Industrial decline in Zimbabwe, Gweru post 2000: which way now?

Didmus Dewa¹ and Enock Musara² & Edward Mupfururi³

Abstract

Zimbabwe was plunged into an abyss of crises by human efforts particularly of policymakers in government especially towards the end of the 1990s. The crises is deep rooted and assumed varying dimensions and dynamics. There was a sudden decline on social living standards and the downtrend has been traced to the year 2000. The political crises affected the economy seriously that there has been a pronounced decline in industry. There have been forced retrenchments, dismissals, introduction of shifts and forced early retirements. The lives of these workers have been negatively affected while their dependents’ lives have been made worse. These were bread winners who were providing food on the tables and supporting their families on school, farming and day to day demands of the day. The decline in industry has also impacted in Gweru, the Midlands capital. There are various industrial companies that used to employ thousands of Gweru labourers that have since closed. These industries were contributing immensely to Zimbabwe’s Gross Domestic Product and Gross National Income. The international trade and mineral activity that helped Zimbabwean economy to grow in the 1980s have been significantly and negatively affected. This paper therefore seeks to unravel the factors behind industrial decline and then suggest the way forward. Of the notable industries in Gweru, 50% are sampled for the purposes of understanding general factors behind the closure of the companies. Structured Interviews, questionnaires and observation have been used in collecting data for the paper. The collected data would then be reported in this paper before recommendations are given. *Copyright © WJACS, all rights reserved.*

Key words: Industry, decline, revive, production, labour intensive, foreign direct investment

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BACKGROUND DATA

Gweru is at the centre of Zimbabwe and in the colonial era, there were serious moves towards making it the capital city of Zimbabwe. The rational lie in its geographical location and the vast minerals around the city. There is gold, chrome, platinum, iron, diamonds of late and nickel around Gweru. There are many Industries that revolve around these minerals as well as other Small enterprises that feed directly or indirectly from the various minerals related industries. There are serious agriculture and mineral activities that drive the economy of Zimbabwe. In pursuit of the capitalisation of Gweru, the communication and transport network was developed to meet capital city standards.

PROBLEM STATEMENT

It is in light of Zimbabwe’s socio economic and political dynamics and dimensions post the 2000 era, that most industries in Gweru have downsized and others have collapsed. This has meant loss of jobs and collapse of the once thriving business activity in the city of Gweru. There has been the creation of ghost industries. It has had a political and social strain on the natives of Gweru and Zimbabwe at large. There is rampant unemployment and emergence of shifts that have lesser hours of work for the Gweru workers. Lesser hours of work means lesser pay. Others have been made to go on unpaid leave and resignations. Other companies have failed to pay their workers for the past year. Overall industrial Production output has soared and this has had a negative effect on Zimbabwe’s Gross Domestic Product (GDP) and Gross National Product (GNP). There has not been economic growth in Gweru and this has led to creation of ghost industries in the industrial site and section of Gweru.

RESEARCH AIMS AND OBJECTIVES

The main aim of the research was to undertake an enquiry over the factors behind the unfortunate phenomena of industrial decline which led to the creation of ghost industries. The research aimed at coming up with sustainable ways for industrial development. Other objectives included:

- to study the impact of industrial decline on labour intakes
- to understand production capacities before, during and after industrial decline
- to study the current status of the industries

JUSTIFICATION

This research helps in Zimbabwe shaping up her trade policies and these have a local and international implication. It will also point to the strategies that can be implemented in order to revive Zimbabwe. This case study will help other industries in Zimbabwe as well as other countries that may go through the same phenomena. Zimbabwe provides unique case studies and lessons to be learnt by other countries. This is meant to avert the spill over effect among southern African countries.

Research informs sustainable government actions for the benefit of the government and the governed. As such this scientific enquiry into why industries closed and espousing how they can be revived is of paramount importance.

The late Labour Activist-cum politician Gibson Sibanda, in The Standard (12th-28th September 1999) said, “for how long shall we wait for the biblical Moses to deliver us? When Zimbabweans are poorer than they were in 1980. Is that not a crime against humanity?” It is our collective responsibility as Zimbabweans to put efforts in bringing about development and good standards of living. This will help us and the future generations, hence the talk of sustainable development. Standing and taking no action will worsen the situation. There is general socio economic and political suffering in Zimbabwe and Gweru. Some key people need to take action to solve the problem. None but ourselves can do it. The Government of National Era has made us realise the importance of working together as Zimbabwean for our own good. The declining industries need to be attended to for Gweru
to progress and move forward. There is need for an urgent attention and the benefits will help Zimbabwe at macro-level and Gweru at micro-level.

**CONCEPTUAL FRAMEWORK AND A PANORAMA VIEW OF ZIMBABWEAN INDUSTRIAL POLICIES SINCE 1980**

The United Nations inspired theories of economic growth became the threshold upon which the incumbent Zimbabwean government prescribed policies after 1980. The state aimed at growth and the government noted that the first decade after independence was characterised by growth. The state postulated that the commercial and industrial sectors did quite well despite international setbacks of recession and the drop in international commodity prices (Zimbabwe, 1990,p 5). It is in this first decade that there was a great deal of optimism as the economy seemed firm and full of credit. The government propagated that the Ministry of Trade and Commerce made considerable progress towards opening up the International markets for Zimbabwean goods and services, which prior to 1980 were virtually unknown as a result of the Universal Declaration of Independence sanctions (Ibid p 5). It is imperative to note that hope was everywhere because of the fact that in the 1950s, Zimbabwe’s per capita GDP was more or less at the same level with South Korea (Kanyenze G et al, 2011, p 2). The first decade was therefore critical for Zimbabwe and the natives expected much from the incumbent government. There were high hopes and a spirit of enthusiasm among the populace.

Zimbabwe assumed her independence way after other countries in Africa and she had enough time and space to learn from other country experiences. It is interesting to note that other economies grew because of the fact that they learnt from other country experiences. The Learn from Others framework was sounded into the ears of the Executive around 1980. It is noted that on the eve of independence, the late president of Mozambique, Samora Machel, advised his ally and colleague Robert Mugabe (R Mugabe became Executive Prime Minister after 1980 and President after 1987). He was advised to avoid being driven by revolutionary zeal and to learn from Mozambique’s experience when it chased the Portuguese from the country and nationalised the economy (ibid p1). President Nyerere of Tanzania implored the incumbent Zimbabwean Executive to “preserve the jewel of Africa” he had inherited. These was heard loud and clear hence the reconciliatory messages and policies. However the messages were quickly forgotten as in the next decade, the Executive chased the white man and tarnished the jewel of Africa.

Zimbabwe was plunged into a dungeon of crisis first by the ill advised and ill-implemented foreign generated Economic Structural Adjustment Program (ESAP) launched in 1994. There were strikes and demonstrations across the country in the wake of the first industrial decline in the ESAP era. There were wage disputes, retrenchments, closure of smaller industries in the wake of fierce competition from established industries (Raftopoulos B and Sachikonye L, 2001,p 273). Zimbabwean workers were disgruntled a lot as the government had ignored their advice not to take up the Bretton Woods Institution bred economic package. SAPs have never worked in any country that has been implementing the packages. It was therefore quite a surprise and a defeat of logic when the learned personnel in government allowed ESAP to devour the economy in the 1990s. Industrial decline of the era resulted in national discontent and there were famous and significant public unrest through strikes and demonstrations popularly known as food riots (ibid p273).

The resentment to ESAP and the subsequent public discontent actions of Zimbabwean workers did not end the crises of Zimbabwe but rather opened a new phase of socio-economic and political crises. Patrick Bond and Masimba Manyanya note that the new plunge or wave of crises began in 1997 when president Mugabe gave registered war veterans a staggering Z$50 000 each and a monthly payout of Z$2 000 (P Bond and Manyaya M 2002,p xi). A series of events further plunged Zimbabwe into unprecedented decline which help to explain the present scenario. There was a financial meltdown beginning on 14 November 1997 (better known as the Black Friday) when the Zimbabwean currency lost 74% value against the US dollar over 4 trading hours (ibid). The Black Friday was followed by the Red Tuesday of 9 December 1997 when there were violent strikes and food riots against the government (ibid). This was followed by the famous 1999 Workers Convention that led to the formation of Movement for Democratic Change in 1999 and the vote against Mugabe ‘s constitutional
referendum in February 2000 (ibid). Raftopolos notes the above issues and adds the commitment of the
Zimbabwean army in the DRC conflict as another factor of the crises (Raftopolos B and Sachikonye L p 2).
Following the defeat of Mugabe in the February 2000 referendum, Mugabe mobilised the peasantry over the
popular demand for land reform through the coercive deployment of war veterans and unemployed youths. As a
result, there were violent land seizures by the war veterans from the white community (ibid p2). It is not
surprising that the land issue assumed significance over the internal policy inconsistency and failures by the
Mugabe government.

Agrarian reform is a sound development policy option in the development discourse. Todaro (1981) believes
that land reform, supportive rural development policies and integrated development policies constitute the three
pillars of development. However one may be opposed to violent land reform exercises as was the case in
Zimbabwe. The idea of empowering black natives in the process of development cannot be under estimated and
undervalued. However it must be done in a proper manner that does not point to the deficit of rule of law.
Zimbabwe was plunged into the 2000 era crises due to policy inconsistencies and failure to learn from others. It
is documented clearly that those in the corridors of power started to deviate from what they talked. They would
talk left and act right.

ZIMBABWEAN INDUSTRY AND THE CRISES AFTER 2000

The above detailed crises had significant highlights that signalled the demise and decline of industry in
Zimbabwe. There are a lot of crises manifestations in the post 2000 period. As alluded to earlier, Zimbabwean
currency fell in value on the internal exchange. It fell 74% in value on the Black Friday and continued to loose
value and it became a historical currency crash. This impacted negatively on the industry involved in imports
and exports. It became very cheaper to sell industrial outputs outside Zimbabwe and very expensive to import
vital inputs into industry. There was the emergency of the black market which forced many companies out of
business. There was unprecedented inflation which rose from 15% in September 1997 to above 45% eighteen
months later (P Bond and Manyaya M 2002,p 38). There were fuel shortages and the inflationary Zimbabwe
sank deep in the quagmire of crises. Corruption, nepotism, shortages and decline of social services affected trade
and development adversely. Education sector declined while the agriculture sector failed to secure foreign
exchange on the market as it used to do.

The bloody land reform exercise, ESAP induced suffering among the populace, failed Zimbabwean policies and
the violence prevalent before and during elections put Zimbabwe on the international headlines. This led the
USA to pass the Zimbabwe Democracy Bill and the subsequent imposition of sanctions (Raftopolos B and
Sachikonye 2001, p 50). The imposed sanctions worked to the detriment of industrial trade across Zimbabwean
economy. The sanctions did not serve its purpose of targeting the ZANU PF functionaries but affected industry
and the Zimbabwean nation at large. In the wake of sanctions, industries suffered all the more and were forced
to close. Zimbabwe’s look east policy did not help in any way as the economy was deeply engaged to the west
(P Chigora and D Dewa, in 2009). The country continued to have socio-economic and political problems which
were heavily felt in 2007-2008 as drought and famine ripped the country open. The crises affected even the
political economy of elections. Dewa D (2009) documented the crises of 2008 as entailing fuel shortages,
unemployment, fuel shortages, hyperinflation, currency depreciation, food shortages, hunger, famine,
retrenchments, shortage of medicine and drugs in hospitals, strikes and brain drain.

RESEARCH METHODOLOGY

This research is qualitative in nature. Data is then interpreted in descriptive form as deep analysis of facts and
events is done. There are pictures that help to communicate the findings. In order to get the data on the factors
behind the decline and the proposed way forward, a triangulation method was used to gather data. Field visits
were conducted from end of January to end of February 2013. During the field visits, industries were visited and
the data here in this paper was gathered through structured interviews and administered questionnaires. Besides
the questionnaires and interviews, the researcher also used observation as a method to collect data. Observation
was used to check the data gathered through interviews and questionnaires. For example, observation would
help to see idle machinery, count number of workers in a shift as well as seeing the closed manufacturing plants.
Pictures were also taken in an attempt to tell the story of Industrial decline in Gweru.
Systematic Random Sampling

This paper used systematic random sampling in order to collect data. This method is simple, precise and save time (William MT 2006). A total of 28 industrial companies were identified. The 28 companies were then named on 28 pieces of paper bearing the numbers 1 to 28. Each paper piece had a company name and thus 28 was the sampling frame and 14 industrial companies were the sample size for data gathering and thus 50% of the identified industrial companies in Gweru. The interval size for this paper was then calculated as 28 divided by 14 and this gave us 2. An integer from 1 to 2 had to be selected and 2 was chosen. The research therefore picked the company written on number 2 and every company named from integer 2 up to 28 was picked. The table below show the sampling frame.

<table>
<thead>
<tr>
<th>SAMPLING FRAME NUMBER</th>
<th>NAME OF INDUSTRIAL COMPANY</th>
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<tbody>
<tr>
<td>1</td>
<td>BATA SHOE COMPANY</td>
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<td>2</td>
<td>ZIMALLOYS</td>
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<td>3</td>
<td>CONFEDERATION OF ZIMBABWE INDUSTRIES</td>
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<tr>
<td>4</td>
<td>BOC GASES</td>
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<td>5</td>
<td>MANICA SPARK PLUGS</td>
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<td>6</td>
<td>Housing Construction Company</td>
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<td>7</td>
<td>ZIMGLASS</td>
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<td>8</td>
<td>Zimcast</td>
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<td>9</td>
<td>DAIRIBOAR NATIONAL FOODS</td>
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<td>10</td>
<td>Gweru Plumbing</td>
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<td>11</td>
<td>APC GLENDENING</td>
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<td>12</td>
<td>Cold Storage Commission</td>
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<td>13</td>
<td>CARIDON ABRASSIVES</td>
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<td>14</td>
<td>Jacks Engineering</td>
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<td>15</td>
<td>RADAR CASTINGS</td>
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<td>16</td>
<td>Fort Concrete</td>
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<td>NRZ</td>
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<td>Metturlurgical Supplies</td>
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<td>19</td>
<td>SWISSETE</td>
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<td>20</td>
<td>David Whitehead</td>
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<td>ANCHOR YEAST</td>
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<td>Oricken</td>
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<td>24</td>
<td>Waterglass</td>
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<td>25</td>
<td>NATIONAL FOODS</td>
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<tr>
<td>26</td>
<td>Kariba Fire Batteries</td>
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<tr>
<td>27</td>
<td>MIDLANDS METALS</td>
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<tr>
<td>28</td>
<td>Pg Building Supplies</td>
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</tbody>
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DISCUSSION OF Research Findings

This section is going to discuss findings of the 50% representative sample of identified notable industries in Gweru. Some companies are still operating but at low capacities. It is noted that 60% of the sampled industries have since closed. Most companies are affected by international prices and therefore international recession led to the decline. Corruption and mismanagement affected the industries adversely. One company has merged while another one is now under judicial management. Most workers are now operating small formal and informal businesses such as flea markets as coping mechanisms. For the companies to be revived, there is need for Foreign direct Investment (FDI). Also need to improve on good cooperate governance as well as creating a good investment climate.

ZIM ALLOYS

This is a company located in Gweru and has a niche area of mineral processing owing to its utilisation of the mineral deposits along the Great Dyke which stretches from Mberengwa to Mutorashanga. The company was formed in 1955 and is specialised in mineral processing of ferro calcium, high carbon, chrome. It was
established in Gweru because of the centrality of the city and its accessibility to raw materials sources. There exist a sound transport and communication network that comprise railway line, roads and aerodrome. The railway line accesses Hwange from where coal comes from for the furnace. The company is owned by three different shareholders that comprise 80% shareholding BENSCOR (a consortium of black business people), a South African company with 15% shares and a Spanish company which has 5% shares. At its peak in the 1978 up to 1990s era, ZIM ALLOYS would employ 6000 labourers at 90% production capacity. The peak was due to the construction of the third furnace while the decline of the 1990s was due to the slump in international prices as the industry exports most minerals. The decline has implied that in 2012 labour was reduced from 6000 to just around 500 and also the prevalence of shift system and short term contract labourers. One major plant is not functioning and thus ZIM ALLOYS is operating below the capacity. Since 1991 to 2013 there have been 4 retrenchment phases due to industrial decline. The cost of electrical power affected ZIMALLOYS negatively in 2000 as ZESA doubled the prices. One of the plants has since been closed and over 1000 workers have lost their jobs. The once busy railway line entering ZIMALLOYS have since been abandoned signalling the demise of this industry.

Jacks Engineering

It is a company owned by the above mentioned individual and was formed around 1985. The company does foundry engineering. The company enjoyed its peak in 1995-96 as it operated at 100% productivity employing 120 workers and producing 45 tonnes. The company industrial output started to decline around 2002 when output fell to just 30 tonnes. The lowest level of decline has been 2006-2007 as output reached lowest ebb of 18 tonnes and labour has been cut to just 50 labourers and thus a 42% in labour decline and a 60% decline in industrial output. Shifting trends changed as one shift was completely jettisoned from Jacks Engineering in the wake of this post 2000 decline.

Cold Storage Commission (CSC)

This was once a huge beef industry relying heavily on surrounding commercial farmers. Used to employ over 100 employees at once before the Fast Track Land Resettlement Program. Industrial operations have been adversely affected especially by displacement of white commercial farmers. As of 2013 February, the company has been left out with only 4 part time employees. The company premises are deteriorating and there is no activity.

BOC Gases
The company was formed in 1920 and is located in Gweru and does produce and sell gas. The company production started to decline around just after 1990 as gas was now available and sold in Harare and ZESA accessed new markets. The company resorted to producing wielding rods as the decline started. The lowest level of production was in 2007 as the company produced at 40% productivity and cut its labour from 90 to just 14. Forced retrenchment, shifting cycle of work and short term contract system was introduced in order to adapt to the industrial decline.

**GWERU PLUMBING**

The company was formed in 1973 and has 2 whites and 3 blacks as shareholders. It specialises in plumbing, metal fabrication and concrete products. Its peak was from 1970 to the early 1990s as it produced at 100% productivity and employing 50 fulltime labourers. The decline started in the 1990s but reached the lowest levels in 2005 as only 15 labourers remain at Gweru plumbing. Shareholders felt the punch and left just two blacks who have assumed Directorship posts in the wake of this decline. Besides the machines are worn out and some have become obsolete.

**WATERGLASS**

This is an industrial company operating in Gweru and was established in 1996. It is owned by one Gweru resident individual. Its business niche lie in industrial minerals that include lime, methylated spirit, sodium silicate, calcide, tulk dolomite among many other mineral products range. The company enjoyed its peak from 1998-2006 when it was operating at almost full capacity. The decline started around 2007 up to date because of the world recession effect and also other intermediate factors that have affected similar industries. In order to survive Waterglass has cut its labour force in the period of decline from over 70 labourers in 2006 to just 33 in 2013 February. Waterglass is closely networked on business lines with Zimalloys, Bata, Zimcast, Zimglass and paint manufacturers such as Astra. Since the declines have also affected negatively these trading partners, business has declined and is declining for Waterglass. The picture insert depicts industrial activity at Waterglass.

**CLOSED COMPANIES**

Of the selected sample, quite a number of the industrial companies were closed for operations. Machines would be seen lying idle and gates were closed. Grass and general disorder would be seen indicating the decline and demise of industries.

**ZIMCAST**

The company has closed and the plant is deteriorating. This was once a labour intensive company in Gweru
KARIBA FIRE BATTERIES

The company has closed and the premises have since been taken over by ZESA.

DAVID WHITEHEAD

This is a company established in Gweru by local whites in the early 1990s. Its trade is along fabric production and procession. Its peak was around 1997 up to 2002 when it operated at 100% productivity. It was employing just over 220 employees and the decline started around 2005 and worsened around 2008 forcing it to retrench 100 employees at once in 2009 October. As of February 2012, the company has cut its labour to just 37 labourers. The company traded with Bata, NB stores and Tim around Gweru. However since these trading partner companies have downsized, there is no more business for David Whitehead. In 2013 March, the company has gone into dissolution and is under Judicial Management.

The gates are locked and deterioration is taking its toll on the company fixed assets

FORT CONCRETE

The company has closed down and grass covers access to the premises and all gates are locked. This was once a hive of activity in Gweru but now it is in intensive care. See pictures below:

INDUSTRIAL SANDS OLIKEN

This was a company to visit for industrial sands and building materials. However since the decline started, access to the admin office is denied by the ever locked gate and the signposts are faint. It seems a new Chinese company has taken over the plant.
PG INDUSTRIES

The company has closed its industrial site and a sticker inscribed For Sale by an estate agent is on the ever locked gate. The company premises are locked and there is no industrial activity.

BP SHELL

Once ever busy with incoming and outgoing trucks 24 hrs a day and 7 days per week, the company premises are now inactive and the gates are locked 24 hours a day, 7 days a week.

HOUSING CONSTRUCTION COMPANY (HCC)

This is a construction company with a big name in Gweru and also Zimbabwe's construction industry. The company used to employ over a thousand employees prior to 2000. However the decline started in the post 2000 crisis hence the thousands have been laid off and in 2013 only 8 general hand workers have been left. The huge machinery and onsite worker accommodation facilities are in a dilapidating state.
METALLURGICAL SUPPLIES

The company used to supply Gweru and the nation on metallurgical inputs but the gates are now locked with no activity inside the industrial premises.

ZCTU perspective on Zimbabwean Industrial Decline

From the industrial decline data highlighted in this paper, the researcher sought audience with the Zimbabwe Congress of Trade Union (a national Labour representative body) on its perception of the industrial decline in Zimbabwe. The organisation is a worker representative group and has felt the punch of the industrial decline as its members have brunt the suffering associated with the industrial decline. The crises have weakened the labour movement in Zimbabwe. The body postulate that the Zimbabwean government lost it out on embracing ESAP in the 1990s when it failed to heed ZCTU’s policy advice on ESAP. ZCTU notes that the industrial decline has come about as a result of:

- policies that are not investor friendly
- lack of funding
- use of old/obsolete industrial technology
- absence of a national policy on industry and development
- unfair distribution of DIMAF (government fund for distressed industries)
- insufficient government fund and assistance for industries

WHICH WAY NOW FOR THE ZIMBABWEAN, GWERU INDUSTRIES?

In the data gathering process, the researcher sought the company specific way out of the quagmire of decline. It is quite interesting that the proposed way out is uniform across the various companies that have undergone the decline. The data also conforms to theoretical perspectives of various scholars in the development discourse.

GOOD POLICY MAKING BY Zimbabweans

Most of the industrial problems emanate from inconsistent policies and bad policies. The period after independence was Welfarist-Socialist while the ESAP period was Capitalist and the post 2000 era has seen the influx of very short term fire fighting economic and trade policies that may not solve the problems in Zimbabwe. In the GNU era, there have been the advent of *kiya kiya* monetary policy and thats a short term crises managing policy. ZCTU has called upon the government to use local expertise to craft sound industrial trade policies. The policies should be by Zimbabweans, for Zimbabweans and also durable and not situational vaccination. Zimbabwe requires proactive and strategic trade and industrial policies that will stimulate informal and formal sectors.

CAPITAL INJECTION and FOREIGN DIRECT INVESTMENT CALL

All the sampled industries and its targeted point persons noted that here is need for capital injection into the industry. The government therefore need to do serious financial resource mobilisation in order to financially aid these crumbling companies to rise again. If financial aid from diamond sales could be channelled to the dying industries, lives would be preserved and Zimbabwe will rise again. The local funds such as from diamonds have come a long way in stabilising the economy but the proceeds are not enough for the immediate needs of
Zimbabwean industries. The national revenue cannot therefore sustain and help the industries. For instance, ZIMALLOYS has pointed to the DIMAF chunk of 40 million USD as requisite for it to revive and operate at full capacity. DIMAF 40 million is what the government can manage but this time the capital injection would be used to purchase high technology equipment as the company require automation. It is therefore crystal clear that the national or local funding cannot help Zimbabwean industries at the moment. International support in the wake of globalisation is needed but need to be carefully managed. It is therefore imperative to create an investment climate.

CREATING AN INVESTMENT CLIMATE IN ZIMBABWE/GWERU

The targeted companies called for a sound and friendly investment climate. The political crises along bad governance, maladministration, violence and corruption need to be addressed accordingly. The world Bank calls for creation of an investment climate which is in line with national and international patterns and is hitched on governance, corruption and property rights issues (World Bank, 2003, p 46). Zimbabwe therefore must strive to create an investment climate so that essential foreign direct investment (FDI) flows into the country. The national policies should all foster investment either internally or externally. The World Bank (2000, p2) notes that Africa can claim the 21st century if it improves governance and resolve conflicts. Zimbabwe therefore needs to improve its bad governance image and manage its conflict in a way that will create an investor friendly atmosphere. Where there is a good governance deficit and conflict, not even locals and worse of all foreigners, can invest in a politically risk country. The executive must therefore strive to make amends to the bad image Zimbabwe has post the 2000 era.

SANCTIONS lifting

The relevance of sanctions against Zimbabwe is debatable but its impact on industry is detrimental. They are called SMART sanctions as if they affect few individuals, but in reality they affect everyone and the industry at large. This is a contentious issue as some view them as illegal and others take them as essential for those in power to reform. In the Human Rights school of thought, the concept of sanctions is an insult to the right to self-determination on one hand, and on the other it constitutes an enforcement measure to the dictates of International Law. This paper shall not discuss Sanctions further but the data gathered in some quarters of industry point to them negatively affecting trade as certain products could not be sold in established western markets. Most industrial inputs and outputs are imported and exported respectively. However the import and export relations have been adversely affected by sanctions. To this date, Zimbabwean diamonds have been internationally politicised. This research suggests the lifting of sanctions against Zimbabwe. The Sanctions imposed against Zimbabwe imply that there has been a problem in Zimbabwe and efforts to correct the problem must be reciprocated by sanctions lifting. The government therefore must reform on one hand and on the other hand, those that have imposed sanctions against Zimbabwe must lift them. This will help the revival of industries as investors will come in and also established markets will buy Zimbabwean industrial outputs.

AUTOMATION AND REPLACE WORN OUT MACHINERY

Most companies are using outdated technology hence the call for up to date technology. The technology would be used for high productivity and also to abandon the exportation of raw materials and then start to process the raw material in the industries. Gweru Plumbers Company called for the replacement of worn out machinery with the up to date new technology. The machinery that Gweru Plumbing uses has deteriorated over the years and new ones are readily available in South Africa. This would help development of the country and a move towards sufficiency. It implies justice to the dependencia theory that blames Africa on its unfair engagement with the west as it sells cheap raw material and then import expensive finished products of the same raw materials.

POWER UTILITIES PROBLEMS

Electricity and water are key inputs to the operation of most industries in Zimbabwe. The post 2000 era has been characterised by unprecedented price surges of these utilities thereby affecting most industries negatively. ZIM ALLOYS and BOC gases point to September 20011 Electrical power charges’ doubling cost effect on their operations. The furnace consumption for ZIM ALLOYS is too high that a subsidy of some sort would be required but ZESA does not give subsidies to such vital industries. Besides the cost, the availability of power
and water has been fluctuating. Most industries have not been shared the power load shedding schedules of ZESA in this crises period. This has affected 24 hrs non stop production furnaces and industries that require power. While power cuts have been portrayed as a regional issue, Zimbabwe seem to have suffered the most as some industries have failed to do business due to erratic supply of power. Water supplies from Gweru City Council have not been constant in the phase. In 2006 to 2011, there have been serious water shortages as council battled to replace worn out machinery at the Gwenhoro dam. This meant that companies requiring constant supply of water were negatively affected in terms of production out put and sales.

ZIMBABWEAN KEY INTERNAL MEASURES

There are fundamental measures that Zimbabwe need to take in order for industry to rise again. There is need to develop Supportive Institutions of trade and industry. These may facilitate Research and Development and also invest in Human Resources (G Kanyenze et al 2011, p 468). These institutions should be working towards an integrated Trade agenda. Key stakeholders in Industry and Development must be engaged and involved in processes. The world Economic Forum (2009) noted key aspects that need to be improved and they entail:

- Improved access to finance
- Resist pressure to erect trade barriers
- Strengthen institutions
- Improve health care and institutions
- Upgrade infrastructure

The government of Zimbabwe need to invest in upgrading infrastructure through the construction of roads, tarred roads, railway, airspace and water. There is also need to improve communication system and networks. This will facilitate trade and information movement from one place to the other.

PROTECTION AND DIVERSIFICATION OF ECONOMY

In an attempt to woo foreign and local investors, the government must undertake to protect strategic and labour intensive industries. G Kanyenze (2011, p468) laments the collapse of the labour intensive industries and blames it on government poor policies and failure to protect. Even the Keynesian theorists argue for government role in protecting industry and thus the economy should not be left entirely to the market forces which will run havoc to dismantle the economy. The state therefore has a role to play in protecting the industry. Zimbabwean economy also needs to be diversified in an effort to increase competitiveness. The government should promote export diversification and value addition on outputs. There has to be increased trade opportunities for both local and foreigners. This implies that industries will be opened for development. Resources in far away remote areas need exploration and processing. These activities will help to reduce aid dependencies and strengthen local partnerships. The Zimbabwean economy calls for serious diversification.

REGIONAL TYING

Regional blocs and groupings really help on trade as evidenced by the influx of South African finished products in Southern African countries. There is need for Zimbabwe to build trade relations with nearby countries. Zimbabwean industry need to penetrate the regional market as she has unique resources along the Great dyke belt as well as other inland resources. The World Bank calls for the strengthening of partnerships among countries World Bank, 2000, p5). G kanyenze (2011, p468) concurs as he argues for deepening regional trade.

CONCLUSION

No one can dispute the fact that the Zimbabwean economy has been under siege from its natives as well as the hand from outside. The industrial decline so much explored in this paper is undisputed and the fact is that Zimbabweans are solely responsible for the mess and also sorely responsible for the solution. The factors behind the decline mostly along policy inconsistencies and the finger of politics cannot be left out. The local politicians failed to manage the situation and the collapse was made worse by the inaction and silence of the Zimbabweans. It is now that it has made sense among the politicians that they need to sit down together and map the way forward for Zimbabwe. This research has manifested some factors behind the demise of the Zimbabwean economy once called the bread basket of southern Africa but now called the bread beggars of southern Africa. It is ironic that in the early 1990s, Zimbabwe would supply southern Africa with maize for but now two decades down the line, Zimbabwe beg for monetary assistance from south Africa.
It is therefore the collective responsibility of all classes in Zimbabwean society to join hands and help revive Zimbabwe. The academia and the Zimbabweans need to be fully integrated in policy making process. I suggest that the academia develop a synergy with the government for the purposes of providing theoretical base and coming up with robust economy specific policies that will catapult the country into development. Everything of the government need to be informed by research and therefore those engraved in research must come up with scientific enquiries to our past problems and come up with scientific answers to the problems. The nation needs to develop its own vision and try to follow it religiously. Everyone ought to be governed by the vision and no one should be above or out of the vision. Zimbabwe needs a vision that shall help everyone to plan, lead, organise and coordinate development.

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