



**MONETARY POLICY INTERVENTIONS**  
**FOCUSING ON THE**  
**YOUTH AND MIDDLE AGED**  
**POPULATION OF ZIMBABWE**  
**26 JANUARY 2005**

# CONTENTS

1. NATIONAL STATISTICS.....	4
2. INTRODUCTION AND BACKGROUND .....	5
3. CHALLENGES AFFECTING THE YOUTH AND THE MIDDLE AGED POPULATION .....	8
4. INTERVENTION MEASURES.....	11
5. HOUSING.....	11
6. MONETARY POLICY INTERVENTIONS.....	13
7. EMPLOYMENT CREATION AND SUSTENANCE.....	19
8. MONETARY POLICY INTERVENTIONS.....	20
<b>Entrepreneurship</b> .....	28
<b>Technical competencies</b> .....	29
<b>Tertiary education funding</b> .....	30
9. TRANSPORT .....	30
10. MONETARY POLICY INTERVENTIONS.....	32
<b>Public transport</b> .....	32
<b>Vehicle ownership</b> .....	34
11. HEALTH SERVICES .....	35
12. MONETARY POLICY INTERVENTIONS.....	36

13. BLACK ECONOMIC EMPOWERMENT PROGRAMS (BEEs) .....	37
14. MONETARY POLICY INTERVENTIONS.....	38
15. SOCIAL ISSUES .....	39
16. MONETARY POLICY INTERVENTIONS.....	40
<b>Extended family</b> .....	40
<b>Aging parents</b> .....	40
17. CONCLUSION .....	42

# 1. NATIONAL STATISTICS

<b>(i) Total Population:</b>	<b>11 634 663</b>
a) Male:	<b>5 631 426 (48.4%)</b>
b) Female:	<b>6 003 237 (51.6%)</b>
<b>(ii) Urban Population:</b>	<b>3 459 183 (29.7%)</b>
a) Urban male:	<b>1 704 094 (49.3%)</b>
b) Urban female:	<b>1 755 089 (50.7%)</b>
<b>(iii) Rural Population</b>	<b>8 175 494 (70.3%)</b>
a) Rural male:	<b>3 927 332 (48.0%)</b>
b) Rural female:	<b>4 248 162 (52.0%)</b>
<b>(iv) Quality of Life Indicators</b>	
a) Adult Literacy Rate	<b>90%</b>
b) Life expectancy at birth (years), 2002	<b>39.3</b>
c) Population living below PDL, 1990-2001	<b>34.9%</b>
d) Population living below US\$1 a day, 1990-2002	<b>36.0%</b>
e) Population with access to essential drugs, 1999	<b>50-79%</b>
f) Total Formal Employment (est.), 2004 /3	<b>1 254 000</b>
g) Unemployment (excl. agriculture and informal sector)	<b>70%</b>
h) Unemployment (incl. agriculture and informal sector)	<b>9%</b>
i) HIV/AIDS Infections (est)	<b>25%</b>

*Central Statistical Office, 2002, Human Development Report, 2002, RBZ*

## 2. INTRODUCTION AND BACKGROUND

- 2.1. This report focuses on policies and programs that can meaningfully uplift the lives of the <sup>1</sup>youth and middle aged in Zimbabwe.
  
- 2.2. Monetary Authorities, through their Homelink travels and interactions with Zimbabweans in the Diaspora and those at home, have become convinced that the character and strength of a nation derives from its **greatest resource**, which is its people.
  
- 2.3. Like most emerging market economies, the demographic age structure of Zimbabwe's population has little changed over the past decade - the overwhelming majority are young and growing – representing the promise of our country.

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<sup>1</sup> The youth in this case are defined as those aged between 18 and 30 years while the middle aged are those between 30 and 50 years.

2.4. The structure of this report is as follows:

a) Introduction and background;

b) Challenges facing the youth and middle aged;

c) Against each challenge, corrective interventions to be taken by Monetary Authorities are put forward, while those that require Fiscal attention and other authorities are also put forward.

2.5. As people grow, they have aspirations and dreams to fulfill in life. The pursuit of these aspirations becomes the galvanizing force uniting a nation, synergizing its diverse populace, conferring strength and character on the nation, with the result that the **economy** grows and prospers.

2.6. **Our sole interest in deriving this program stems from the economic front, employment creation/sustenance, foreign currency generation and in movement towards a Healthy Economy as defined in the Governor's Maiden Monetary Policy Statement of 18 December 2003.**

- 2.7. The economically active population can be separated into two interrelated categories – the youth and the middle aged, jointly representing the greatest source of a country's vitality.
- 2.8. However, **this can also potentially be the origins of a Nation's undoing, particularly if a significant proportion of their aspirations remain unrealized** or begin to falter, and hopes of leading a decent life recede into oblivion.
- 2.9. Turning around an economy under those circumstances becomes a much more difficult assignment and takes longer than it necessarily ought to, especially in circumstances of international isolation.
- 2.10. In general, most people do not have elaborate and complex aspirations; they simply want a roof over their heads...**a home, food and clothing**, the sort of things which allow them to carry out their day to day activities and chores with a sense of self dignity, **decency and meaning** to life.

2.11. National pride often expresses itself positively or negatively through this class of people.

2.12. It is therefore a critical requirement that economic policies and programmes be designed to uplift their wellbeing and create opportunities for the young and middle-aged.

2.13. The Reserve Bank itself and the country's banking sector is being driven predominantly by the young and middle aged, with those above 50 providing the guiding principles and pillars of support based on their solid corporate memory, integrity and commitment. The same applies to all other economic sectors of our country.

### **3. CHALLENGES AFFECTING THE YOUTH AND THE MIDDLE AGED POPULATION**

3.1. Over the past few years, declining economic activity and rising inflation have combined to pose serious challenges to the youth and middle aged. The challenges include, among others, the following:

- a) Rising unemployment due to factory capacity underutilization;
- b) Backlogs on urban housing lists;
- c) An increased drift from rural to urban areas by the young;
- d) Inflation and its adverse effects on real incomes;
- e) HIV/AIDS;
- f) Reduced and strained health infrastructure and delivery systems;
- g) Urban and rural transport challenges;
- h) Limited availability of working capital for project start ups;
- i) Limited broad-based training for entrepreneurs;

j) Collateral shortcomings in relation to demands by financial institutions for both existing and green-field SME projects.

3.2. These developments have impacted heavily on the socio-economic life of Zimbabweans.

3.3. Addressing these issues would help mitigate the following challenges:

a) Emigration of young and middle aged Zimbabweans to other countries in search of (presumed) greener pastures;

b) Crime rates in our cities, towns, growth points and rural areas;

c) The high incidence of white collar crime, including fraud, underhanded dealing, and theft due to the urge for quick self-enrichment;

d) Fragmentation of societal life, with the break up of marriages, no doubt occasioned and abated by trends in emigration and poverty levels.

- e) The high incidence of HIV/AIDS induced by low income thresholds by individuals and households.

#### **4. INTERVENTION MEASURES**

- 4.1. The first step towards fulfilling the aspirations of the youth and middle aged is to establish a set of what constitutes their dreams and preferably rank them according to their significance.
- 4.2. These, then form the **guiding principles** for the design and implementation of a framework to satisfy those aspirations.

#### **5. HOUSING**

- 5.1. Housing availability is a critical factor in the livelihood of the youth and the middle aged. It is increasingly a challenge to secure sound accommodation especially in urban centres as the following statistics of estimated housing backlogs testifies:

**Table 1: Housing lists backlogs in major towns & cities**

Harare:	<b>900,000</b>
Bulawayo:	<b>72,000</b>
Mutare:	<b>35,000</b>
Gweru:	<b>40,000</b>
Kwekwe:	<b>8,000</b>
<b>TOTAL:</b>	<b>1,055,000 (5 major towns &amp; cities only)</b>

*Source: Local Authorities estimates*

- 5.2. As shown in the Table above, all municipalities in the country have housing backlogs which would take years to correct - the biggest municipalities of Harare and Bulawayo being the most affected.
- 5.3. For many, whatever accommodation available is usually unaffordable or unsatisfactory. Occasioned by rural - urban migration, the main cities are overcrowded and squatting has increased.

5.4. As they gravitate to middle age, the desire to own a family home is even more compelling and yet not **easily attainable**.

5.5. We cannot, as Monetary Authorities, stand-by and watch without intervention, albeit modest. In the area of strategic thinking, they say “**dream big**” and you will be surprised with the results. Dream small, and God will also give you “small” results.

## **6. MONETARY POLICY INTERVENTIONS**

<b>Reserve Bank Homelink Initiatives</b>
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6.1. As part of the Homelink initiative, the Reserve Bank has already begun to work with private and public sector land developers, putting in place a program to provide housing for Zimbabweans in the Diaspora.

6.2. This initiative, which has shown great potential, will be extended to cater for the local communities, with particular emphasis on the youth and middle aged.

## **Reserve Bank and Building Societies**

- 6.3. The Reserve Bank is working with building societies within a partnership framework to establish schemes to fund high and medium density housing schemes.
- 6.4. Building Societies should, in the context of the consultative work that began last year, resume the provision of mortgage finance on a larger scale once the infrastructural developments of the Vision have been dealt with.
- 6.5. Emphasis will be on the construction of homes so as to boost availability of houses while supporting the local construction industry. This supply side approach should help stabilize prices of existing houses for the benefit of the country and its battle against inflation.
- 6.6. The launch of the Energy, Infrastructure and Housing Development Bank being envisaged during the first half of 2005 should assist in dealing with this challenge and the Reserve Bank is working with various authorities to see the realization of this dream.

**Reserve Bank and The Ministry of Local Government,  
Public Works and National Housing**

- 6.7. The Ministry of Local Government, Public Works and National Housing and local authorities, will work together to deliver specific targets of housing units in major urban centres and growth points.
- 6.8. A **special purpose vehicle for national housing** would be established and each local authority will be eligible to access resources from the Energy, Infrastructure and Housing Development Bank, subject to **pre-agreed housing targets**.
- 6.9. In the same vein, financial packages aimed at infrastructure development will be developed to ensure that residential **stands are serviced** and made available for building societies to develop housing projects.
- 6.10. Town Councils have the obligation to develop some of the idle land into carefully planned suburbs and industrial units and should in the coming months focus their primary attention towards alleviating this challenge.

6.11. Further, those institutions dealing with housing provision, such as the department of planning, land surveying, deeds office and others must be thoroughly **revamped to improve delivery efficiency** and instill a **fresh focus on housing delivery**.

6.12. In addition, critical observance of the highest **standards of by-laws** should be enforced so as to eradicate squatter camps.

6.13. New technology is being introduced for the cost-effective construction of middle-class type suburbs the world over, including the emphasis on high-rise housing blocks.

6.14. Sustainable housing development will be enabled through the impartation of skills in the construction industry.

### **Reserve Bank, Estate Agents and Building Societies**

6.15. The Reserve Bank will work with private sector players including estate agents to ensure increased housing provision in the country.

6.16. In addition, estate agents play a lead-role in the determination of rental adjustments in the economy.

6.17. To ensure affordability, the Reserve Bank will work with the Estate Agents Association who have already been incorporated into the Advisory Board of the Reserve Bank, to ensure that rental adjustments do not escalate **unreasonably** to the detriment of the economy.

### **Reserve Bank and the Financial Services Sector on interest rate structure**

6.18. A speedy turnaround of the economy to achieve macro-economic stability with low and stable inflation should ensure low interest rates in the economy.

6.19. Such low interest rates enable a greater proportion of the population to access mortgage loans. The Reserve

Bank is committed to ensuring that targets set for the economic turnaround are achieved; and with inflation on the downward trend, interest rates are expected to be favourable to this sector.

### **Reserve Bank and the Construction Sector**

- 6.20. There is need to establish a well co-ordinated program of housing delivery. This will be in partnership with the private sector.
- 6.21. The initiatives will include targeted incentive structures, such as financing for developers who would be required to deliver specific targets of housing units.
- 6.22. Specific packages will be developed with **inputs suppliers** in the construction sector such as those for cement, bricks, steel, timber and glass.
- 6.23. It will also be prudent to encourage proper and transparent community-based housing projects without necessarily subsidizing them financially.

6.24. Some of the current housing projects are scandal-ridden and lack credibility. To restore credibility to the initiative, these could be linked to an authentic land developer or done in strategic alliances with building societies.

## 7. EMPLOYMENT CREATION AND SUSTENANCE

7.1. With few variations, most people want to contribute meaningfully to the development of their community and their country. They want to engage themselves productively, to fend for themselves and their families.

7.2. Of high priority is the need to ensure that people have a basic livelihood, in the form of employment or entrepreneurship that will enable them to among other things, afford to buy basic necessities.

7.3. A free enterprise system such as we have in Zimbabwe, and one which, as Monetary Authorities we support, is founded on the basis of **risk/return relationships, input/output correlations and freedom of choice,**

when it comes to economic sectors that individuals can apply themselves as entrepreneurs or occupationally.

- 7.4. With current levels of unemployment and poverty, job creation and entrepreneurial development are critical areas that should receive priority attention in the short, medium and long term.

## **8. MONETARY POLICY INTERVENTIONS**

<p><b>Reserve Bank, The Ministry of Industry &amp; International Trade and The Ministry of Finance and Economic Development</b></p>
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- 8.1. The Reserve Bank through the Productive Sector Facilities and other interventions will continue to ensure visible support for industry and commerce so as to retain and increase job creation.
- 8.2. With targeted industry capacity utilization of between 75-90% in 2005 and 90-100% in 2006, these interventions should help create new jobs and sustain current ones.

- 8.3. With the Land Redistribution Program largely over, it is time to ensure that farming is a conflict-free sector, with targeted specialized support mechanisms being put in place to increase technical skills to uplift productivity levels to levels of yesteryear.
- 8.4. The Reserve Bank will during 2005 and 2006 work with, and influence the relevant authorities to put this program on a higher national agenda.
- 8.5. Farming should be a recognized form of employment and the resettled farmers should find livelihood through farming.
- 8.6. The Ministry of Finance and Economic Development should be persuaded to introduce employment related tax benefits for companies that increase employment.
- 8.7. There should be visible support for the development of entrepreneurs and SMEs, through for example, **commercial and factory shells to nurture home industries** for growth out of informality.

- 8.8. Currently, corporate tax can not be accurately collected due to the prevalence and growth of the informal sector. Our vision should be to see to **the emergence of tomorrow's economic giants from today's informal sector players** like other countries have done.
- 8.9. In the long term, economic growth should be enhanced by raising entrepreneurs in the sectors targeted for growth. The sectors that account for the bulk of the nation's GDP should be supported by institutions that provide the requisite training.
- 8.10. In addition, existing industries should be exposed to export markets through trade exhibitions, and a fund should be created to cater for the costs of training and exposure required. **Most business people do not export due to lack of knowledge and exposure.**

## **The Reserve Bank and The Ministry of Environment and Tourism**

8.11. The tourism sector has the greatest capacity to generate employment the world over. Singapore used that strategy to uplift itself from a third world to a first world country in only 25 years.

8.12. **Local tourism has the potential** to be further grown with sufficient focus and resources being channeled to it. Most of the young and middle aged have not visited some of the country's renowned holiday destination areas and they constitute an untapped market for the tourism industry.

8.13. The Bank will work with The Ministry of Environment and Tourism and organizations such as The Zimbabwe Tourism Authority to support their mandate of attracting local, regional and international tourists, and gearing up for opportunities that further enhance Zimbabwe's visibility such as the forthcoming 2010 World Cup Soccer in South Africa.

## **The Reserve Bank and The Department of Science and Technology Development**

8.14. The Reserve Bank will support the Information Technology (IT) Vision through the provision of foreign currency.

8.15. The I.T. Vision as sponsored by His Excellency the President should be harnessed by all Zimbabweans as a vehicle for employment creation and for research and development.

8.16. This year alone, the Reserve Bank will set aside **US\$ 25 million** for the development of a sound information infrastructure in our institutions of learning. In 2006 a further US\$ 25 million will be dedicated for the cause.

8.17. The Reserve Bank is inviting Information Technology experts including Zimbabweans in the Diaspora to present practical strategies for the realization of the vision. Ideally, such strategies should also achieve **employment creation** through the assembling of computers in the country.

8.18. Initial indications show that at the end of the two-year vision, the nation could achieve the availability of 25 computers in 200 institutions in each of the 10 provinces of our nation.

8.19. A Nation that is confident in the information highway and cyberspace has potential to unlock immense wealth for its citizens as it raises their efficiency in their places of work and broadens their scope.

<p><b>Reserve Bank and the Parastatal and municipality communities</b></p>
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8.20. As part of the Monetary Policy Review of January 2005, Monetary Authorities are unveiling a **comprehensive financial programme** initially pegged at \$10 trillion, to serve as seed money for use in restructuring the parastatal and municipality communities.

8.21. This programme, which would focus primarily at shaking out burdens of past debt, revamping productive

capacities and service delivery efficiencies, is expected to result in immense employment creation opportunities for the young and middle aged groups.

8.22. A separate paper entitled “**Parastatal & Local Government Re-orientation Program**” will be part of the Governor’s pronouncement to this effort.

**Reserve Bank, The Ministry of Labour, Public Service and Social Welfare and The Ministry of Agriculture and Rural Development.**

8.23. There must be a deliberate program to train agricultural specialists at our agriculture colleges. This particularly merits special attention in light of our watershed land reform program.

### **Rural area development**

8.24. A fund can be created to provide material assistance and technical support to college students to embark on income generating projects in their rural homes.

8.25. The performance of the projects could be used as a basis for assessing the viability of each project. Apart from discouraging rural-urban migration, such a move would result in the development of rural areas and the building of entrepreneurial skills at an early stage.

<b>Reserve Bank and the Private Sector</b>
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8.26. Standard Chartered Bank Zimbabwe embarked on a ‘Business in Schools’ competition, which yielded positive results.

8.27. For greater impact, pension funds and other institutional investors can be co-opted to cater for the funding of such projects and incentives and concessions given to encourage the support of these developmental projects.

8.28. Due to the availability of labour, industry should be geared towards reducing costs by increasing production and making use of the abundant labour.

8.29. Potential exists to expand production and employment in many sectors of the economy such as transport,

communication, road construction and the retail sectors, among others.

## **Entrepreneurship**

8.30. The long-term goals of education provision should ensure that by the time children have reached the middle age group, they have acquired entrepreneurial skills that, when applied will result in economic growth.

8.31. Such economic growth naturally leads to the seeking of new markets when the local market is saturated. Phenomenal export growth will be inevitable, and in order to aid the process, training is required at all levels.

<p><b>Reserve Bank and The Ministry of Higher Education and Technology</b></p>
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## **Education and skills development**

8.32. The youth in particular, desire to explore the vast unending frontiers of new knowledge and acquiring skills. This passion finds expression in the large migration of young adults to other countries compared to the number of emigrating senior citizens.

8.33. **The school curriculum should be immediately restructured to cater for expanded vocational training.** This will equip the youth with a diverse range of skills enabling them to start up their own enterprises.

### **Technical competencies**

8.34. Technical colleges should be supported to cater for the provision of skills that are applicable to industry, as well as the promotion of initiative and inventive ideas.

8.35. Education programs should involve exposure to other countries to cultivate multi-cultural awareness, which has the effect of producing a more balanced individual.

8.36. Research requires capital and this should be partly provided by companies through the corporate sector community development responsibilities. Concessions can be provided to companies for providing such funds to motivate their involvement.

## **Tertiary education funding**

8.37. The banking sector will be encouraged to bear the cost of tertiary education by awarding grants to college students.

8.38. In a low interest rate regime, the provision of university funding should ideally be transferred to banks as a market solution, so that government funds can be freed to cater for members of society that are incapable of fending for themselves.

## **9. TRANSPORT**

9.1. Most youth dream and are prepared to work hard to own a family car. Zimbabweans are, for the large part, **hard working, enterprising, ingenious and innovative.**

9.2. For a good many youth and middle aged, owning a car has been immeasurably difficult even after years of gainful employment whether one is a young medical doctor, lawyer, accountant, nurse, teacher or a technician ,...it is difficult.

- 9.3. Owning a car, would not be such a necessity if urban transport was reliable and sufficient to cater for demand.
- 9.4. The reality however, is that transport services have been inadequate to cater for the demand in most major urban centres and long queues at pick-up points persist into the early hours of the evening.
- 9.5. In the early and mid-80s the then Zimbabwe Omnibus Company provided decent transport for the middle class and it was normal practice to use the buses.
- 9.6. Nowadays the buses and the commuter omnibuses used by the majority of the youth and middle aged, provide services that do not sufficiently uphold personal dignity.

## 10. MONETARY POLICY INTERVENTIONS

<b>Reserve Bank and The Ministry of Transport and Telecommunications</b>
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### **Public transport**

10.1. Transport challenges for metropolitan cities, the world over have been resolved through the use of efficient and high capacity forms of transport such as commuter train services.

10.2. An **efficient and sustainable** public transport service should be run for such high volume areas. Some of the more critical areas are Mabvuku, Mufakose, Chitungwiza, Glenview, Ruwa, Budiro, Kambuzuma, Epworth, Kuwadzana, Highfields and Rugare, **in Harare**; Nketa, Tshabala/Sizinda, Luveve, Nkulumane, Magwegwe and Mpopoma, **in Bulawayo**; Mkoba and Senga **in Gweru**, Danganvura **in Mutare** Amavheni **in Kwekwe** and Rimuka **in Kadoma**.

10.3. Supported by a visible and credible turnaround program, a financing structure will be engineered to

assist in public transport infrastructure rehabilitation for NRZ, Air Zimbabwe and ZUPCO.

10.4. Government could also consider further reduction in duties on imported bus kits and other spares for public transport.

**Reserve Bank, the Private Sector, IDC and local assembling companies**

10.5. The Bank will continue to give support to companies like W. Dahmer (passenger transport) and Willowvale – Mazda Motor Industries (for motor vehicles).

10.6. Improvement of transport services can be undertaken by providing greater private sector participation. The revival of ZUPCO is a step in the right direction but more private companies should add their weight to national transport provision.

10.7. Shortages of spares and other imported components, has incapacitated many transport operators. Targeted

provision of foreign exchange for procurement of spare parts will improve operating conditions.

### **Vehicle ownership**

10.8. The ideal situation would be, on average, for a young person of the age of about 26 years to be able to own their own vehicle on hire-purchase, at affordable rates.

10.9. The motor industry should grow to match demand and reduce reliance on imports which drain foreign currency resources as some basic spare parts and components should be produced locally.

<b>Reserve Bank and The Department of Roads</b>
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10.10. Zimbabwean roads in their current state, especially in Harare may not be able to adequately support a situation where every economically active individual owns a vehicle.

10.11. Accordingly, roads should be developed, further enhanced and freeways set up to cater for the anticipated economic turnaround and growth.

## **11. HEALTH SERVICES**

- 11.1. Health delivery has been compromised by both escalating costs and shortages of medicines and drugs. Basic amenities at hospitals have deteriorated. Some of the youth and middle aged cannot readily afford adequate health services for their families.
- 11.2. Even those who are covered by medical aid schemes still have to pay considerable amounts for each visit to the doctor.
- 11.3. Decidedly, the age group under discussion is also the most economically active and the worst affected by the HIV/AIDS scourge. The pandemic has touched every corner of the country with devastating effects.
- 11.4. Behaviour change has been slow in materializing as even the educated, influential and wealthy have not refrained from dangerous living.

11.5. Much has been said and done on the subject of HIV/AIDS, and yet the workforce continues to be depleted.

## 12. MONETARY POLICY INTERVENTIONS

<b>Reserve Bank and The Ministry of Health and Child Welfare</b>
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12.1. **A public - private sector partnership initiative to improve health delivery is critical.** This is with particular regard to major health referral centres. These centres need to be adequately manned, equipped and resourced.

12.2. This will entail, in part, the upgrading of the conditions of service of health personnel. Certain services of hospitals could be provided on a commercial basis.

12.3. To assist in combating the spread of HIV/AIDS, visible campaign programmes should be instituted so as to give prominence to the pandemic, covering tested mechanisms of combating the disease.

12.4. In addition, there should be a level of adoption of proven AIDS programmes used in some of the most affected African countries such as Botswana and Uganda.

12.5. Influential personalities affected by the virus should be encouraged to be exemplary and to disclose their AIDS status to serve as a caution to many.

12.6. The performance of funds and facilities made available for the AIDS programmes such as the AIDS Levy should be audited and their impact measured and assessed.

### **13. BLACK ECONOMIC EMPOWERMENT PROGRAMS (BEEs)**

13.1. It is imperative that empowerment programmes are visible and transparent. The feeling among the youth and middle aged is that Black Economic Empowerment Programs (BEEs) are implemented on

an ad hoc basis benefiting a few people, who are already rich.

## 14. MONETARY POLICY INTERVENTIONS

<b>Reserve Bank and The Ministry of Indigenisation and Empowerment</b>
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- 14.1. A sustainable Black Economic Empowerment programme (BEE) must be guided by non-negotiable principles including equity, openness and transparency, and accountability.
- 14.2. In this regard, it would be expedient to **create a framework governing BEEs** in all sectors of the economy. This would remove ambiguity and any ad hoc measures that often have narrowly defined interests.
- 14.3. The **time is ripe** to establish an all inclusive, broad-based and viable BEE for our country.

## **15. SOCIAL ISSUES**

- 15.1. The African life is largely coloured by an extended family network - a set of close relations who derive their livelihood from a bread-winner. This situation has further complexities arising from HIV/AIDS orphans.
- 15.2. The main advantage of upholding the extended family is the reduction of pressure on social welfare facilities.
- 15.3. However, the laws and regulations in place do not support the fact that some of the youth and middle aged population have the important responsibility of maintaining the extended family.
- 15.4. In addition, aging parents usually remain uncared for due to negligence of the youth and middle-aged, the economic pressures weighing on them and the distance from which people normally reside from their parents.

## **16. MONETARY POLICY INTERVENTIONS**

<b>Reserve Bank and The Ministry of Labour and Social Welfare</b>
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### **Extended family**

16.1. Tax concessions could be extended to people to encourage them to take care of the extended family. Due care must be taken into account to ensure that this does not constitute a material leakage from the fiscus.

### **Aging parents**

16.2. In Indonesia the youth and middle-aged are encouraged to rent apartments that are a walking distance from where their parents live so as to ensure that the parents are looked after as well as resolving the baby sitting challenge- the grandparents are close enough to take up the role. In this way, people are encouraged to take care of their parents.

16.3. While the Zimbabwean culture generally stigmatizes institutionalization of the aged, it may be beneficial to enhance structures and facilities for the aged, for them

to be taken care of in homes for the aged in both rural and urban areas.

16.4. A levy can be applied on the incomes of certain companies and individuals to cater for some of the needs of these centres. In addition, income generating projects can be carried out at these centres to achieve self-sustenance.

16.5. Further, low cost structures can be set up for these facilities and the benefiting communities could take part in the construction.

16.6. Advantages of homes for the aged are two-fold; firstly, it is a source of employment for those that look after the elders, and secondly the fact that the elders are assured of a reasonably comfortable lifestyle and a decent meal at a cost lower than if they were to try to fend for themselves.

## **17. CONCLUSION**

- 17.1. It is our earnest submission that the above proposals would go a long way in satisfying the needs of the youth and the middle aged population of the country.
- 17.2. The solution framework presented here is by no means exhaustive and there will be need, once some of the programmes are in place, for constant review to ensure performance from all stakeholders.

**RESERVE BANK OF ZIMBABWE**

**26 JANUARY 2005**