Therefore this will be done through a profound presentation of the data deduced from all the literature conducted within this research. Hence in an attempt to render analysis of the amassed literature, content analysis was used to enable interpretation of the data.

## **CHAPTER FOUR: DATA ANALYSIS**

### **4.1 Introduction**

This chapter gave a presentation, analysis and discussion of data. In this study a qualitative approach with an analysis of previously collected data was followed. The study identified main themes that were aligning to the study objectives. The presentation of the data in this section therefore follows a thematic approach in which the main themes were identified. Data is presented by each objective and a brief discussion of the data is given after each objective. The main study findings are fully discussed in the chapter that follows.

### **4.2 Data analysis**

Data analysis according to Cooper & Schindler (2011:490) refers to the editing and reducing of accumulated data to a manageable size, developing summaries, looking for patterns, and applying analysis techniques. In this research study the data collected from all the relevant literature will be summarized in order to minimize the data thus making it easy for the researcher to make recommendations and conclusions for Chapter five. Through content analysis Hostfee (2006:115) irradiates that, the researcher is able to deduce the non-obvious meaning of the information that is contained in the documents. In this research study the data collected through the

secondary study approach as indicated through the literature in this research will be summarised in order to minimise the data thus making it easy for the researcher to address the objectives.

### **4.3 Content analysis**

Since the research is qualitative research, it became rational to apply qualitative data analysis methods, so content analysis was used to analyse the data. In this research the researcher analysed qualitative data by organising it into categories on the basis of major themes that emerged from the relevant literature. Content analysis in this study will allow for thick descriptions in the analysis of data and it was used to analyse qualitative data such as texts by counting the occurrence of certain key themes and words as well as the length of texts and sentences. The data collected was analysed by streamlining the poignant themes emanating from each of the objectives and this was done in an attempt to respond to the research questions. The analysis of data allows the researcher to present and display the data findings in chapter four in a thematic context as driven by the explorative research questions guiding this research.

However, sustaining such an expansionary welfarist economy that primarily focused on wealth distribution rather than wealth creation proved to be a major challenge due to economic stagnation in the first decade of independence (Zhou and Zvoushe, 2012). As

such, economic policy restructuring was made inevitable by the failure of welfarist policies. Policy making in the second decade after independence can be analysed within the broad framework of Economic Structural Adjustment Programmes (ESAPs) that were adopted across Africa and the world over in the 1990s as prescribed by the International Monetary Fund (IMF) and the World Bank. Structural adjustment programmes were neo-liberal market-driven policy measures that sought to reverse the expansionary policies of the previous decade. The neoliberal thinking emphasised minimal state intervention in the economy, protection of private property and promoting market-driven development mainly through private and foreign investors (Stiglitz, 2002; Bond and Manyanya, 2003). In Zimbabwe, the ESAP policy document of 1990 emphasized on reducing government expenditure on social services and promoting economic growth through deregulating the domestic market and other institutional reforms of liberalisation (Zhou and Zvoushe, 2012). This translated to mean that social and economic development in resource-endowed communities assumed a market-based approach, and this was mainly pursued under the banner of corporate social responsibility (CSR) by private businesses (Sirolli, 2008).

#### **4.4 Objective one: Analyze the policy implementation processes using the Indigenization Economic Empowerment**

The implementation of policies in Zimbabwe has been under question for a long time, from independence to the implementation of the IEEP. The trend as highlighted in above is that policies are used as campaign strategies then they are implemented. Meaning in other words policies are implemented then they get to be formulated. Needless to say that this has led to the ruins of most of the policies implemented in country. The other view is that policies implemented are way to ambiguous which makes it difficult for administrators and implementers to do their jobs. Also according to the IEE Act the Minister responsible for the IEEP cannot change anything especially after submitting it to the party unless if they thwart the objectives of the policy. This then makes it an unhealthy environment or way of implementing the national policies.

Even though the strength of this policy is the nobility cause that the government motivated for its creation. Even though the policy looked at returning resources to the Indigenous Zimbabwean, who was the policy to benefit the ordinary Zimbabwean or the Elite because how was an ordinary Zimbabwean supposed to buy 51% of a company they have no idea what it is about.

When the IEEP was implemented it seemed as if the administrators and implementers were overshadowed by the politicians. As Professor Jonathan Moyo (2011) states public administration in Zimbabwe is one field of study that seems to be dead in need of

the Lazarus effect, meaning that policies are made by the politicians then set down to be implemented. The policy was made in such a way that the Minister would oversee everything which gives administrators no way out but to do as they are told.

By way of side lining administrators was not enough it is evident that there was no public participation in the formulation and implementation of the policy, due to the fact that the IEE was a manifesto for the Presidential election of 2013. The rest of the population was not consulted there is evidence of this fact from Independence when such policies are being made this brings a cause for concern. This then means that it is happening every time and nothing has been done about this which really becomes a cause of concern.

The critical issues that are faced by Zimbabwe also see those that are supposed to work as administrators politically affiliated. This leaves the decisions being made to serve a certain political party. This leaves the researcher to conclude that some administrators have forgotten what they are meant to do what is right and not to take sides when it comes to political issues. It is also evident that most administrators or permanent secretaries in Zimbabwe are appointed by the President himself and some writing and other parties are of the opinion that they are of the ruling party. The fact that some officials are politically affiliated makes it difficult for them to address issues that

need then to go against a political policy that would be getting placed. This then leads to some administrators or permanent secretaries to fear losing their jobs and the fear of retribution if they go against a political decision.

If an administrator is afraid to lose their job or they are afraid of retribution it only does not affect the service delivery it affects the whole system of the country. In Zimbabwe the service delivery is very poor from water supply to electricity and even the railway lines are now out of services of which these railways are the main transportation of the mining industry which is helping to sustain the livelihood of the country. In the issue of IEEP if most of the administrators had been present to make sure that the operation is carried out in a proper manner it would have reduced the negative impact it had nationally. Also the researcher's would like to believe that if IEEP had been implemented properly and the public involved in the policy making and implementation they would have understood where the needs of all the citizens stand, because only a handful in the country can manage to get 51% of company shares. It would not have attracted so much media and negative headline that lead to sanctions being given to a country that is already crippled economically.

#### **4.5 Objective two: To compare the implementation and results of Indigenization and Economic Empowerment in Zimbabwe and empowerment in other countries**

In chapter two we analysed the implementation of different economic empowerment policies of different countries, namely Malaysia, Botswana and South Africa. The researcher chose these three because they are all developing countries that almost have the same qualities as Zimbabwe they are also former colonial countries. Malaysia having being colonised about three times first by the Portuguese who settled at Malacca in 1511, secondly by the Dutch in 1641 and finally by the British who then fully colonised the whole of Malaysia. Then there was the immigration of foreigners the Chinese and Indians who came in as workers. Nevertheless the Japanese invasion in World War II ended the British domination. Then on the 31<sup>st</sup> of August 1957 Malaysia got its independence from the British, the talks were peaceful and three people of different culture and religion were involved in the talks. With this back ground in mind it is clear to then understand how the economic empowerment policy was relatively open and it created a welcoming environment which guaranteed its success even though it maintained its restrictions on the financial flow. The policy managed to reach its objective of increasing economic shares from 2.4% in 1970 for Malays when looking into the total wealth to 30% in 1990. This objective was put into place so that the country can reduce poverty so that in the long run it will change the patterns of employment in urban area. It is also important to highlight the NEP of Malaysia was for the people it allowed the policy to highlight its racial masterpiece which makes them

different from any other country. Also it is relevant to highlight that the country reached its goal by 1988 where its GDP increased 29% and by 1990 the economic shares for Malays increased by 19.3% meaning that poverty was reduced by 17.1 %. Which then means that the policy was a success in all aspects; they managed to achieve their goal with little conflict and less negative impacts.

The successful implementation of the economic empowerment policies was also achieved in Botswana though to a lesser extent in comparison with that of Malaysia. The country after its independence managed to create an economic empowerment policy that they embedded in the laws of the country which also guaranteed the success of the policy. Just like what the Zimbabwe did when it highlighted that foreigners should own 49% of the shares especially speaking about joint ventures, and Twanas to own 51%. This policy has been successful when it comes to proprietorship and financial resources, but it lacks when it comes to the citizens participating in the economy itself which then becomes a problem for the country.

South Africa on the other hand implemented its BEE it was brought up in 1994 then tabled and implemented in 2004. This policy received heavy criticisms by its own citizens as they believed that the policy only benefited the social elite, and those that were politically connected. This policy was to involve blacks into the economic activities

were they would control and own the country's economy rather than transferring assets to them; BEE was also met to decrease the income equalities between whites and blacks. The good thing that the country did was to create a policy that would fit in all sectors and created separate branches that would focus on different sectors of the economy for example mining, tourism and financial services. Bendi M (2010) highlighted that the policy received a lot of attention especially the policy's definitions, motives and the way in which the government was going to attain the objectives they set. Even though the government did a lot of homework to ensure successful implementation its FDI fluctuated. This led to BEE being revised and the BBBEE act being created, the new government agreed to protect investor's rights which increased its odds. But they had to form an inclusive empowerment program that embraced a preferential treatment attitude, rather than an asset transfer approach. The fact that the policy making environment of South Africa is transparent it helps with accepting the policy.

However in contrast to South Africa's BEE policy implementation Zimbabwe has implemented its IEEP that has been accepted by the people even though it receives lot of critics world-wide its citizens fully support this policy. Also when the policy was implemented they consulted a few individuals who are politically affiliated (their Stakeholders) while in South Africa they looked for professionals and they out sourced.

It also looks into the fact that when the IEEP was implemented it was a one size fits all policy which then caused a lot of commotion and havoc in the country then it had to be revised and they separated the policy so that it can fit all nine sectors of the economy each putting their own goals and trying to fit it into their own environment. In its current state it doesn't look like the investor rights are protected which is another difference from the BEE of South Africa. Just like the BEE of South Africa the IEEP of Zimbabwe has been criticized on the definitions in the policy, the motives that drive the policy and how the government is going to achieve its goals.

Zimbabwe's IEEP has the nobility cause as its strength which motivated the government to create the policy but it has controversies in the policy on the very contents and implications. Firstly under section 15 of Act 14 2007 the Minister establishes a database of people who are not indigenous Zimbabweans so as to acquire shares in their business. This sector gives the Minister leeway to impose politically acceptable partners to reluctant businesses even if it creates a marriage of unwilling partners. This works as evidence that in Zimbabwe there is no separation between politics and administration it also highlights that politics is overshadowing administrators which then becomes an issue when policies are being implemented, the political buy-in is way too high which results in policy failure. Secondly the policy is stalling especially on the investment drive

it makes the country an undesirable investment destination meaning that the country has little or no FDI which has further crippled the economy

Thirdly the 51% to locals is a way too high price to pay for the local citizen who was previously disadvantaged before 1980. Meaning that the policy targets the elite in the country which becomes an issue to the rest of the population who cannot pay this 51%. Also the way it was implemented where investors have to hand over 51% of their companies makes the country an investor's disempowerment location. Fourthly the policy is vague and not transparent with issues of the National Indigenisation Fund (aimed at providing poor locals with start-up capital) questions for these are how the money for the fund is going to be mobilized, what criteria for accessing the funds are and the question of transparency is at the heart of the policy itself.

Zimbabwe has been criticized of having policies that have been used as campaign strategies (manifesto) being implemented into policies. This then suggest that the IEEP was implemented before it was formulated which then hints again on the top down theory as well as the politics and administration dichotomy, where orders are sent down and policies are then not implemented in the correct fashion.

#### **4.6 Objective three: To understand the gap between the tabled idea and the policy implemented**

When reviewing and analysing literature there is evidence that highlights and exposes the notion that the tabled idea was a good and sound idea but the problem came up when the idea was implemented and became the IEEP which then brings about the question of why is there such a large gap between the tabled idea and the policy implemented. It is important for the researcher to highlight that implementation means that it's a process of converting policy into an action program, to be carried out in full and produce a complete policy. Policy can be said to be a hypothesis because it is broad statement of goals, without specific objectives. They point out to a desired casual chain of events, between initial conditions and desired future consequences. Therefore implementation is the action plan to bridge the gap between the two.

In the case of the Zimbabwean IEEP there is little information how the policy was implemented which then left the researcher with a lot of question that were no answered. Hence this objective was not met there was little information on this gap even though the impact of this gap is wide and high. The tabled policy was sound and very good it just had a few glitches here and there but the policy itself was supposed to be implemented without a glitch. In another light this policy has been in the pipelines from 1998 and then brought out again in 2004 which then pushed for its implementation. The questions that came up are if the policy was a framework in 1998 why was it left dormant for over six year for it to be reviewed. Also after it was looked into in 2004 why

then was there no mention of it and publicisation of it till the presidential elections of 2013. The other question is was it necessary to use it as a slogan then implement it after that because this has highlighted the policy as a political stunt for the ruling party to win, further leading to the notion that policies in the country are implemented before they are formulated. The last question is what really went wrong for the policy to have such a negative effect especially nationally. This objective is one of the key areas that other researchers can assist each other so that we can help make the policies implemented in the country to become more acceptable and receive little conflict.

#### **4.7 Objective four: To examine how economic empowerment will be achieved by the policy in its current form.**

The policy's current form can be said to be answered by these questions: Where are we with the Zimbabwe IEEP using the insight on where we are, what has worked and what hasn't worked, who has it benefited and who has it not benefited. In its current form it was difficult to highlight how economic empowerment will be achieved but there is a lot of evidence that highlight that the policy has been successful in some areas despite its flaws. The economy's prospects have remained difficult; the growth of the economy has slowed down despite the lower oil prices the position of the country remains unwarranted because the country is in debt. Also the country faces difficulties in policy implementation even though they are still committed to intensify their efforts so as to

ensure successful implementation of the IEEP and to lay the ground for stronger, extra wide-ranging and long-term growth.

Regardless of the punitive economic environment and the contradictions contiguous to the reality of the Government of National Unity they were a lot of positives that came about with the implementation of the IEEP. For example Masenyama K P the director of the ZANU PF Department of Indigenisation and Economic Empowerment (2014:1) states that thousands of companies have conformed to the 51/49 standard, an integer of Community Share Ownership and Employee Share Ownership Trusts have been recognized throughout the country. A number of communities have “received CSOT funds and implemented infrastructural projects that are already visible in various areas.” There is a concern that several companies have failed to comply with some of the request of the IEE Act (Chapter 14:33).

One of the positive that came out of this policy’s failure was that they managed to go back to the drawing board and they have made evocative advancement in implementing other important essential alterations, for example amending the indigenization and empowerment policy.

What has not worked is a lot but this is because this policy was made hastily and then revisited. This re-visit made way to the creation of Zim Asset and the policy being split

into a number of different sectors. Meaning that each sector is responsible of making objectives and creating goals that are inline and under the IEEP which has helped the country in achieving the objectives they had put into place, a few examples are as follows CSOS/T AND ESOS/T will explain these below.

The researcher had a mind-set that the policy was supposed to achieve a broad based economic empowerment. Meaning that everyone who wanted to do something that would help the economy to come forward and be assisted. Therefore in order to broaden the economic base of Zimbabwe's economy, the IEE (General) Regulations of 2010 states that with effect from the 1st of March 2010, every existing foreign-owned business with an asset value of or above US\$500 000 must, within five years, cede or dispose of a controlling stake of not less than 51 per cent of the shares to indigenous Zimbabweans. Failure to submit the forms, after a reminder, will render the owner of the business, or every director, guilty of an offence and liable to a fine and/or imprisonment for up to 5 years (Zhou and Zvoushe, 2012). The 51 per cent will be divided as follows; 10 per cent will go to an employee share ownership scheme or trust (ESOS/T) for the employees of the complying company, another 10 per cent will go to the local communities within which the business is operating and will be held under a community share ownership scheme or trust (CSOS/T), 15 per cent can be purchased by any indigenous Zimbabwean and 16 per cent will go to a National Indigenisation and

Economic Empowerment Fund (NIEEF). Mupazviriho emphasised that the programme is about partnership not expropriation or nationalisation. It is also about ensuring equitable sharing of the benefits of economic growth between foreign private investors and indigenous Zimbabweans who were hitherto marginalised.

Under this policy, community share ownership trusts have been established to benefit local people. These are schemes meant for broad-based participation in the shareholding of businesses by communities living in and around areas where mining and tourism companies are exploiting natural resources. However, these trusts have courted controversy in many ways. For example, empowerment establishments such as these trusts have been dominated by men, from leadership to general membership, leaving women and the youths on the side lines, especially in terms of benefits accruing from projects done under the schemes. The socio-politico-economic meltdown that ensued in the third decade of independence changed the policy making landscape. Policy making reverted to interventionism, however political expediency and survival rather than long term socioeconomic welfare as the driving force. The fundamentals underpinning the interventionism of the third decade were therefore radically different from the fundamentals of the first decade interventionism. Third decade policy interventionism was motivated by the need to control the apparatus of the state and

safeguard the political turf of the incumbent ruling party that was under threat from opposition politics.

#### **4.8 Conclusion**

This chapter focused on analysing data which was discussed in this research by using the research objectives to analyse the implementation of the IEEP of Zimbabwe guideline. Analysing the implementation process of the IEEP was a difficult task because of the fact that the implementation process is not clear therefore to analysing the gap between the tabled idea and the implemented policy was looking for something that does not exist. Policy implementation has been a problem for Zimbabwe since the beginning of time it is important to mention that most developing countries suffer from the same problem. This notion was revealed when the implementation process of Zimbabwe was compared to other countries. Yes Zimbabwe might be the worst of them all but there is evidence that policy implementation is a difficult process where most of the leaders or administrators make mistakes. Also the fact that the adoption of a policy is largely affected by the way it has been presented, the IEEP was announced first as a slogan for political gain. This largely affected the way it was received by both the local and national view.

Some of the objectives were not reached especially the ones that focused more on the implementation gap where it looks into the formulation of the policy and the implemented policy. This brings concern especially from an administrative point of view because this lack of transparency for such a policy that affected the whole of the nation and was focused mainly on the economic empowerment which means this policy was or is to affect the core and foundation of the country, it makes no sense not to find the actual implementation process used or any information on the implementation of the IEEP.

The information found or not found by the researcher can especially when looking into this gap can be due to the research method that the researcher used, maybe if they had gone in the field it might have assisted in understanding this gap between the tabled idea and implemented policy.

## **CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter will be concluding and offering recommendations for this research. Analysing the implementation of the Indigenization Economic Empowerment policy in Zimbabwe was a thrilling subject matter to scrutinize. Due to the fact that they were two theories that guided the study that highlighted that even though administrators are there the issue is that they are not doing their jobs hence politicians always seem to be overshadowing administrators in the policy making process. This chapter strives to conclude the findings of the research paper which will look into the issues that were dealt with in the course of writing this thesis.

In chapter one the researcher had another look at the history of Zimbabwe by looking into the background of the country. It clearly shows that the implementation of the IEEP has been problematic, but the idea of the policy was a good one because looking into the background of the country there is clear evidence that the nation wanted to be economically independent. There it leads to the conclusion that the IEEP was not completely ungrounded the country has a strong background on the issues that focus on the matters of economical emancipation from the colonial rule. The first chapter presented evidence that highlighted the need to be economically independent when it reviewed the different interest groups that were formed that supported the notion of

economic empowerment. When looking into the history of Zimbabwe a lot of policies made from independence supported or where in line with the IEEP way before it was created. The background and history of Zimbabwe all highlights the desperate need for economic empowerment.

Literature reviewing in chapter two hinted on the following conclusions, the IEEP was implemented in a decade that is described as a crisis period of the country, because of the tense socio-political environment and the economic declines. This inspired the formulation of legislation that was repressive and regressive that fundamentally hunted the overall control of the citizens and political survival by the ruling party or elite. Which then means that the policies made seemed hastily done especially the IEEP because it is believed that this was a manifesto slogan that was implemented into a policy (political survival). This hasty implementation of the policy has left a lot of irregularities and uncultured characteristic gaps that have caused clashes with other policies that are being established also the country had to then use more resources in further looking into the policy trying to have damage control. The creation of Zim Asset which is now working to boost the loop holes left behind by the IEEP.

The trend of policy making from independence leaves a lot to be desired even though all policies made from independence have been sound policies that had characteristics

of redistributive, distributive and regulatory alignment they were most of them ambiguous and the objectives way to broad to be achieved by the country when considering resources and policy making environment. The policy making environment should be precise because if the policy clashes with its environment chances of the policy crushing or taking too long to perform can be noticed.

This research highlighted on the notion that few policies are being implemented because of the fact that they are more of pronouncements like the Indigenization policy where people know what it is(because it was a slogan for campaign) but the design and implementation are not clear when it comes to a public administrative perspective. Dr Manyeruke an Acting Head of Department of Political and Administrative Studies also highlighted about two more slogans that are named policies namely they are Indigenisation Policy and the Parastatal reform Policy (Dr C Manyeruke 2011).

According to Moyo (2011) there seems to be confusion about policy proclamation or slogans and the actual policy design. The elected politician's job is policy making and the duty of the public administrator is to deal with development of these policy pronouncements into implementable of policies. According to Moyo (2011) Zimbabwe has a lot of policy pronouncements which are crying out if not begging for policy designs. This means that the administrators are not doing their jobs if politicians keep

pronouncing policies which are good but the design of this policy from an administration point of view is not laid out. Which means that people keep looking at and following slogans even though the design and the implementation is blurry. One has to highlight that the fact that slogans are more recognized as compared to the actual implementation of these policies it leaves a lot to be desired and a lot of questions for example "Where are the administrators, are the right people being put into office and what has happened to lead to such circumstances.

The fact that IEEP was a manifesto slogan supports the idea that the country is busy implementing policies before they are formulated. This is highlighted by the idea of the political office and the ruling party's need to crush the mounting surge of the antagonism politics. This steered to the implementation of legislations that has vast regulatory components pursuing to arrange the body of voters. This explanation only can highlight why the IEEP had a negative impact across the globe but this was not the only problem of the policy implementation of the IEEP of Zimbabwe.

Also even though the IEEP is taking negative feedback, it's a sound policy that was not implemented well. It is important to highlight that we are not dealing with a problem of Indigenisation but the implementation of the policy. When we look closely Land Reform was indigenization it looked at resettling 12 million hectares to indigenous

Zimbabweans. The problem comes when we see the ordinary person not benefiting, the destruction of sound manufacturing sectors shutting down of industries due to the IEEP.

In the country there are roughly 1300 companies that are foreign owned and multinational cooperatives, the indigenous Zimbabwean wanted to take 51% and own 51% shares of that company. If one looks into the country it has many sectors just to mention a few tourism, mining especially are the most dominated by foreign companies, the question comes when we look into these sectors there is plenty of room for the indigenous to create and start up their own companies and create jobs, why then do they need to take what is already working. Why not become new players because there is room to create their own businesses. The question is that is it necessary to take over something that is already working, evidence has highlighted that some of the companies that were taken over have been run down into the ground like Eagles Vale School, Ellen White and Shephard. This also raises questions and assumptions like the IEEP is being used as a cover up for people to take something they did not earn. If one is an entrepreneur they should have mind set of creating their own company or business this can be similar to what they might want to take over.

The conclusion for chapter three justified why the researcher chose qualitative research method over quantitative. Fact is that the research topic was analysing the implementation process of the IEEP, a very controversial topic. Evidence is highlighted above also even the ministers who were responsible for the implementation of this policy were not agreeing on various terms and processes which further caused problems. Because of the above mentioned use of interviews might have hindered the researcher to get unbiased reports also the fact that in Zimbabwe there is separation between politicians and administrators it was a very political topic as a result the use of secondary data was the most suitable method for this research

Chapter four for this research was responsible for data analysis, the data was analysed by making use of the research objectives that the researcher had set. It is important to highlight that some of objectives were not reached especially the tow that where to analysis and review the gap between the tabled idea and the implemented policy. This hints on the idea that there is little or no transparency when it comes to policy implementation in the country. Also the fact that the top down form of policy making has not been working and it's still being used it brings concern and a lot of unanswered questions about who and why is the same method being used especially if some of the policies have failed in the past due to this. Policy making in Zimbabwe can be said to be temperamental, top down, exclusive and most importantly political which then looks like

the policies are not being made for a long term use. This conclusion came from the motion that slogans for political gain are being implemented into policies meaning that policies are being implemented then they get to be formulated and adopted after implementation which is a confusion notion on its own. Evidence of this motion is not just the IEEP it can also be seen on the Look East Policy, Operation Murambatsvina although just looked like a political move. With this in mind it then means the policy making environment is under questioning.

When the implementation process of the IEEP was brought to question it is evident that there is a problem because after looking into the implementation process of other countries like Botswana, South Africa and Malaysia policies were not 100% but there is evidence of how they were implemented and they all have the same notion of saying no foreigner can own 100% share in a company. So the question is not the policy itself because it have proven to be a sound policy the question is directly focused on its implementation and with the country there is little information in this area.

The other problem was that the IEEP model was just to take just like what happened with the Land Reform programme, companies were going to be taken without payment and indigenous Zimbabweans would own 51%. Also the policy seemed to have created a society of people wanting to get what they did not work for and this would not help the

country in the long run because it would create a lazy people. Creating a bad set of standards for the youths were it looks like if you are black and a Zimbabwean you can take whatever you want without working for it (Chikasha M 2014 [www.youtube.com/indiforum.com](http://www.youtube.com/indiforum.com)) . She further mentions that one cannot be entitled to thing because of the colour of their skin.

In chapter five the conclusion is that the policy has a lot of dark areas and unclarified objectives in the definition of an Indigenous Zimbabwean, it is not clear about the colour of skin of someone because there are whites, Indians, coloureds that were also disadvantaged before 1980. The ea of the policy is solid but the execution is not clear the administrative view is not highlighted in most of the literature that the researched looked into. This brings a cause of concern because this also highlight on the notion that there was no public participation. In the researcher view this policy and the objects or even the owning of 51% could have been put in a different way, where the government makes a deal with the owners of the companies so that they train individuals who are going to take over their companies also to create a deal of payment. Also the 51% threshold is way too high to obtain for the ordinary Zimbabwean how are they going to get that much kind of money to buy shares if they are leaving in poverty.

Investors want to invest in the country but this lack of clarity in the policy makes it difficult for foreign investors to invest in the country. They have reason to believe that the country is unstable and that there is no transparency that was involved in the policy it looks like a policy that is politically grounded. The CSOS\T have helped a handful of people but for a country that was aiming at 2015 as their year of finalising and taking control of the economy it is lagging behind. Which then suggest that the time frame that the policy was given was not realistic especially when looking at the environment that is surrounding the IEEP.

## **5.2 Recommendations**

Firstly it is important for the country to try and separate politics from administration. Because of the ideas laid down in Chapter two that highlighted that politics is overshadowing administration which has lead a lot of researchers to believe that administration is dead and that everything is politicized. This alone has made the IEEP to have a negative impact both internally and externally. So in the future it is important for policies to made and implemented by independent administrators who are not politically affiliated.

Secondly policies made from independence to date have not included the public there is no public participation in policy formulation basically the whole process. This is evident

especially when we look at the minority groups that have been in the country for decades but they are still not considered as Zimbabwean when policies are being implemented. The country should work its public participation so as to reduce uncertainty and divisions in the country.

Thirdly policies made should be clear, less ambiguous and transparent (especially in the implementation phase) because transparency and well-defined policy fosters investor confidence.

Fourthly the implementation gap is way too wide where it's difficult to trace how a policy is implemented. By implementing a policy that is clear on objectives and proper guidelines on how to go about implementing that policy it will reduce calamitous outcomes like IEEP.

Fifthly policy slogans should come to an end due to the idea that policy articulations are political or executive, they should make use of the technical hence professional side. It is high time most of the slogans are turned into policies to avoid the same mistakes from repeating themselves.

Sixthly the independent businesses that are state owned are supposed to stay away from politics especially when they are going to be used for the purposes of policy implementation it will be difficult for them to separate their ideas from doing what the governing board desires.

Seventh, empowerment policies need to be flexible and accommodate so that work can be traced by anyone especially with investors because every country survives with the assistance of others

Finally, the economic empowerment programmes need to be implemented within a framework where a consistency approach, appropriate flexibility to respond to different economic and enterprise conditions and the ability to measure the progress on implementation has to be fostered. With a consistent approach, it is important that when ownership is transferred to black ownership, innovative ways of financing the empowerment deals must be easily accessible to support effective empowerment transactions.

### **5.3 Conclusion**

After all has been said and done it was to the researcher's surprise that the world reacted the way they did when it came to the IEEP. Because ever since Zimbabwe was under the colonial rule there was a need for the people to be economically empowered, traces of self- empowerment is evident from the early 1990s through pressure groups.

The first time that the Indigenization of the economy was mentioned was way back in 1998 as a policy framework even though it lay dormant for 6years in my opinion that was the countries first mistake. The second being that it was made into a manifesto slogan which then affected the execution of the policy it looked way to political. This political interface into policy making in the country has clearly affected its implementation. The policy is the policy is a sound and waterproof policy its objectives are a bit ambiguous but they could have been achieved if the policy had been implemented in the correct way. Also the governing body of the country has to learn to include its citizens in the policy making process so that they can have an idea of what exactly people want and need. This will help with the understanding of the citizens at the grass root level being included into national participation.

## CHAPTER SIX: BIBLIOGRAPHY

### List of References

Abdullah, F.H. (1997). Affirmative Action Policy in Malaysia: To Restructure Society, to Eradicate Poverty in Ethnic Studies Report. XV (2).

Adesina, J., "Social Policy and the Quest for Inclusive Growth: Research Findings from Sub-Saharan Africa", *Social Policy and Development Programme Paper: 33*, Geneva: United Nations Research Institute for Social Development, 2007.

Anderson, J, *Public Policy Making, New York: Rinehart, 2005*

Azunu, R. (2008) Politics-Administration Relations in Developing Countries: Lessons from Ghana's Local Government. University of Ghana

BCZ (2011) Business Council of Zimbabwe – Summary Report on Indigenization and Economic Empowerment in Zimbabwe: A Strategy for Wealth and Employment Creation for Poverty Reduction. Harare.

Borras, S.J. (2003). Questioning market led agrarian reform: experiences from Brazil, Colombia and South Africa. *Journal of Agrarian Change* 3 (3): 367 394.

Buse K, Mays N, Walt G (2005). Making Health Policy. Understanding Public Health Series Open University Press.

Chaumbe, J, Scoones, I. and Wolmer, W. (2003). From Jambanja to planning: the reassertion of technocracy in land reform in South-eastern Zimbabwe? Sustainable

Livelihoods in Southern Africa Research Paper 2, Institute for Development Studies, Brighton.

Chibisa and Sigauke, 2008). Impact of Operation Murambatsvina (RESTORE ORDER) on Flea Markets in Mutare: Implications for Achieving MDG 1 and Sustainable Urban livelihoods. Fayetteville State University, Fayetteville, North Carolina

Chimhowu, A. (2010) Moving forward in Zimbabwe: Reducing poverty and promoting growth. [Online]. University of Manchester. Available from: [www.bwpi.manchester.ac.uk/moving forward in zimbabwe1 Chapter 10.pdf](http://www.bwpi.manchester.ac.uk/moving-forward-in-zimbabwe1-Chapter-10.pdf). [Accessed on 03/05/2011]

Chinamasa P. (2009), Budget Statement for the Republic of Zimbabwe, p.4-5

Chowa, T and Mukuvere (2013). An analysis of Zimbabwe's Indigenization and Economic Empowerment Programme (IEEP), As an Economic Development Approach. Researchjournal's journal of Economics vol. 1 (5-14)

Crouch, L. (2004). South Africa: Overcoming past injustice. In I. C. Rotberg (Eds.), Balancing change and tradition in global education reform (53 - 81). Lanham, Maryland: Rowan & Littlefield Education.

Confederation of Zimbabwe Industries (2010), CZI Position and Proposed Amendments to SI 21 of 2010, The Indigenization and Economic Empowerment (General) Regulations of 2010. [www.czi.co.zw/indigenisation.pdf](http://www.czi.co.zw/indigenisation.pdf) downloaded 11 June 2012.

Davies, I., Smith, D., and Simpson, C., Mugabe, Salisbury: Pioneer Head (Pvt) Ltd, 1981.

Dye, T *Understanding Public Policy*, Engelwood Cliffs: Prentice Hall, 2002

Gono G (2013). Interview on News 24 [www.news24.com/Tags/People/gideon](http://www.news24.com/Tags/People/gideon)

Indigenisation and Economic Empowerment Act, 2007. Gazzetted Friday 7th March 2008

Hardlife Z, and Zhou G 2012. Public Policy Making in Zimbabwe: A three Decade Perspective. University of Zimbabwe

Makinde T (2005). Problems of policy implementation in Developing Nation: The Nigerian Experience. *J.Soc.Sci.*,11(1): (63-69)

Masunungure E, V. and Koga H (2013). Zimbabweans' views on empowerment jobs vs. business takeovers. Afrobarometer Briefing paper No.115 (1-6)

Mathonsi, P. (1988). Black Matriculation Results: A Mechanism of Social Control. Bramfontein, South Africa: Skotaville.

Moyo, S. (2011). Land Reform and State Reconstruction, paper presented at the CCR policy advisory group seminar State Reconstruction in Zimbabwe, Siavonga, Zambia, 9-10 June 2011. In State Reconstruction in Zimbabwe.

Moyo, S and Skalness, T. (1990). Land Reform and Development Strategy in Zimbabwe: State Autonomy, Class and Agrarian Lobby. Afrika Focus Vol 201-242.

Myers, M. D (2009). Qualitative Research in Business and Management. SAGE

Nherera, C.M. (2000). Globalisation, qualifications and livelihoods: The case of Zimbabwe. Assessment in Education, 7 (3), 335-363.

Njaya, T. and Mazuru, N. (2010). Land Reform Process and Property Rights in Zimbabwe: Constraints and Future Prospects (1980 – 2002). Journal of Sustainable Development in Africa Vol 12 Clarion University of Pennsylvania, Pennsylvania.

Reserve Bank of Zimbabwe, (2011). A Sectoral Approach to Economic Empowerment and Indigenization: Supplement to the July 2011 Mid-Term Monetary Policy Review Statement. Available at: [www.rbz.co.zw](http://www.rbz.co.zw)

Steenekamp, T. (1990). Discrimination and the economic position of the Afrikaner. The Southern African Journal of Economic History, Vol 5 page 49-66.

Tshuma, L. (1997). A Matter of (In) Justice: Law, State and the Agrarian Question in Zimbabwe. Sapes Books Harare.

Pal, L, Public Policy Analysis: An Introduction, Ontario: Methuen Publications, 1989

Prince Mupazviriho, June 2011 Indigenization and Empowerment in the Republic of Zimbabwe. The presentation: Unpacking Zimbabwe's Indigenization Policy, Legislation and Way Forward, ([www.objectivecapitalconferences.com](http://www.objectivecapitalconferences.com))

UNDP (2002) Zimbabwe land reform and resettlement: assessment and suggested framework for the future. Interim Mission Report. United Nations Development Programme, <http://www.undp.org/rba/pubs/landreform.pdf>.

United Nations Social Development Network (UNSDN, 2012: 5)

Wekwete K. H. (1991), The Rural Resettlement Programme in Post-Independence Zimbabwe in Rural Planning in Zimbabwe, edited by Mutizwa-Mangiza N. D. And Helmsing A. H. J., Aldershot: Avebury

[www.herald.co.zw](http://www.herald.co.zw), NIEEB meets fund managers, 6 March 2013, The Herald.

[www.Zimembassy.se](http://www.Zimembassy.se)

<http://saviourkasukuwere.blogspot.com/p/issues-agenda.html>: Foreign Investment in Zimbabwe: Indigenisation Issues, presented at the Zimbabwe Capital Markets Symposium, Sandton Convention Centre, Johannesburg, 4th November 2010.

Zanu PF, 2013

Zimbabwe Millennium Development Goals, 2000 – 2007 *Mid-Term Progress Report*, Harare: UNDP/Government Publications, 2009

ZNCC. (2009). A Research on Legislative Provisions Hindering Business Development in Zimbabwe. [www.zncc.co.zw](http://www.zncc.co.zw) accessed 7 August 2012.

Zhou, G. (2000). Public Enterprise Sector Reforms in Zimbabwe: A Macro Analytical Approach. *Zambezia XXVII (ii)*.

ZBC-TV (2013) – Zimbabwe the Awakening Giant, Saturdays 2030 – 2100 hrs, September 2013 Schedule

Vithal, R. and Jansen, J. 2006. *Designing your first research proposal*. Landsdowne: Juta and Co.

Abdullah, F.H. (1997). Affirmative Action Policy in Malaysia: To Restructure Society, to Eradicate Poverty in Ethnic Studies Report. XV (2).

Auret, D. (1991), A decade of development Zimbabwe (1980-1990), Mambo Press in association with the Catholic Commission for Justice and Peace in Zimbabwe

Baldauf, S. (2006). Class Struggle: South Africa's new and few, black rich. The Christian Science Monitor <http://www.csmonitor.com/2006/1031/p01s03-woaf.htm>.

Beall, J., Gelb, S and Hassim, S. (2005). Fragile stability, Journal of Southern African Studies, 31, 4, 681-700.

Beveridge, A. A. (1974). Economic independence, indigenization, and the African businessman: some effects of Zambia's economic reforms. African Studies Review, 17, 477e490.

Bloch, E (2011). Indigenization: Setting the record straight. The Zimbabwe Independent 14 April 2011 [www.theindependent.co.zw](http://www.theindependent.co.zw) accessed 11 June 2012.

Borras, S.J. (2003). Questioning market led agrarian reform: experiences from Brazil, Colombia and South Africa. Journal of Agrarian Change 3 (3): 367 394.

Bratton, M. (1987). The Comrades and the Countryside: The Politics of Agricultural Policy in Zimbabwe. World Politics, 39 No. 2. 174-202.

BCZ (2011) Business Council of Zimbabwe – Summary Report on Indigenization and Economic Empowerment in Zimbabwe: A Strategy for Wealth and Employment Creation for Poverty Reduction. Harare.

Castle, J. (1995). Affirmative action in three developing countries: Lessons from Zimbabwe, Namibia and Malaysia. South African Journal of Labour Relations. Vol. 19. Issue 1.

Chambers, R., 1989, „Vulnerability, coping and policy“, IDS Bulletin 20(2): 1-8

Chambers, R. and G.R. Conway. 1991. Sustainable Rural Livelihoods: Practical Concepts for the 21st Century. Institute of Development Studies DP 296, 1991. University of Sussex: Brighton

Chambers, R., 1997, „Responsible well-being – a personal agenda for development“, World Development, 25: 1743- 1745

Chaumba, J., Scoones, I. and Wolmer, W. (2003). From Jambanja to planning: the reassertion of technocracy in land reform in South-eastern Zimbabwe? Sustainable Livelihoods in Southern Africa Research Paper 2, Institute for Development Studies, Brighton.

Chinamasa P. (2009), Budget Statement for the Republic of Zimbabwe, p.4-5

Chivaura, I. (2002). The affirmative action program at the University of Zimbabwe: gender and equity issues. Harare: Jongwe Press.

Confederation of Zimbabwe Industries (2010), CZI Position and Proposed Amendments to SI 21 of 2010, The Indigenization and Economic Empowerment (General) Regulations of 2010. [www.czi.co.zw/indigenisation.pdf](http://www.czi.co.zw/indigenisation.pdf) downloaded 11 June 2012.

Crouch, L. (2004). South Africa: Overcoming past injustice. In I. C. Rotberg (Eds.), *Balancing change and tradition in global education reform* (53 - 81). Lanham, Maryland: Rowan & Littlefield Education.

DTI (2003). South Africa's Economic Transformation: A strategy for broad-based black economic empowerment. Department of Trade and Industry. Pretoria [www.info.gov.za/otherdocs/2003/dtistat.pdf](http://www.info.gov.za/otherdocs/2003/dtistat.pdf). (Accessed 4 June 2012)

DTI (2004). BBBEE Code of Good Practice on Broad-Based Black Economic Empowerment. Department of Trade and Industry. Pretoria Available at: [www.thedti.gov.za](http://www.thedti.gov.za).

DTI (2007). South Africa's Economic transformation. A strategy for Broad Based Black Economic Empowerment, 2007. The Department of Trade and Industry. Available at: [www.thedti.gov.za](http://www.thedti.gov.za).

Friedman, J. (1992). *Empowerment: the politics of alternative development*. Oxford: Blakwell.

FW de Klerk Foundation, (2005). *Black Economic Empowerment in South Africa*. [www.fwdeklerk.org.za](http://www.fwdeklerk.org.za) (accessed 28 May 2012).

Gelb, S. (2003). Inequality in South Africa; Nature, Causes and Responses. Johannesburg. The Edge Institute.

Henderson, J., Hulme, D., Phillips, R. and Nur N. A. M., (2002), Economic Governance and Poverty Reduction in Malaysia; Globalisation and Poverty (DFDI)

Hoffman E.A. (2009), A Wolf In Sheep's Clothing: Discrimination Against The Majority Undermines Equality, While Continuing To Benefit Few Under The Guise Of Black Economic Empowerment Syracuse Journal Of International Law and Commerce [Vol. 36:87

Jack, V and Harris, K. (2007). Broad-Based BEE: The Complete Guide. Frontrunner Publishing: South Africa.

Jackson, W.E, Alessandri, T.M and Black, S.S. (2005). The Price of Corporate Social Responsibility: The Case of Black Economic Empowerment Transactions in South Africa. Federal Reserve Bank of Atlanta. Working paper series 2005-29.

Mathonsi, P. (1988). Black Matriculation Results: A Mechanism of Social Control. Bramfontein, South Africa: Skotaville.

Matondi, P. and Dekker, M. (2011). Land Rights and Tenure Security in Zimbabwe's Post Fast Track Land Reform Program; A synthesis report for Land Ac. Ruzivo Trust, Harare.

Mazibuko, N.E and Boshoff, C. (2003). Employee perceptions of share ownership schemes: An empirical study. *South African Journal of Business Management*, (34)2, 31-44.

Moyo, S. (2011). Land Reform and State Reconstruction, paper presented at the CCR policy advisory group seminar State Reconstruction in Zimbabwe, Siavonga, Zambia, 9-10 June 2011. In *State Reconstruction in Zimbabwe*.

Moyo, S. (1995). *The Land Question in Zimbabwe*, Sapes Books, Harare.

Moyo, S and Skalness, T. (1990). Land Reform and Development Strategy in Zimbabwe: State Autonomy, Class and Agrarian Lobby. *Afrika Focus* Vol pp 201-242.

Moyo, S. (1989). *Agri*

Abdullah, F.H. (1997). Affirmative Action Policy in Malaysia: To Restructure Society, to Eradicate Poverty in *Ethnic Studies Report*. XV (2).

Auret, D. (1991), *A decade of development Zimbabwe (1980-1990)*, Mambo Press in association with the Catholic Commission for Justice and Peace in Zimbabwe

Baldauf, S. (2006). Class Struggle: South Africa's new and few, black rich. *The Christian Science Monitor* <http://www.csmonitor.com/2006/1031/p01s03-woaf.htm>.

Beall, J., Gelb, S and Hassim, S. (2005). Fragile stability, *Journal of Southern African Studies*, 31, 4, 681-700.

Beveridge, A. A. (1974). Economic independence, indigenization, and the African businessman: some effects of Zambia's economic reforms. *African Studies Review*, 17, 477e490.

Bloch, E (2011). Indigenization: Setting the record straight. *The Zimbabwe Independent* 14 April 2011 [www.theindependent.co.zw](http://www.theindependent.co.zw) accessed 11 June 2012.

Borras, S.J. (2003). Questioning market led agrarian reform: experiences from Brazil, Colombia and South Africa. *Journal of Agrarian Change* 3 (3): 367 394.

Bratton, M. (1987). The Comrades and the Countryside: The Politics of Agricultural Policy in Zimbabwe. *World Politics*, 39 No. 2. 174-202.

BCZ (2011) Business Council of Zimbabwe – Summary Report on Indigenization and Economic Empowerment in Zimbabwe: A Strategy for Wealth and Employment Creation for Poverty Reduction. Harare.

Castle, J. (1995). Affirmative action in three developing countries: Lessons from Zimbabwe, Namibia and Malaysia. *South African Journal of Labour Relations*. Vol. 19. Issue 1.

Chambers, R., 1989, „Vulnerability, coping and policy“, *IDS Bulletin* 20(2): 1-8

Chambers, R. and G.R. Conway. 1991. *Sustainable Rural Livelihoods: Practical Concepts for the 21st Century*. Institute of Development Studies DP 296, 1991.

University of Sussex: Brighton

Chambers, R., 1997, „Responsible well-being – a personal agenda for development“, World Development, 25: 1743- 1745

Chaumba, J., Scoones, I. and Wolmer, W. (2003). From Jambanja to planning: the reassertion of technocracy in land reform in South-eastern Zimbabwe? Sustainable Livelihoods in Southern Africa Research Paper 2, Institute for Development Studies, Brighton.

Chinamasa P. (2009), Budget Statement for the Republic of Zimbabwe, p.4-5

Chivaura, I. (2002). The affirmative action program at the University of Zimbabwe: gender and equity issues. Harare: Jongwe Press.

Confederation of Zimbabwe Industries (2010), CZI Position and Proposed Amendments to SI 21 of 2010, The Indigenization and Economic Empowerment (General) Regulations of 2010. [www.czi.co.zw/indigenisation.pdf](http://www.czi.co.zw/indigenisation.pdf) downloaded 11 June 2012.

Crouch, L. (2004). South Africa: Overcoming past injustice. In I. C. Rotberg (Eds.), Balancing change and tradition in global education reform (53 - 81). Lanham, Maryland: Rowan & Littlefield Education.

DTI (2003). South Africa's Economic Transformation: A strategy for broad-based black economic empowerment. Department of Trade and Industry. Pretoria [www.info.gov.za/otherdocs/2003/dtistat.pdf](http://www.info.gov.za/otherdocs/2003/dtistat.pdf). (Accessed 4 June 2012)

DTI (2004). BBBEE Code of Good Practice on Broad-Based Black Economic Empowerment. Department of Trade and Industry. Pretoria Available at: [www.thedti.gov.za](http://www.thedti.gov.za).

DTI (2007). South Africa's Economic transformation. A strategy for Broad Based Black Economic Empowerment, 2007. The Department of Trade and Industry. Available at: [www.thedti.gov.za](http://www.thedti.gov.za).

Friedman, J. (1992). Empowerment: the politics of alternative development. Oxford: Blakwell.

FW de Klerk Foundation, (2005). Black Economic Empowerment in South Africa. [www.fwdeklerk.org.za](http://www.fwdeklerk.org.za) (accessed 28 May 2012).

Gelb, S. (2003). Inequality in South Africa; Nature, Causes and Responses. Johannesburg. The Edge Institute.

Henderson, J., Hulme, D., Phillips, R. and Nur N. A. M., (2002), Economic Governance and Poverty Reduction in Malaysia; Globalisation and Poverty (DFDI)

Hoffman E.A. (2009), A Wolf In Sheep's Clothing: Discrimination Against The Majority Undermines Equality, While Continuing To Benefit Few Under The Guise Of Black Economic Empowerment Syracuse Journal Of International Law and Commerce [Vol.

36:87

Jack, V and Harris, K. (2007). *Broad-Based BEE: The Complete Guide*. Frontrunner Publishing: South Africa.

Jackson, W.E, Alessandri, T.M and Black, S.S. (2005). *The Price of Corporate Social Responsibility: The Case of Black Economic Empowerment Transactions in South Africa*. Federal Reserve Bank of Atlanta. Working paper series 2005-29.

Mathonsi, P. (1988). *Black Matriculation Results: A Mechanism of Social Control*. Bramfontein, South Africa: Skotaville.

Matondi, P. and Dekker, M. (2011). *Land Rights and Tenure Security in Zimbabwe's Post Fast Track Land Reform Program; A synthesis report for Land Ac. Ruzivo Trust*, Harare.

Mazibuko, N.E and Boshoff, C. (2003). *Employee perceptions of share ownership schemes: An empirical study*. *South African Journal of Business Management*, (34)2, 31-44.

Moyo, S. (2011). *Land Reform and State Reconstruction*, paper presented at the CCR policy advisory group seminar *State Reconstruction in Zimbabwe*, Siavonga, Zambia, 9-10 June 2011. In *State Reconstruction in Zimbabwe*.

Moyo, S. (1995). *The Land Question in Zimbabwe*, Sapes Books, Harare.

Moyo, S and Skalness, T. (1990). *Land Reform and Development Strategy in Zimbabwe: State Autonomy, Class and Agrarian Lobby*. *Afrika Focus* Vol pp 201-242.

Moyo, S. (1989). Agriculture Employment Expansion: Smallholder Land and Labour Capacity Growth, ILO, Harare.

Muzaffar. C (2010). Widening income inequality: A challenge to 1 Malaysia. Retrieved October 3, 2011,  
from [http://www. Malaysianinsider.com](http://www.Malaysianinsider.com)

Nherera, C.M

culture Employment Expansion: Smallholder Land and Labour Capacity Growth, ILO, Harare.

Muzaffar. C (2010). Widening income inequality: A challenge to 1 Malaysia. Retrieved October 3, 2011,  
from [http://www. Malaysianinsider.com](http://www.Malaysianinsider.com)

Nherera, C.M. (2000). Globalisation, qualifications and livelihoods: The case of Zimbabwe. *Assessment in Education*, 7 (3), 335-363.

Njaya, T. and Mazuru, N. (2010). Land Reform Process and Property Rights in Zimbabwe: Constraints and Future Prospects (1980 – 2002). *Journal of Sustainable Development in Africa* Vol 12 Clarion University of Pennsylvania, Pennsylvania.

Pelkman, P. and Veenswijk, M. (2008). Redefining organizational practice through narratives: Unraveling the Eskom backstage. *African Journal of Business Management*. (2)2, pp 41-52.

Reserve Bank of Zimbabwe, (2012). Industry Supply-Chain Based Economic Empowerment as a vehicle to equity based Economic Empowerment Programmes. Available at: [www.rbz.co.zw](http://www.rbz.co.zw)

Reserve Bank of Zimbabwe, (2011). A Sectoral Approach to Economic Empowerment and Indigenization: Supplement to the July 2011 Mid-Term Monetary Policy Review Statement. Available at: [www.rbz.co.zw](http://www.rbz.co.zw)

Reserve Bank of Zimbabwe, (2007). Monetary Policy Statement. Available at: [www.rbz.co.zw](http://www.rbz.co.zw)

Roslan, A. (2001). Income inequality, poverty and development policy in Malaysia, Paper presented to the Conference on Poverty and Sustainable development, University Montesquieu-Bordeaux.

Rustomjee, Z. (1991). Capital flight from South Africa, 1970–1988. *Transformation* 15.

Saad S, (2012) Re-building the Concept of Nation Building in Malaysia *Asian Social Science* Vol. 8, No. 4; April 2012 [www.ccsenet.org/ass](http://www.ccsenet.org/ass)

Sanchez, D. (2006). Socio-economic Transformation in South Africa: Black Economic Empowerment and Small, Medium and Micro Enterprises. DIIS.

Saruwatari, K. (1991). Malaysia's localization policy and its impact on British-Owned enterprises. *The Developing Economies*, XXIX-4, 371-386.

Schlemmer, L. (2005). South Africa economy: BEE: fact or fiction? *The Economist Intelligence Unit*, 21 September 2005.

Shireen, M. H. (1998). *Income Inequality and Poverty in Malaysia*, Rowman & Littlefield Publishers, Inc.

Stafford, D. G. (1997). Malaysia's New Economic Policy and Global Economy: The Evolution of Ethnic Accommodation, *The Pacific Review*, vol. 10, no. 4, pp. 556-80.

Steenekamp, T. (1990). Discrimination and the economic position of the Afrikaner. *The Southern African Journal of Economic History*, Vol 5 page 49-66.

Terreblanche, S. (1991). The need for a transformation period towards a post apartheid South Africa. *Occasional Papers number 3 (2nd Edition)*. The Stellenbosch Economic Project.

Tshuma, L. (1997). *A Matter of (In) Justice: Law, State and the Agrarian Question in Zimbabwe*. Sapes Books Harare.

UNDP (2002) *Zimbabwe land reform and resettlement: assessment and suggested framework for the future*. Interim Mission Report. United Nations Development Programme, <http://www.undp.org/rba/pubs/landreform.pdf>.

Van der Berg, Servaas and Louw, Megan. (2003). Changing patterns of South African income distribution: Towards time series estimates of distribution and poverty. Paper to the Conference of the Economic Society of South Africa. Stellenbosch, 17-19 September 2003.

Wekwete K. H. (1991), The Rural Resettlement Programme in Post-Independence Zimbabwe in Rural Planning in Zimbabwe, edited by Mutizwa-Mangiza N. D. And Helmsing A. H. J., Aldershot: Avebury

World Bank. (1993). The East Asian Miracle: Economic Growth and Public Policy. Oxford University Press, New York.

ZNCC. (2009). A Research on Legislative Provisions Hindering Business Development in Zimbabwe. [www.zncc.co.zw](http://www.zncc.co.zw) accessed 7 August 2012.

Zhou, G. (2000). Public Enterprise Sector Reforms in Zimbabwe: A Macro Analytical Approach. *Zambezia XXVII (ii)*.

[www.allafrica.com](http://www.allafrica.com) – Zimbabwe: Tobacco Sales Surpass 2012 Final Output, 12 June 2013, Source: The Herald

[www.allafrica.com](http://www.allafrica.com) – Zimbabwe: Windfall for Schweppes Workers, 26 July 2013, Source: The Herald

<http://www.odi.org.uk>: Overseas Development Institute – Key Sheets for Sustainable Livelihoods

[www.doingbusiness.org](http://www.doingbusiness.org): Doing Business in Zimbabwe – World Bank Group

[www.nieeb.co.zw](http://www.nieeb.co.zw) – Website for the National Indigenization and Economic Empowerment Board

[www.parlzim.gov.zw](http://www.parlzim.gov.zw) – Website for the Parliament of Zimbabwe

[www.herald.co.zw](http://www.herald.co.zw), NIEEB meets fund managers, 6 March 2013, The Herald.

<http://saviourkasukuwere>