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How Zimbabwe can achieve its vision of prosperity

Nina Dannaoui, Joseph Lemoine,
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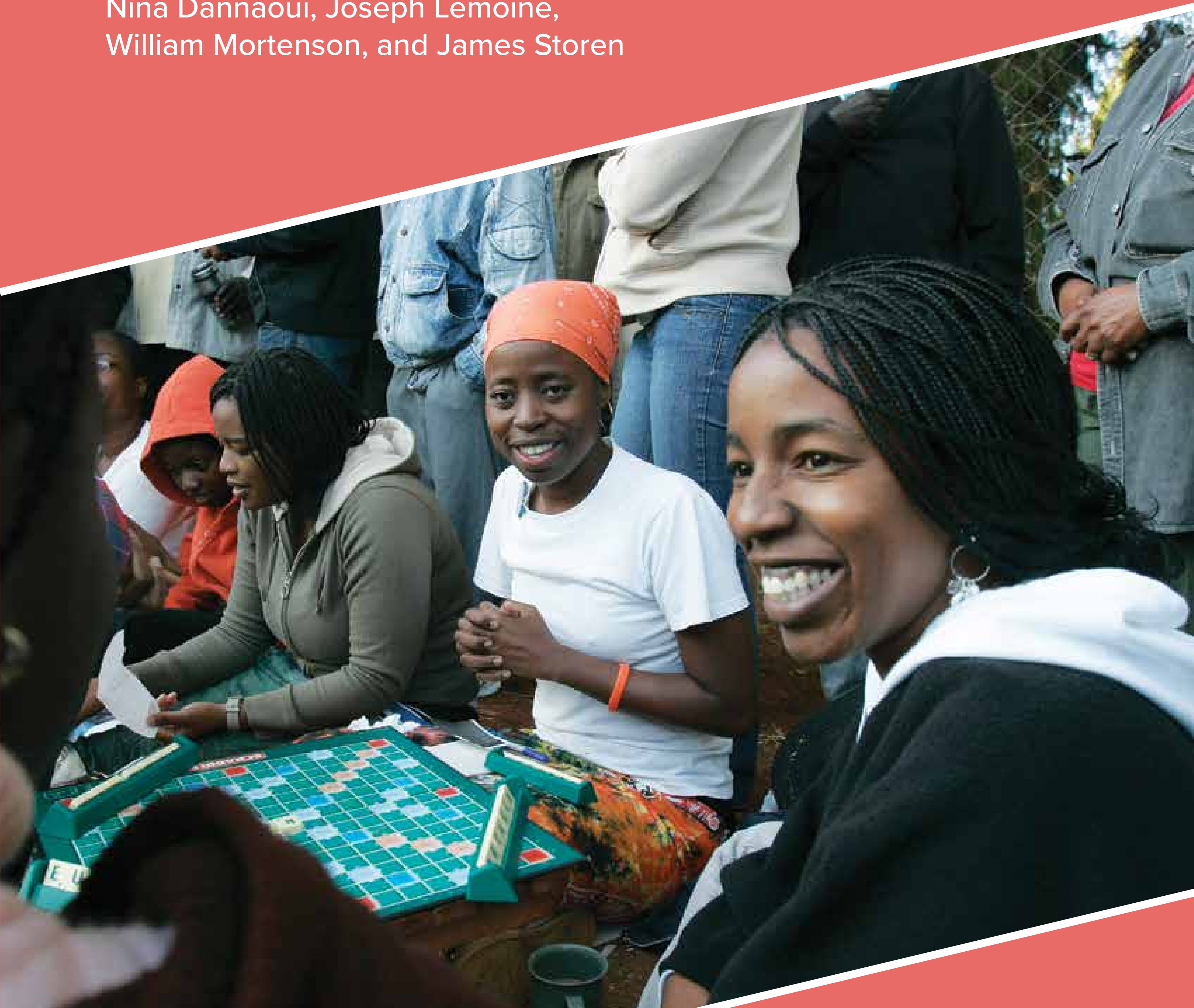

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Women for Prosperity

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The Freedom and Prosperity Center aims to increase the well-being of people everywhere and especially the poor and marginalized in developing countries through unbiased, data-based research on the relationship between prosperity and economic, political, and legal freedoms, in support of sound policy choices.

Women for Prosperity—a project by the Atlantic Council's Freedom and Prosperity Center—is dedicated to empowering women entrepreneurs in developing countries worldwide and driving real policy changes with lasting effects. Focusing on specific countries, the project focuses on connecting industry leaders with emerging women entrepreneurs, along with bringing together government officials, civil society organizations, and private sector leaders to discuss policy proposals and solutions informed by data from the Freedom and Prosperity Indexes. Implementation of the project consists of four main pillars, mentoring, training, policy, and scalability.

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Executive summary

Zimbabwe is charting an ambitious path forward with its Vision 2030 agenda. This plan aims to transform Zimbabwe into an upper middle-income economy by 2030, aligning with the United Nations' Sustainable Development Goals (SDGs) and the African Union's Agenda 2063.[1] Vision 2030 emphasizes the dual focus on economic growth and social progress, highlighting the nation's commitment to empowering its citizens and solidifying its democratic foundation. While challenges remain, Zimbabwe has significant opportunities to implement targeted reforms that will enhance economic freedom and foster a more inclusive and prosperous society. These reforms can be guided by insights from the Atlantic Council's Freedom and Prosperity Indexes, which identify key areas where Zimbabwe can enhance economic freedom, expand economic opportunities, and increase its attractiveness to foreign investment. By addressing these critical areas, Zimbabwe can pave the way for a more inclusive and prosperous future.

Central to Zimbabwe's Vision 2030 is the establishment of an open, efficient, and effective business environment that promotes entrepreneurship and attracts greater foreign direct investment. Combined with investor confidence, this approach is essential for creating more employment opportunities, sustained value addition, and export-led growth. This report delves into Zimbabwe's performance, trends on foreign direct investment (FDI) inflows, and women's economic freedom (WEF), providing a comprehensive analysis of both challenges and opportunities. Furthermore, it offers strategic recommendations for reforms based on successful best practices.

Foreign direct investment is critical to achieve Vision 2030. Zimbabwe offers a skilled labor force, abundant mineral resources, agricultural capacity, and attractive natural landscapes.[2] Despite these strengths, FDI inflows remain below potential, amounting to US$588 million in 2023.[3] Comparatively, regional peers like South Africa and Mozambique have been more successful in attracting FDI due to their economic policies and business environments.[4] Enhancing economic freedom, ensuring robust property rights, improving security, streamlining bureaucratic processes, and fostering transparency and accountability—each of which are key components in the Freedom and Prosperity Indexes—are essential for increasing Zimbabwe's attractiveness to foreign investors.

Gender equality and women's empowerment is one of the cutting themes of Vision 2030, and rightfully so. Empowering women is essential to growth because it unlocks the full potential of half the population, leading to greater economic productivity, innovation, and competitiveness. When women have equal opportunities, it fosters more inclusive and sustainable development, reducing poverty and improving overall societal well-being. Women's economic freedom, a component within the economic subindex of the Freedom and Prosperity Indexes, examines legal disparities between men and women throughout a woman's professional life, from workforce entry to retirement.[5] In 2023, Zimbabwe's WEF score stood at 86.9 out of 100, ranking it 56th globally out of 164 countries, and 5th in Sub-Saharan Africa out of 46 countries. This relatively high ranking reflects Zimbabwe's efforts to legally promote women's economic opportunities while also highlighting areas for improvement. Legal frameworks like the 1985 Labour Act and its subsequent amendments,[6] along with the 2007 Domestic Violence Act[7] have been beneficial, but gaps persist in achieving equal pay, addressing marital constraints, and improving post-maternity work conditions.

By implementing strategic reforms to attract FDI and addressing the critical barriers to WEF, Zimbabwe can create a more inclusive and prosperous economic environment. Analyzing successful regional examples like South Africa and Mozambique that have received substantial foreign direct investments, along with Rwanda, Togo, and Sierra Leone, which have successfully implemented reforms to enhance women's economic opportunities, can help guide Zimbabwe in developing a robust framework for legal and institutional reforms.[8] These efforts will not only empower women but also drive broader economic growth and development for the entire nation. By creating a favorable environment for foreign investments and prioritizing women's economic freedom, Zimbabwe can pave the way for sustainable and inclusive growth, ensuring that all Zimbabweans benefit from the nation's progress.

Box 1: About the Freedom and Prosperity Indexes[9]

The Atlantic Council's Freedom and Prosperity Indexes are two separate indexes that rank 164 countries around the world according to their levels of freedom and prosperity. All index measurements are weighted equally, and the score for each index is simply the average of its component parts. Scores range between zero and one hundred, with higher values indicating more freedom or prosperity. The indexes are constructed using publicly available datasets produced by other prominent organizations and international institutions.

The guiding principles for the construction of the Freedom and Prosperity Indexes are transparency, simplicity, and consistency in the methodology. The first step was to select empirical indicators that had ample coverage across time and space and maximal identification with the theoretical concepts, and that were published by rigorous and well-established institutions. The result is a total of thirty-four variables that combine to form nineteen indicators, which are used to build the Indexes.

The indexes draw on original data from eleven institutions including the World Bank, the Varieties of Democracy (V-Dem) Project, the United Nations, and the Fraser Institute. All data are publicly available and widely used in academic and policy research. Other than the necessary scaling so that all components lie in the same range (zero to one hundred), there are no additional transformations except for GDP per capita, which is linearized before scaling by taking the natural logarithm. For the few cases for which data is not available for a variable from a preferred source, alternative sources of data are used. If a country-year observation is missing for a given variable, the value of the closest precedent year is incorporated.

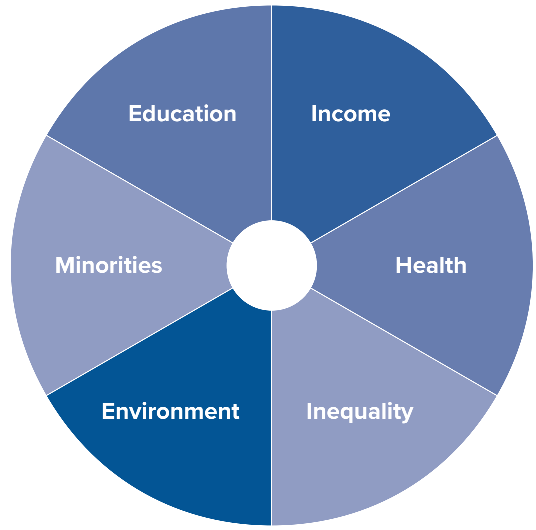
The aggregation method is simple and transparent. When more than one variable is used to obtain a component, these are averaged with equal weights. The Legal, Economic, and Political Subindexes are calculated as the equal weighted average of their respective components, and the overall Freedom Index is the unweighted average of the three subindexes. The Prosperity Index is the equal weighted average of its six components. The complete dataset of components, subindexes, and indexes for the period 1995 to 2023 is available on the Council's website, as is a detailed discussion of the methodology.[10] Therefore, researchers can use the indexes to further explore questions about the mechanisms and linkages between freedom and prosperity, as well as to generate alternative measures based on different conceptualizations, aggregation methods, and so on. The full disclosure of the dataset will also enable policymakers to identify specific areas of reform, compare their country's performance with that of neighboring nations, and assess the effects of different policies.

The Prosperity Index

The Atlantic Council's Prosperity Index takes a broad approach by looking beyond pure material well-being and incorporating additional social aspects that are necessary for a prosperous society. While determining the components of overall prosperity involves some subjectivity, the work relies on established measures like the United Nations Human Development Index, and the Council consults with experts and academics to guide its choices. That is why the Prosperity Index combines six components: income, health, education, environment, minorities, and inequality. In this section, we'll explain how we measure each type of prosperity and why we chose these specific components. We base our choices on well-established definitions from academic sources in law, political science, and economics. We put our chosen definition of prosperity into practice through these six components:

- **Income:** This is measured by gross domestic product (GDP) per capita in constant 2017 US dollars adjusted for purchasing power parity (PPP). The original data points are linearized before scaling using the natural logarithm.
- **Environment:** This is measured by the unweighted average of three components: the ratio of carbon dioxide (CO_2) emissions to GDP per capita (both in logs); death rates from air pollution per 100,000 people (age standardized); and the share of the population with access to clean cooking technologies. Higher scores indicate better environmental performance (fewer emissions, fewer deaths, or higher access, respectively).
- **Minorities:** This measures the discrimination and/or exclusion from public services, state jobs, or business opportunities based on gender, political affiliation, and social group (ethnic, racial, language, regional, caste, religious, immigration status, and so on). Higher values imply less discrimination.
- **Health:** This is determined by life expectancy, expressed in years that a newborn infant is expected to live if prevailing mortality patterns remain constant throughout their life.
- **Education:** This is assessed by expected years of schooling and mean years of schooling, with both values multiplied and converted to a scale of zero to one hundred.
- **Inequality:** This measures the equal distribution of income across the population. It is measured through the after taxes and transfers Gini coefficient.[11] Higher scores indicate lower inequality.

Figure 1: Prosperity Index structure (all components receive equal weight)



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

Income is a crucial aspect of prosperity and reflects a society's ability to escape poverty and ensure a decent standard of living for its citizens. However, relying solely on income per capita has limitations.[12] It doesn't consider income distribution, prevalent non-market activities in less developed countries, or non-market externalities like pollution. Additionally, factors such as education and health—essential components of prosperity—are only partially captured by income per capita. Therefore, to offer a comprehensive view of prosperity, the Prosperity Index includes additional attributes.

Health and education are standard dimensions of human flourishing; having a long and healthy life and access to knowledge are signs of a prosperous society.[13] The Human Development Index produced by the United Nations—the most popular measure of broad human development—is composed of these three dimensions (income, health, and education), and we follow the UN's lead by measuring health and education with the same metrics.

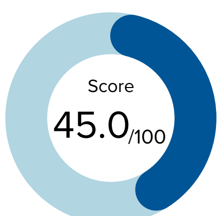
While the previous components assess overall measures across the population, they don't capture distributional aspects. However, for a society to be prosperous, material well-being must be shared among citizens, not just concentrated in a small group.[14] Given the positive correlation among income, health, and education, we decided to measure inequality in terms of income. In particular, we use the share of a country's pretax income accruing to the top 10 percent of earners. We do not use the Gini coefficient, a popular measure of inequality, because the most reliable and comparable data on this component are based on post-tax and post-transfer income. This captures both market inequality and the capacity of the state to redistribute income through fiscal policy.

The minorities component also captures the idea of shared prosperity, as it is intended to assess the degree to which citizens in a country enjoy equal opportunity to choose their way of life and pursue human flourishing in an environment of freedom and tolerance, regardless of their background.[15]

Finally, the environmental quality component serves two main purposes. First, having a clean and sustainable environment is something people everywhere value highly because it greatly improves their quality of life.[16] Second, it serves as a proxy to capture nonmarket negative externalities (e.g., pollution), addressing the previously mentioned shortcoming of income per capita as an overall measure of standards of living.[17] In this way, our Prosperity Index assesses not only the level of prosperity today, but whether it is sustainable in the future.

The index scores range from zero to one hundred, where zero represents the worst performance and one hundred the best. Higher scores in the minorities or inequality components imply better protected minorities and greater equality, respectively. The aggregate Prosperity Index is calculated as the unweighted average of the six components.

Prosperity Index

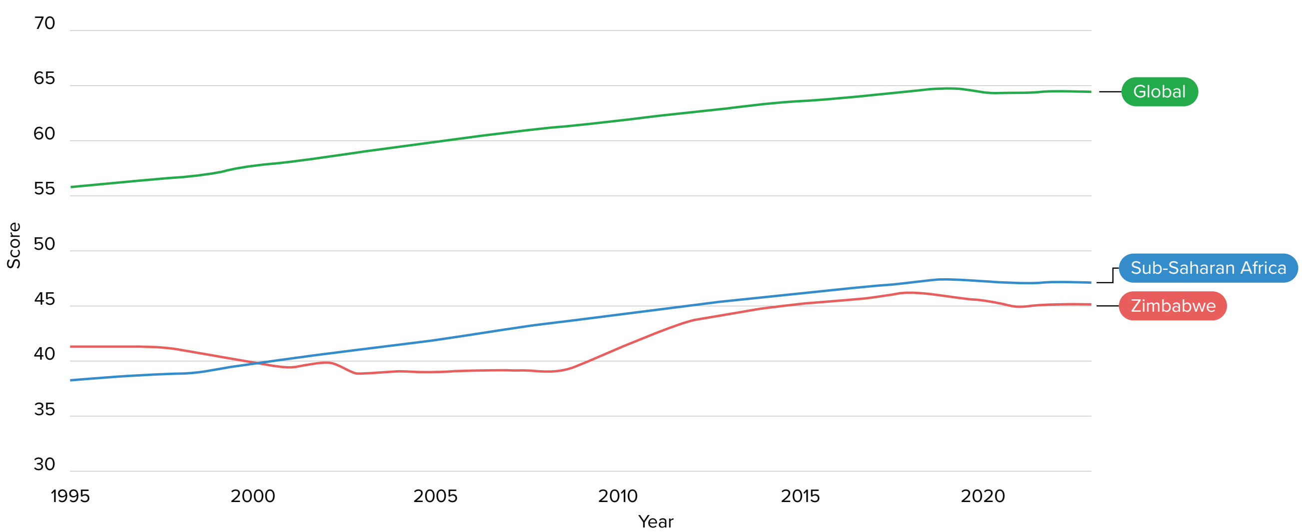


RANK
141 /164

Countries are scored and ranked according to the equally weighted average of six components: income, education, health, minorities, environment, and inequality.

Each country's score ranges between 0 and 100, with higher values indicating more prosperity.

PROSPERITY INDEX
1995–2023



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

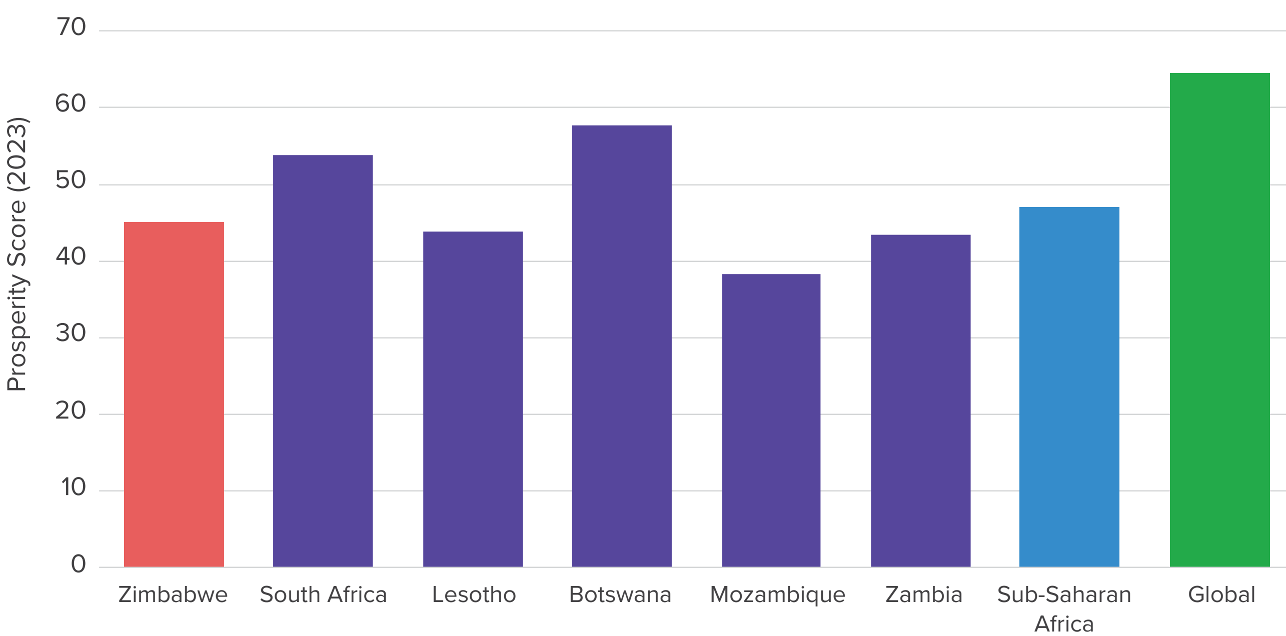
Prosperity in Zimbabwe

Overall prosperity in Zimbabwe grew moderately between 1995 and 2023, showing an increase of 3.7 points during this time. This trajectory, however, is marked by distinct phases. After a period of decline in the late 1990s and early 2000s, prosperity improved steadily in Zimbabwe between 2008 and 2018. However, since 2018, Zimbabwe's prosperity score has plateaued, likely due to the economic and social disruptions caused by the COVID-19 pandemic. In 1995, the start of our study period, the country was positioned favorably compared to its regional neighbors, surpassing the average score for Sub-Saharan Africa in 1995 by 3.1 points. While the regional average surpassed Zimbabwe in 2000, the two scores have shown parallel progress in the past fifteen years, with Sub-Saharan Africa also showing steady improvements throughout the late 2000s and 2010s before plateauing. The convergence of Zimbabwe's score with the regional average highlights both the challenges and the opportunities facing Zimbabwe, as it seeks to regain and surpass its earlier lead.

The Prosperity Index comprises several components that collectively contribute to overall prosperity. When comparing these components to the regional average of Sub-Saharan Africa and the global average, we observe disparities. Zimbabwe scores below the global average in all six components of prosperity, and below the Sub-Saharan Africa regional average in five of the six components. Zimbabwe especially struggles with income inequality, with its 2023 score landing 6.4 points below Sub-Saharan Africa and 21.2 points below the global average. On the other hand, Zimbabwe performs best in education, scoring 13 points above the Sub-Saharan average. With this broader definition of prosperity, Zimbabwe outperforms some of its neighbors on the overall prosperity score, including Zambia and Lesotho, although the country remains behind them in terms of GDP per capita when adjusted for purchasing-power parity.

Zimbabwe's progress in various components over the past three decades has been mixed. There have been notable advancements in areas like education and health, yet progress has been slow in addressing issues of income inequality and environmental sustainability. This variation in progress across different components suggests that improvements have been fragmented rather than structured and strategic. To make a meaningful impact, it's essential to understand the root causes of these issues, develop a cohesive plan to address them, and enhance all aspects of prosperity.

Figure 2: Zimbabwe's prosperity score in context



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

Essential to Zimbabwe's progress on prosperity will be attracting foreign investment. As economies evolve, particularly those transitioning from lower to middle-income status, the ability to draw in external capital becomes increasingly crucial. Foreign investments bring not only essential funding but also advanced technologies, managerial expertise, and access to global markets. This influx of resources helps stimulate domestic industries, enhances productivity, and drives innovation. By creating a favorable environment for foreign investors, countries can accelerate their development, strengthen their economic foundations, and achieve sustainable prosperity.

Sean Nyatsine/Unsplash

Foreign direct investment

According to the World Bank, Zimbabwe joined the lower-middle-income group in July 2019,[18] marking a significant achievement after escaping the low-income category. Entering the middle-income group requires the country to adjust its policies and priorities.

Many middle-income countries have risen from poverty since the 1990s, but their progress is often overstated due to low initial expectations. Achieving high-income status remains elusive for most, with only a few nations succeeding in this transition. As global challenges like rising debt and aging populations mount, these countries must adopt strategies that foster investment, allow for technology infusion, and finally, drive innovation. The World Bank refers to this as the "3i" strategy.[19] To avoid the "middle-income trap," countries must navigate complex economic transitions, allowing for investment, integrating advanced technologies, and ultimately fostering homegrown innovation. This requires restructuring industries and enhancing economic freedom, social mobility, and freedom of thought.

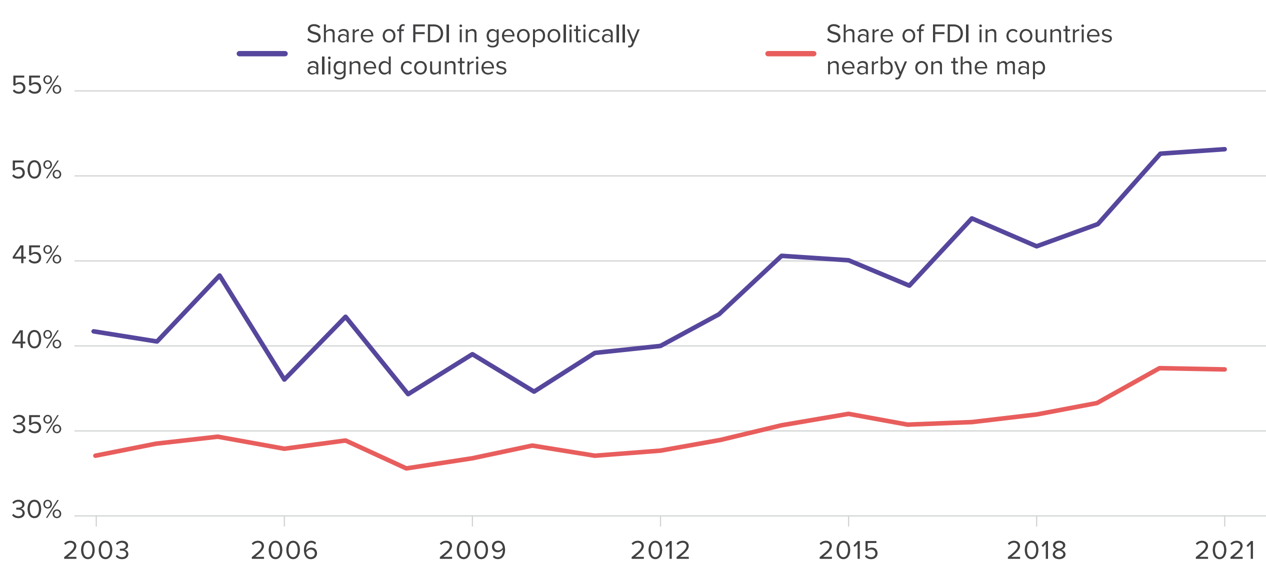
For lower-middle-income countries like Zimbabwe, adopting a "2i" strategy of investment and technology infusion is essential. This involves improving the investment climate and making it easier for businesses to access and use new technologies, boosting business growth and encouraging value-adding firms.

The foreign direct investment landscape is changing

A recent International Monetary Fund (IMF) report highlights the growing trend of "friendshoring."[20] This practice, where countries prioritize economic partnerships with trusted allies over geopolitical rivals, is disrupting traditional trade patterns. This strategic realignment is reshaping supply chains and investment flows, with far-reaching implications for countries across the globe (Figure 3).

Figure 3: FDI flows to friends

Foreign direct investment flows are increasingly directed to geopolitically close countries. (Share of total FDI between geopolitically and geographically close countries).



Source: Atlantic Council; Bailey, Strezhnev, and Voeten (2017); CEPII, Gravity database; fDi Markets database; NL Analytics; and IMF staff calculations. Note: Figure shows the annual share of total foreign direct investment between countries that are either geopolitically or geographically close. Two countries are close if they are in the same quintile of the distribution of the relevant (geopolitical or geographical) distance from the United States. Geopolitical distance is measured by the Ideal Point Distance in Bailey, Strezhnev, and Voeten (2017).

China, once the undisputed manufacturing powerhouse, is witnessing a decline in FDI as companies seek to diversify their supply chains and mitigate geopolitical risks. This presents an unprecedented opportunity for developing nations to attract new investments and climb the global value chain. Zimbabwe could be one of the prime beneficiaries of this trend.

While the challenges are immense, the potential rewards are equally substantial. By embracing friendshoring and implementing necessary reforms, Zimbabwe can position itself as a competitive and attractive investment destination. This could lead to job creation, technology transfer, and economic growth, ultimately lifting millions more out of poverty. However, it is essential to approach this opportunity with realism and a long-term perspective. Sustainable development requires a holistic approach that addresses both economic and social challenges.

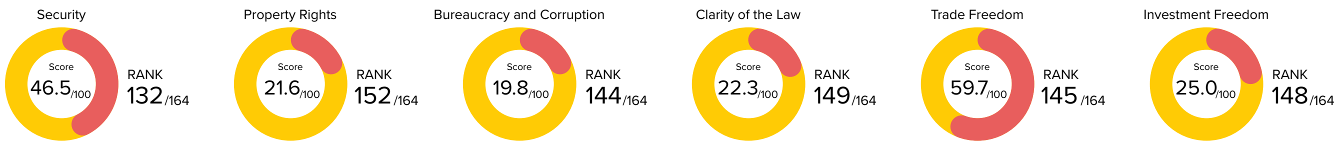
In this context, the Atlantic Council's Freedom Index helps us identify which countries attract more FDI and whether a country's freedom levels play a role. Countries that score better on the Freedom Index tend to attract the most FDI per capita. Countries with low levels of freedom receive far less FDI. These nations often face issues like political instability, weak property rights, and corruption, which deter investors. This correlation remains if we look at FDI levels as a percentage of GDP.[21]

For policymakers aiming to attract more FDI, there are several key factors to consider. To help with this, we've analyzed how each aspect of the Freedom Index affects FDI as a percentage of GDP. In table 1 below, more "+" signs indicate a stronger relationship between that specific factor and FDI. In 2022, the landscape of foreign investment was significantly influenced by three factors: security, property rights, and bureaucracy and corruption. These areas represent crucial pillars upon which foreign investors base their decisions, and they collectively shape the investment climate of nations. This positive correlation is driven by the creation of a conducive environment for business operations, reducing risks and enhancing investor confidence.

Table 1: Correlation between dimensions of freedom and FDI inflows[22]

Indicator	Impact
Security	++++
Property Rights	+++
Bureaucracy and Corruption	+++
Clarity of the Law	++
Civil Liberties	++
Women's Economic Freedom	++
Trade Freedom	++
Elections	++
Investment Freedom	++
Judicial Independence and Effectiveness	+
Political Rights	+
Informality	+
Legislative Constraints on the Executive	Ø

Figure 4: Zimbabwe's performance on security, property rights, and bureaucracy and corruption



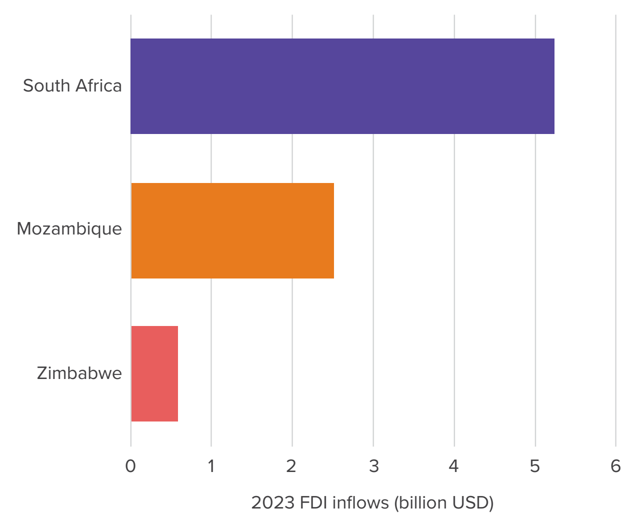
Zimbabwe's government has shown commitment to improving the business environment, evidenced by the establishment of the Zimbabwe Investment and Development Agency (ZIDA) in 2020 to streamline investment processes.[23] Despite these efforts, challenges such as policy inconsistency and institutional weaknesses persist. Enhancing economic freedom by addressing these issues will be critical for increasing FDI inflows.

Attracting more foreign direct investment in Zimbabwe

FDI inflows to Zimbabwe show substantial potential for growth. According to the United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2024, Zimbabwe attracted US$588 million in FDI in 2023, marking a 48.9 percent increase from the previous year.24 While this growth is encouraging, it remains below the level of US$745 million recorded in 2018, prior to the Zimbabwean uprising and election violence. This indicates opportunities for further enhancing the investment climate to attract and retain foreign investments.

Despite the recent positive jump, FDI inflows to Zimbabwe remain below those of regional peers like South Africa and Mozambique. South Africa brought in US$5.23 billion in FDI in 2023, while Mozambique brought in US$2.51 billion. The relative success that two of Zimbabwe's neighbors have had in attracting FDI highlights the importance of six key components from the Freedom Index: Security, property rights, bureaucracy and corruption, clarity of the law, trade freedom, and investment freedom. As Table 1 shows, these indicators have an outsized influence on a country's ability to attract foreign investment. South Africa outperforms Zimbabwe across all these metrics, while Mozambique scores at least 10 points above Zimbabwe on five of the six components (with Zimbabwe having a slightly better security score). These figures underscore the competitive landscape within Sub-Saharan Africa, where stable economic policies and conducive business environments significantly impact FDI inflows. The regional trends highlight the varied success in attracting FDI, with some countries standing out due to strategic reforms. Countries with higher levels of economic freedom, transparent governance, and robust legal frameworks tend to draw more substantial investments, as seen in the cases of South Africa and Mozambique. Zimbabwe can leverage its inherent strengths by implementing strategic reforms to enhance its investment attractiveness.

Figure 5: Zimbabwe attracts significantly less FDI than South Africa and Mozambique



Source: UNCTAD 2024 World Investment Report[25]

To attract more FDI, Zimbabwe could benefit from implementing comprehensive reforms that enhance economic freedom and create a secure investment environment. The following proposed priorities build on findings from the Freedom and Prosperity Indexes and best practices identified in other countries:

1. Strengthening property rights: Ensuring that property rights are protected through robust and transparent legal frameworks is essential. Investors need assurance that their assets will be secure, promoting confidence in long-term investments.

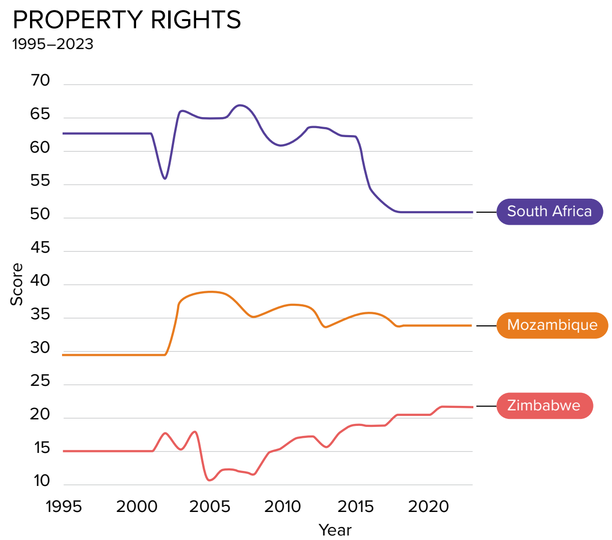
Property rights are the cornerstone of economic development, providing individuals and businesses with the necessary incentives to invest, innovate, and engage in productive activities. To measure property rights, we use data from the Fraser Institute's Economic Freedom of the World report, particularly its Component 2C on protection of property rights.

By establishing clear and enforceable rules regarding ownership, property rights create a stable environment where individuals feel secure in their possessions and can confidently allocate resources toward their most productive uses. This security fosters entrepreneurship and encourages long-term investment, as individuals are more willing to commit their time and capital when they can expect to reap the rewards of their efforts.[26]

Moreover, property rights facilitate efficient resource allocation by enabling markets to function effectively, as buyers and sellers can confidently enter into transactions knowing that their property rights will be respected and protected. Well-defined property rights encourage the development of financial markets, as assets can be used as collateral for loans, thus increasing access to credit and fostering economic growth. In essence, strong property rights form the bedrock of a prosperous economy, providing the necessary framework for sustainable development and wealth creation.[27]

Since 1995, Zimbabwe has made only modest progress in strengthening property rights, with its score rising from 15 to 21.6 by 2023. However, this improvement is overshadowed by the consistently stronger performance of its regional peers. South Africa, for instance, maintained a property rights score of 50.8 in 2023, a decline from 62.6 in 1995, yet still significantly higher than Zimbabwe's score. Mozambique also outperformed Zimbabwe, increasing its score from 29.4 in 1995 to 33.7 in 2023. Zimbabwe's persistent lag in property rights, despite slight improvements, highlights the country's ongoing challenges in establishing a secure and reliable property rights framework. This gap suggests that while there has been some improvement, the country still struggles to create an environment conducive to strong property rights, which is crucial for economic development and attracting foreign investment. Ensuring that the legal framework allows individuals to acquire, hold, and utilize private property, bolstered by clear laws enforced by the government, is paramount. The comparison with South Africa and Mozambique underscores the importance of strong property rights in creating a favorable economic environment. Zimbabwe's inability to close this gap suggests that more substantial reforms are needed to enhance property security, which is a key driver of economic growth and investor confidence.

Figure 6: Despite progress, property rights in Zimbabwe remain lower than neighboring countries



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

A key best practice for strengthening property rights is to improve land titling and registration systems. This involves creating clear and accessible procedures for individuals and communities to formally document their ownership or use rights. This can be achieved by simplifying the process, reducing bureaucratic hurdles, investing in land record-keeping systems (including technological advancements for better transparency and efficiency), and ensuring affordability and accessibility, especially for vulnerable populations.[28]

Box 2: Land-Administration reforms in Rwanda

In the early 2000s, Rwanda embarked on a series of land-administration reforms aimed at fostering peace and economic development. The core of these reforms was establishing a clear legal framework for land ownership. The Rwandan Constitution of 2003, National Land Policy of 2004, and Organic Land Law of 2005 all played crucial roles. These legal documents provided a foundation for recognizing land rights, enforcing ownership claims, and resolving land-related disputes.[29]

With a robust legal framework in place, the Rwandan government initiated the Land Tenure Regularisation (LTR) program in 2008. This ambitious initiative aimed to map and register every land parcel in the country. The LTR program was instrumental in streamlining land-titling processes. Previously, obtaining a land title could take weeks or even months. The reforms significantly reduced this timeframe, with processing times brought down to a mere three days.[30] This efficiency boost improved service delivery and helped minimize the risk of corruption.

The land-administration reforms in Rwanda have had a demonstrably positive impact. By 2017, more than seven million Rwandans had received land titles, providing them with a sense of security and stability.[31] Land ownership also opened doors to new economic opportunities. With secure titles, Rwandans could leverage their land as collateral to access credit and invest in income-generating activities. This, in turn, has contributed to poverty reduction and economic growth in rural areas.[32]

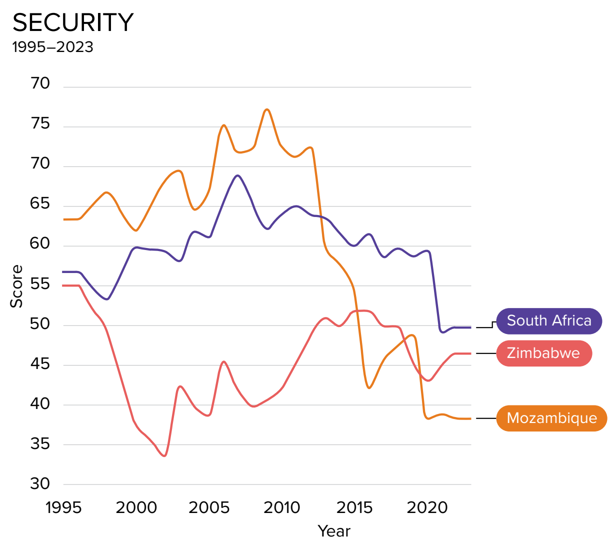
However, some challenges remain. Land disputes, particularly those regarding inheritance and land consolidation, can still occur. Additionally, ensuring equitable land access for women is an ongoing effort. Despite these hurdles, Rwanda's land-administration reforms serve as a successful example of how a nation can rebuild its land-ownership system and empower its citizens through clear legal frameworks and efficient processes.

2. Enhancing security: Security is a critical factor in attracting FDI. Ensuring a stable and secure political environment and enhancing public safety will build investor confidence.

Enhancing security measures not only instills confidence among investors but ensures the protection of assets and personnel, thereby mitigating risks associated with investment. Security is measured here in terms of perceptions of the likelihood of political instability or violence driven by political motives, such as terrorism. We use data on political stability and absence of violence/terrorism from the World Bank's Worldwide Governance Indicators.

Zimbabwe has consistently struggled with security in the past thirty years, with its score falling from 55 in 1995 to 46.5 in 2023, ranking 132nd out of 164 globally. This low rank persists despite progress between 2009 and 2015, driven by political stabilization and economic recovery during the Government of National Unity, which helped reduce political violence and unrest. The control of hyperinflation that had plagued the country also contributed to an improved perception of security, as international engagement and aid increased. However, the trend reversed between 2016 and 2020 due to renewed political and economic turmoil. While there has been some improvement since 2020, Zimbabwe's security levels remain lower than in 2015, which continues to deter potential investors.

Figure 7: Security in Zimbabwe remains below 2015 levels



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

By contrast, South Africa, while experiencing a decline in its security score from 56.7 in 1995 to 49.8 in 2023, has consistently outperformed Zimbabwe in this metric. South Africa's relative stability has enabled it to maintain a stronger appeal to foreign investors. Mozambique presents an interesting case. In 1995, Mozambique had a high security score of 63.4, significantly above Zimbabwe's, but this score has since dropped to 38.3 in 2023. Despite this decline, Mozambique's security performance has been close to Zimbabwe's in recent years, even surpassing it as recently as 2019. This suggests that Mozambique, with focused efforts, has the potential to enhance its security, regaining a competitive edge in attracting FDI.

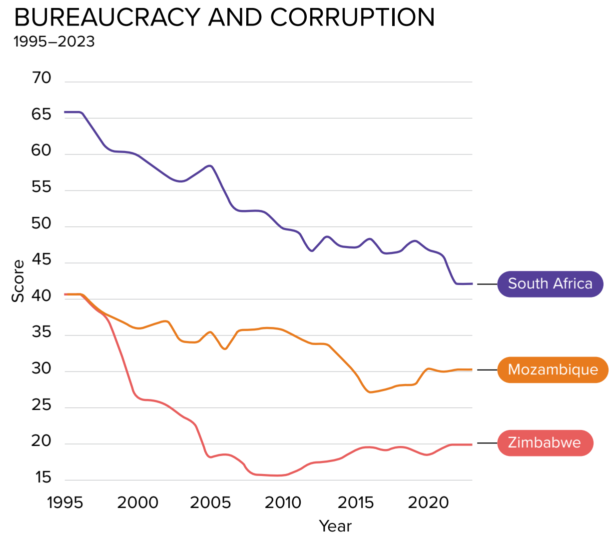
For Zimbabwe to enhance its FDI attractiveness, it must prioritize strengthening its security framework. This involves improving law enforcement capacity, fostering dialogue among different political factions, and addressing underlying social and economic grievances that contribute to unrest. By demonstrating a commitment to a stable environment, Zimbabwe can attract more investors and promote sustainable economic growth.

3. Reducing bureaucratic barriers and corruption: Simplifying procedures for starting and running a business can enhance investor confidence. Streamlining registration processes, reducing the number of permits required, and cutting down on administrative delays are essential steps. Strengthening anti-corruption measures will further contribute to creating a transparent and efficient business environment.

Bureaucracy and corruption in Zimbabwe are significant barriers to effective governance and economic development. We use data from the World Bank's Worldwide Governance Indicators for government effectiveness and control of corruption. Zimbabwe has faced severe corruption issues for decades, exacerbated by periods of political and economic instability. In 1995, the country scored better than the regional average, and only 5.1 points below the global average. Today, the country is 24.6 points below the global average and 144th out of 164 globally.

The establishment of the Zimbabwe Anti-Corruption Commission (ZACC) in 2005 was seen as a crucial step in addressing corruption. However, despite its initial promise, ZACC has struggled to make a significant impact.

Figure 8: The progress made by the ZACC has been slow



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

Corruption in Zimbabwe remains pervasive and highly institutionalized, with both public and private sectors deeply affected. Despite laws prescribing criminal penalties for corruption, the government has failed to enforce these laws effectively or impartially. The ZACC has arrested some officials but convictions through the National Prosecuting Authority have been rare. This "catch and release" malpractice reflects the highly politicized nature of the country's anti-corruption efforts. Even though specialized anti-corruption courts exist in all provinces, they suffer from delays, perceptions of political interference, and are often misused to target activists, journalists, or opposition leaders instead of focusing on corruption cases.[33]

Despite these challenges, there have been some efforts to combat corruption. ZACC has actively engaged civil society and international partners through the National Anti-Corruption Strategy and increased its presence at the provincial level. However, the commission lacks the power to prosecute cases, limiting its effectiveness.

In addition, Zimbabwe has made notable progress in combating financial crimes. In 2022, the country successfully removed itself from the Financial Action Task Force (FATF) "greylist", a global money laundering watchdog. FATF praised Zimbabwe for its substantial progress in enhancing both the technical compliance and effectiveness of its anti-money laundering and counter-terrorism financing (AML/CFT) regime.[34] While there were significant costs to Zimbabwe's ability to attract FDI and its correspondent banking relationships weakened, the country's ongoing improvements are vital. Continued progress not only strengthens efforts to combat corruption but also sends a clear signal to international investors that Zimbabwe is committed to building a secure and transparent business environment.[35]

South Africa, despite its own challenges, has maintained a stronger performance in controlling bureaucracy and corruption, with a score of 42—significantly above Zimbabwe. This is due to more established institutions and a consistent approach to governance, which have helped South Africa attract and retain foreign investment, even as it continues to face corruption issues. Similarly, Mozambique, which started with a score similar to Zimbabwe in 1995, has managed to stay ahead with a current score of 30.1.

Corruption and bureaucracy have significant economic consequences, deterring foreign investment and stunting economic growth. They distort the allocation of resources, leading to poorly executed projects and inflated government contracts. The uncertain business environment, characterized by bureaucracy and favoritism, discourages both domestic and foreign businesses from operating in the country.

For Zimbabwe, tackling corruption is crucial not only for improving governance but also for creating an environment conducive to economic development. Strong, independent institutions are essential in this fight, and without them, efforts to reduce corruption may continue to falter. By addressing corruption head-on, Zimbabwe can create a more stable and prosperous future, encouraging both domestic growth and international investment.


Omoniyi David/Unsplash

Box 3: Establishing the DCEC: Botswana's strategic response to corruption

Botswana has long been a model of good governance in Africa, and its approach to combating corruption has been a key factor in this reputation. The country's commitment to transparency and anti-corruption is reflected in its consistently strong performance on our bureaucracy and corruption component. In 2023, Botswana was ranked 41st globally, an impressive position compared to its continental counterparts.

The Corruption and Economic Crime Act of 1994 established the Directorate on Corruption and Economic Crime (DCEC) in response to several high-profile corruption scandals involving senior officials. This legislation was a strategic move aimed at restoring public confidence and safeguarding Botswana's reputation. The primary objectives of the DCEC include promoting ethical behavior in government and public organizations, establishing codes of conduct, maintaining good governance, transparency, and the rule of law, and engaging in corruption prevention interventions.[36]

Clear priorities and objectives: A three-pronged strategy

The DCEC operates with a "three-pronged strategy" encompassing investigation, prevention, and public education.[37] The DCEC's core priorities revolve around promoting ethical behavior in government and public organizations, establishing and enforcing codes of conduct, and maintaining transparency and good governance. The agency emphasizes preventing corruption through rigorous audits of government and parastatal institutions to identify and address vulnerabilities. Public education is another critical priority, with the DCEC conducting outreach activities to foster a culture of integrity and raise awareness about corruption. These efforts are aimed at both deterring corrupt practices and empowering the public to participate actively in the fight against corruption.

Organizational strength: Structure and operational autonomy

The agency possesses robust investigative powers, including arrest, asset tracing, freezing, search and seizure, and extradition.[38] While it is not formally independent from the presidency, the DCEC enjoys operational autonomy and collaborates closely with the Directorate of Public Prosecutions, which handles prosecutions. This structure allows the DCEC to tackle corruption comprehensively while ensuring alignment with broader legal and judicial frameworks.

Global standards: Public support and international best practices

Its strong alignment with international best practices, particularly its adaptation of Hong Kong's Independent Commission Against Corruption model, provides a solid foundation for its operations. The DCEC's robust investigative powers and independent operational structure enable effective handling of corruption cases. Additionally, the agency benefits from substantial government funding and political support, which bolsters its capacity to implement anti-corruption initiatives. The DCEC's emphasis on public education and preventive measures further strengthens its impact, as evidenced by its high ranking in various assessments and the continued public support for its efforts.

The DCEC collaborates with institutions like the Botswana Institute for Development Policy Analysis and has received input from various international stakeholders. Even when facing challenges, this comprehensive approach and commitment to improvement underscore its effectiveness in upholding Botswana's reputation for good governance.[39]

Continuous improvement: Performance tracking and education

The DCEC measures its performance through various indicators, including the number of investigations launched, convictions achieved, the implementation of preventive recommendations, and public opinion surveys. The agency has also invested significantly in staff training and development, incorporating international best practices to enhance its investigative capabilities. This focus on continuous improvement and capacity building is essential for maintaining the DCEC's effectiveness and adapting to evolving challenges.

4. Promoting economic freedom: Zimbabwe can focus on creating a more open and competitive market environment by liberalizing trade policies, reducing tariffs, and encouraging free-market principles.

Enhancing trade and investment freedoms can attract more foreign investors seeking stable and profitable opportunities. The creation ZIDA in 2020 has strong potential to improve investment by increasing efficiency in licensing, screening for compliance, and implementation.[40] In addition, reaffirming its commitment to enforce existing bilateral agreements with other states and organizations such as the Common Market for Eastern and Southern Africa (COMESA) and the African Continental Free Trade Area (AfCFTA) will protect the rights of both domestic and foreign investors.

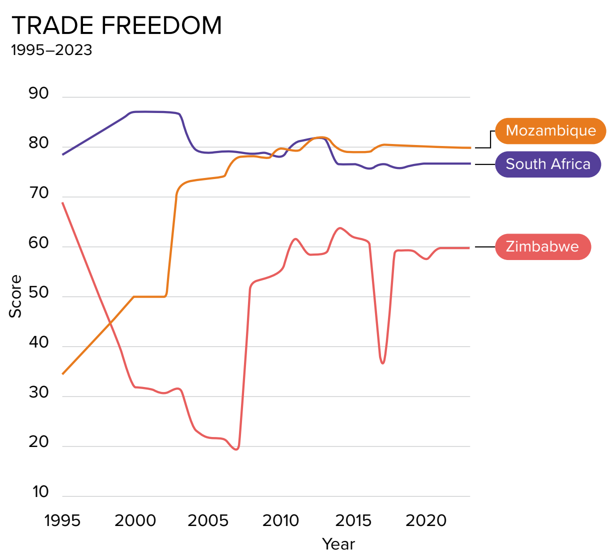
Current scores for trade freedom (59.7) and investment freedom (25) suggest significant room for improvement. In comparison, South Africa's respective trade and investment freedom scores are 76.5 and 45 while Mozambique's scores are 79.8 and 35. By maintaining a more liberal market environment, both South Africa and Mozambique have enhanced their appeal for outside investors.

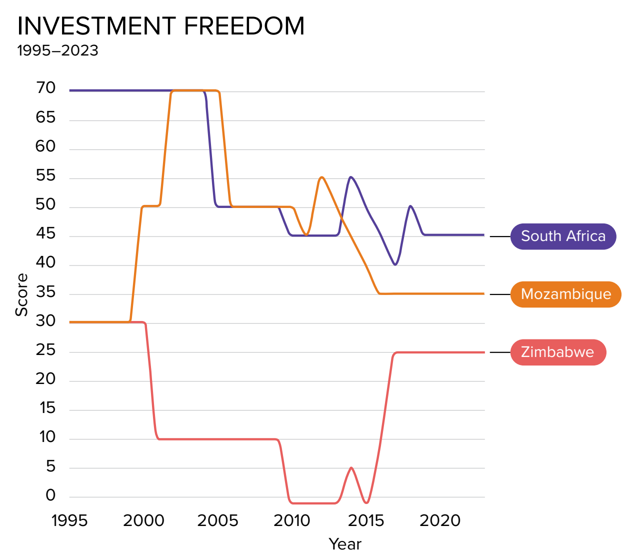
Trade freedom assesses a broad spectrum of trade constraints, including tariffs, quotas, administrative barriers, and regulations governing exchange rates and capital flow. A high score on this component signifies a nation that upholds low tariffs, implements efficient customs-clearance procedures, maintains a currency that is freely convertible, and imposes minimal limitations on the mobility of both physical goods and human resources. We use data from the Fraser Institute's Economic Freedom of the World component four on freedom to trade internationally.

This comprehensive evaluation provides insights into a country's openness to trade and its commitment to facilitating smooth and unrestricted commerce, which are essential factors contributing to economic growth and prosperity.[41]

Zimbabwe's ranking of 145, out of 156 countries for which sufficient data are available to conduct an assessment, underscores its current standing in terms of trade freedom. Notably, the country has seen its score fluctuate significantly, experiencing a sharp drop from 1999 to 2007 and a climb between 2007 and 2014, mirroring the country's overall economic recession and subsequent rebound.[42] Trade freedom in Zimbabwe has largely plateaued since 2014, except for a sharp drop and recovery between 2016 and 2018. This observation suggests the need for renewed efforts to revitalize trade policies and initiatives, ensuring improved and lasting competitiveness in the global market.

Figure 9: Both trade and investment freedoms are lower than neighboring countries





Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

A successful approach involves dismantling barriers that impede the flow of goods and services across borders. This means actively reducing restrictions like tariffs (taxes on imports), quotas (limits on the amount of a good that can be imported), and subsidies (government financial support) that artificially inflate prices or limit the movement of products. This focus on reducing trade barriers fosters a more open and competitive trading environment, ultimately benefiting both consumers and producers. Consumers gain access to a wider variety of goods and services at lower prices due to increased competition. Producers, on the other hand, can expand their customer base by exporting to new markets, potentially leading to increased production, job creation, and economic growth.[43]

Investment freedom assesses several regulatory limitations that are usually enforced on investments. Points are subtracted from a country's investment regime's perfect score of one hundred for each restriction present. An ideal score indicates a country with unrestricted flow of investment capital, allowing individuals and firms to transfer their resources freely into and out of specific activities, both within the country and across its borders. We source our data from The Heritage Foundation's Index of Economic Freedom.[44]

Investment freedom in Zimbabwe has experienced an overall decline, with its score decreasing by 5 points between 1995 and 2023. The country's struggles come amidst improvements in the rest of the world, as the Sub-Saharan average climbed 7.4 points and the global average rose by 5.8 points during the data period. As a result, Zimbabwe's world standing has dropped, declining from 119 out of 163 countries with available data in 1995 to ranking of 148 out of 163 in 2023. Similar to trade freedom, the country's score has fluctuated in the past 29 years, with its score marked primarily by periodic gains and declines.

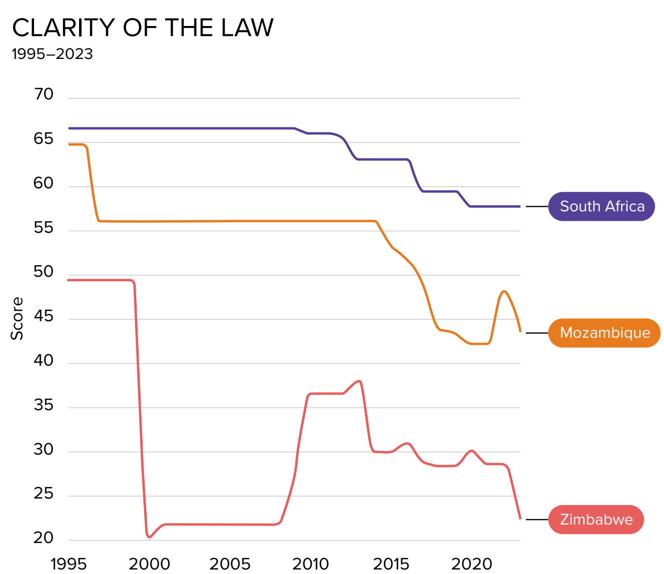
Since 2015, Zimbabwe's investment freedom has begun to rebound, jumping to 25 in 2016 and remaining at that score since. While these improvements are notable, Zimbabwe's low score in investment freedom compared to both the Sub-Saharan African and global averages indicate the need for the country to continue reforming to create a more desirable investment environment.

Improving investment freedom in Zimbabwe requires addressing both structural issues and regulatory barriers. To build on its progress and attract greater investment, the country must ensure consistent policies that protect investor rights, while also streamlining business registration processes and reducing bureaucratic complexity. Simplifying procedures for permits and licenses can lower barriers to entry, making Zimbabwe more appealing to investors.

5. Enhancing transparency and predictability: Improving governance and predictability are critical for building investor confidence. Transparent processes and accountable institutions help create a fair and predictable business environment.

Four components also show significant importance for attracting investment—clarity of the law, civil liberties, elections, and women's economic freedom—and illustrate the global shift towards friendshoring. Two of these components stand out as particularly important for Zimbabwe: women's economic freedom and clarity of the law. Women's economic freedom has major potential, and possible improvements will be explored in the last section of this report. Clarity of the law is an indicator in which Zimbabwe has significantly struggled, and reforms in this area will be imperative for Zimbabwe to appeal to foreign investment.

Figure 10: Clarity of the law in Zimbabwe is low



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

Clarity of the law is a crucial component that assesses the fundamental formal requirements of the legal system, focusing on whether laws are clear, public, noncontradictory, consistent, and predictably enforced. We use data from V-Dem's Transparent Laws with Predictable Enforcement Index (v2cltrnslw). Since 1995, Zimbabwe has witnessed a concerning decline in this aspect, with its score dropping by 27 points from 49.3 to

22.3 by 2023. This decline has resulted in Zimbabwe's ranking falling from 90 to 149 out of 164 countries assessed.

At the outset of this period, Zimbabwe scored 1.3 points above the regional average and 3.9 points below the global average, indicating a moderate position in terms of legal clarity. The current scenario paints a stark contrast, with the country now trailing behind Sub-Saharan Africa by 26.7 points and behind the global average by 29.7 points. This significant deterioration underscores challenges in maintaining clarity and coherence within Zimbabwe's legal framework.

In contrast, South Africa has maintained relatively higher levels of legal clarity, with a score of 57.7 in 2023. Mozambique, although starting with a similar score to Zimbabwe in 1995 (64.7), now scores 43.5. Despite this decline, its legal environment remains more stable compared to Zimbabwe. The relatively better performance of South Africa and Mozambique in maintaining legal clarity has contributed to their success in attracting FDI.

A robust legal framework characterized by clarity and predictability is essential for fostering trust in the legal system, ensuring fairness and consistency in decision-making and promoting respect for the rule of law.[45] It provides individuals and businesses with confidence in their rights and obligations, facilitating economic activity and social stability. The decline in clarity of the law in Zimbabwe highlights the urgent need for reforms aimed at enhancing transparency, coherence, and consistency within the legal system. By addressing deficiencies and strengthening legal clarity, Zimbabwe can create a more conducive environment for economic growth, investment, and the overall well-being of its citizens.

A "2i" strategy: Investment and technology infusion

Attracting more FDI is only the first step. Lower-middle-income countries that achieved great progress in the past 50 years all introduced measures to import and spread new ideas from abroad—a process known as infusion.[46] This involves adopting state-of-the-art technologies, understanding market potential, and implementing modern business practices.

For successful infusion, policymakers need to support firms that can integrate global technologies into their production processes. To do this effectively, countries must ensure they have many technically skilled workers, including engineers, scientists, managers, and other professionals. Countries with strong secondary education and vocational training programs, along with openness to foreign economic ideas, tend to perform better. The experiences of Chile, South Korea, and Poland, which transitioned from lower-middle-income to high-income economies, provide valuable insights.

Korea's transformation from one of the least developed countries in the 1960s to a high-income nation by 2001 is a prime example of the importance of infusion. Initially, Korea's growth was driven by high investment rates and the adoption of foreign technologies, particularly from Japan. As the country advanced, it shifted focus to innovation, supported by targeted education policies that developed the specialized skills required by its growing industries.[47]

Poland's path to economic success is distinct due to its socialist past and European Union membership. After transitioning from a planned to a market economy in the early 1990s, Poland focused on disciplining state-owned enterprises, attracting investment, and incorporating technologies from Western Europe. Entry into the EU further accelerated Poland's infusion process, leading to significant increases in productivity and education levels, which helped integrate global knowledge into the economy.[48]

Chile's success shares similarities with Korea and Poland, particularly in its strategic use of knowledge transfer from advanced economies. By the time Chile joined the Organisation for Economic Co-operation and Development (OECD) in 2010, it had diversified its exports and reduced its reliance on mining. Public institutions like the Chilean Agency for Exports Promotion and private organizations like Fundación Chile played crucial roles in promoting technology transfer and supporting small and medium enterprises, contributing to Chile's status as a high-income country. One famous example is the adaptation of Norwegian salmon farming technologies to local conditions, making Chile a leading world exporter of salmon.[49]

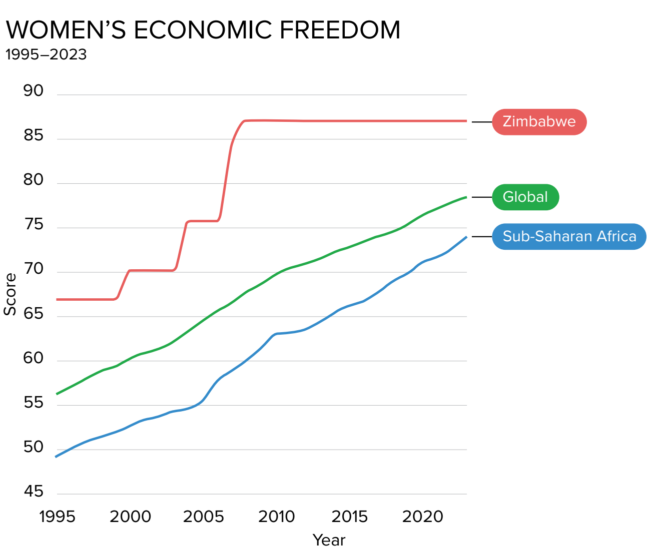
While fostering a strong investment climate and leveraging infusion strategies are critical for prosperity, an often overlooked but equally vital component is the advancement of women's economic freedom. As countries strive to import and diffuse global ideas and technologies, it becomes essential to ensure that all the workforce—including women—have equal access to economic opportunities. Women's participation in the economy not only enhances workforce diversity and innovation, but also significantly contributes to overall productivity. Integrating women's economic freedom into national strategies amplifies the benefits of investment and infusion, creating a more inclusive and robust economic environment.

Women's economic freedom

When women have the freedom to work, economies grow. Women's economic empowerment is therefore an essential pillar of social progress that benefits everyone, not just women.[50] To reflect this reality, the Women's Economic Freedom (WEF) component within the Freedom and Prosperity Indexes, analyzes the legal disparities between men and women throughout a woman's professional life, from workforce entry to retirement.[51]

The data for this component is sourced from the World Bank's Women Business and the Law project (WBL), specifically the WBL 1.0 Index. This index covers data points from 190 economies and is structured around the various phases of a working woman's life. The framework includes 35 questions evaluated across eight indicators—mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, and pension. The final scores are determined by averaging the scores of each indicator, with a maximum score of 100. These indicators cumulatively cover areas such as hiring practices, protections against harassment, freedom of movement, access to benefits, and equitable retirement policies. By examining legislation throughout a woman's career, this component highlights the gender disparities and obstacles women encounter in the workforce. The data pertains to the laws and regulations in the primary business city of the country at hand. In the case of Zimbabwe, this would be Harare.

Figure 11: Zimbabwe scores high on WEF, but no progress since 2008



Source: Freedom and Prosperity Indexes, Atlantic Council (2024)

Women's economic freedom in Zimbabwe

Zimbabwe's 2023 WEF score stands at 86.9 out of 100, ranking it 56th out of 164 countries globally and 5th out of 46 countries in Sub-Saharan Africa. As shown in Figure 1, Zimbabwe's WEF score has historically exceeded global and regional averages from 1995 to 2023, yet its score has not seen improvement since 2008.

Zimbabwe's efforts to legally promote women's economic empowerment are notable. For instance, the 2023 Amendment[52] to Zimbabwe's Labour Act comprehensively prevents gender discrimination or sexual harassment in the workplace, while also mandating 14 weeks of fully paid maternal leave to all female workers, removing a requirement that employees needed to work for a full year before qualifying.[53] Moreover, legal provisions like in the 2007 Domestic Violence Act [Chapter 5:16],[54] the 1873 Deceased Estates Succession Act and its subsequent amendments [Section 3][55] and the Passport Application Form ensure protections against domestic violence, gender discrimination in ownership of property, and freedom of movement restrictions. These trends are highly encouraging in the realm of promoting gender equality in Zimbabwe's legal framework.

However, it must be noted that Zimbabwe ranked 36th globally for the WEF component in 1995, twenty ranks higher than in 2023, which indicates that other countries have since advanced more rapidly. This suggests the need for improvement, especially as Zimbabwe has not enacted any new reforms in this area since 2008.

Barriers to women's economic freedom in Zimbabwe

In Zimbabwe, addressing legal inequalities affecting women's pay, marital constraints, and post-maternity work conditions is crucial for advancing gender equality. Current laws often fall short of providing comprehensive support for women, particularly in these critical areas. For instance, wage disparities between men and women persist, largely because the existing legal framework does not criminalize employers for not providing equal pay for equal work.[56] Additionally, constraints in the Matrimonial Causes Act, last updated in 2000, places limits on women's rights to initiate divorce proceedings,[57] further hindering their economic potential in cases where they remain financially tied to their husbands in an unstable marriage. By reforming these laws, Zimbabwe would take significant strides towards creating a more equitable society where women have the same opportunities and protections as men.

One of the most pressing areas for reform is the legislation surrounding women's work conditions after having children. At present, the policies in place do not adequately support working mothers, often forcing them to choose between their careers and family responsibilities. While the government does mandate 14 weeks of fully paid maternity leave, the financial responsibility for these benefits is borne by employers, which may lead to inherent discrimination or hesitation in hiring female workers.[58] To address this, Zimbabwe could consider implementing policies that ensure the government administers 100 percent of maternity leave benefits. This would alleviate the financial burden on employers and encourage them to support female employees during maternity leave. Additionally, introducing paternity leave for fathers and paid parental leave for both parents would promote shared childcare responsibilities, allowing women to return to work without the added stress of balancing work and family obligations alone.

Further policy reforms can focus on ensuring equal pay for equal work and granting women equal rights to divorce their partners. Mandating equal pay regardless of gender would directly address the wage gap and promote financial independence for women. Additionally, by providing women with the legal right to divorce on equal grounds, Zimbabwe would offer crucial protections against mental, emotional, physical, and sexual abuse. Such reforms are essential not only for improving women's quality of life, but also for enhancing their economic potential. Being secure and supported in one's professional and personal life enhances one's ability to contribute effectively to the economy, leading to broader societal benefits.[59]

The road to reform

Zimbabwe can benefit significantly from the experiences of Rwanda, Togo, and Sierra Leone, which have enacted some of the most effective reforms in Sub-Saharan Africa as of 2023. These nations have collectively implemented over 16 legal reforms aimed at increasing women's economic opportunities.[60] By analyzing these best practices, Zimbabwe can identify effective strategies for enhancing women's economic freedom and implementing necessary reforms.

Example 1: Rwanda[61]

Rwanda has made significant strides in promoting women's economic freedom, particularly through reforms in gender equality, parental leave, and workplace protections. One significant reform has been the introduction of comprehensive parental leave policies. The 2023 Law No. 27/2023 extends maternity leave from 12 to 14 weeks and provides four days of paternity leave. This not only supports women in balancing work and family life but also takes a step in supporting shared childcare responsibilities, fostering a more equitable household dynamic.

Additionally, Rwanda has enacted robust protections against workplace harassment, most notably through the 2008 Law on Prevention and Punishment of Gender-Based Violence[62], criminalizing sexual harassment in the workplace and ensuring that women can work in safe and supportive environments. Legislation ensuring gender parity in retirement benefits has also been implemented through the 2015 Law Governing the Organization of Pension Scheme,[63] guaranteeing equitable treatment in pensions and inheritance rights. These reforms have collectively contributed to creating a more inclusive and supportive environment for women in the workforce, paving the way for greater economic participation and empowerment.

Example 2: Togo[64]

Togo has made significant progress in advancing gender equality through impactful reforms. The country's 2022 Loi N° 2022-018 was enacted to protect women from sexual harassment and domestic violence,[65] crucial in ensuring women's safety and empowerment. By addressing gender-based violence, Togo has created a safer environment for women to participate in economic activities, without fear of abuse or discrimination.

Togo has also taken decisive action to prohibit gender-based discrimination in financial services, ensuring that women have equal access to banking, credit, and other financial resources. This enables women to start and grow businesses, invest in their education, and improve their overall economic status. Furthermore, Togo's 2021 Code du Travail, Article 190 mandates 14 weeks of 100 percent government-administered maternity leave benefits, along with two days of paternity leave.[66] This alleviates the financial burden on employers, and ensures that women can take the necessary time off for childbirth and recovery, without jeopardizing their financial stability or career prospects.

Example 3: Sierra Leone[67]

Sierra Leone has introduced several key reforms to enhance women's economic opportunities. The country's 2023 Employment Act has implemented laws for equal pay[68], ensuring that women receive the same remuneration as men for the same work. This is a critical step towards closing the gender pay gap and promoting economic equality. Additionally, the 2023 Employment Act has prohibited gender-based employment discrimination,[69] making it illegal to discriminate against women in hiring, promotions, and other employment practices.

The country has also extended paid maternity leave through the 2023 Employment Act from 12 to 14 weeks and introduced two weeks of paid paternity leave.[70] These policies support working parents, allowing them to balance their professional and family responsibilities more effectively. By recognizing the importance of both parents' involvement in childcare, Sierra Leone is fostering a more inclusive and supportive work environment.

By drawing on these examples and integrating key elements into its legal reform agenda, Zimbabwe can create a comprehensive framework that enhances women's economic opportunities and contributes to overall societal progress. Adopting effective parental leave policies, strengthening protections against workplace harassment, and enacting equal pay legislation will foster a more equitable environment. Additionally, prohibiting gender-based discrimination in hiring, promotions, and financial services, and ensuring equal access to banking and credit, are crucial steps. Addressing gender-based violence through targeted legislation will further support these efforts. These measures will not only empower women but also drive broader economic growth and development for the entire nation.

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Conclusion

Zimbabwe stands at a pivotal crossroads, with Vision 2030 serving as both a roadmap and a challenge. The nation's ambition to become an upper-middle-income economy is not just a goal but a necessity in an increasingly competitive global environment. This reports details two essential factors: attracting foreign direct investment and advancing women's economic freedom.

The comparison with regional peers like South Africa and Mozambique underscores the urgency for Zimbabwe to create a more conducive environment for foreign investors. Despite Zimbabwe's rich natural resources, skilled labor force, and strategic location, the country's FDI inflows remain below their potential. The relatively low freedom scores, especially concerning property rights and bureaucratic efficiency, are significant barriers. These challenges are not insurmountable but require a committed and strategic approach. Strengthening property rights, streamlining bureaucratic processes, and ensuring security are essential steps to unlock Zimbabwe's full potential as an investment destination.

Simultaneously, the empowerment of women is not merely a social objective but a key economic strategy. Zimbabwe's relatively strong performance in women's economic freedom compared to regional and global standards is commendable, but gaps remain. Addressing these will not only improve the economic prospects for women but also contribute to broader economic growth and societal well-being. Countries that successfully integrate women into the economic mainstream typically experience higher productivity, innovation, and competitiveness. By analyzing the successful reforms of countries like Rwanda, Togo, and Sierra Leone, Zimbabwe can draw lessons on how to implement impactful changes.

The recent stagnation in Zimbabwe's prosperity since 2018, exacerbated by the COVID-19 pandemic, highlights the fragility of progress. However, this should be viewed not as a setback but as an impetus for renewed efforts. The strategy must be holistic, targeting the weakest links in its economic and social systems while capitalizing on existing strengths.

In conclusion, Zimbabwe's path to 2030 will be shaped by its ability to adapt, reform, and innovate. The nation's future prosperity depends on its commitment to creating a more open, secure, and inclusive economic environment. By prioritizing these reforms, Zimbabwe can not only meet its Vision 2030 goals but also position itself as a leading example of sustainable and inclusive development in Africa.

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