

AFRICA UNIVERSITY

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ASSESSING THE EFFECTIVENESS OF INVESTMENT RELATED
INDUSTRIAL POLICIES ON MANUFACTURING GROWTH IN
ZIMBABWE

BY

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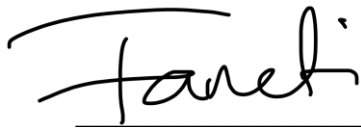
ABSTRACT

This study examines the effectiveness of investment-related industrial policies in promoting the growth of Zimbabwe's manufacturing sector. Despite a number of reform initiatives including the Zimbabwe National Industrial Development Policy (ZNIDP) and the establishment of the Zimbabwe Investment and Development Agency (ZIDA) manufacturing output has continued to stagnate and, in some subsectors, even decline, reflecting the prevailing structural and institutional weaknesses. By making reference to the dependency, structural adjustment, and resource curse theories, the study adopts an exploratory research design combining document analysis and a survey of key stakeholders from both the public and private sectors. The findings reveal that while Zimbabwe's industrial policies are generally well-intentioned and aligned with national development goals, their implementation is undermined by macroeconomic instability, poor institutional coordination, insufficient infrastructure deficits, and perceived policy inconsistency. This study concludes that the ineffectiveness of these policies lies not in their design but in ineffective implementation. From this study, it is recommended that the Government of Zimbabwe not only streamline institutional mandates and strengthen M&E frameworks, but they must also prioritize investment in relevant infrastructure for industrial development (energy & logistics), as well as providing access to affordable finance. Finally, for policy development and formulation, there needs to be a deliberate shift from mere consultation to co-production.

Key words: industrial policy, manufacturing, infrastructure, investment

DECLARATION

I declare that this dissertation is my original work except where sources have been cited and acknowledged. The work has never been submitted, nor will it ever be submitted to another university for the award of a degree.

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DEDICATIONS

To my parents, George and Petronella – You have given me so much and brought me to where I am today, I can only hope to make you proud. This is for the late nights you'd help me with my homework when you had extremely busy schedules of your own.

To my brother, Tavimbanashe – Keep pushing kid, and one day you'll write my name on a dedications page too.

To my grandmother, Martha – You have been the biggest believer in education for as long as I can remember, and I hope seeing your grandson get this far will bring smile to your face.

LIST OF ACRONYMS AND ABBREVIATIONS

FDI – Foreign Direct Investment

DDI – Domestic Direct Investment

GoZ – Government of Zimbabwe

GDP – Gross Domestic Product

ZIDA – Zimbabwe Investment and Development Agency

CZI – Confederation of Zimbabwe Industries

ZNIDP – Zimbabwe National Industrial Development Policy

SME – Small to Medium Enterprise

IMF – International Monetary Fund

ESG – Environmental, Social and Governance

MDA – Ministry, Department and Agency

SEZ – Special Economic Zone

OECD – Organisation for Economic Co-operation and Development

NDS1 – National Development Strategy 1

SADC – Southern African Development Community

AfCFTA – African Continental Free Trade Area

AU – African Union

ZIRGP – Zimbabwe Industrial Reconstruction and Growth Plan

IPP – Independent Power Producer

ESIAZ – Engineering, Iron and Steel Association of Zimbabwe

NEC – National Employment Council

DISCO – Dinson Iron & Steel Company

IRBM – Integrated Results Based Management System

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CHAPTER 1 INTRODUCTION

1.1 Introduction

Economic growth and development are major points of concern for any government in the world, and the government of Zimbabwe (GoZ) is no different. One of the areas that are integral to the realization of this economic growth and development is manufacturing. Scholars like (Moyo, 2019) argue that manufacturing is at the heart of economic growth and development and this can be summarized in what are known as Kaldor's growth laws, the first of which states that the growth of any nation's gross domestic product (GDP) is positively related to the growth of the manufacturing sector. This is foundational to the of study, and in this chapter the fundamentals will be laid out, providing a background to the study, a statement of the problem, the research objectives and posing the main questions that will guide the research. The assumptions and the limitations of the study will also be presented in the chapter.

1.2 Background to the study

This study mainly focused on policies specific to manufacturing and their development in attracting foreign direct investment (FDI) into the sector in Zimbabwe, with the hope of boosting economic development. (Higuchi & Shimada, 2019) argue that sector-specific policies are designed to address the unique needs and challenges of specific areas in the economy, providing targeted support to stimulate growth and overall economic development. However, scholars such as (Harrison & Rodríguez-Clare, 2009) have argued that defining a sector can be a complex and contentious issue

where a narrow interpretation based on industry classification can be taken, or a broader approach that considers interdependencies and economic linkages. The resulting question then becomes whether these sector-specific policies can deliver sustainable benefits or if they distort market forces and create unintended consequences.

The policies specific to manufacturing can be considered as industrial policy. For a developing country like Zimbabwe, discussions around industrial policy are of extreme importance as such policies are considered to play a role which impacts market forces and competition in the economy, by fostering both domestic and international trade and financial flows. (Jerome, 2023) argues that it is important to then maintain appropriate regulatory frameworks to combat the possibility of market failures or identified externalities. Further, the study of these policies provides valuable insights for policymakers in developing countries like Zimbabwe which will help them formulate effective strategies for industrial development and economic transformation. These transformations will address developmental challenges in the country, attending to poverty reduction, employment generation and the upgrade of technology (Altenburg, 2011).

There has been a growing need for attention on industrial policies in Zimbabwe. Economic downturns, coupled with the challenges of globalization and increasing regional competition have highlighted the importance of targeted support for specific industries. In light of this, (Zeira & Zoabi, 2015) argue that true economic development can only be achieved when productivity in modern sectors such as manufacturing is prioritized. It then follows that government initiatives to promote industrialization and diversification will be promoted, and this can be seen in the GoZ's decision to implement various programs to support the manufacturing sector, programs involving

combination of financial incentives, infrastructure development, and regulatory reforms supported by the Zimbabwe National Industrial Development Policy of 2019. However, the effectiveness of these policies has varied, and there is ongoing debate about the best approach to promoting growth and development in Zimbabwe's manufacturing sector (ZIDA, 2024).

Interest in this area of research has been partly inspired by the rates at which sub-Saharan African economies, including Zimbabwe, are experiencing unsatisfactory rates of productive transformation and shortfalls in generating quality jobs in manufacturing or modern services. (Aiginger & Rodrik, 2019) argue that these shortcomings have played a hand in generating demand for proactive government policies to diversify and upgrade economies beyond simply freeing up markets. Their thinking is further buttressed by (Kim, 2009) who argues that demand is further emphasized by the recent rise of Asian economies – like China and Japan – who have taken a more direct and intentional approach with their industrial policies.

1.3 Statement of the problem

Despite the Government of Zimbabwe introducing of multiple industrial policies (including the Industrial Development Policy (2012–2016), the Zimbabwe Industrial Development Policy (2019–2023), and the ongoing National Industrial Policy Framework (2024–2030)), each with ambitious goals, the country's manufacturing sector has remained stagnant, and in some sub-sectors, has even begun regressing in productivity. This disconnect reflects a gap which exists between the intentions of adopted policies and how their practical results.

This is supported by surveys conducted by the Confederation of Zimbabwe Industries, which show manufacturing capacity utilization dropping from 56.1% in 2022 to 53.2% in 2023, and further to 52.3% in 2024 (CZI, 2023), (CZI, 2024). Further, the contribution of the sector to the national GDP has declined from as high as 26% in the early-1990s to as low as 12% in the early-2020s (MacroTrends, 2024). All these statistics indicate that the existence of multiple policy frameworks has not translated into effective industrialisation.

The ineffectiveness of these policies may stem from several interrelated factors. This could be due to a lack of alignment between policy design and implementation, an argument which is supported by scholars such as (Altenburg, 2011) and (Naude, 2010), who have argued that part of such a disparity stems from the lack of clarity about the definition of industrial policy and the lack of consistency in their implementation.

Such policy volatility disrupts long-term planning and discourages initial investment and reinvestment in local production. The effects of this inconsistency are felt strongly primarily by the manufacturers themselves who find the operating environment extremely difficult to conduct business in. This applies to both foreign and domestic investors in the sector. Secondly, the government institutions responsible for the implementation of these policies feel the brunt of this too as they appear unsuccessful to the public. Finally, the consuming public feels the impacts too from the steady increase in commodity prices and the lack of options of products on the market due to the shrinking size of the manufacturing base.

In summary, the core problem, therefore, is that Zimbabwe's industrial policies have not effectively promoted the growth and competitiveness of the manufacturing sector, despite their frequency and ambition. This research seeks to critically examine the

factors underlying this ineffectiveness, evaluate how institutional and structural dynamics contribute to policy failure, and propose strategies to enhance the effectiveness of industrial policy as a tool for economic transformation.

1.4 Research objectives

The primary objective of this research is to assess the effectiveness of investment-related industrial policies on Zimbabwe's manufacturing sector.

The secondary objectives are to:

1. Identify and categorize the key investment-related industrial policies implemented in Zimbabwe.
2. Evaluate the relationship between these policies and indicators of manufacturing sector performance.
3. Investigate stakeholder perceptions of policy implementation and effectiveness.
4. Examine the challenges and constraints affecting policy outcomes in the manufacturing sector.

1.5 Research questions

The questions which will guide the majority of the research are as follows:

1. Which are the major investment related industrial policies currently being implemented in Zimbabwe?
2. How have these policies influenced the following key indicators of manufacturing sector performance:
 - a. economic growth,

- b. employment generation, and
 - c. investment attraction?
3. What are stakeholders' perceptions regarding the relevance and effectiveness of these policies?
4. What are the challenges hindering the effectiveness of these policies, and what modifications, or alternative policy approaches could enhance the effectiveness of these policies in Zimbabwe?

1.6 Assumptions

The following assumptions were carried going into this study:

1. The manufacturing Sector in Zimbabwe requires targeted government intervention to promote growth.
2. Sector-specific investment policies in Zimbabwe are more effective in promoting growth and development than general economy-wide policies.
3. FDI is crucial for the development of Zimbabwe's manufacturing sector, and because FDI is so crucial, the investment related industrial policies may develop in ways which favour foreign investors over domestic players.

1.7 Significance of the study

As pointed out earlier, and supported by (Zeira & Zoabi, 2015), the manufacturing sector plays a very important role in the economic growth and development of a developing country such as Zimbabwe. This is due to its significant role in key developmental objectives like employment generation, diversifying export earnings and the upgrading of several technological processes that will be critical to enhance

productivity and competitiveness of Zimbabwean products in the regional markets. Studies by (Yong, 2021) have shown that higher income countries on average, have a higher share of manufacturing in their GDP than lower income countries. This trend is more pronounced in developing countries where the manufacturing sector is more productive than the agricultural sector implying that true growth can only be achieved with a shift away from less productive primary industries and a step towards more productive economic activities, the kind of which can be provided by a strong manufacturing sector.

1.8 Limitation of the study

The major limitations of this study were that, while it derived lessons from other economies, its application was limited to the Zimbabwean economy. On top of being limited to the Zimbabwean economy, it went a step further by focusing mainly on the manufacturing sector of the economy and examining the industrial policies that surround it. This sectoral limitation will affect the applicability of the results of this study towards other sectors of the economy such as mining or agriculture. Further, the availability of data was a constraint to this study, particularly where official government statistics may be inconsistent and outdated. When collecting data for this study, the researcher made use of surveys which may contain certain biases within them depending on who is taking part. Government officials and private sector stakeholders may provide politically correct or frustrated responses, which will be integrated into the dataset and potentially skew the results one way or another.

1.9 Delimitations of the study

By design, this study was limited to the evaluation of the investment related industrial policies within Zimbabwe's manufacturing sector, thus excluding other key sectors in the Zimbabwean economy like mining, agriculture and tourism. Further, the researcher employed a time limitation seeking to focus on policies that have been implemented post 2010, a period characterised by significant shifts in the Zimbabwean economy such as dollarisation, de-dollarisation and the adoption of two new currencies, as well as the Zimbabwe National Industrial Development Policy of 2019. Additionally, due to time and budgetary constraints, this study was limited to publicly available information and voluntary interviews with government officials and businesspeople within the researcher's immediate vicinity, allowing this research to be undertaken at no significant cost.

CHAPTER 2 REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter reviews literature which is relevant to the assessment of investment-related industrial policies and their effectiveness in promoting manufacturing growth in Zimbabwe. The review serves three purposes. First, it helps in developing a theoretical framework for this study which covers the dependency theory, the structural adjustment theory, and the resource curse theory. Second, helps to develop the conceptual framework for the study, covering industrial policy design, including measures of policy effectiveness, the factors influencing outcomes, and the relationship between key variables. Finally, this literature review drew insights from the policy cycle, interventionism and protectionism, deindustrialisation, horizontal and vertical industrial policy, SMEs in the manufacturing sector, the structural bottlenecks that affect policy effectiveness. This chapter further takes a dive into the policy framework in the sector as well as reports by industry associations operating within that sector for a more wholistic viewpoint.

2.2 Theoretical framework

For the purposes of this study, the researcher identified several theories that could be used to inform this study. These theories are: the dependency theory, the structural adjustment theory and the resource curse theory.

According to (Ghosh, 2021) dependency theory is a theoretical perspective that argues that developing countries - like Zimbabwe - are economically dependent on developed countries and are often exploited through unequal trade relationships. This theory

suggests that the economic development of developing countries is constrained by their integration into the global capitalist system. This theory may be used to explore how foreign investors from developed countries influence Zimbabwe's industrial policies and whether these policies benefit foreign investors more than local businesses. Additionally, it may be used to look into whether Zimbabwe faces unfavourable terms of trade for its exports, leading to a transfer of resources to developed countries and whether Zimbabwe relies heavily on imported technology and machinery, which could limit its economic autonomy and potential for domestic innovation.

The second theory is the structural adjustment theory. This theory makes reference to a set of economic policies advocated by international financial institutions like the World Bank and the International Monetary Fund (IMF) for developing countries. These policies typically involve liberalization, privatization, and deregulation, with the aim of promoting economic growth and development by reducing government intervention and increasing market competition (Logan, 2015). This theory poses key questions seeking how effectively Zimbabwe has implemented structural adjustment policies, including privatization of state-owned enterprises and liberalization of trade and investment, whether these policies have led to increased economic growth, reduced poverty, and improved living standards. It also examines the social consequences of structural adjustment, such as job losses, increased inequality, and reduced social services.

The third and final theory in this study is the resource curse theory. This is one that suggests that countries with abundant natural resources may experience slower economic growth, increased corruption, and political instability. This theory argues that the presence of natural resources can lead to a "Dutch disease," where the

appreciation of the domestic currency reduces the competitiveness of other sectors of the economy (Ianchovichina & Onder, 2017). This theory is a good fit for this study as it analyses whether Zimbabwe has been able to diversify its economy beyond natural resource extraction to reduce its dependence on commodities. It further begs the question of whether the mere presence of natural resources has contributed to increased corruption and rent-seeking behaviour in Zimbabwe, and whether the exploitation of natural resources has led to political instability and conflict.

2.3 Relevance of the theoretical framework to the study

The theories identified above are relevant to the study as they are applicable to the Zimbabwean manufacturing context as will be discussed in this section. Dependency theory offers a lens for examining how Zimbabwe's reliance on FDI may influence policy, creating outcomes that benefit foreign interests more than domestic ones. By using it in this study, it will assist in examining whether or not the perceived failure of industrial policies is a result of this dependence and foreign influence.

Structural adjustment theory can be used to assess the impact of liberalization, privatization, and deregulation on Zimbabwe's manufacturing sector. The theory suggests that reducing government intervention and increasing market competition can lead to economic growth. Making use of it in this study will aid in examining whether these reforms promote competition and create a more efficient and dynamic manufacturing sector or if they lead to the dismantling of existing structures and weaken state capacity to support industrial development.

Resource curse theory suggests that an abundance of, and overreliance on natural resources can hinder economic diversification and lead to negative consequences like

corruption and political instability. Utilizing it in this study provides a lens through which it becomes possible to examine how the dominance of the extractive sectors like mining influences the relationships between different economic actors, negatively affecting the development of the manufacturing sector.

2.4 Conceptual framework

2.4.1 Measures of policy effectiveness

To critically assess the effectiveness of investment related industrial policies in Zimbabwe, it is important to take an approach that not only considers economic growth outcomes, but also takes into consideration the social, environmental, and institutional conditions under which these policies are implemented. The most direct measures of policy effectiveness are economic in nature. These include growth rates in manufacturing sub-sectors such as fabricated metal products, food products, furniture, chemicals and chemical products and rubber and plastic products (CZI, 2023).

It is also important to consider the levels of capacity utilization in the sector FDI and DDI inflows, and the sectors contribution to national GDP. Manufacturing's contribution to GDP has steadily declined from over 20% in 1980 to 15.3% in 2024, and capacity utilization remains stuck at around 52% (CZI, 2024). These are key indicators in understanding the performance of the sector and the effectiveness of the policies that have been put in place to champion its growth.

As mentioned above, economic indicators alone are not enough as there is a clear developmental agenda behind industrial policy which can fairly be evaluated through its capacity to generate employment, reduce poverty, and foster social transformation. As such, indicators must go beyond the number of jobs created to assess the quality

and security of these jobs (UNIDO, 2024). Evidence indicates that casual labour constitutes 30% of employment in manufacturing, a trend which undermines job stability and social protection.

Environmental sustainability is also a critical measure of policy effectiveness. This is central to Zimbabwe's identity, as the green colour in the national flag stands for vegetation, lush agriculture and fertile land. Hence, policies that promote industrial growth, but at the expense of the ever so valuable environment not only risk undermining long-term development goals but also strip the country of its identity. Zimbabwe is vulnerable to environmental shocks, this is exemplified by the El Niño-induced drought that harmed the productivity of the economy, particularly in the textiles subsector which saw cotton production dropping to its lowest levels in over two decades (CZI, 2024). In light of this, measures of policy effectiveness should be cognisant of the adoption of cleaner technologies (UNECA, 2016) and compliance with environmental, social, and governance (ESG) standards, as there is little to no value in promoting rapid industrialization if the benefits of the same cannot be freely enjoyed in the years to come.

2.4.2 Factors influencing policy effectiveness

The effectiveness of investment related industrial policies is shaped not only by their design but by a complex set of economic, political, institutional, and external factors. Together these factors constitute key independent variables which may be considered for the purposes of this study. It is important to consider government policies (comprising of interest rates and money supply issues), investment incentive structures, as well as business regulations around property rights and the protection of intellectual property as these are key issues in the manufacturing sector (Barbu &

Militaru, 2019). Understanding these, and the role they play in shaping economic conditions will be critical to the study.

The quality of governance and the capacity of implementing institutions are critical to how effective any policies will be. Weak institutional capacity in agencies tasked with industrial development can result in inconsistent enforcement, limited monitoring, and policy reversals due to poor planning. Further, (Bednarski & Roscoe, 2023) argue that the stability, or lack thereof, of any states politics plays a critical role in supporting the supply chains that are necessary for a manufacturing sector to thrive and flourish. It is with that thinking that it is also important in the context of this study to examine the quality of governance and the political stability in Zimbabwe in order to understand how that is contributing to the effectiveness of the industrial policies set in place to boost the manufacturing sector. Investors make decisions on the basis of expected returns over lengthy periods of time, and their ability to make these projections is severely undermined in places where there is political instability as that is often followed by abrupt policy shifts. The uncertainty that is currently surrounding Zimbabwe's multi-currency regime beyond 2030 is one such example of risks that may lead to firms hesitating to make long-term investments.

Industrial policies cannot compensate for deficits in physical infrastructure. Chronic power and poor transport networks raise the cost of doing business. Therefore, the availability of affordable and reliable infrastructure directly plays a role in the success or failure of industrial initiatives. Gerschenkron's theory of late industrialization suggests that ability to learn from other developed nations and leverage technology and innovation is promoting their industrial development (Han, 2016), which could be important for Zimbabwe should they capitalize on north-south relations.

2.4.3 Relationship between variables

The independent variables in this study consist of policy instruments, the quality of their implementation, the governance of the policies, the institutional capacity of those charged with their implementation, the supporting infrastructure for the policies and the overall macroeconomic environment in the country. The dependant variables, what these affect, are the rates of growth in the manufacturing sector (and its subsectors), the levels of employment generated, industrial productivity as a percentage of national GDP and investment inflows into the sector. The relationship that exists between the two can be summarised in the table below:

Independent Variable	Overview	Relationship to Dependent Variables
Policy Instruments	Tax policy, Monetary policy, Investment incentives	Influences how attractive or supportive the policy environment is for manufacturing, for example: a harsher tax and monetary policy when paired with weak incentives may harm manufacturing productivity
Quality of policy implementation	How well the policies themselves (regardless of how good or bad they may be) are carried out	Poor implementation may lead to policy failure regardless of design
Governance and political stability	The predictability of the legal and political environment in the country	The confidence of investors and businesspeople in the manufacturing sector is related to how well they can foresee and plan into the future, and an unstable and unpredictable environment, planning could be affected.
Institutional capacity	How capable are government MDAs when it comes to enforcing policies and monitoring	Weakened institutions may not be able to adequately follow through on policy goals, rendering

	how they are affecting the business environment?	the policies ineffective as time goes on
Supporting Infrastructure	Availability of modern equipment, technology, access to power and water among others	Infrastructure deficits increase production costs and limit the ability of projects to scale. Outdated technology may also lower productivity.
Macroeconomic environment	Inflation, currency stability, resource and energy availability	A poor macroeconomic environment is not conducive for attracting investment, both foreign and domestic into manufacturing, which are key for the sectors growth and development

Table 1 – Relationship between variables

While these variables highlight the some of the links that exist between policy inputs and outcomes, it is very important to also consider the process through which policies are developed and implemented.

2.4.4 Policy cycle

According to (Mwije, 2013) the policy-making process for investment related industrial policies typically involves five key stages: agenda-setting, policy formulation, decision making, policy implementation and policy evaluation. When problems are identified in a part of the economy, in our case – the manufacturing sector, the government is compelled to respond to these issues when faced with pressure from the people. It is through this pressure that the government begins to develop targeted policies and incentives that they hope will address these challenges.

When these policies have been formulated, sometimes in the form of bills, it is up to decision making institutions like the Parliament of Zimbabwe to adopt and formalize these policies so that they may be implemented and bring about the desired change in

whatever setting they were made (Parliament of Zimbabwe, 2025). Prior to decisions being made, however, it is very important for there to be extensive consultations with stakeholders, seeking input from industry representatives and other government agencies to fully understand the implications of the proposed policies. Implementation represents the greatest challenge in Zimbabwe's policy cycle. Limited institutional capacity, resource constraints, and inconsistent enforcement undermine the translation of policies into practice.

Once a policy is adopted and implementation begins, it becomes subject to evaluation in order to assess if it is meeting the intended goals or amendments need to be made. Evaluation is rather weak Zimbabwe's policy environment as few industrial policies undergo rigorous impact assessment, and monitoring is often limited to a few output indicators such as number of licenses issued, which may not be entirely reflective of how well a policy is doing. This reduces the government's ability to learn from past policy failures, perpetuating cycles of ineffective industrial interventions. Successful evaluation brings the cycle back to the agenda setting stage.

2.4.5 Interventionism and protectionism

Interventionism and protectionism are important debates in industrial policy, reflecting the tension between state-led support for domestic industries and the risks of market distortions. (Geloso, 2020) argues that interventionism at its core – which is when a government compels the state to either take or refrain from certain actions through military force or economic coercion – is inherently destabilizing to a nation's economy. In many cases, however, as pushed for by (Mandelkern & Oren, 2023), these interventionist policies can be made in rough economic periods in a bid to achieve

macroeconomic stability for the affected country. This, then aligns with the ideas brought forth with protectionism – policies that restrict international trade in an effort to protect domestic producers from foreign markets – and may provide insights into why Zimbabwe has introduced such policies over the years.

Developing countries have many times relied heavily on interventionist measures to support manufacturing development, as (Gwande, 2022) put it across, Rhodesia (now Zimbabwe) managed to get a head start in terms of industrial development in the region due to state led industrialisation in mining and agriculture. The takeaway that the government of Zimbabwe took from such a development was that if they continued to maintain an active role in the nation's industrial development it would continue to grow at the same or an even greater rate. Enter protectionist policies in post-colonial Zimbabwe geared at protecting local industries such as the Indigenisation and Economic Empowerment Act and countless statutory instruments amending the Control of Goods Act. However, as argued by (Damiyano, 2018), excessive government intervention in Zimbabwe crippled the manufacturing sector as they emanated in challenges such as raw material constraints, energy, institutional challenges and political instability, which all affect the manufacturing process. Steel production, for instance, is an extremely energy intensive process, and with the ongoing energy crisis in the country, it just makes it not economically viable, ultimately costing the country over 6% of its GDP annually (Steenbergen, 2023). Further, another issue with interventionist policies is that subsidies and incentives are often poorly targeted, benefitting politically connected firms rather than productive enterprises which would see the policies actually translate to what they were meant to achieve.

2.4.6 Unpacking deindustrialisation

Another important concept that is worth considering when examining industrial policies and manufacturing is deindustrialisation. This is a phenomenon through which the overall share of industrial employment in a country's total employment declines overtime. It then, therefore, follows that the share of industrial output – particularly that from the manufacturing sector in the country – in the GDP falls drastically to levels that severely impact the entire GDP (Tomlinson, 2021).

As (Brey & Rueda, 2024) put it across, deindustrialisation has massive effects across generations, affecting living and working standards in the affected country. Individuals exposed to deindustrialisation experience declining health and they accumulate less wealth overall, which is further exacerbated in future generations. If the wealth gaining potential of the first generation is affected, it worsens in the second and third generations as there is no industrial base to foster economic development on both a personal and a national level. The impacts of deindustrialisation are far reaching and could provide a lens through which one can view the ongoing economic turmoil in Zimbabwe.

It is argued for by (de Sousa & Oreiro, 2024), deindustrialisation can either be positive or negative. It is positive when it is a by-product of economic success when improvements in industrial productivity inevitably leads to a decline in industrial employment and that labour is absorbed by emergent service sectors. This does not have a net negative effect on the entire economy and is actually a very sought after scenario which shows the great success of the industrial policies in driving economic growth. On the other hand, negative deindustrialisation is said to have occurred when the industrial sector struggles leading to a spike in unemployment rates and stagnation of real income. This is often seen in countries that have abundant natural resources,

and therefore, never fully realize the potential in their industrial sectors before shifting their focus to extractive sectors.

Premature deindustrialisation constrains their ability to achieve sustained productivity growth. The collapse of manufacturing has occurred without the structural upgrading into high-value services or advanced industries that typically characterizes post-industrial economies. Instead, Zimbabwe has experienced an expansion of low-productivity informal services and casualized employment, with 30% of manufacturing jobs now classified as casual labour. This trajectory undermines the developmental promise of industrialization as a pathway to inclusive growth. Now, incentives like tax rebates, import restrictions, and SEZs have had limited success in reversing the decline, largely because they fail to address underlying structural constraints such as obsolete technology, infrastructure deficits, and skill mismatches.

2.4.7 Horizontal and vertical industrial policy

Studies undertaken by (OECD, 2022) show that industrial policy can be looked at in one of two aspects, it can either be horizontal industrial policy or vertical industrial policy. Horizontal policies are those that apply to the entire economy and affect all types of business activity, while vertical policies are more targeted based on activity and sector. Vertical industrial policies can be put in place to tackle an issue specifically, such as the low production of steel or chemicals being buttressed by specific attention there. This is closely related to the interventionism mentioned earlier and aims to restore a particular element of the economy especially after a disruptive shock like COVID-19.

Horizontal policies are often defended for their neutrality, minimizing distortions while building broad capabilities across the economy (Harrison & Rodriguez-Claire, 2009). They are less prone to capture and rent seeking, since they do not single out winners and losers. However, critics argue that horizontal measures are insufficient in developing economies, where coordination failures and external shocks require more proactive interventions.

It is important for a country, like Zimbabwe to balance the two approaches when coming up with and implementing their industrial policies, as can be seen with the European approach. (Szczepański & Zachariadis, 2019) highlight that the industrial policies for European Union member states are primarily horizontal but contain measures to take a vertical approach where necessary responding to the specific needs of the individual sectors of their economies. This mixed approach is taken to allow the horizontal policies to ensure the overall competitiveness of their economy and to allow the vertical elements to create viable options for economic growth within the sectors themselves.

2.4.8 Small to medium enterprises in Zimbabwe's manufacturing sector

When looking at the manufacturing sector in Zimbabwe, it would be ignorant to focus on large corporations alone and ignore the monumental contribution that Small to Medium Enterprises are making as well. (Mashingaidze & Bomani, 2021) pose that SMEs are extremely important in developing countries, particularly Zimbabwe, contributing to over 50% of the country's GDP. They argue that this is the case in Zimbabwe because the land reform program in the early 2000s led to many larger

enterprises closing shop and leaving Zimbabwe, creating a gap that the SMEs have been able to fill ensuring Zimbabwe's economic survival to date.

SMEs in Zimbabwe's manufacturing sector contribute to job creation and poverty reduction with high participation in retail, agribusiness, ICT, tourism and importantly to this study, manufacturing. They play a crucial role in catering to the local market with competitively priced goods. They also act as incubators of innovation, experimenting with new products and processes in ways that larger firms may avoid due to scale and risk considerations (M&J Group, 2025).

The monumental impact that SMEs have had on the Zimbabwean economy have even led to scholars like (Musabayana, 2023) calling for the establishment of a dedicated SME Sector in the country, taking it away from the administrative purview of the Ministry of Women affairs, Community and Small and Medium Enterprises Development which he argues has failed to grow SMEs to what they could become.

(Mashingaidze & Bomani, 2021) show that it can be argued, however, that SMEs operate more for the survival of individuals than for the growth of the overall economy. The very nature of SMEs, particularly those in the manufacturing sector, means that they often operate with poor infrastructure, capital constrains and stiff competition from larger enterprises as well as cheaper imported goods. This has contributed to poor performance and low chances of survival for manufacturing SMEs in Zimbabwe who struggle to remain in successful operation for over 5 years (Simuka, 2024).

Due to their limited capital compared to larger enterprises, SMEs in manufacturing cannot dedicate as much resources to research and development, and this significantly hinders their capacity for innovation in product development. This forces them to stay using sub-optimal methods, limiting their contribution to the overall economic

development of the country. Another barrier to the growth and sustained development of manufacturing SMEs in Zimbabwe are the gaps in intellectual property protection. A study by (Chipambwa, 2023) showed that there is low registration at the patent office, and some furniture manufacturers are hesitant to undertake the process largely due to ignorance and fear of their designs being stolen and replicated at their expense.

2.4.9 Structural constraints and bottlenecks in Zimbabwe's manufacturing sector

One way to evaluate industrial policies, and possibly the most intuitive and straightforward, would be to look at them based on their design and stated objectives. However, it is important to consider the broader environment in which they operate as it is equally critical in determining their overall effectiveness. Zimbabwe's manufacturing sector continues to face a few institutional and structural bottlenecks that may have weakened their impact in the study period.

The macroeconomic environment in the country is affected by inflationary spikes and volatility in exchange rates. Further to this, according to the 2024 Public Debt Report, total public debt stood at US\$21.1 billion at the end of September 2024 (Zimbabwe Public Debt Management Office, 2024). This figure represents 59.7% of the GDP at the time according to (World Bank Group, 2024), and the external arrears stood at a concerning 58.5% of these debt obligations.

The high levels of debt have effectively excluded Zimbabwe from access to concessional financing from multilateral lenders such as the IMF and World Bank, limiting the scope for long-term capital inflows into manufacturing. In addition to this, nominal lending rates are quite high, sitting at 46% making the cost of borrowing so high that most businesses cannot afford loans, stifling entrepreneurship, investment,

and consumer spending. This feeds into (Rodrik, 2016)'s arguments that stable macroeconomic foundations are a prerequisite to industrialization in developing countries. Where these stable foundations are absent, like in Zimbabwe, whichever policies are put in place with the intention to attract investment into important sectors like manufacturing are constantly undermined by the level of financial risks which weaken investor confidence.

Regulatory charges are also an additional constraint, as they account for nearly 18% of manufacturing overheads leaving the country poorly ranked as 140th out of 190 countries on the World Bank Ease of Doing Business Index (World Bank Group, 2019). The way in which the regulatory environment is structured and perceived to be a constraining factor has contributed to the growth of the informal sector. This dual economy allows informal actors to avoid compliance costs that formal firms unfortunately are then forced to bear.

The effectiveness of investment related public policy is also highly dependent on the availability of reliable infrastructure. Manufacturing firms face shortages of electricity and water, with power outages estimated to cost the economy 6.1% of GDP annually (World Bank Group, 2023). The reliance on costly alternative energy sources like Solar and Diesel Generators further raises production costs undermining their ultimate competitiveness in both domestic and regional markets. Transport infrastructure is also harming the effectiveness of policy, take for example the collapse of the railway system which has harmed intended policy outcomes by raising logistics costs for manufacturers. As (Calderón & Servén, 2010) note, infrastructure deficits are among the most binding constraints on industrial productivity in Sub-Saharan Africa, and Zimbabwe's case points out the inability of policy incentives to substitute for poor supporting infrastructure.

Another important bottleneck to consider is the aging infrastructure holding down the manufacturing sector. In Zimbabwe, 88% of all medicines consumed are imported, with the local producers not being able to meet the demands of the local market due mainly to the use of obsolete antiquated equipment limiting innovation (Ministry of Industry and Commerce, 2024). Finally, the impact of international sanctions is difficult to overlook as Zimbabwean firms face restricted access to global financial markets and exclusion from multilateral funding mechanisms. This type of treatment limits the ability of supposedly well-crafted industrial policy to leverage external capital and technology (Ministry of Foreign Affairs and International Trade, 2019).

An evaluation of policy effectiveness must, therefore, be done under the lens of a wider framework that takes these challenges into context. The implication is that industrial policies, despite being well designed, are unlikely to achieve their intended outcomes without key reforms that address some of the bottlenecks highlighted above. This aligns with (Altenburg, 2011)'s observation that industrial policy in developing countries must be complemented by comprehensive institutional strengthening and long-term capacity building in order for it to be considered effective.

2.5 Critical review policy documents

2.5.1 The Zimbabwe National Industrial Development Policy (ZNIDP), 2019–2023

The Zimbabwe National Industrial Development Policy (ZNIDP) was launched in 2019 with the ambitious goal of reviving the manufacturing sector in Zimbabwe, and it was formed with the belief that reindustrialisation should be investment and innovation led. This reindustrialisation is nationally aligned to Vision 2030, regionally

aligned to SADC's Industrialization Strategy, and the AU's Agenda 2063. The policy seeks to promote export-led growth for manufacturing, value-addition and the strengthening of cross sector value chains with agriculture and mining.

The pillars of this policy include agro-based industrialisation, export-led industrialisation, mineral beneficiation, SME linkages, promotion of emerging sectors and promotion of industrial parks (SEZs) among other strategies. This is a wide scope, and while comprehensive can be seen as a positive move, it is important to consider existing state capacity. With this in mind, this policy can be viewed as an extremely ambitious stance, which if not married with the right institutional capacity will unfortunately fail. This is highlighted in the survey data collected, which repeatedly cites the implementation gaps as a major sore spot in Zimbabwe's industrial policy.

The ZNIDP proposes financial strategies for getting industrial development to the levels at which the state envisions through the recapitalisation of the Industrial Development Corporation of Zimbabwe (IDCZ) and mobilisation of domestic lines of credit for retooling. Another strategy, which is already in practice is the exemption of critical raw materials and capital machinery from import duties.

The policy acknowledges critical constraints such as power shortages and logistical inefficiencies. To this, the policy references the Transport Master Plan and the diversification of energy projects in the country, underpinned by promoting investment in renewable energy projects.

The implementation, and monitoring of this policy was the primary responsibility of the Ministry of Industry and Commerce. In line with the "good on paper, weak in practice" argument, ZNIDP's conceptual strengths (linkages with value chains, export orientation, and policy alignment) are offset by execution weaknesses (broad strategic

pillars and limited capacity to implement and monitor). In a volatile environment like that found in Zimbabwe, these gaps are more than likely to dilute the effectiveness of the policies, an observation which is consistent with the survey results which will be presented in Chapter 4.

Findings show that by the end of the ZNIDP (post 2023), capacity utilisation in manufacturing stagnated at around 52% which is well below the policy's stated targets. Manufacturing's share of GDP also continued to decline, standing at 15.3% in 2024 which again shows a huge disconnect between what the policy initially sought to achieve and what it actually did (CZI, 2024).

To conclude, the ZNIDP is one of the many policies in Zimbabwe that show the trend of being strong on paper but weak in practice. These are ultimately negatively affected by unrealistic targets and institutional weaknesses at implementation and monitoring stages. The key lesson here is not one of complete policy irrelevance as may have been argued by private sector respondents, but one about the importance of designing policies which are grounded in fiscal and institutional realities while still being responsive to the real challenges faced by manufacturers in the country.

2.5.2 The Zimbabwe Industrial Reconstruction and Growth Plan (ZIRGP) 2024–2025

The Zimbabwe Industrial Reconstruction and Growth Plan 2024–2025 (ZIRGP) is presented by the Ministry of Industry and Commerce as a short-term plan to reconstruct and accelerate growth in Zimbabwe's industrial base. Its aim was to complement other medium-term national strategies like NDS1 and Vision 2030. It frames interventions across familiar industrial policy levers such as export orientation

and promotion of SEZs which shows a high level of alignment with other existing policies. Similarly to other policy positions and the data gathered in the field, this growth plan acknowledges how critical issues of electricity, foreign currency access and transport logistics are to any meaningful industrial recovery that can be achieved in Zimbabwe.

The success of this growth plan hinges on how well, and how quickly the government can inspire important turnarounds particularly in electricity, foreign currency availability and transport logistics. These can be achieved through focusing on rail and promoting Independent Power Producers (IPPs).

2.5.3 The Zimbabwe Engineering, Iron and Steel Sector Strategy (2022–2026)

The Engineering, Iron and Steel Sector Strategy represents one of the most ambitious attempts to anchor Zimbabwe’s industrial revival on a sector with extensive backward and forward linkages. The strategy sets a vision of a “vibrant, dynamic and competitive sector” that would generate USD 6 billion annually and create 50,000 jobs by 2026. This signals the government’s recognition of the sector as foundational to structural transformation and the revival of the manufacturing sector as a whole. An analysis of the strategy reveals both strengths and weaknesses.

The strategy excels at mapping out detailed value chains, identifying primary steel, fabricated metal products, electrical goods, and equipment manufacturing as some of the priority sub-sectors. Identifying these sub-sectors for priority government intervention sets a basis for targeted interventions which provide this strategy with a more focused approach which is more likely to lead to its success.

The strategy, like other policies discussed in the study does a commendable job of situating itself within NDS1 and Vision 2030 placing it within Zimbabwe's broader industrialisation agenda, ensuring policy coherence and avoiding siloed planning. It puts in place strict and clearly defined goals to leapfrog employment from 13,100 (2021 baseline) to 50,000 by 2026, and to raise revenues from USD 1.26 billion to USD 6 billion, demonstrating a clear results framework. The well-defined consultative formulation process, involving the Engineering, Iron and Steel Association of Zimbabwe (EISAZ), NEC, and industry players, suggests strong stakeholder buy-in that may support implementation.

However, while targets are clearly quantified, they appear highly unrealistic given Zimbabwe's prevailing macroeconomic volatility, shortages of lines of credit as well as foreign currency, and the massive infrastructural deficits which are difficult to ignore. Tripling revenue from the Engineering, Iron and Steel sector in five years requires levels of capitalisation and FDI inflows that are not guaranteed by the trends in the market, with manufacturing representing only 5% of the total projected investment value licenced by ZIDA in the 2nd quarter of 2025 (ZIDA, 2025).

The strategy acknowledges but does not explicitly proffer resolutions to critical constraints such as unreliable energy supply and outdated transport infrastructure. Without addressing these bottlenecks, competitiveness goals remain aspirational.

This strategy is directly relevant to this research as it demonstrates the government's reliance on sector-specific industrial policies to drive manufacturing recovery (Higuchi & Shimada, 2019). However, the overly ambitious targets that it sets for itself leave it at risk of falling into the "good on paper, weak in practice" conundrum.

2.5.4 National Development Strategy 1 (NDS1, 2021–2025)

The National Development Strategy 1 (NDS1) is Zimbabwe's first medium-term plan under Vision 2030, designed to achieve high, inclusive, and sustainable economic growth while driving the country toward upper-middle-income status. This strategy provides the overarching policy umbrella under which sector-specific strategies are nested. It sets out ambitious targets, one of which is creation of 760,000 jobs over five years and another important one to this study being the increase of manufacturing's share of GDP from 11.7% (2020) to 15% by 2025.

Industrialisation is one of the core pillars of this strategy, and within that manufacturing is identified as a driver of employment and export diversification. To this end, the strategy recognises that efficient infrastructure delivery in energy, transport, and ICTs is critical for the revival of this critical sector. It also introduces the Integrated Results-Based Management (IRBM) system, linking national planning, budgeting, and performance monitoring. This is a step forward compared to previous blueprints, which lacked monitoring frameworks. Lastly, NDS1 recognizes the private sector as the driver of economic growth, promising ease of doing business reforms, respect for property rights, and stronger rule of law.

Despite its ambitious goals, NDS1 was born into a Zimbabwe which was in a dire economic state, and during its time public debt stood at US\$21.1 billion with nominal lending rates at an unsustainably high level (Zimbabwe Public Debt Management Office, 2024). Such a constrained economic environment likely doomed NDS1 to ultimately fail at its ambitious targets because that environment is not conducive for the resuscitation of the manufacturing sector to the levels which GoZ wished to achieve.

Another pitfall for NDS1 was the tying together of these ambitious industrialisation goals with stricter efforts to achieve macroeconomic stability in the country. Embedding the two in the same policy document appears to create a contradictory environment in which the policy measures are to be implemented. For instance, the industrialisation goals are likely contingent on access to affordable credit by local manufacturers, however, the tightening of monetary policy embedded in the same policy document which was meant to assist with inflationary control ultimately makes low-cost credit more difficult to access. This is yet another example of failing to frame policies within the practical realities of the country, leading to the inability to realise all the gains of otherwise well-crafted policy documents.

2.6 Critical review of the 2024 CZI annual manufacturing sector survey

The CZI Manufacturing Sector Survey remains Zimbabwe's most authoritative private-sector assessment of industrial performance. The 2024 edition drew responses from 402 firms across subsectors and provinces, making it nationally representative at a 96% confidence level. Unlike government blueprints, this survey offers a “ground-up” view of how firms experience policy, regulation, and macroeconomic conditions in real time.

CZI highlights that while USD inflation stabilised at around 2.7% in 2024, local currency (ZiG) inflation spiked to 37.2% in October before moderating to 3.7% in December. This dual-currency dynamic reflects the volatility that survey respondents identified as a pain point in their operations.

As per the CZI survey, average capacity utilisation declined slightly to 52.3% in 2024, with nearly half of plant capacity idle. Larger, newer, and more established firms were

the ones who recorded output growth, while SMEs and older, less maintained ones struggled to produce much. This aligns with sentiments that established large firms can absorb shocks, but SMEs (who currently form the majority of the sector) remain excluded and underutilised.

Despite stagnation in output, net job creation rose in 2024 (14% hires vs 7% retrenchments). Small firms created proportionally more jobs, but the quality of those jobs has declined, with casualisation increasing to 30% of the workforce. This highlights the existence of a fragile labour market where new jobs are concentrated in insecure, short-term contracts. This undermines industrial policy promises of “decent employment” and aligns with private-sector warnings about low confidence to expand long-term.

According to CZI, only 35% of firms invested in 2024, which is a consistent finding with the data presented earlier where the overall investment environment was ranked 2.5/5 showing the scepticism with expansion. Further harming prospects of expansion, electricity shortages and high tariffs were the top regulatory pain point (35%), followed by cashflow constraints (30%), compliance costs (26%), and currency instability (14%).

The 2024 CZI Survey provides independent and quantifiable confirmation of the core themes identified throughout this study from both the data gathered and the policies examined. It substantiates findings that macroeconomic instability is a major constraint to the effectiveness of investment related industrial policies in Zimbabwe. Failing to capture and get the most of SMEs is another hindrance to these policies achieving what they set out to do. These factors widen the implementation gap that has been very evident throughout the study, where policies look good on paper, but they

ultimately fail to realize a bulk of the gains they set out to achieve. In essence, investment related industrial policies in Zimbabwe are ineffective in promoting manufacturing sector growth.

2.7 Summary

The literature reviewed in this chapter reveals that industrial policy effectiveness is a subject that has many layers and many things that are involved in its evaluation. In the Zimbabwean context, these policies have been implemented against a backdrop of infrastructural decline, macroeconomic instability, and institutional fragility, which have undermined their intended impact.

A few key insights emerge from this review. Firstly, policy effectiveness must be assessed not only through economic growth outcomes but also through social, environmental, and institutional indicators. Secondly, the interaction between independent variables (policy design, governance, institutional capacity, and macroeconomic conditions) and dependent variables (manufacturing growth, employment, productivity, and investment inflows) is affected by structural bottlenecks the infrastructure challenges which were presented earlier. Lastly, while Zimbabwe has experimented with both horizontal and vertical industrial policies, their impact has been limited by weak implementation, the poor integration of SMEs into the formal policy frameworks and the problems with premature deindustrialisation.

CHAPTER 3 METHODOLOGY

3.1 Introduction

In this chapter, the chosen methodology for the study on assessing the effectiveness of investment related industrial policies on manufacturing growth in Zimbabwe is outlined. The chapter describes the research design, population and sampling techniques, data collection instruments and procedures, as well as the approaches to data analysis, ethical considerations, and limitations. The chosen methodology is guided by the need to capture insights from both public and private sector stakeholders while situating these perceptions within the broader documentary evidence on industrial policy in Zimbabwe.

3.2 Research design

The study adopted an exploratory, descriptive research design which combined in-field survey research with desktop document analysis. This design was selected the research problem itself is a complex one which needed both subjective stakeholder perceptions and objective evidence from policy documents and industrial reports to be captured in order to come to any meaningful results. According to (Creswell, 2014), exploratory designs are most appropriate when a topic has not been extensively studied or when existing evidence is fragmented, which is the case with the chosen industrial policies in Zimbabwe. By adopting this design, the study sought not only to describe existing perceptions but also to generate new insights that can guide policy reform. According to (Patnaik & Pandey, 2019), since this study has a singular focus on Zimbabwe and her industrial policies, it can be referred to as a case study which seeks to understand

the effectiveness of these policies and highlight the factors contributing their success and/or failures.

There has not been much analysis on the effectiveness of investment related industrial policies in Zimbabwe's manufacturing sector from the perspectives of policy actors and industry stakeholders, therefore, an exploratory design is best suited to uncover underlying themes, perceptions, and contextual dynamics. The desired approach is not to establish causality, but rather to explore how various actors interpret and experience the design, implementation, and outcomes of industrial policies, hence the chosen research design. Exploratory designs allow the researcher to be flexible and open-minded, identifying patterns and themes that can inform both scholarship and practice.

Initially, the research design envisaged the use of semi-structured interviews in addition to surveys. However, practical constraints such as limited access to high-level policymakers and low response rates to potential engagement meant that the study relied exclusively on survey instruments for the collection of primary data. This adjustment was not a methodological weakness but rather a response to other factors in a bid to ensure the study can get as much high-quality input as possible from identified respondents. The surveys offered the advantage of reaching a more diverse pool of potential respondents, standardising responses through Likert-scale items, and collecting both quantitative and qualitative data in a single instrument. The use of open-ended questions within the survey ensured that depth was not entirely sacrificed for breadth.

Document analysis was incorporated to strengthen the design. As (Bowen, 2009) observes, document analysis is a valuable qualitative method that provides both contextual and historical depth while also enabling the verification of claims made by

participants. In this study, official government documents (e.g., National Development Strategy 1, ZNIDP 2019–2023, ZIDA Act), and industry association reports (e.g., Confederation of Zimbabwe Industries surveys) were analysed. This enabled the study to compare stakeholder perceptions with documented evidence of manufacturing sector performance, thereby enhancing both validity and credibility.

3.3 Population and sampling

The intended target population for this study consisted of various stakeholders involved in or affected by the investment related industrial policies in Zimbabwe. This includes Government Ministries, Departments and Agencies (MDAs) responsible for policy design and implementation, businesses and investors (both foreign and domestic) operating in the manufacturing sector, and industry associations (like CZI).

For this study, the researcher used non-probability sampling to identify participants with the required expertise and leverage their understanding of the topic at hand. It would not have been beneficial to the study for the researcher to randomly select people to take part in the study as they may not have a good understanding of the relationship that exists between industrial policy, investment and manufacturing (Karan, 2024). Discretionary sampling was used to identify initial participants, thereafter snowballing, which is a technique where participants refer the researcher to other potential participants who may offer valuable insights, was also utilised. A relatively small sample size of 15 – 25 respondents was anticipated, and the researcher believed that this sample size will be sufficient for the purposes of this study, allowing for diverse viewpoints to be represented.

3.4 Data collection instruments

For this study, the researcher made use of 2 main data collection instruments, namely document analysis, and surveys. These 2 were selected because they blend together existing, publicly available data with the more practical insights that can be found within the field. Further, online surveys proved to be a more cost-effective way of carrying out the research as there is no external funding being provided for carrying out this study (Nayak & Narayan, 2021).

A structured survey, designed in Google Forms using the University issued email, was the primary instrument for data collection. The survey combined closed-ended questions (including Likert scale items) to generate quantifiable perceptions and open-ended questions to capture greater qualitative insights into policy effectiveness, challenges, and recommendations. Two versions of the survey were developed, with one tailored specifically to public sector respondents and the other to private sector respondents, each with slight modifications to reflect their roles.

The survey themes included awareness and understanding of industrial policies, the perceived effectiveness of policies in stimulating manufacturing growth, and the perceived challenges in policy design, implementation, and enforcement. The surveys were also designed to unearth some institutional, infrastructural, and macroeconomic constraints as well as provide an avenue to collect stakeholder recommendations for policy improvement.

To complement survey findings, document analysis was undertaken to provide a more objective and factual and historical basis for evaluating the effectiveness of policies and to pit stakeholder perceptions against existing data and policy evaluations.

3.5 Data collection procedure

Reference was made to existing policy documents, government reports, investment data, industry reports, and academic literature, reviewing them to bring about an understanding of the existing policies, their objectives, and their historical context.

In addition to that, online surveys were targeted at businesses and investors to collect quantitative data on their perceptions of the effectiveness of the existing policies and their resultant impacts on their operations, with the link distributed electronically via email and direct contact. Follow-ups were conducted to maximize participation, but only 15 responses were ultimately secured.

3.6 Analysis and organisation of data

The collected data was stored securely, ensuring confidentiality and anonymity of participants. Digital data was stored in a password-protected Google Drive where after it was organised, cleaned, and prepared for analysis. At all stages, the digital data continued to be kept in password protected cloud storage.

As the study is a qualitative one, data was analysed via thematic analysis, which is a method for identifying, organizing, and interpreting patterns or themes within qualitative data. The survey generated quantitative data through closed-ended and Likert-scale items, and the responses were compiled into a single document for easier identification of themes and recurrent ideas. After this, the data was coded. This is a primary tool for qualitative data analysis which is used to both simplify and highlight the important elements (Hurst, 2023). Data was coded based on the research questions but was not limited to them as certain themes may emerge from the data itself without having been pre-defined in the research questions. Descriptive statistics, including

frequencies, percentages, and mean scores, were employed to summarise responses and identify patterns across the dataset. This allowed the study to capture areas of consensus, such as shared concerns over infrastructural bottlenecks, and areas of divergence, such as differences between public and private sector perceptions of policy enforcement.

The findings were organized and presented making use of direct quotes from interviews to illustrate key points and aid in substantiating the ideas around them, as well as summary tables that compare different viewpoints across stakeholder groups. These were then built upon to form solid discussions around the identified issues and inform the recommendations that came from this study. In order to support the credibility of the study, data was compared with findings from policy documents, reports, and other literature to compare what participants say with what is officially recorded or previously studied.

3.7 Ethical consideration

Ethical integrity was central to the design and implementation of this study, particularly given the politically sensitive nature of industrial policy in Zimbabwe. All survey respondents were provided with a detailed information about the study which ensured that participation was entirely voluntary, and no incentives were offered to avoid coercion. Respondents had the right to decline participation or withdraw at any stage without penalty. Informed consent was obtained electronically through the survey platform before participants could proceed.

Given the professional positions of many respondents in government ministries and the private sector, confidentiality was extremely important. No personally identifiable

information was required beyond broad categories such as sector affiliation. Responses were anonymised, coded, and stored securely in password-protected files. Findings were reported in aggregate, with illustrative quotations carefully selected to avoid inadvertently revealing individual identities or institutions.

The researcher's prior professional experience within an Investment Promotion Agency posed potential risks of bias, both in interpreting data and in how questions were framed. To mitigate this, survey instruments were designed using neutral language and avoiding loaded or leading questions. Reflexive awareness was maintained throughout the research process, with the researcher actively interrogating their own assumptions and acknowledging the potential influence of professional background on interpretation.

Formal ethical clearance for the study was obtained from the Africa University Research and Ethics Committee body prior to data collection. This approval process ensured that the study complied with research ethics standards and safeguarded the rights and welfare of participants.

3.8 Limitations

While the chosen methodology was appropriate for addressing the research objectives, it was important to acknowledge its limitations, as these shape both the scope and interpretation of the findings. The study secured 15 valid survey responses, which, while sufficient for exploratory purposes, limits the generalisability of the findings. The small sample size may not fully capture the diversity of views across Zimbabwe's manufacturing sector, particularly given it is the range in its subsectors such as agro-processing, textiles, and heavy industry.

In addition to the relatively small sample size, the use of snowball sampling may have led to the identification of study participants who shared similar views. This could beg to question whether the ultimate results of this study were based off a wide enough range of participants or the responses were all “fished from the same pond.” This, however, was mitigated by ensuring public sector respondents were from varying MDAs (4 in total) and private sector respondents were from different organisations (8 in total). Therefore, at least 12 unique institutional perspectives were captured together with the 15 unique personal perspectives providing sufficient variability.

Survey research relies on the honesty and accuracy of respondents without any meaningful checks and balances to ensure this is accurate and reliable information. Participants may have provided socially desirable responses or framed their views to align with institutional or political interests. This risk was mitigated through assurances of confidentiality and by benchmarking responses with documentary evidence during analysis, but this cannot be entirely eliminated.

The study originally intended to include semi-structured interviews to allow for deeper probing of perceptions. Due to practical constraints, only surveys were used, limiting the richness of qualitative data. Similarly, the lack of field-based observations restricted opportunities to directly assess policy implementation in practice.

3.9 Summary

In this chapter the methodology for the proposed research was outlined, covering the research design, the population and sampling, the data collection instruments and collection procedures, the proposed analysis and organization of this data, as well as the ethical considerations that will guide this research.

CHAPTER 4 DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter presents and critically analyses the findings of the study on the effectiveness of investment related industrial policies in promoting the growth of Zimbabwe's manufacturing sector. The analysis draws from two main sources, the survey responses from public and private sector stakeholders and a review of some of the policies at play in the sector. The overall aim is to identify the extent to which Zimbabwe's industrial policies have created an enabling environment for investment and manufacturing growth and set the basis for whichever recommendations will be provided in Chapter 5.

4.2 Public sector perspectives on industrial policy effectiveness

4.2.1 Quantitative findings

Despite reaching out to a number of public sector officials in the Zimbabwean Government, only a handful were able to meaningfully contribute to this study. The responses of the seven officials from the Zimbabwe Investment and Development Agency (ZIDA), the Ministry of Industry and Commerce, the Ministry of Finance Economic Development and Investment Promotion and the City of Harare offer valuable insights that are going to be unpacked in this chapter and will ultimately form the basis of whichever results a born from this study.

Their responses have allowed the researcher to step into the mind of policymakers and implementers themselves and see how they perceive the effectiveness of the

investment related industrial policies that are at play in Zimbabwe's idling manufacturing sector. By completing the survey, they lent their perspective on a number of issues, from policy alignment, stakeholder consultation, implementation capacity, policy consistency, coordination in policy delivery, the effectiveness of investment incentives, and the impacts that political and macroeconomic instability have had on the effectiveness of investment related industrial policies in Zimbabwe.

The Government officials who took part in the study assessed the levels of alignment between investment related industrial policies with Vision 2030 and the National Development Strategy (NDS1). Making use a Likert scale, the public officials who took part assessed this policy alignment relatively positively with an average score of 3.3 where 5 would have been the highest possible score. This score suggests that at the current level of policy design, public officials are of the belief that the broad objectives of industrial policy are in agreement with and responsive to national priorities such as employment creation, value addition, and re-industrialisation. To place this in simpler terms, public officials do not see a lack of vision or misalignment at the agenda-setting stage of the policy cycle.

This was a generally positive indication, however, when it came to the levels of stakeholder consultation during the formulation and development of said policies the average score of 2.9 from a possible 5 was completely neutral, indicating recognition that attempts at undertaking the necessary engagement processes with the private sector and other key stakeholders are inconsistent and often tokenistic in nature. These consultations, as will be supported by the private sector responses, are not viewed to be doing much and are merely a compliance exercise on Governments part so they can say they consulted all relevant stakeholders before finalizing and adopting any given policy. While it is commendable that Zimbabwe has, in theory, institutionalised

consultation through mechanisms such as CZI working groups, respondents implicitly acknowledged that such forums often lack the depth and influence needed to shape policy outcomes.

Sharper criticisms began to emerge when other areas were interrogated using the Linkert scale. Very low scores were given when it came to the Governments capacity to adequately implement the investment related public policies which they choose to adopt as this was rated at an average of 2.3 out of a possible 5. Equally low were the perceived levels of coordination that various MDAs carry out during the implementation of the policies, which was scored an average of 2.3 out of a possible 5. Lowest of these were the perceived levels of policy consistency across MDAs but also over the course of time within the country which scored an alarmingly low average of 2.0 out of a possible 5. These uniformly low scores suggest that even those inside government acknowledge that the machinery of implementation is fragmented and not sufficiently resourced.

The effectiveness of the investment incentives which are offered in the country was also rated similarly poorly by the public officials who took part, with an average score of 2.4 from a possible 5, signalling scepticism even from within government itself about the overall impact that the fiscal incentives, rebates, and tax holidays offered have on actual manufacturing growth in the country. These findings suggest that public officials see incentives as more symbolic than substantive, and they could be insufficient to deal with the much deeper structural barriers to manufacturing growth which will be explored later on.

Finally, the most consensus which was provided by the public sector officials who took part on the study was on the negative impact that both political and macroeconomic

instability have had on the policy environment in the country with an average score of 4.1 out of a possible 5. This unanimity reflects a recognition that no matter how well-crafted the investment related industrial policies may be on paper, their effectiveness is fatally undermined by macroeconomic volatility, currency instability, and political uncertainty.

From looking at the quantitative data presented by the public officials who took part in the survey, a theme begins to emerge where good intentions of thoughtfully crafted policies are consistently undermined by weak capacity to implement, institutional fragmentation, and macroeconomic instability. This data is summarized in Figure 1 below:

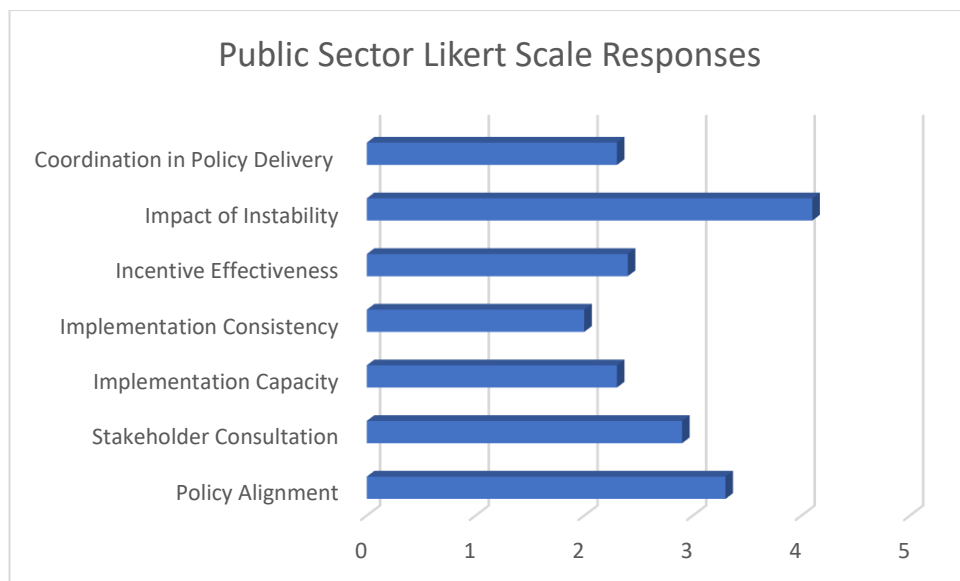


Figure 1 - Public Sector Likert Scale Responses

4.2.2 Qualitative findings

The public sector officials who took part in the survey not only engaged with the Likert scales but also lent their more in-depth perspectives to the next section which contained open-ended questions. The responses to these, which allowed the respondents to actually share their opinions added a welcome nuance to the broader

patterns which began to emerge from the Likert scale, illustrating how the officials actually conceptualise policy effectiveness in practice. The responses, however, varied with some of the officials going in greater detail and others resorting to one word answers or even skipping questions altogether which does affect the quality of data collected, however, the perspectives shared even in the very few words added value to the study.

The policies cited by respondents included the *Zimbabwe National Industrial Development Policy*, the Zimbabwe Industrial Reconstruction and Growth Plan, the *ZIDA Act* and the *Special Economic Zones Regulations*, the National Development Strategy 1, and indigenisation laws.

These policies were widely recognised by the public officials who took part in the study as attempts to stimulate industrialisation through investment promotion, local value addition, and sectoral upgrading. Officials also made reference to sector-specific strategies such as duty rebates for critical raw materials and capital equipment imports, demonstrating awareness that industrial policy in Zimbabwe is pursued through a complex web of overlapping instruments. This potentially ties into the perspective shared in the Likert scales that the levels of inter-agency coordination in policy formulation and implementation may be highly fragmented, ultimately damaging the policies themselves rendering them ineffective.

When given an opportunity to speak on policy objectives, participating public officials highlighted the need for these policies to work toward increasing local production, creating jobs, enhancing competitiveness, and integrating SMEs into larger value chains in the country. The officials highlighting this in the open ended section of the survey further cements the ideas of alignment of the industrial policies, not only with

domestic aspirations (Vision 2030 and NDS1) but also with wider regional aspirations of growing exports and promoting regional value chains under the SADC and AfCFTA frameworks. However, as the Likert-scale results indicate, this alignment at in policy objectives level does not immediately translate into effectiveness at the implementation stage.

When participants were asked about the mechanisms that are in place to ensure the effective implementation of chosen policies, they made reference to fiscal incentives, promotion efforts by ZIDA, and periodic reporting mechanisms. This demonstrates that implementation tools exist in the country and that a question worth asking is whether or not these tools are aiding the translation of policies into tangible and measurable outcomes, or this entire process has been undermined by the weak and underfunded institutions who have been given the task to see the vision embedded in these policies come to life.

The respondents to the study also pointed out challenges that they are facing with policy implementation. They highlighted persistent macroeconomic instability, inadequate financing for industrial retooling, policy inconsistency and reversals (especially around indigenisation), weak inter-agency coordination, and corruption. Notably, these are the very weaknesses reflected in the lowest Likert-scale scores. One respondent linked instability and inconsistency directly, which could point towards the idea that unpredictable policy shifts discourage both domestic and foreign investors from long-term commitments.

When probed about evaluations, respondents admitted that formal, independent assessments of policy effectiveness are rare. Instead, government relies heavily on internal reviews or administrative reporting. This absence of a rigorous evaluation

mechanism means that failures are rarely analysed in a systematic and objective manner, reducing the opportunities for the implementing institutions to learn from previous iterations of industrial policy and refine future iterations for greater yield. The lack of objective and independent evaluation also highlights a lack of accountability which can lead to policies continually being recycled or rebranded without addressing their underlying shortcomings or providing reasons as to why the initial iteration did not achieve its outcomes. Essentially, this can trap the country in a vicious cycle where they are attempting to do the same thing time and time again with limited success, and possibly a depreciation on the rates of success which can be seen by manufacturing's contribution to GDP steadily dropping over the past 40 years (Zimbabwe Independent, 2024).

From the responses to the survey, incoming suggestions for reforms were heavily focused on the strengthening of the institutions who are responsible for policy formulation, implementation and evaluation. Multiple respondents argued for greater coordination across MDAs, enhanced monitoring capacity, and the separation of political agendas with industrial policy. Several emphasised the need to reduce tax burdens and transaction costs faced by manufacturers, while others highlighted the importance of moving away from blanket protectionism towards more targeted measures aimed at building competitiveness.

Finally, officials who took part in the survey were cognizant of the prevailing economic conditions in Zimbabwe and recognised the importance of SMEs to the economic survival of the country calling for simplified regulatory compliance, improved access to lines of credit, and targeted formalisation initiatives. As one respondent argued:

“[there should be] expanded support to SMEs [through] simplified licencing and access to credit...”

- P010

This admission is particularly revealing, especially when it is coming from a public sector perspective. It would appear that SMEs are seen as peripheral to the current policy regime, and while rhetoric seems to point to commitments to inclusive industrialisation, these could be tokenistic as not much is then put into practice to stand behind these remarks.

When taken together, the quantitative findings from the Likert scales and the more qualitative findings from the open-ended questions highlight an overarching sentiment that is carried by public officials who have an active role in Zimbabwe’s industrial policy space. The officials recognise the strategic importance of industrial policy in promoting the growth of the local manufacturing sector; however they are also deeply rooted in the belief that it has a number of weaknesses that affect its effectiveness in promoting the aforementioned growth.

The data has shown that there are moderate levels of confidence in policy alignment and much less confidence when it comes to implementation. It has also shed light on how macroeconomic instability, policy inconsistency, and weak institutions have undermined even the most well-crafted policy initiatives. Takeaways from the data show the officials’ recognition of the lack of rigorous evaluation which underscores a culture that limits accountability. Data also highlights the calls for reform, which is significant to this study as it demonstrates that the gaps between expectation and reality are not lost on those who are formally within the system.

In short, the collective public sector perspective recognizes that policies exist, but they lack the institutional capacity, consistency, and stability needed to deliver tangible and meaningful results. This recognition sets the tone for a comparison with the private sector perspectives, which are likely to be even more sceptical given their direct exposure to the costs of policy inconsistency and macroeconomic instability.

4.3 Private sector perspectives on industrial policy effectiveness

4.3.1 Quantitative findings

A large number of industry professionals were reached out to for this survey, but only a handful of them were willing to contribute to this study. 8 private sector players took part in the study and they represented diverse views from varying subsectors and a wide range of years of experience in Zimbabwe's manufacturing sector. These respondents were mostly critical in their evaluation of industrial policy effectiveness. They were first subjected to closed ended questions using a Likert scale, and their responses to these show a pattern of systemic dissatisfaction with both the policy environment and its outcomes.

The first area which was critically examined was that of the levels of support that the current policy framework offers to the operations of the various firms represented in the study. Respondents gave a lukewarm score, with an average of 2.8 out of a possible 5, suggesting that most of the industrial policies that are at play are not tailored to their specific needs. This was more apparent for SMEs in particular and it suggests that policy is designed without these smaller actors in mind and is, therefore, divorced from their operational realities.

This directly ties in with one of the areas that scored fairly high in the survey, which was the consensus that policies favour larger corporations as opposed to SMEs, who are in many ways one of the more critical players in the sector at the present moment. This scored a rather high 3.6 out of a possible 5, reflecting a shared perception that industrial policy disproportionately benefits established and in some cases politically connected firms. The danger in this is that innovation and growth from smaller players has no room to grow and the market will remain dominated by a few players who have the historical advantage. However, these players have been at a steady decline, and they are not enough to sustain the sector which desperately needs the innovation from the smaller and upcoming players. Unfortunately, these are the same players who are feeling sidelined by the current policy environment.

When asked about the trend that the overall investment environment in Zimbabwe is like, private sector respondents showed a level of scepticism by scoring this an average of 2.5 out of a possible 5. This shows low levels of faith by industry actors in the economic trajectory of the country, citing concerns of inflation and current volatility as factors that are undermining their confidence in reinvesting in their operations in the manufacturing sector. When industrial policies are proposed and adopted by the government, their aim is to improve the business environment and promote both FDI and DDI inflows, however, industry actors are highlighting that it may be doing the opposite.

Part of why there may be this disconnect between expectation and reality could be the perceived barriers that are felt by the private sector when it comes to accessing government support such as rebates, financing and procurement preferences. When asked about these in the survey, respondents rated them with an extremely low score of 2 out of a possible 5. This suggests that, while on paper these state support

mechanisms exist, the manner through which they are meant to be delivered to businesses is neither transparent nor effective enough to support the growth of the manufacturing sector. Rated similarly low, and equally contributing to the levels of dissatisfaction that the private sector has with government is the issue of regulatory predictability and efficiency. Scored a meagre 2 out of a possible 5 on the Likert scale, this exemplifies how businesses are frustrated with the regulatory environment in Zimbabwe. Manufacturing is a sector where long term investments are critical, and it is difficult to make long term investment decisions in an environment where the regulatory environment is clouded by uncertainty and sporadic changes.

Should the status quo be maintained, respondents have shown that they are unlikely to expand their operations. This does not mean they are actively scaling back or leaving the sector but just show an unwillingness to actively grow their operations which is consistent with the stagnation and gradual decline of manufacturing's contribution to Zimbabwe's GDP. This points to a massive lack of confidence in industrial policy's ability to generate a stable and profitable investment climate from a private sector perspective.

Their perspectives also highlight that even should the status quo change, the levels of consultation on future policy decisions has been average to poor which does not instil much confidence that even if there are changes, the changes may not be to the benefit of the private sector. Respondents reported limited opportunities for meaningful engagement, rating it at 2.8 from a possible 5. They noted that while there may be occasional consultation forums to which they are invited, they are seen to be tokenistic and performative failing to incorporate much of the input from business into final policy decisions.

Collectively, the Likert scale responses portray a private sector that sees industrial policy not as an enabler but as a constraint. This is unlike the public sector officials, who at least acknowledged policy alignment, there is a disconnect as the private sector expresses very little faith that industrial policies are doing anything meaningful to improve the operating environment for businesses in the manufacturing sector.

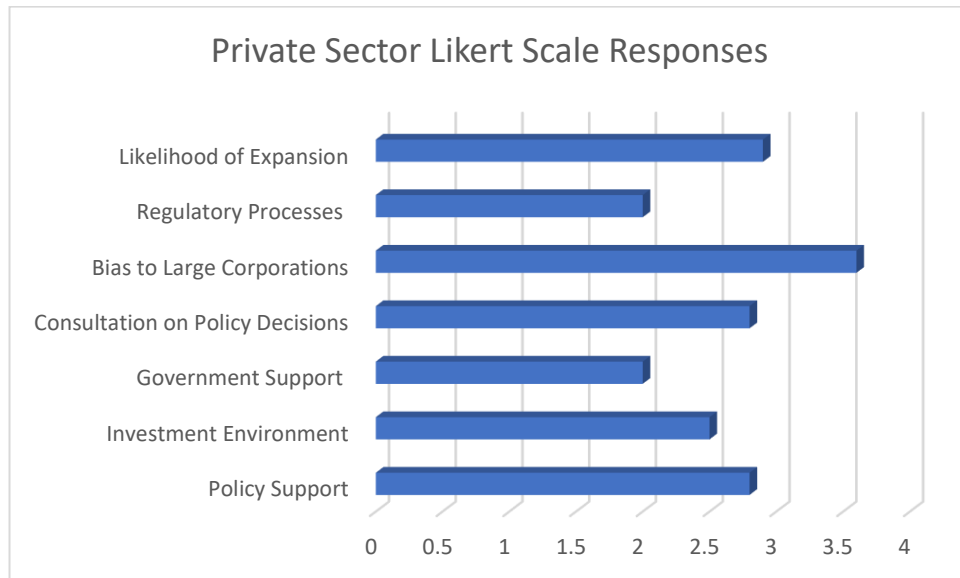


Figure 2 - Private Sector Likert Scale Responses

4.3.2 Qualitative findings

When the survey moved to more open-ended questions, the responses from the private sector provide rich insights into how industrial policy is experienced “on the ground.” Policy awareness within private sector respondents varied significantly. Some respondents appeared to be completely unaware of relevant policies, while others identified forex retention rules, rebate schemes, and local content measures. This uneven awareness highlights a communication and dissemination gap, where manufacturers especially smaller ones, are often not adequately informed of existing measures. This undermines uptake and weakens the legitimacy of policy frameworks.

Unlike the wide range in responses regarding policy awareness, there was an almost unanimous standpoint in arguing that policies are not designed with their needs in mind. It would appear counterintuitive that someone who claims to not know any policies will then argue that policies are not crafted with their needs in mind, however, the lack of awareness points to the policies not having any real value to small manufacturers because if there was something that offered real value to them they would be fully aware of it and take advantage of it to grow their operations. Several noted that policies are skewed toward the interests of large corporations or sectoral giants who may have the capacity to take part in different stages of the value chain neglecting those who may only have their strong suit in one area as one respondent who is active in the textiles industry noted:

“policies are reasonable...but overlook the cotton-to-cloth chain...”

- P005

This illustrates how SMEs within the supply chains may feel excluded and suggests that the industrial policies at play in Zimbabwe may suffer from a top-heavy design bias that privileges large, capital-intensive manufacturers while neglecting smaller producers.

The area of strongest consensus in this study, with 100% of respondents in agreement was the issue to do with the gap between policy intention and what it actually achieves when it has been implemented. The very fact that every single respondent was able to identify and resonate with this gap was both striking and quite telling that businesses are convinced that government rhetoric is not matched by delivery.

As pointed out in the Likert scales, the consultation at policy formulation stage was described as minimal and tokenistic. Meetings with government were characterised by

respondents as “*informational*” rather than participatory, with decisions already predetermined. At these consultations manufacturers are simply being informed of the direction which government chooses to take as opposed to having their feedback incorporated into that very direction. Even with this approach, respondents also noted that there are unclear communication channels and lack of follow-up after the tokenistic consultations. This further undermines trust, reinforcing a perception that industrial policy is imposed rather than co-created.

When asked to identify key challenges which they faced in conducting their operations, all the responses highlighted five fundamental issues:

1. Shortages of foreign currency leading to difficulties in importing raw materials,
2. The lack of affordable long-term credit to grow and sustain their operations,
3. The unavailability of reliable and predictable power (electricity) disrupting production efforts,
4. Ageing machinery affecting the competitiveness of local goods in both the local and regional markets,
5. Inefficiency in transport and logistics, harming the movement of both raw materials and finished products both within the country and to export markets.

This information was important as it helped identify the main pain points which are being faced by local manufacturers. It is these areas then, that investment related industrial policies in Zimbabwe ought to be focused on in much detail and this will be addressed at greater length in the next chapter of this study which will provide concrete recommendations to the public sector based on the sentiments gathered. However, having seemingly diagnosed the major problems it was important to probe further before proceeding to “prescribe medication” for the identified ailment. It became important to first understand how the private sector itself feels the current policy

framework is addressing these challenges, and where it is falling short, how best the private sector feels these should be remedied.

Responses in this regard were a mixed bag, while some participants acknowledged some remedying to identified challenges, particularly arising from duty rebates on certain raw materials and most capital equipment, others argued policies provide protection in theory but fail in practice. To quote one respondent on an area in which they are failing in practice,

“Protection without anti-counterfeit enforcement just drives informal import and hurts compliant firms...”

- P005

This is just one of the ways in which the data highlights how enforcement gaps play a part in undermining possibly positive policy intentions, leaving local manufacturers questioning the real impact of the policies to which they are subject to. In that vein, respondents called for genuine consultation processes, directly saying:

“There should be more heads providing input and revision from a plethora of sectors and managerial levels to ensure that all loopholes and grey areas are fixed and addressed before presenting to the general public...reviews of policies should be done in the presence of those affected by said policies the most..”

- P014

“More consultation with private sector during design of policies would be good...”

- P002

“...co-creation [of policies] with stakeholders...”

- P003

These quotes not only highlight how the private sector feels excluded from the policy cycle, but show how they have so much they are willing to contribute to the process as these policies ultimately affect their operations and that they are more than willing to take a seat at the table should they be invited.

The private sector is not purely critical but is also solution oriented as they further proposed investment in energy infrastructure, logistics and industrial parks to foster growth in the manufacturing sector. They also provided some insights from a benchmarking perspective. They pointed to Rwanda's streamlined e-permitting, Ethiopia's dedicated industrial parks, Mauritius' integrated industrial clusters, and Singapore's governance-driven model. These references indicated that they are aware of successful regional and global strategies, and they expect Zimbabwe to learn from them.

4.4 Comparative analysis of public and private sector perspectives

The preceding sections highlighted how public officials and private sector actors feel about the investment related industrial policies which are at play in Zimbabwe. The next step of this chapter would be to look at both these perspectives through a comparative lens to see what revelations arise from taking insights from both groups. This section will explore the areas in which the perspectives converge and the areas which the perspectives diverge, concluding with a summarizing table for ease of reference.

4.4.1 Convergence: shared recognition of systemic constraints

Perhaps the clearest convergence that has emerged from the survey lies in the universal recognition among both public and private sector players that Zimbabwe has a gap that is too large to ignore between policy rhetoric and the actual implementation on the ground. Public officials admitted that monitoring and evaluation mechanisms are underdeveloped, and that failure to effectively coordinate among themselves as various branches of government has diluted whatever positive impact chosen policies could have had on the manufacturing sector. Those operating in the sector itself echoed these sentiments, unanimously reporting that policies “sound good on paper” but fail in practice.

This is a significant result of this study, because in scenarios where one group denies the existence of implementation gaps, it becomes much harder to call for an champion reform as efforts from one group (more often than not, the private sector) will be shut down by the other. However, the situation in Zimbabwe is one where both policymakers and the business community acknowledge the weakness. The challenge and burden that lies with the recommendations to be proffered in Chapter 5, therefore, is less about diagnosing the problem and more about translating this shared recognition into actionable reforms.

Another clear area of agreement is the role of macroeconomic and political instability. Public officials gave instability the highest average rating as a barrier (4.1/5) while the private sector cited currency volatility, inflation, and unpredictable policy shifts as deterrents to both new and expansionary investment. This convergence indicates that instability is seen as the one of the most decisive constraints on the growth of manufacturing. It is one that nullifies the potential benefits of any industrial policy, possibly even more so than power and other logistical hurdles.

This is not unique to Zimbabwe as evidence from other African countries shows that even well-designed industrial policies collapse under conditions of instability. For example, Nigeria's manufacturing sector has faced similar difficulties due to currency volatility and policy inconsistency, despite ambitious industrial frameworks (Okojie, 2024). Therefore, both the officials and manufacturers who took part in the survey were, therefore, correct in their framing of stability as a prerequisite for industrial recovery and sustained growth.

Finally, both groups identified institutional weakness as a barrier. Public officials pointed to underfunded agencies and poor inter-ministerial coordination, while manufacturers complained about regulatory inefficiency and delays. This reflects the reality that government institutions have an important role to play as they are both the implementers of policy and the interface between the state and the business community. When these institutions lack credibility and the capacity to effectively carry out their operations, neither public nor private actors can deliver.

4.4.2 Divergence: contrasting views on policy alignment and outcomes

While the data showed several areas of alignment between the two key groups in the study, there were, however, areas in which they did not entirely agree, as was to be expected. Public officials expressed moderate confidence that industrial policies align with Vision 2030 and the National Development Strategy 1. For them, the frameworks are conceptually sound and symbolically important, which could be attributed to a bias that these very people work for the government and may have been (directly or indirectly) involved in the formulation of these policies but are more certainly involved in the daily implementation of the policies. This close proximity to the policy matters,

often in contexts where they have to defend policy decisions may distort how they view them and desensitize them to the realities of the industrial policies. Local manufacturers on the other hand, emphasised that alignment on paper does not translate into relevance on the ground. Their low average score for operational support (2.8/5) reflects scepticism that policies are designed with business realities in mind.

If the policies are not designed with the manufacturers themselves in mind, then what are they aligned to? What value is the alleged alignment to Vision 2030 and NDS1 if policies themselves will not enable the private sector to reach the aspirations of these developmental policies? These questions are what characterises this divide. From the data, it would appear policymakers measure success of policy by evaluating its alignment with national blueprints, while manufacturers measure its success by evaluating the day-to-day operational fit which should lead to output growth and more goods on the market. The gap between these evaluation criteria illustrates how policies can look strong in strategy documents while they are weak in practice.

The issue of distribution of policy focus and policy benefit is another fault line. Public officials acknowledged the challenges that SME are facing in the manufacturing sector but did not place them front and centre, seemingly viewing them as peripheral to the overall needs of the sector. Private sector respondents, however, were explicit in arguing that industrial policy overwhelmingly favours large corporations, leaving SMEs sidelined. The high average score (3.6/5) on this point reflects a shared perception across subsectors that policy is structurally biased.

This divergence has significant implications for this study. SMEs constitute the backbone of Zimbabwe's manufacturing base, employing the majority of workers. The working age population as of the 3rd quarter of 2024 according (ZIMSTAT, 2024) sat

at 8,580,007. Of this number, (The Chronicle, 2025) reports that up to 4,800,000 (55%) are employed by SMEs. Therefore, their exclusion, or sidelining in industrial policy matters is not just an efficiency issue but a developmental one where an environment with policies that continually allow for the marginalisation of SMEs is created. Such an environment is not a desirable one for a developing country like Zimbabwe as the current state of the economy is one that is reliant on SMEs, therefore, more must be done to accommodate them and provide channels for their continued formalization and growth into larger enterprises. Neglecting SMEs deepens inequality, undermines employment creation, and perpetuates a struggling economy which is dominated by a small percentage of large actors in manufacturing, who have historically not been able to sustain a positive and growing contribution to the nations GDP.

When it came to levels of government support and consultation during policy formulation, public officials acknowledged weaknesses in the system but saw the processes as present and improvable. Manufacturers, however, regarded them as tokenistic and in some cases performative which has been making them disenfranchised with the entire notion. Similarly, while government actors saw incentives and support mechanisms as moderately functional, manufacturers rated support accessibility at just 2.0/5. The difference here reflects the attitudes of the public officials view consultation as a box ticked, a mere compliance exercise during the policy cycle leaving manufacturers to experience an empty and half-baked consultation program through which they may simply be getting informed of chosen policy direction without meaningful incorporation of their feedback. These diverging attitudes are central to this study and will play a part in informing the recommendations which will be presented in Chapter 5.

4.4.3 Summary of comparative analysis

Table 2 below summarises the key points of convergence and divergence between public and private sector perspectives, reinforcing the critical gaps identified in the analysis above.

Area	Public Sector Perspective	Private Sector Perspective	Observation
Policy Alignment	Moderately positive (3.3/5). Policies aligned with Vision 2030 and NDS1; frameworks well-articulated.	Sceptical (2.8/5). Policies poorly tailored to operational realities, especially for SMEs.	Divergence – public officials emphasise strategic alignment while manufacturers point out day-to-day misalignment.
Implementation Gap	Admitted weak monitoring, poor inter-agency coordination, lack of evaluation.	Unanimous recognition of “policy on paper, not in practice.”	Convergence – both groups recognise weak implementation capacity.
Impact of Instability	Highest-rated barrier (4.1/5). Acknowledgement that instability undermines other efforts.	Currency volatility, inflation, unpredictability cited as top challenges.	Convergence – instability seen by both as a major constraint.
Institutional Capacity	Institutions underfunded and poorly coordinated.	Regulatory inefficiency, unpredictability, and bureaucracy seen as major barriers.	Convergence – both groups see institutional weakness as a critical obstacle to policy effectiveness.
Consultation	Processes exist but need strengthening.	Viewed as tokenistic, perfunctory, and trust-eroding.	Divergence – while the baseline is the same, the public sector officials see it in a positive light while manufacturers are lost on its value.
Government Support & Policy Benefits	Moderately functional (incentives & rebates).	Very poor (2.0/5). Support inaccessible, captured by larger players.	Divergence – public officials emphasise and applaud the existence of government support while manufacturers lament over its poor accessibility.

SME Inclusion	Acknowledged as a concern but not foregrounded.	Rated 3.6/5. Policies favour large firms, SMEs excluded from value chains.	Divergence – public officials not cognisant of just how disproportionately affected SMEs are by the regulatory and policy framework.
Reform Priorities	Strengthen institutions, reduce instability, improve coordination.	Genuine consultation, SME inclusion, predictable regulatory timelines, anti-counterfeit enforcement.	Convergence – both groups are aware of the urgent need to reform the way in which policy is both formulated and implemented with calls for institutional reform across the board.

Table 2 - Summary of Comparative Analysis

In summary, the comparative analysis reveals two main arguments. The first is that public officials highlight strategic alignment, while manufacturers stress practical misalignment and exclusion. The second is that both these groups converge on the reality that instability, weak institutions, and poor implementation are undermining Zimbabwe's industrialisation. The latter particularly needs to be addressed, because by ignoring it Zimbabwe risks remaining trapped in a cycle of well-articulated but poorly implemented industrial policies, where strategies are celebrated on paper but fail to deliver transformation on the ground.

4.5 Linkages with theoretical framework

The findings of this study can be meaningfully interpreted through the theoretical lenses outlined in Chapter Two, namely the dependency, structural adjustment, and the resource curse theories. From the perspective of the dependency theory, the results affirm that Zimbabwe's industrial development trajectory remains shaped by external

economic forces, more specifically a large dependency on foreign capital and imported raw materials.

The structural adjustment theory also has its place in the results, as respondents from both the public and private sectors cited inconsistent policy implementation, which may be a consequence of the Economic Structural Adjustment Program (ESAP) which curtailed the States ability to coordinate and direct industrial policy effectively.

Similarly, the resource curse theory provides a useful lens for understanding the crowding out of manufacturing by resource-based sectors like mining and agriculture. This has set the stage for a sectoral bias which results in inadequate investment in manufacturing infrastructure and limited technological upgrading. These dynamics continue to contribute to Zimbabwe's economic dependency on the performance of extractive industries as opposed to value adding manufacturing.

4.6. Comparative analysis of policy documents

Reviewing some of the key investment related industrial policies at play in Zimbabwe has revealed 3 main patterns that are central to understanding their overall effectiveness in promoting the growth of the manufacturing sector. Firstly, there is the issue of the dominance of aspirational design over a more grounded, practical and realistic approach. All 4 policy documents reviewed in this section contain highly ambitious targets, from restoring manufacturing's contribution of the GDP, to creating nearly a million jobs. However, failing to account for economic realities and the feasibility of said goals has left policymakers in a vicious cycle of overpromising in their policy documents but ultimately failing to deliver when they are on the ground.

This ties into the second major issue identified, which is consistent underestimation of the structural constraints that are at play in the sector. Unreliable access to power, obsolete machinery, expensive credit and poor logistics infrastructure were all concerns raised by both public and private sector participants in this study, yet when reviewing policy documents while they are mentioned they are not given the right level of attention that is required in order to facilitate the industrial revival that is envisaged by the policies. This has created a situation where chosen policies are failing to address the foundational bottlenecks that are hindering growth in the sector, which if left unaddressed will negatively impact any future policies in the same way which they are currently affecting the ones reviewed.

Finally, there is a pattern of weak consultation and coordination when crafting and delivering these policies in Zimbabwe. Private sector respondents reported exclusion from meaningful policy consultation and public sector respondents noted weak coordination among themselves and poor consultation with the private sector during policy formulation. This has created a situation of poor ownership of policies, where they lack the necessary buy-in which they need from all their stakeholders to achieve the very ambitious goals which they are repeatedly setting for themselves.

Table 3 below presents a comparative analysis of Zimbabwe’s major industrial policy frameworks. It juxtaposes their objectives and targets with the empirical evidence from this study, highlighting recurring patterns of ambitious goals undermined by weak implementation, macroeconomic instability, and SME exclusion.

Policy Framework	Key Objectives/Targets	Findings from this Study (Public & Private Perspectives)	Critical Assessment
ZNIDP (2019–2023)	Re-industrialisation, value addition, export-	Public: alignment rated moderately	Strong conceptual design but it is very

	led growth, SME linkages, clusters	(3.3/5) but weak implementation (2.3/5). Private: poor support access (2.0/5), SME exclusion (3.6/5).	broad. It has weak SME inclusion. Execution diluted by macroeconomic instability and poor coordination.
ZIRGP (2024–2025)	Short-term industrial recovery; SME linkages; local content; SEZ utilization	Firms rated environment poorly (2.5/5); predictability (2.0/5); public sector admits weak evaluations.	Short horizon appropriate, but risks being a “plan without delivery.” Needs transparent incentive and enforceable SME measures.
ZEIS Strategy (2022–2026)	USD 6bn annual revenue; 50,000 jobs; strong iron/steel value chain	Private firms sceptical about expansion (2.9/5); cited energy and access to foreign currency as binding constraints.	Ambitious sector-specific blueprint but targets are rather unrealistic. There are financing gaps and SME inclusion is still weak leaving high implementation risks.
NDS1 (2021–2025)	GDP growth; inflation reduction; job creation; increase manufacturing contribution to GDP to 15%	Private: poor regulatory predictability (2.0/5), inaccessible support. Public: instability (4.1/5) as binding constraint.	Ambitious targets. Enablers (energy, forex, logistics) acknowledged but not tied to binding timelines. Governance via IRBM, however, is very promising.

Table 3 - Comparative Results Matrix of Zimbabwe’s Industrial Policy Frameworks

This matrix reinforces this study’s central finding, that Zimbabwe’s industrial policies are consistently well-articulated and strategically aligned but falter in delivery due to unrealistic goals, structural bottlenecks, weak institutions, and an uneven distribution of benefits.

4.7 Summary

The findings presented in this chapter reveal a consistent pattern in which Zimbabwe's investment related industrial policies are marked by ambition but undermined by ignoring feasibility. Both public sector and private sector actors recognise the importance of the manufacturing sector to both industrialisation and national development, yet they appear to diverge on the adequacy of current frameworks. Public sector officials emphasise alignment with national strategies while private sector stakeholders emphasize the gaps in implementation and the absence of meaningful consultation at policy formulation. This reinforces investment related public policies in Zimbabwe as "good on paper, but weak in practice."

The comparative analysis of policy documents further reinforces these insights. Both the ZNIDP and NDS1 set in place extremely ambitious targets but lack the fiscal and institutional grounding necessary for effective delivery. The ZIRGP and the Iron and Steel Strategy highlight the importance of sectoral recovery but downplay the structural bottlenecks such as energy shortages, high credit costs and logistical inefficiencies. Taken together, these documents show the tendency of Zimbabwean policymakers to not give adequate attention to the systemic enablers of industrial growth. At the same time, the convergence between both the public sector officials and private sector stakeholder as well as independent sources such as the CZI survey strengthens confidence in these findings despite methodological limitations of a small sample size and possible biases the respondents.

CHAPTER 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter brings together the key findings of the study and draws out their broader meaning for policy and practice in order to arrive at the main conclusions of the research. It then considers the implications of those conclusions before setting out a series of practical recommendations for policymakers. The aim is to demonstrate how Zimbabwe can move from ambitious but underperforming policies to practical policies which are capable of promoting manufacturing growth.

5.2 Summary

This study examined the effectiveness of investment related industrial policies in promoting the growth of the largely idle manufacturing sector in Zimbabwe. One of the major reasons behind undertaking this study in the first place was the realisation that despite the GoZ putting in place numerous investment related industrial policies, some of which were examined during this study, the manufacturing sector has continued to underperform failing to attract significant FDI inflows and achieving the levels of productivity that could have it become a significant pillar of the country's GDP and move the country past reliance on mining for economic development.

The research adopted a mixed-methods approach, combining survey data from public sector officials and private sector stakeholders with a critical review of key policy documents and independent industry reports. Public sector respondents critically highlighted institutional coordination challenges, fiscal constraints, and commended

the alignment of industrial policies with national strategies. Private sector respondents on the other hand, critically pointed out the weaknesses in policy relevance to their needs, the inadequate and often tokenistic consultation, and the ever present structural barriers to manufacturing growth such as energy shortages and the high cost of finance. During the course of the study, a comparative analysis of all these approaches revealed areas of convergence, notably the recognition of infrastructural and macroeconomic constraints to manufacturing growth, as well as some areas of divergence particularly in how these policies were aligned to the realities of manufacturers.

The critical review of policy documents confirmed that while Zimbabwe's investment related industrial policies have been ambitious in design, they have consistently been undermined by these very same ambitious targets and a lack of capacity to see them to fruition. Further, weak monitoring and evaluation of these policies has allowed the same mistakes to be repeated time and time again. Overall, the study provides evidence that Zimbabwe's investment related industrial policy failures are less about inadequacies in the vision and more about implementation failures and failing to ground policy in the realities faced by the sectors affected.

5.3 Conclusions

From the findings, four overarching conclusions can be drawn:

5.3.1 Policy in Zimbabwe is aspirational rather than operational.

Industrial Policies such as the Zimbabwe National Industrial Development Policy and the National Development Strategy 1 articulate very ambitious targets for manufacturing recovery and value addition, yet these targets are rarely rooted in the

country's operational realities. They fail to take into consideration fiscal, institutional and prevailing infrastructural constraints which are affecting the sector. What this does, is, it renders the investment related industrial policies more aspirational than they are transformative.

5.3.2 Structural constraints remain the decisive bottlenecks.

Persistent challenges with the availability of energy, the uncompetitively high cost of credit, obsolete and rundown machinery, and poor transport and logistics infrastructure were consistently identified by both public sector officials and private sector stakeholders as barriers that the current policy framework has been having a very hard time overcoming. Without putting in place practical measures that are targeted at rectifying, or at the very least alleviating some of these constraints, industrial policy will remain ineffective. In essence, these factors (energy, logistics, credit and machinery) are the limiting factors to which the effectiveness of investment related industrial policies in manufacturing are to be held against. Policies can only be as effective as these limiting factors are not hindrances.

5.3.3 Institutional fragmentation and poor coordination.

Industrial policy implementation in Zimbabwe is dispersed across a number of MDAs, resulting in duplication, contradictions, and weak monitoring. This is reflected in CZIs constant reporting of the alarming number of MDAs a business has to interact with in order to lawfully do business in Zimbabwe. This fragmented approach was noted even by public sector officials, who conceded to the fact that limited coordination across these MDAs was a major obstacle to the effectiveness of chosen policies. This is an

important finding as it shows that the state itself is not blind to this fragmentation which has been bemoaned by independent associations and the private sector.

5.3.4 Stakeholder engagement is weak due to tokenistic consultation.

Nearly every single policy document will make reference to extensive stakeholder engagement which is claimed to have been conducted during formulation, survey findings have shown that both public sector officials and private sector stakeholders are in agreement about the nature of these engagements. They perceive them as lacking meaningful exchanges which does not support the “co-creation” ideas which are presented by the policy documents whenever they make reference to this stakeholder consultation. respondents highlighted the lack of meaningful co-creation. The perception of policies as state-driven rather than collaboratively designed undermines their legitimacy and reduces compliance.

5.4 Implications

From the conclusions that have been put forth from this study, a few implications surrounding the debate on investment related public policy in Zimbabwe can be observed. These implications can be seen from 3 perspectives, namely the theoretical perspective, the policy design perspective and the governance perspective, all 3 of which will be looked at in this section of the chapter.

5.4.1 Theoretical implications

The highly ambitious policies which are being adopted time and time again in Zimbabwe points to a long-standing argument in development theory, that of state

capacity. Discussions around state capacity point out that the ability of a state to do that which it says it will do plays a direct role in the industrial development of that country (Cingolani, 2018). In Zimbabwe, the findings have shown that policies are often well articulated, but the country lacks the capacity to bring these aspirations to life.

The findings of this study also pointed to the tendency of policy frameworks to underestimate just how much structural constraints affect their overall effectiveness. Without addressing issues such as availability of power, accessibility of affordable credit and the gaps in the logistics infrastructure, policies will not succeed. This implies that the current situation in Zimbabwe is not one which can be fixed by throwing a number of investment incentives at the manufacturing sector such as tax holidays and duty rebates, but one that requires structural reforms to address the main “limiting factors.”

5.4.2 Implications for policy design

From a design perspective, the findings cement the idea that Zimbabwe’s industrial policies have often been aspirational rather than operational, producing ambitious targets disconnected from institutional realities. This implies that for future policies to even be remotely successful, they must be grounded in realism. To maximize chances of success, goals should be specific, measurable, achievable, realistic and time-bound (Day, 2025), and these goals should be supported by credible budget allocations and capable institutions. Without this recalibration, industrial policies will continue to function primarily as political signalling documents rather than operational blueprints for transformation.

5.4.3 Implications for governance

The findings of the study also speak to major governance challenges which are present in Zimbabwe. Acknowledgement of institutional fragmentation and overlaps in the functions of MDAs have resulted in weak coordination. The implication here is that unless the delivery, monitoring and evaluation of industrial policies in Zimbabwe becomes more streamlined, the policies themselves will remain largely incoherent and suffer from weak and fragmented implementation.

Further, the sentiments which were shared around the tokenistic consultation processes highlights the importance of inclusive governance frameworks which are rooted in well-structured and meaningful engagement between the public and private sector when coming up with and implementing policies in order to ensure a sense of shared ownership which could significantly increase the chances of a policy becoming more effective in its goals to grow the manufacturing sector.

5.5 Recommendations

This study has critically evaluated the effectiveness of investment related industrial policies in Zimbabwe, and building on the findings and implications discussed above, some recommendations to improve their effectiveness have been developed. These have been organised into three main thematic clusters: strengthening institutions, addressing structural bottlenecks, and enhancing stakeholder engagement.

5.5.1 Institutional reforms for policy coordination and accountability

1. GoZ needs to streamline institutional mandates – consolidating overlapping responsibilities among MDAs to reduce duplication and ensure coherence in industrial policy implementation will significantly improve the effectiveness of said policies.
2. GoZ needs to strengthen its monitoring and evaluation systems – there has to be a deliberate effort to move beyond output indicators like number of permits issued and focus on outcome indicators such as the growth of value chains and boosts in productivity. This makes assessing policy effectiveness much clearer (Jones, 2014). Further, ensuring that regular and independent reviews are done on policies will strengthen accountability and ultimately make policies more effective.
3. GoZ must prioritise S.M.A.R.T policy design – when coming up with future policy frameworks, goals must be aligned with the practical realities in which that policy is to be implemented. Goals need to be specific, measurable, achievable, realistic and time-bound taking into full cognisance the capacity of those charged with implementing.

5.5.2 Structural enablers for industrial growth

1. GoZ must prioritize investment in energy infrastructure – given that respondents cited energy insecurity as the most consistent “limiting factor” affecting policy effectiveness, targeted investments in power generation and distribution must become the top priority. Without reliable electricity, even the most well-crafted of industrial policies will remain ineffective in promoting the growth of the manufacturing sector.

2. GoZ must facilitate access to affordable finance – the persistently high cost of borrowing undermines any efforts to recapacitate the manufacturing sector. They could explore blended finance models such as combining concessional credit with private capital in order to lower the cost of financing (IFC, 2021). They could also leverage support from development finance institutions to boost the amount of capital that is in circulation for the development of the manufacturing sector.
3. GoZ must work on upgrading logistics and transport networks – the growth of the manufacturing sector is constrained by poor roads, rail, and border infrastructure which increases the cost of doing business in the country. By engaging in public private partnerships (PPPs) government can expedite the delivery quality services which will go a long way in ensuring the overall effectiveness of their industrial policies.

5.5.3 Stakeholder engagement and policy legitimacy

1. GoZ needs to move from consultation to co-production – the development of industrial policies needs to involve structured and constant engagement with key players in the private sector associations, including SMEs. If these platforms are well resourced and the feedback from them is actually incorporated into the final policy documents, this will increase the likelihood of a policy being effective in growing the manufacturing sector because both public and private sector will have a sense of ownership for them and want them to succeed.
2. GoZ needs to enhance transparency in policy formulation – the drafts of policy documents need to be given ample time to circulate for public commenting as

part of the stakeholder engagement process. However, engagement should not be limited to the beginning of the process, and government needs to be strict in releasing annual progress reports, and making sure the data around policy implementation is accessible to the public. This move, if diligently undertaken would not only improve accountability but also signal credibility to domestic and foreign investors.

5.5.4. Conclusion

This chapter has taken the findings of the study and boiled them down to a set of conclusions, implications, and recommendations. The evidence has shown that while Zimbabwe has repeatedly produced ambitious policies, their effectiveness has been undermined by weak implementation capacity and structural bottlenecks.

The recommendations outlined above emphasise that the investment-related industrial policies in Zimbabwe need to move beyond aspirational goals. To achieve this, there should be focus on capacitating those tasked with developing, implementing and monitoring said policies. Further, measures must be taken to address “limiting factors” such as energy, logistics, and access to affordable capital.

To conclude, the study demonstrates that Zimbabwe’s industrial policy challenge lies not a lack of developmental ambition, as that is clearly expressed in the policy frameworks at play. The problem, however, lies in the massive gap between vision and execution. Bridging this gap requires government to be practical with policy formulation above all else. Only then can the investment related public policies in Zimbabwe become effective tools for investment promotion and sustainable manufacturing growth.

5.6 Suggestions for further research

While this study has provided valuable insights into the effectiveness of investment-related industrial policies in Zimbabwe, a number of areas remain open for further inquiry. First, the study was limited by its reliance on a small sample of public and private sector respondents. Future research could employ a larger and more representative dataset, including in-depth interviews with senior policymakers, business leaders, and civil society actors. Broader participation like this would provide a more nuanced picture of the political and institutional dynamics shaping industrial policy outcomes.

Second, this study focused primarily on the wider reaching industrial policies. Further research could explore sector-specific policies such as those for agro-processing or textiles to examine how they operate at that level providing lessons for targeted interventions.

Third, comparative studies between Zimbabwe and other African countries with varying levels of industrialisation, such as Ethiopia, Rwanda, or Mauritius, could yield deeper insights into how differences in implementation capacity and governance structures affect policy outcomes. This would not only situate Zimbabwe within broader continental debates but also highlight transferable lessons for policymakers.

Finally, further research could also investigate the role of SMEs in shaping Zimbabwe's industrialisation trajectory. Given the size of the informal economy, such perspectives would enrich understanding of the opportunities and constraints facing industrial policy in Zimbabwe.

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APPENDICES

Appendix 1: Informed Consent Guide

INFORMED CONSENT GUIDE

My name is Tavongaishe Faneti, a Masters in Public Policy and Governance student from Africa University. I am carrying out a study titled "the effectiveness of investment-related industrial policies on manufacturing growth in Zimbabwe."

This study seeks to assess the effectiveness that investment-related industrial policies have on Zimbabwe's manufacturing sector, examining not only whether these policies have achieved their intended goals, but also how stakeholders perceive their relevance, implementation, and outcomes. By exploring this dynamic, the study aims to generate meaningful insights for policymakers and practitioners working towards industrial renewal and inclusive economic growth in Zimbabwe.

You were selected for the study due to your experience in dealing with investment-related industrial policies that have an effect on the manufacturing sector in Zimbabwe. If you decide to participate it is expected that this will take about 15-20 minutes of your time. Kindly note that participation in this study is voluntary and there will not be any compensation provided by either the researcher or the university. If a participant decides not to participate in this study, their decision will not affect their future relationship with the researcher or the University. If they chose to participate, they are free to withdraw their consent and to discontinue participation without penalty.

Participants should be aware that any information provided in this study will be confidential. Their identity will not be stored and any information provided will not be used to identify the participant. Before you sign this form, please ask any questions on any aspect of this study that is unclear to you. You may take as much time as necessary to think it over. If you have decided to participate in this study please sign this form in the space provided below as an indication that you have read and understood the information provided above and have agreed to participate.

Name of Research Participant

Date

Signature of Research Participant or legally authorised representative

If you have any questions concerning this study or consent form beyond those answered by the researcher including questions about the research, your rights as a research participant, or if you feel that you have been treated unfairly and would like to talk to someone other than the researcher, please feel free to contact the Africa University Research Ethics Committee on telephone (020) 60075 or 60026 extension 1156 email aurec@africau.edu

Name of Researcher: Tavongaishe Faneti

Appendix 2: AUREC Approval



AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE (AUREC)

P.O. Box 1320 Mutare, Zimbabwe, Off Nyanga Road, Old Mutare-Tel (+263-20) 60075/60026/61611 Fax: (+263 20) 61785 Website: www.africau.edu

Ref: AU 3982/25

25 June, 2025

TAVONGAISHE FANETI
C/O Africa University
Box 1320
MUTARE

RE: ASSESSING THE EFFECTIVENESS OF INVESTMENT RELATED INDUSTRIAL POLICIES ON MANUFACTURING GROWTH IN ZIMBABWE

Thank you for submitting the above-titled proposal to the Africa University Research Ethics Committee for review. Please be advised that AUREC has reviewed and approved your application to conduct the above research.

The approval is based on the following.

a) Research proposal

- **APPROVAL NUMBER** AUREC 3982/25
This number should be used on all correspondence, consent forms, and appropriate documents
- **AUREC MEETING DATE** NA
- **APPROVAL DATE** June 25, 2025
- **EXPIRATION DATE** June 25, 2026
- **TYPE OF MEETING:** Expedited
After the expiration date, this research may only continue upon renewal. A progress report on a standard AUREC form should be submitted a month before the expiration date for renewal purposes.
- **SERIOUS ADVERSE EVENTS** All serious problems concerning subject safety must be reported to AUREC within 3 working days on the standard AUREC form.
- **MODIFICATIONS** Prior AUREC approval is required before implementing any changes in the proposal (including changes in the consent documents)
- **TERMINATION OF STUDY** Upon termination of the study a report has to be submitted to AUREC.



Yours Faithfully

MARY CHINZOU
FOR CHAIRPERSON
AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE

Appendix 3: Public Sector Questionnaire

Public Sector Questionnaire on the Effectiveness of Investment Related Industrial Policy on Manufacturing Growth in Zimbabwe

1. What Government Ministry/Department/Agency are you from?
2. What is your position/title in that entity?
3. Answer the Following questions using a scale of 1 to 5, where 1 is strongly disagree, 3 is neutral and 5 is strongly agree
 - a. The current industrial policies are clearly aligned with Zimbabwe's development goals.
 - b. Stakeholders like industry bodies and investors are adequately consulted during policy development.
 - c. The policies are supported by strong institutional capacity and implementation mechanisms.
 - d. There is consistency in how industrial policy is implemented across government departments/agencies.
 - e. Investment incentives under current policies are effectively promoting manufacturing growth.
 - f. Political and macroeconomic instability has hindered policy effectiveness.
 - g. How well do government departments/agencies coordinate in industrial policy delivery?
4. What are the main investment-related industrial policies your ministry/agency has implemented or supported since 2010?
5. What specific objectives do these policies seek to achieve in the manufacturing sector?
6. What mechanisms are in place to ensure successful implementation of these policies?
7. What are the key challenges encountered during policy implementation?
8. Has your department conducted any formal evaluations of these policies' impact on:
 - a. Manufacturing Output
 - b. Employment
 - c. Investment Attraction
9. If yes, kindly share some of the findings
10. What factors do you believe have hindered or enhanced policy success in Zimbabwe's manufacturing sector?
11. What reforms or new directions do you recommend for strengthening industrial policy effectiveness?
12. How can policies be better aligned with the needs of local manufacturers and SMEs?

Appendix 4: Private Sector Questionnaire

Private Sector Questionnaire on the Effectiveness of Investment Related Industrial Policy on Manufacturing Growth in Zimbabwe

1. What Company are you from?
2. What is your position/title in that company?
3. Answer the Following questions using a scale of 1 to 5, where 1 is strongly disagree, 3 is neutral and 5 is strongly agree
 - a. Current industrial policies adequately support my company's operations.
 - b. The investment environment for manufacturers in Zimbabwe is improving.
 - c. Government support programs are easy to access and well-publicized.
 - d. My company was consulted or engaged in any policy discussions.
 - e. Industrial policies favour large businesses over SMEs.
 - f. Regulatory processes (permits, licensing) are predictable and efficient.
 - g. My company is likely to expand investment if current policies are sustained.
4. How long have you or your organization been operating in Zimbabwe's manufacturing sector?
5. Which Subsector of Manufacturing are you in?
6. Are you aware of any investment-related industrial policies affecting your operations? If so, which ones?
7. In your view, are these policies designed with the needs of businesses like yours in mind?
8. Have you received any direct benefits or faced any restrictions due to government industrial policies (e.g., tax incentives, import controls, licensing)?
9. Do you feel there is a gap between policy as written and how it's implemented?
10. Are you satisfied with the level of consultation or engagement your business/association receives during policy development?
11. How would you describe your interactions with government agencies regarding policy support or enforcement?
12. What do you see as the biggest challenges facing manufacturers in Zimbabwe today?
13. Are industrial policies helping address these challenges, or do they worsen them?
14. What improvements would you recommend in the way policies are designed, implemented, or reviewed?
15. Are there any lessons from other countries or industries you think Zimbabwe should adopt?