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Moral Paralysis in Zimbabwe's Economy: A Challenge to the Government of National Unity (GNU)

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Abstract

The paper reflects upon the economic and moral paralysis that have haunted Zimbabwe's pre-Government of National Unity (GNU) period and how the GNU's democratisation agenda of the country's political and market space has proved to be a panacea to these crises. A cocktail of political and economic blundering since political liberation from white colonial settler rule in 1980 gave birth to war like crises that manifested themselves in heightened state fragility. First, the paper grounds the research on Adam Smith's Utilitarian defence of free markets. On the basis of this theoretical framework, the paper argues for the utility of free markets as shown by the positive economic developments that have resulted from the GNU's democratisation of the market. Second, it probes into the causes of Zimbabwe's economic and moral paralysis since the turn of the new millennium. Finally, the paper notes that, even though the GNU is a marriage of political parties with contrasting ideological positions, it has helped in creating a conducive environment for *the lessening of Zimbabwe's decade-long cataclysmic economic and moral crises.*

Key words: ***Zimbabwe, GNU, ZANU (PF), MDC-T, MDC-M, Economy, Crisis***

Introduction

Moral paralysis in Zimbabwe's business sector has stood out as a key indicator of the cataclysmic socio-economic and political challenges that have characterised Zimbabwe since the turn of the new millennium. A decade-long of political tensions between the ZANU (PF) led government and the formidable opposition party, the MDC, exacerbated an already precarious socio-economic and political situation in the country that betrayed extreme state fragility. OECD as quoted by Makochekanwa and Kwaramba (2009:4) defines fragile states as "those where the state power is unable and/or unwilling to deliver core functions to the majority of its people: security, protection of property rights, basic public services and essential infrastructure" leading to socio-economic and political breakdown. This sad episode in Zimbabwe's post-independence history was occasioned by, among others, the ill-advised land reform programme (Rukuni and Jensen, 2003), contraction of the democratic space in the political arena and economic sector thereof, and lawlessness and corruption in the whole facet of Zimbabwean society. Political polarisation and apparently desperate economic policy shifts that were, by and large, predicated on political expediency rather than economic rationality, ushered in a cocktail of economic and moral crises that have dealt a heavy blow to Zimbabwe's once promising economy.

Political contestations on the legitimacy of the ZANU (PF) government's continued grip on power, given its successive controversial electoral victories since 2000 not only made the apprehensive international world sceptical but also the opposition parties and Zimbabwean citizenry to lose respect of the incumbent government. This crisis of legitimacy had catastrophic consequences on the economy as participants in the economy seemed to take advantage of these crises in order to engage in a number of morally questionable practices. Corruption (Gono, 2007: 5) and a slide into criminality characterised Zimbabwe's economic landscape. The pronounced heavy-handed involvement of the central government in the running of the economy through, among others, the implementation of wholesale price controls and the lawless, chaotic and violence-ridden land reform programme occasioned unprecedented levels of uncouth business practices in the economy as participants in the economy seemingly took advantage of such a chaotic situation. Speculative pricing of commodities, black market trading, and general corruption in the economy summed the extent of the moral paralysis that gripped Zimbabwe since the turn of the new millennium.

This paper reflects upon the moral crises that have accompanied Zimbabwe's tumultuous political and economic situations since the turn of the new millennium. It advances the position that the moral crises that have haunted Zimbabwe since the turn of the new millennium are directly linked to the then prevailing political and economic undercurrents that apparently created opportunities for a plethora of economic crimes. It is a historical actuality that an ill-performing economy breeds a plethora of corporate misdeeds. Predicated on the theoretical framework of a free market system, the paper argues that the moral paralysis that had characterised the pre-GNU period in Zimbabwe can be reversed if genuine democratisation of Zimbabwe's economy were to take place. The paper notes that efforts that have been put across by the GNU to democratise the market so far has proved that bad economic decisions through, among others, undue government interference in the operations of free enterprises, breed a plethora of questionable business practices.

Theoretical Framework

This work is premised on Adam Smith's utilitarian argument for free markets whereby pursuit of self interest in the world of business ultimately brings about desirable outcomes to the public. Smith (2002) argued that in the economic sphere, if people were left alone to pursue their own self-interest, due to the working of Adam Smith's "invisible hand", it would generally tend to produce unintentional but desirable outcomes or, in other words, a natural identification of interests. He (Beardshaw, Brewster and Ross, 2001:127) comes up with a utilitarian argument in support of a free market system. A free market system is a system in which private individuals are left to pursue their own self-interests using their own personal economic resources. Utilitarianism has an important influence on decision making with respect to the economy whereby those actions that ought to be pursued are those that bring about the greatest net happiness among the available alterative actions to the greatest number of people affected by such actions. Thus, based on the common characterization of utilitarianism that morally right acts are those that bring about the greatest net utility for the greatest number of people affected by given actions, the paper argues a case for the utility of a free market system in Zimbabwe as shown by the positive developments that have characterised Zimbabwe's economy following the formation of the GNU in February 2009. The GNU's bold decision to democratise the market in Zimbabwe has greatly assisted in bringing some measure of economic vibrancy that had long deserted the country. In addition, the democratisation of the market has helped in obliterating bottlenecks in the economy that in past gave birth to a plethora of uncouth business practices in the economy such as corruption, bribery, black market trading and exploitative pricing. In a free market economy, the stiff competition among sellers brings about commodity price stability, and at times, reduction of prices as sellers try to make their commodities as attractive as possible to consumers. Therefore, a free market system that the GNU rekindled after it was unceremoniously dumped by the pre-GNU ZANU (PF) government at the height of economic and political turmoil has been proven to be a more desirable panacea to Zimbabwe's economic crises compared to command economy that the country resorted to since the turn of the new millennium.

For Smith (Wonnacott and Wonnacott, 1990:46), if we leave people to pursue their own self-interests in free markets, they will consequently be led to promote public welfare by the "invisible hand." By "invisible hand", Smith meant the unintended or accidental fulfillment of the needs and wants of people by participants in the market. He (2002: 7), therefore, famously remarked that:

> It is not from the benevolence of the butcher, the baker, and the brewer that we expect our dinner, but from their regard for their own self-interest. We address ourselves not to their humanity, but to their self-love, and never talk to them of our own necessities, but of their advantage. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow citizens.

Therefore, the promotion of social utility by participants in a free-market system is not intended but it is actually a mere means in their endeavour to maximise their own profits. It is actually a mere ‘accident.’ However, for Smith, the law of supply and demand helps to regulate the activities of a free market by preventing sellers into galvanising themselves into ruthless profiteers who do not show concern for the welfare of consumers.

A command economic system brings about less utility compared to the market driven economy in that it slows down economic growth since economic decisions are centralized in the hands of individuals (Velasquez, 2002: 174) who may lack the necessary skill and knowhow to direct the operations of economic activities of private enterprises. For Cox (1995), “The alleged virtue of the command economy is that it is planned in contrast to the unplanned market economy. The error in this view is that the market economy is actually very rationally planned by means of consumer demand through the price system.” These individuals who may be mandated by government to decree and enforce prices of commodities to levels that are more often sub-economic may not have the diligence and clinical commitment to run or decide pricing models for ‘private enterprises.’

The command and market economies are approaches to the economy that substantially occupy opposite poles. For Cox (1995), the command economy is the top-down, centrallyplanned economy of socialism while the market economy is the decentralized economy of the free market and "the most fundamental distinction between the two is the existence of private property in the free market and the absence of private property in the command economy." The coercive interference of government in the operations of private enterprises is a recipe for economic collapse and the pre-GNU government's suicidal implementation of general price controls testifies to the lack of utility of a command economy. For Velasquez (2002: 174), a command economy is actually bad in that it stifles competition in the free-markets and individual business organisations are not motivated to employ their economic and human resources to the fullest because government decrees prices for commodities that are, more often than not, economically unviable. As result, production levels of manufacturing industries go down and shortages set in thereby leading to the suffering of consumers. In addition, quality of products goes down since there is no incentive and stiff competition that justify an improvement of quality of products. It is in light of the above reasons, that this paper argues a case for the utility of a free market system in the current GNU government's efforts to rebuild its battered economy. The positive economic developments that have accrued from GNU's replacement of a command economy with a market driven economy validates the contention of this paper that a free market system brings about greater utility compared to the command economy.

Indicators of Zimbabwe's Economic and Moral Paralysis

History of postcolonial Zimbabwe, particularly during the first decade of the new millennium, reflects sad political and economic developments that have given rise to unprecedented economic crises. The country's economic woes were largely occasioned by poor political and economic miscalculations that included, but not only, the award of unbudgeted gratuities to veterans of Zimbabwe's liberation struggle in 1997 (Hammar and Raftopoulos, 2003: 7), financially costly military involvement in the DRC war (Bond, 2001: 26; Moore: 2005: x), the economically suicidal land reforms (Moyana, 2002:196), Operation *Murambatsvina* (Restore Order) and the infamous price controls that gained momentum in 2007. In the context of these economic crises, inflation rose to alarming levels that posed a threat to "…the socio-economic stability of the country" (Gono, 2008: 25) thereby ushering in a fertile ground for a host of morally scandalous practices that fomented the country's socio-political and economic crises.

Zimbabwe got its independence in 1980 after ninety years of colonial rule whose major highlights were the forced expropriation of country's land and natural resources (Moore, 2005). This massive appropriation of arable and mineral rich land angered the indigenous people and provided the impetus for "…a brutal war against 200,000 white settler colonial Rhodesians (with 40,000 black casualties)..." (Bond, 2001:29). The indigenous people's suppressed anger and thirst to reclaim the land that was unfairly taken away from them during the colonial times was, however, 'solved' in a manner that has up to this day impacted negatively on the country's economic and political fortunes. Though indigenous people of Zimbabwe's quest to reclaim land that was rightfully theirs by birth and inheritance, the manner in which this important exercise was done is still highly disputed within and outside Zimbabwe. The controversy surrounding Zimbabwe's land reform programme has impacted negatively on Zimbabwe's perceptions locally, regionally and internationally. The motivation behind Zimbabwe's land reform programme was to correct "…colonial settlers' entrenched morally scandalous resource control and economic benefits disequilibria [that had] fomented the fragmentation of Rhodesia along racial lines" (Masaka, 2010*a*: 4). However, such a policy decision led to unprecedented economic decline and political fragility in the country. The then member of the Natural Resources Board, Lance Smith (Moyana, 2002:179) justifiably argues that:

> Making political capital out of the land issue…without ensuring that sustained agricultural production would be safeguarded could have disastrous consequences…Countries which were once at least self-sufficient in food are importers, even beggars with populations, either starving or facing starvation…The need for land will be compounded by anyone attempting to capitalise politically through rash promises of land redistribution. They must first face the realities of necessary development and sustained yield or they will condemn us all to a future of abject poverty.

As a result of the chaos that characterised Zimbabwe's infamous agrarian reforms (Cousins, 2003) production in the agriculture sector drastically declined leading to widespread hunger throughout the country and economic decline given that Zimbabwe's economy is largely agro-based. The country's famous status as the breadbasket of Southern Africa was shattered and the country became a basket case of the region as it had to rely on food imports in order to feed the starving nation. Such a dire economic status was worsened by the European Union (EU) and the United States of America

(USA) imposed sanctions (Badza, 2009: 171) against country's political leadership some government linked sectors of the economy for, among others, embarking on a chaotic and economically devastating land reform programme, brutalisation of political opponents, alleged violations of human and people's rights and disregard of the sanctity of private property. Consequently, economic paralysis crept in given that the land reform programme tampered with the vortex of Zimbabwe's economy, that is, agriculture.

When the war veterans driven chaotic occupation of white owned farms began in 2000 with the military muscle, police protection, and executive endorsement (Bond, 2001), economic hardships of massive unemployment, spiraling inflation and rampant indiscipline in the business sector mounted. Zimbabwe, therefore, slid into a devastating crisis. Bond (ibid:25) characterizes a 'crisis' as "a situation whereby socio-economic equilibrating mechanisms have broken down, and some force external to the prevailing systematic logic must be invoked to restore stability." The potential for economic crimes and rampant immoral business practices crept in as political expedience overridden business prudence in matters of the proper management of economic activities by the central government. For example, food, fuel and other basic commodities became acutely scarce on the formal market and only resurfaced on the black market where they were sold at fraudulently high prices. It is for these and others economic and moral pointers that Zimbabwe could be properly said to be in a serious economic crisis situation. This crisis situation gave rise to a plethora of immoral business practices as stakeholders in business took advantage of the general lawlessness in the political and economic landscape engaged in uncouth business practices.

The EU and USA sanctions that were slapped, by and large, on the then ZANU (PF) members during the pre-GNU government for, among others, sustained violation of human and people's rights, a series of controversial electoral victories and chaotic and violent agrarian reforms had far reaching implications on Zimbabwe's economy. During the colonial era, Zimbabwe's (then Rhodesia) economy was greatly depressed as a result of United Nations international sanctions that were imposed on the colonial settler administration after its Unilateral Declaration of Independence (UDI) in 1965 (Tekere, 2007). Rhodesia (now Zimbabwe) made history by becoming the first country in world history to be subjected to United Nations economic sanctions that entirely imposed a ban on key imports and exports. For Rukuni (2006:30), these international sanctions threatened to wreck havoc in an economy that also faced black discontentment with white minority rule. Thus, "…faced with external sanctions and internal insurrection by the nationalist movement [the Rhodesian economy] was transformed into a war economy based on safeguarding the interests and security of the European settlers" (ibid) thereby bringing about a sense of economic resilience in the context of such unprecedented political and economic difficulties. To a greater extent, the Rhodesian authorities managed to evade the ill-fated effects of sanctions through some ingenious means. According to UNDP (2008: 7):

> In response to the imposition of international sanctions against Rhodesia's Unilateral Declaration of Independence (UDI) in 1965, the government assumed extensive interventionist powers, adopting inward-looking and import-substitution policies, designed to promote domestic manufacturing and achieve self-sufficiency in major consumer goods. Extensive intervention in the economy, mainly through elaborate controls on prices, wages, interest rates, and in exchange-rate markets, became pervasive. Externally propelled protectionism during the UDI period, combined with the forced reinvestment of blocked profits, contributed to high growth rates during the period 1965– 1973.

Thus, contrary to the common belief that government's pronounced intervention in economic activities breeds misery to the economy, the Rhodesian administration's heavy handed involvement in the economy helped in debunking the effects of the punitive sanctions. In fact, the sanctions occasioned creativity among economic participants and the country's leaders resulting in increased local investment. The Rhodesian economy grew and only experienced a down turn after 1974 as a result of heightened political instability and global recession (UNDP, 2008: 7; *see also* Marongwe, 2003:156). However, to a significant extent, the colonial settlers' racially based stranglehold on the country's economy compromised their efforts to neutralise the cataclysmic effects of the sanctions because black discontent via armed insurrections managed to create some realistic economic setbacks.

In 1980, Zimbabwe's independent black government adopted of a socialist economic ideology that led to the gradual contraction of the economy because the economy was not growth oriented but primarily geared towards provision of social services to the majority . In addition, the new government "…maintained the macroeconomic controls inherited from the Rhodesian government [and] within the framework of a command economy, the government also introduced redistributive objectives that necessitated a large public sector and increased government spending on health, education, and other social welfare programmes throughout the 1980s" (UNDP, 2008: 8). Such a flirtation with a command economy during the first decade of the country's independence suppressed economic growth because government had an obsession with trying to undo the scandalous resource distribution disequilibria between the white colonial settlers and the black indigenous population that had characterised Zimbabwe's traumatic colonial history. As a result, high budget deficits in the context of a controlled economy spelt doom to the economy (ibid). However, Zimbabwe's first decade after independence is generally rated as successful because the country's perception internationally was quite positive given, among others, the new black government's policy of tolerance and reconciliation with the former colonial government and the generality of white population in the country and bold attempts to eradicate poverty and extend social services to the generality of the black population. It is the context of this socialist oriented economic order that (UNDP, ibid):

> Zimbabwe's average growth rate of 4.3 percent per annum in the 1980s was the envy of sub-Saharan Africa during the so-called 'lost decade' for Africa. Upon closer inspection however, it was clear that there were problems with the growth model. For example, formal employment grew at just 1.9 percent per annum over the period. A combination of fortuitous political and social factors and climatic conditions led to a 'boom and bust' experience in the 1980s. Zimbabwe's immediate post-independence

> period was greeted by exceptionally high growth rates: 10.7 percent and 9.7 percent for 1980 and 1981, respectively.

Positive political and economic changes after independence explain this phenomenal economic success. For the UNDP (2008: 8), the new black government benefited from, among others, the lifting of UN sanctions against the country and some good rainfall seasons. Thus, the country's economy showed signs of growth and stabilisation (Sachikonye, 2002) that was essentially a result of favourable international rating of the new government's programmes and a steady flow of donor assistance. However, in the long run, the economic growth was dwarfed by the heavy handed state management of the economy, heightened obsession with the desire to extent social services to the black population, some periodic droughts and investor unwillingness to invest in an economy, that, by and large, negated the principles of a free market system.

However, during the first decade of independence in Zimbabwe, corruption started to afflict the echelons of power when the British funded land resettlement exercise to benefit the poor landless indigenous people was turned into a top government officials' scheme who, interestingly, had the financial muscle to purchase their own farms on the 'willing-buyer willing seller' clause of the Lancaster House Constitution. It is, perhaps, for this reason that the British Labour Party that was elected into power in 1995 to replace the Conservative Party that had been in power since 1980 refused to continue bankrolling land redistribution because it was not benefiting the intended target (Herbst, 1990), that is, the economically vulnerable and poor people of Zimbabwe. Moyana (2002:188) notes that the scandalous VIP Resettlement Scheme "… was seen as an expression of political patronage in which the Head of State sought to reward his loyal ZANU (PF) political supporters with material benefits.” Such morally questionable policy decision by the Zimbabwean government not only had serious economic repercussions, “…but also fomented international lending institutions, investors and donors’ scepticism about government’s ability to account for the use of donor funds” (Masaka, 2010*a*: 7). As a result of such economic miscalculations, the economy significantly contracted and poverty and vulnerability of the ordinary indigenous Zimbabweans continued as the new black government alienated the very people they had promised a fair and equitable distribution of economic resources in the independent Zimbabwe.

World Bank-fashioned Economic Structural Adjustment Programme (ESAP) was therefore recommended by the year 1990 as the ideal prescription to Zimbabwe’s economic woes (Tshuma, 1997). However, such an economic prescription dismally failed partly because of the devastating drought of 1991-92 (Hammar and Raftopoulos, 2003) and poor funding of the programme. In addition, ESAP had devastating effects on the economy that included but not only “…unprecedented increases in interest rates and inflation, a 65 per cent fall in the stock market, deindustrialisation precipitating a 40 per cent decline in manufacturing causing company closures and massive job cuts, and a substantial decline in real wages and overall standards of living” (ibid: 6). In addition, fiscal complexities, political and military excursions in the Democratic Republic of Congo (DRC) in 1998-2000 (Masiwa, 1999) and the unbudgeted and economically suicidal compensations to 55,000 veterans of the national liberation war in 1997 marked a disastrous beginning of an economic downturn that has evolved into a grandiose crisis. Zimbabwe's economy went further on a free fall when government offered veterans of the war of liberation unbudgeted gratuities on a "black Friday" in November 1997 (Moore, 2005: x). This governmental largesse was economically suicidal and it shook an economy whose currency was once stable to crash to all time low against major currencies. To foment the economic crisis, government involved itself in the then Zaire's rebel induced war to oust the despotic regime of the then Zaire president, Mobutu Sese Seko (Bond, 2001:26) that meant not only human but also monetary sacrifice for a war that has up to today brought no known economic returns to Zimbabwe.

Zimbabwe's land reform programme that gained momentum since the year 2000 with the politically motivated invasions of productive farms and the subsequent disturbance of farming activities and vandalisation of expensive farm equipment worsened Zimbabwe's economic crises. For Masaka (2010*b*: 9), "the resultant decline in the performance of the economy…heralded a plethora of economic malpractices that include[d] heightened black market activities in the economy". Amidst the violent land reform programme that was primarily driven by political expedience and not economic sense, the economy faced unprecedented crises that ushered in a fertile environment for uncouth economic activities. The contested legitimacy of the ZANU (PF) party to lead the country after its controversial 2000 parliamentary elections victory and subsequent national elections and its open backing of an agrarian reform programme that negated the rights to ownership of private property, could explain also the country's slide into political and economic anarchy. The Zimbabwe dollar continued to lose value at an alarming rate amid earth shaking inflation levels that made the pricing of commodities a daily routine. With the economy showing signs of severe stress as evidenced by, among others, ever contracting production capacities of the productive sector given a multiplicity of challenges, the few commodities that were manufactured locally were sold at speculatively high prices thereby leading to extreme poverty of the ordinary citizens of Zimbabwe. The failure of the formal economy to meet the needs and wants of people led to the vibrancy of the informal sector and a breed of black market traders who clandestinely sold the few locally produced commodities on the black market at exceptionally high prices. In addition, the inability of the local industry to produce enough commodities to meet the domestic needs also transformed Zimbabwe into a gigantic retail market for imported goods some of which were scandalously of low quality especially those from China and some neighbouring countries.

In response to the unprecedented growth of the informal economic sector and rise in black market trading, the government of Zimbabwe carried out a cleanup campaign (Tibaijuka, 2005: 7) code named Operation *Murambatsvina* (Operation Restore order) in order to clean the 'filth' of illegal structures in urban areas and growth points, informal and black market trading that had developed into a cancer following the adoption and implementation of the Bretton Woods engineered economic structural reforms. ESAP and its successor (Bond, 1998:383), Zimbabwe Programme for Economic Transformation

(ZIMPREST), saw a large number of Zimbabwe's labour force being retrenched as a way through which the struggling parastatals and business organisations in the private sector could streamline their operations so that they could remain viable in the newly introduced market driven economic system. For Masaka (2010*b*: 7-8):

> The economic reform induced retrenchments that were meant to reduce labour-related expenditure in corporate organisations through retention of a small but very productive labour force condemned a large chunk of the formerly employed people to the streets where they had to, among others, start up their own informal small business ventures to sustain themselves and engage in various dealings most of which were simply survival strategies in a new but harsh economic environment where the law of supply and demand not only determined the worth of one's labour but also the quantity of labour required to run various economic institutions in the country.

In the context of such a tumultuous economic situation of reform induced retrenchments, the greater part of the Zimbabwean populace struggled to make ends meet and swelled the informal economy sector. For Coltart (2008: 5), "the informal economy had effectively become the main source of income for the majority of Zimbabweans by 2005 when Operation Murambatsvina took place. In June 2005, nearly 3 million Zimbabweans earned their living through informal-sector employment, supporting another 5 million people, while the formal sector employed only about 1.3 million people." For, him, even though, Operation *Murambatsvina* negatively impacted on poor people's survival strategies, its effect on the formal economy was also cataclysmic because the formal sector of the economy was failing to meet market demands for employment and provision of goods and services. Given the actuality that the large portion of Zimbabwe's economy was held by informal traders, the June 2007 price controls were disastrous to the livelihoods of the majority of the Zimbabwean populace whose lives depended on the informal economic sector.

The price controls were implemented in response to worsening economic crisis and record-breaking inflation by ordering price slash and freeze of most commodities (Maanda and Tsunga, 2007). This price blitz, code-named Operation Reduce Prices (*Operation Dzikisai Mitengo*), was implemented in order to deal with, among others, speculative pricing in the economy that threatened the survival of the ordinary citizens of Zimbabwe. However, the outcome of this heavy handed governmental intrusion in the operations of private business organisations fomented the country's precarious economic situation as production levels of key manufacturing organisations fell because the prices they were being commanded to charge were below market value and, therefore, out rightly uneconomical. Therefore, the suicidal miscalculation of implementing price controls in the hope of taming price inflation and general lawlessness in the economic sector was been met with not only disastrous economic consequences but validated the position that a command economy was not a realistic panacea to the endemic economic crisis that afflicted Zimbabwe in the pre-GNU period.

Economic and Moral Crises: Whither the GNU?

A cocktail of economic and moral crises that characterised the pre-GNU period pose a severe test of competence of the GNU to realign the economy into the competitive mode where economic activities are predicated on a free market system. Positive signs of the recovery of the country's economy following the formation of the GNU validates the utility of a market driven economy. Key economic sectors of the economy are gradually back on the road to a painful recovery process even though the fractious coalition between Zimbabwe's political protagonists, the MDC-T, MDC-M and ZANU (PF) has not helped matters to instill significant confidence among key international investors. According to IMF Country Report No. 09/139 (2009), a number of positive changes in the management of Zimbabwe's economy have given some measure of confidence to otherwise highly skeptical investors in the ability of the transitional arrangement to stop and reverse a decade long economic meltdown that was largely caused by flawed economic and political decisions by the government that was then in power.

Even though a decade prior to the formation of the GNU had seen the level of state fragility (Makochekanwa and Kwaramba 2009: 5) deteriorating drastically, Itam (IMF Country Report No. 09/139, 2009: 1) notes that "against …[this] background of the economic and humanitarian crisis, the new administration has rapidly taken several macroeconomic and supply-side policy actions in the fiscal, monetary, financial, and structural areas aimed at maintaining low inflation, halting and reversing the economic decline, and improving social conditions. These actions are articulated in the Short-Term Emergency Recovery Program (STERP) of the new administration. Specifically, macroeconomic stability is to be restored and inflation contained through strict fiscal discipline and appropriate monetary policy." The GNU's key endeavour to reform and democratise the political space and the market has so far brought about the much needed gradual resurgence of the economy and a renewed interest among investors to invest in the country.

For Itam (IMF Country Report No. 09/1392009, 2009: 1), such prudent fiscal Policy shift that were introduced by Finance Minister, Tendai Biti, that include, among others, a cash budgeting system in 2009 in an attempt to contain governmental spending in order to kick start the long and dfficult real economic revival project that would bring about greater utlity to the people of Zimbabwe. Most importantly, prior to the formation of the GNU, flawed political and economic policies such as "…the tightening of price controls and exchange restrictions exacerbated the deterioration in business climate…" (IMF Country Report No. 09/1392009, 2009: 1) thereby worsening Zimbabwe's cataclysmic economic freefall. Such positive economic policy shift and reform agenda during the short period following the formation of the GNU have helped to transform and bring stability to an economy that has suffered more than a decade of unprecedented meltdown. Availability of basic commodities on the local market, adoption of a stable hard currency, among other positive economic changes, have improved the general standards of living of people in the country. More importantly, the liberalisation of the economy has greatly improved the availability of basic commodities thereby ridding the economy of some uncouth practices such as corruption and black market trading. Such positive and "…credible record of strong policy implementation to ensure macroeconomic stability, [and] entrench reforms…" (Itam in IMF Country Report No. 09/1392009: 4) through, among others, freeing of the economy has testified to the fact that a free market as opposed to a command economy brings about the greatest utility to the people affected by it (*see* Mill, 1993) and is therefore more desirable in the context of the GNU's daunting task to resuscitate its battered economy.

Conclusion

The paper reflected upon the economic and moral crises that have characterised Zimbabwe's political and economic landscape in the past decade. It noted that a host of political and economic miscalculations are responsible for the economic and moral paralysis that haunted the pre-GNU period in Zimbabwe. Predicated on the theoretical framework of Adam Smith's Utilitarian argument for free markets, the paper notes that a market driven economy is more desirable compared to a command economy because a free market system enables competition among self-interested sellers that would ultimately lead to the promotion of general welfare. The paper noted that economic resurgence that have accompanied the GNU government's bold steps to democratise the market has validated the utility of the free market system.

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