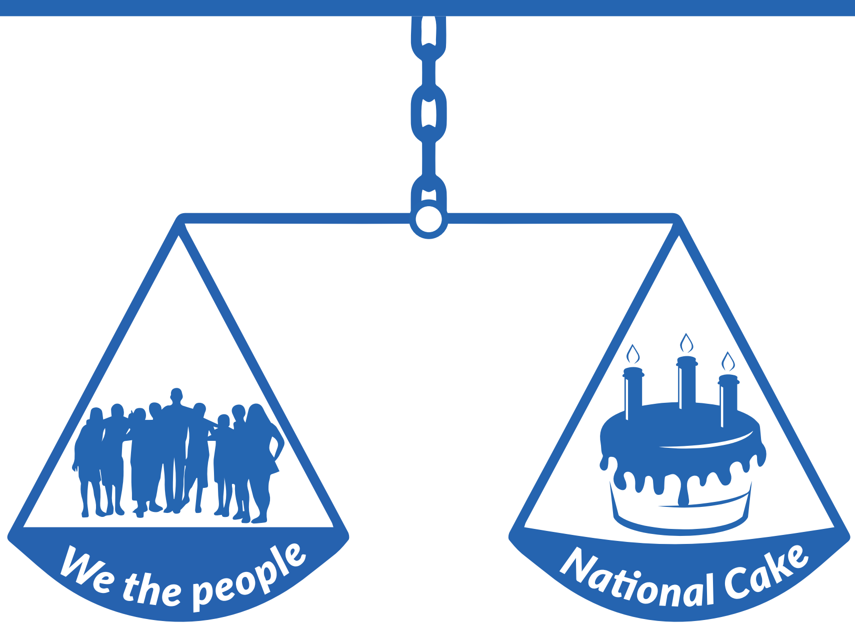
CREATING AN INCLUSIVE ECONOMY
A CASE FOR ZIMBABWE



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About theSpace

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Creating an inclusive economy: A case for Zimbabwe

Abstract

The Post-2015 development agenda prioritises the promotion of 'sustained, inclusive and sustainable economic growth'. This paper examines strategic focus areas that are fundamental in building an inclusive economy for Zimbabwe. It is argued that developing an inclusive economy should be seen as a comprehensive process aimed at structural transformation. Such transformation should take place on the structure of the economy, institutions (political and economic), financial and taxation systems, social protection, job creation, diaspora engagement and cities and urbanisation. However, transformation requires strategic and sustained action from the youth, government and private sector.

1. Introduction

The aim of this paper is to stimulate debate on how Zimbabwe can create an inclusive economy. Such impetus is driven by Sustainable Development Goal (SDG) 8 in which the world committed to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'. The realisation of such a goal contextually means that the country should enhance structural and systemic changes towards developing an inclusive economy. An inclusive economy is defined in this paper as an economy driven by inclusive growth. Inclusive growth refers to:

> Growth that not only creates new economic opportunities, but also one that ensures equal access to the opportunities created for all segments of society. Growth is inclusive when it allows all members of a society to participate in, and contribute to the growth process on an equal basis regardless of their individual circumstances (Ali & Son, 2007).

Apart from the above, building an inclusive economy is one way of avoiding the dangers and costs associated with exclusion. For example, it has been warned that:

> Growth with persisting inequalities within a country may endanger social peace, force poor and unemployed people into criminal activities, make women more vulnerable to prostitution, force children into undesirable labour and further weaken other disadvantaged and vulnerable sections of population resulting in a waste of vast human capital that could otherwise be used productively in creating economic outputs for sustainable growth (Asian Development Bank, 2014: 14).

Exclusion breeds socio-economic and political instability which is a threat to prosperity and development. As such, economic inclusion is one way of promoting development and guaranteeing peace and stability within societies.

Building an inclusive economy requires a comprehensive shift in terms of economic structures and systems. de Haan & Thorat (2013: 11) argue that 'Inclusive growth cannot be reached simply by the state redistributing the gains from economic growth… Policies for inclusion need to focus also on the conditions under which small entrepreneurs including in the informal and rural sectors generate their livelihoods, on redistribution of assets and other opportunities to participate in growth processes, and on the conditions of jobs…'. Particular emphasis is, however, placed on incorporating the often marginalised and poor in mainstream economic processes. In this regard, processes of inclusion should focus on 'structural transformation - changing the very processes through which growth takes place with a view to expanding employment generation and incorporating burgeoning informal economies' (Meagher, 2015: 837). In this regard, the role of state is not only about delivering public goods and services to its citizens. Rather, it also includes promoting structural transformation that yields inclusive growth. It is in such understanding that this paper attempts to present a comprehensive approach to developing an inclusive economy.

2. Inclusive Economy: Theoretical Issues

This section provides some theoretical and conceptual perspectives on inclusive economies. Terms such as inclusive growth, inclusive development, social protection and security, decent work, informal economies and innovation often surface in debates on inclusive economies. Therefore, this section deal with such terms pointing to key issues advanced in existing literature.

Inclusive economies are built through the promotion of inclusive growth. Inclusive growth can be defined as growth characterised by 'improvements in the social and economic wellbeing of communities that have structurally been denied access to resources, capabilities, and opportunities' (George, McGahan & Prabhu, 2012: 661). For instance, in India, inclusive growth is defined as government budgetary support to poverty reduction and employment creation programmes and essential services access for the poor (Planning Commission, 2006). In this regard, government using the budget as an instrument is essential in promoting inclusive growth.

Informal economies should not be exclusively seen as something bad. This is mainly because in African economies, informality shows strides by the poor to be included in economic activities (Meagher & Lindell, 2013). What, however, becomes fundamental are ways of integrating the informal sector in regional, national and international economies. Jutting & de Laiglesia (2009) have argued for social, fiscal, and political integration of Africa's informal economies into mainstream development processes. In this regard, policy thinking has shifted from the emphasis on eliminating or absorbing the informal economy toward policy discourses of collaborative interaction (Meagher & Lindell, 2013), for instance through coproduction and formal-informal linkages (Joshi & Moore 2004; Guha-Khasnobis et al., 2006).

To promote inclusive development, Anderson & Anderson (2016) argue that 'processes of policymaking must be inclusive to affect and transform innovation systems because a set of distributed actors, rather than ministries and innovation agencies, is the gatekeepers of change'. Such distributed actors include civil society, academia, trade unions, private sector associations, and citizens among others. In other words, policymaking that promotes inclusive development is a product of contributions of both state and non-state actors. As such, a comprehensive and inclusive policymaking process including representation of stakeholders is fundamental in crafting transformative policies. This assertion is, however, contrary to existing policymaking processes which are dominated by government ministries and agencies.[1] Others have put forward inclusive innovation defined as 'the development and implementation of new ideas which aspire to create opportunities that enhance social and economic wellbeing for disenfranchised members of society' (George, McGahan & Prabhu, 2012: 663) as essential in building inclusive economies.

One of the recent appreciated models in building inclusive economies is called the inclusive business approach. By definition, inclusive business means 'a profitable core business activity that also tangibly expands opportunities for the poor and disadvantaged in developing countries' (Wach, 2012: 8).[2] In this regard, the role of private business entities is mainstreaming people living in poverty in their business, for instance, in value chains or expanding economic opportunities of the poor as employees, merchants among others.

The inclusive business model sees private enterprise playing a vital role in local, regional and national development, without compromising environmental and social integrity. Such a development model puts private sector enterprises at the coalface of development.

Decent work, and social protection and security are considered as important aspects of an inclusive economy. By definition, decent work refers to 'as productive work for women and men in conditions of freedom, equity, security and human dignity' (ILO, 2010: xii). In this regard, the creation of jobs should expand opportunities for workers and protect worker rights. This explains why SDG 8 focuses on sustained and inclusive growth that promotes productive employment and decent work for all.

Social protection is defined as 'the set of public measures that a society provides for its members to protect them against economic and social distress caused by the absence or a substantial reduction of income from work as a result of various contingencies' (ILO, 2010: xv). [3] Social security means 'measures to provide basic income to all in need of such protection, and adapting its scope and coverage to meet the new needs and uncertainties generated by the rapidity of technological, societal, demographic and economic changes' (ILO, 2008). It is argued that 'adequate social security benefits can contribute to creating more favourable institutional environments for effective wage bargaining and to secure basic income for workers in need' (ILO, 2013: 64).

3. The Context of Inclusion/Exclusion in Zimbabwe

This section provides key indicators that show inclusion or exclusion in Zimbabwe. In particular, the context discussed here is used as basis for proposals pointed in this paper. Below, the paper presents issues like financial inclusion, structure of the economy, social protection and security, political participation, and unemployment and urbanisation levels.

In Zimbabwe's context, financial inclusion is defined as 'the effective use of a wide range of quality, affordable and accessible financial services, provided in a fair and transparent manner through formal or regulated entities, by all Zimbabweans' (RBZ, 2016: 9-10). Table 1 shows some statistics which indicate the state of financial inclusion in Zimbabwe.

Table 1: State of Financial Inclusion

Aspect	Percentage (%)
Zimbabwe's adult population financially excluded	23
Use of banking services by Zimbabwe's adult population	30
Adult population making use of capital market services	1
Adult population without insurance (medical aid / funeral cover)	70
Adults who use mobile money services	45

***Source: RBZ, 2016; FinScope Consumer Survey, 2014*.**

Table 1 show that the majority of the country's adult population (70%) do not use banking services. At the same time, about 70% of the adult population do not have medical aid or funeral cover. Insurance is fundamental in the event of risks in life. However, without it, people often rely on their livelihoods assets which further plunges people in a deep cycle of poverty.

In Zimbabwe, it has been argued that the major 'constraint to pro-poor, inclusive and broad-based economic growth is the dual and enclave economic structure' (Kanyenze et al., 2011: 34). By 'enclave' the authors refer to the dispossession of the majority people from factors of production such as land. As such, the minority who had access to land were key economic agents. Duality means the formal and informal structure of the economy which often leads to underutilisation of resources. However, since independence, the formal sector has either been shrinking or being informalised. At the same time, the informalisation of the economy has been on a sharp increase.

As such, the structure of Zimbabwe's economy is largely informal. This presents a number of challenges in terms of working conditions, regulation, standards, taxation and banking among others. About 14% of Micro, Small and Medium Enterprises (MSME) owners are banked (FinScope MSME Survey, 2012).[4] This essentially means that the majority of MSME are unbanked. This provides a number of risks to the economy such as low savings level due to large amounts of money circulating outside the banking system. Major characteristics of the MSME are shown in Table 2.

Table 2: Features of the MSME sector

Aspect	
Individual entrepreneurs	2million
Business owners with employees	800,000
Employees	2.9million
Turnover in 2012	$7,4 billion
Unregistered or unlicensed	85%
Those that have not borrowed	85%
Without insurance	85%
Own money sources to start a business	59%

Source: FinScope, 2012.

As shown in table 2, the informal sector has 2,8 million entrepreneurs with a turnover of $7,4 billion. The turnover in the informal sector is nearly twice the size of the country's budget. Whilst these figures are impressive, it should be borne in mind that the most lucrative informal sector deals with minerals. However, most informal mining activities are controlled by few who are politically connected. Moreover, formal businesses are also participating in the informal economy to run away from obligations associated with formality. However, there are indicators of exclusion as the majority of the informal sector operate without insurance and borrowing and are unlicensed. This means that social security for both entrepreneurs and workers is compromised in the informal sector. Lack of access to affordable business finance and insurance stifle growth in the sector.

At the same time, being unlicensed means that the broader economy might also be losing on benefits derived from registered business entities. Moreover, the quality of jobs in the informal economy are creating the working poor who are also excluded from both social and labour law protection.

Zimbabwe's urbanisation level was 20,4% in 1950 increasing to 38,25% by 2010 and is expected to rise to 64,25% by 2050 (UN-Habitat, 2010). Most poor Zimbabweans lack access to decent and secure housing with settlements typified by lack of basic infrastructure and sustainable services and overcrowding (GoZ, 2012). Table 3 shows some urbanisation statistics for Zimbabwe. Most of the urban infrastructure (water, sanitation, transport, health, electricity) has collapsed (AfDB, 2011; UN-Habitat, 2010) and continues to be overstretched by the increasing urban population.

Table 3: Urbanisation Statistics for Zimbabwe

Urban population (000)		Level of urbanisation (%)		Proportion of urban population living in slum area (%)		Urban slum population at	
2010	**2030**	**2010**	**2030**	**2000**	**2009**	**2000**	**2009**
4,837	9,086	38,3	50,7	3,3	24,1	140	1,141

Sources: UN-Habitat, 2012.

As shown in Table 3, statistics indicate that the percentage of people living in slums increased by 20.8% between 2000 and 2009. By 2030, more than half of Zimbabwe's population will be living in cities. In this regard, to be able to handle the increasing number of urban dwellers and their diverse needs, cities have to be inclusive.

Political participation and engagement by all sectors of the society is a vital element of an inclusive society. Such participation allows citizens to voice their concerns as well as hold governments to account. Put differently, political participation is essential in promoting active citizenship. Active citizenship means a 'combination of rights and obligations that link individuals to the state, including paying taxes, obeying laws, and exercising the full range of political, civil and social rights' (Green, 2013: 10). However, the recent Afrobarometer report indicates that between 2002 and 2015 there is declining youth civic engagement (Afrobarometer, 2016). The status of young people and political engagement is shown in Table 4.

Table 4: Young People and Political Engagement in Zimbabwe

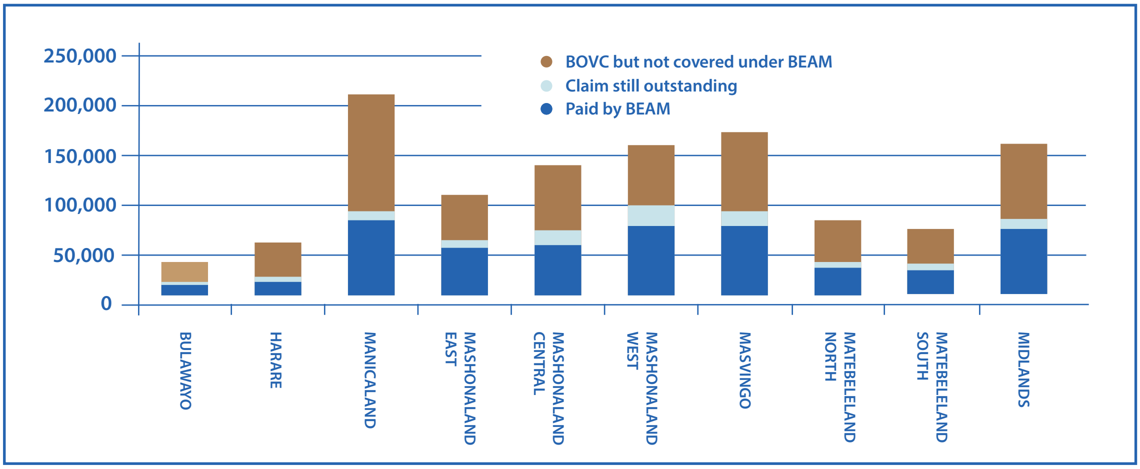
Aspect	% / Ratio for Zimbabwe	Average for 36 African countries (% / ratio)
Interest in public affairs.	49%	53%
Discussion of politics (frequently)	15%	18%
Gender gap in attendance at a campaign rally	11	10
Gender gap in civic participation	11	9
Gender gap in contact with leaders	1	10
Gender gap in participation in a demonstration or protest march	1	5
Voting in the last election	62.5%	65%

Source: Afrobarometer, August 2016. [5]

Table 4 shows that young people's participation and engagement in politics in low. This is despite that youth constitute the largest age group in the country. There are also gender variations as young women are not politically engaged in comparison to young men. In particular, more males participate in campaign rallies and civic issues than young females. The low levels of political engagement in Table 4 can be interpreted to mean that there is a considerable percentage of young people who do not identify themselves with political and governance arrangements in the country.

Inclusive economies take care of the societies' vulnerable and weak. In other words, social protection is a vital element of promoting inclusion within societies. Fig. 1 shows the capacity of the government to provide school fees support to orphans and vulnerable children (OVCs) in 2013.

Fig. 1: Status of BEAM and OVC support as of 2013 (Source: MOESAC, 2013)



As shown in Fig. 1, government through its flagship programme Basic Education Assistance Module (BEAM) is failing to pay school fees for about half of OVCs in the country's 10 provinces. Those that fail to pay such fees may end up dropping out exposing themselves to social vices and poverty. It can also be argued that dropping out may reduce an OVCs' chance to break out of the poverty cycle.

The nature of employment is an indicator of economic inclusion or exclusion. Formal unemployment is estimated to be at 95%.[6] ZimStat (2015) puts the unemployment figure at 11,3%, which figure is highly controversial. However, in order to avoid such controversy, the paper focuses on the structure of the economy and proportion of youth engagement in informal activities. This is one way to show the magnitude of the employment challenge facing the economy. Table 5 shows recent statistics from the 2014 Labour Force Survey.

Table 5: Economic Structure and Employment

Aspect	Percentage (%)
Percentage of the currently employed persons 15 years and above informally employed	94
Percentage of the currently employed youth aged 15 - 24 years in informal employment	98
Percentage of currently employed youth aged 15 - 34 years in informal employment	96
Proportion of persons in informal employment unskilled	86

Source: ZimStat, 2015.

In absolute terms, the Labour Force Survey indicates the state of youth employment as: There were 2.6 million youth population aged 15 - 24 years and 4.5 million youth population aged 15 - 34 years. For the youth aged 15 - 34 years who were economically active, 3.4 million were employed and most of them were skilled agricultural, forestry and fishery workers (my emphasis). Of the employed, 2.6 million youth were in vulnerable employment. For the youth aged 15 - 34 years, 15.3 percent were unemployed (broad). Nineteen percent were discouraged job seekers (ZimStat, 2015: xviii).

The economy is also losing jobs, which are vital in as far as economic inclusivity is concerned. For instance, 'a total of 227 thousand persons were once laid off between June 2011 to May 2014' (ZimStat, 2015: xviii). However, this figure might have doubled as a result of the Supreme Court Judgement of July 17, 2015 which made it easier and cheaper for employers to retrench workers.

4. Building an Inclusive Economy: What is needed?

This section discusses some key issues for consideration when building an inclusive economy. In particular, the issues presented here are expected to address central challenges discussed in section 3. Below, the paper explains such issues in detail.

4.1 All-embracing economy

The structure of the economy is vital in determining economic inclusivity. An economy should therefore accommodate all types of economic businesses, for example, large or small. In this regard, an economy should promote and incentivise through tailor-made economic institutions and structures to support the flourishing of SMEs and large corporations. Such inclusivity recognises and builds on the fact that economic agents are diverse in nature and needs. In addition, formal and informal economic businesses should be appreciated, incubated and bolstered in an inclusive economy.

At present, the majority of businesses are largely informal. There are two main categories of informality in the economy. First, the registered business entities not willing to honour obligations, such as, paying taxes. Second, the unregistered and unlicensed business entities, who are generally considered as 'illegal'. Such business entities are playing a vital role in the informal economy. However, these need to be included in the formal economy for primarily two reasons. These reasons relate to such businesses enjoying benefits associated with formality and the economy benefiting from obligations of formal businesses. As such, processes of formalisation become vital. However, formalisation should not be seen as an end in itself. Rather, it should be approached as an avenue to incubate, develop and mentor informal businesses. This is mainly, because, there are challenges associated with being a formal business - which points to the essence of a comprehensive economic integration programme for the informal businesses.

4.2 Progressive Taxation mechanisms

Progressive taxation regimes are a mechanism to share wealth in an economy. In other words, taxation mechanisms should promote equitable distribution of wealth. Moreover, the ability and capacity of tax authorities to collect and account for tax is essential in assisting the state to meet its obligations. Further, an inclusive economy is possible when economic agents remit their tax obligations. At the same time, the state must also be transparent in undertaking distributive policies such as safety nets using resources obtained, among other things, through taxation. In brief, taxation policies and mechanisms should have distributive tendencies.

4.3 Safety nets and Social Protection

Zimbabwe's social protection regime is composed of three main actors namely government, NGOs and family units. Financial and technical challenges facing the government have led to many social protection programmes being funded by development agencies.[7] Families and households provide each other social security in incidences of risks and shocks depending on relations.

Social protection is one mechanism to share the economic proceeds of a nation. However, four issues are essential in determining the impact of social protection programmes. Firstly, the ability and capacity of government to collect taxes and redirect such resources to social protection. Secondly, the willingness and capacity of economic agents to remit taxes. Thirdly, the design of social protection programmes in terms of targeting (vulnerable members of the society such as students, unemployed, OVCs, informal sector workers and entrepreneurs, the aged among others) and reach. Lastly, the importance of a social contract through the interaction of labour, business and government to determine and provide social protection needs.

Safety nets should be put in place to cushion the informal sector. These include health care cover, and business insurance. This is largely because of the often precarious working conditions in the informal sector which poses immense risk to workers. On the other hand, informal sector entrepreneurs are vulnerable to changes in the operating environment which necessitates business insurance to cushion the sector against inherent risks. However, providing health care and business insurance in the informal sector requires innovation on the part of service providers.

The design of safety nets and social protection programmes should also reflect the type of a society a nation aspires to create. Conventional ways of social protection whereby assistance is given to the vulnerable using hard cash provides two challenges. First, the associated social stereotype or burden that comes with the whole community knowing that certain individuals have received their grants. Second, being given cash might mean that one is not part of the financial system, which may curtail chances of one saving. Handling cash increases one's chances of spending, whilst savings are a fundamental aspect of building an economy. Social protection programmes should make use of technology to reduce associated cash burdens and risks on beneficiaries.

3.4 Inclusive Cities and Urbanisation

The trajectory of demographics in Zimbabwe, like many countries in the developing world is pointing to increasing urbanisation levels. Statistics indicate that in 2030, more than half of the country's population will be living in urban areas. Cities are the engines of economic growth and development. In that regard, the manner in which cities are planned and governed has a bearing on urban economies. Therefore, inclusive cities are cities planned and governed taking into consideration diverse interests and needs of various groups such as the poor and affluent. In this regard, inclusive cities provide opportunities for all; respecting the rights of the urban poor.

Urbanisation and its proceeds should be evenly distributed in a country. However, Zimbabwe has failed in this respect due to the centralisation of many aspects in one city – Harare. This has provided two risks. First, the country's economy is heavily reliant on Harare's economy. In this regard, disturbances in the socio-economic fabric of the capital city will therefore have a debilitating impact to the national economy. Second, urbanization in itself lures capital and investment in concentrated zones like, in this instance, Harare. It means that Harare as a city unfairly benefits while other cities are shrinking. Such kind of city growth, however, militates against the notion of creating an inclusive economy. South Africa shows an inclusive approach to urbanization and city growth with 4 major capitals, namely, Pretoria, Johannesburg, Durban and Cape Town. One would imagine the future of urbanisation in Zimbabwe as being hinged on developing cities such as Bulawayo, Mutare, and Masvingo to the levels of Harare.

Urbanisation is infrastructure intensive and hence, having four major metropolitan cities entails developing and linking such cities with rail, air, and road infrastructure. Such infrastructure can therefore be a way of allowing more citizens and economic agents to benefit from inclusive city development.

3.5 Bridging the rural-urban divide

Most economic activities are concentrated in urban areas. As such, the living conditions of people living in urban areas are far much better than those in rural areas. However, this militates against the idea of an inclusive economy as the rural hinterland often provides inputs to urban economies. In turn, most benefits of such a relationship do not trickle to rural areas. In building an inclusive economy, it is therefore vital to have mechanisms that support the development of the rural economy. Examples may include rural electrification, strategic rural growth centres, setting up of agriculture- and natural resource-based industries in rural areas among others.

About 67% of Zimbabwe's total population resides in the rural areas (ZimStat, 2013). This makes it vital to build and integrate the rural economy into the national economy. Building the rural economy entails capitalising on locational comparative advantages and building rural economies revolving around particular resources. Most rural areas can be demarcated into economic regions such as farming, mining, and tourism, among others. These can be the fundamental basis of developing rural economies. Building rural economies brings with it jobs, infrastructure, financial services among others to rural areas – a feature which contributes to the promotion of an inclusive economy.

4.6 Financial Inclusion

Financial systems derive economies. At the same time, financial systems can be a source of exclusion in societies. One key feature that derives an inclusive economy is the nature of financial systems. Inclusive financial systems have structures that are fit for purpose and needs-based services. This includes financial services tailor-made to suit needs of different socio-economic classes (the poor, rich, urbanites and rural dwellers). For Zimbabwe, this includes developing financial services accessible by the informal sector, street vendors, SMEs, rural communities, among others.

4.7 Jobs Creation

The availability and nature of jobs determines the inclusiveness of an economy. In this instance, the Zimbabwean economy ought to create jobs, in particular, for young people and the marginalised. Thus, it is vital for the economy to incubate and develop start-up businesses. This means providing strategic support, in terms of technical, financial, and institutional mechanisms. The argument here is that economic development should promote the creation of decent jobs. Jobs, by their nature are vital sources of livelihoods for citizens.

The creation of jobs should have synergies with skills training in an economy. In other words, people should acquire skills relevant in the job market. At the same time, the job market should be able to attract people with the right skills. Such a synergy avoids investing in skills training that will eventually lie idle. In addition, such an approach reduces the percentage of unemployed graduates. In practice, the economy should promote constant strategic review of skills training curricular in tertiary institutions.

4.8 Inclusive Institutions

The manner in which economic and political institutions are structured is vital in an economy. Economic institutions (rules, laws and regulations) govern the interaction of economic agents. As such, these should be transparent, predictable and inclusive in nature so as to facilitate and not negate economic transactions. This is mainly because 'extractive economic institutions do not create the incentives needed for people to save, invest and innovate' (Acemoglu & Robinson, 2013: 372). On the other hand, inclusive political institutions (that guarantee rule of law, good governance, political competition, citizen participation) support economic institutions which are transparent, just, pro-poor and inclusive. In summary, extractive institutions destroy law, order and basic economic incentives and often result in state failure (Acemoglu & Robinson, 2013).

In light of the above, the country should set itself on a reform path, mainly, targeting economic and political institutions. Reform of economic institutions should focus on property rights, economic laws and regulations, and easy of doing business among others. On the other hand, political institutions reform needs to deal with reforms in aspects such as elections, accountability of the executive, and the structure of government (devolution) among others. Such reforms are fundamental in building an inclusive society in which all actors have a role in determining the direction of a nation.

4.9 Technology use for inclusivity

The surge in technology in Zimbabwe can be used for three vantages in building an inclusive society and economy. Firstly, the use of technology to transform relationships among citizens, service providers and government. In this regard, the paper argues for leveraging technology to hold the government to account. Government plays a vital role in promoting inclusivity within economies and hence, it should be hold accountable by citizens. This means that young people should prioritise use of technology to raise their concerns to government and also apprise themselves of government initiatives.

Second, the use of technology to bridge the rural-urban divide. Variations in technology use between regions can be bridged via the promotion of low cost, affordable and user-friendly technologies in rural areas. Such an approach makes citizens in a country irrespective of geographic location to be able to access opportunities and information. Third, concerns the use of technology to facilitate quick business transactions.

4.10 Inclusive Diaspora Strategy

The Diaspora remits about USD935 million to the economy annually (Mangudya, 2016). Indeed, the diaspora provides the largest amount of cash inflow than Foreign Direct Investment and Oversees Development Assistance. Hence, there should be deliberate strategies tailor-made to incentivise the Diasporas to invest in various sectors of the economy. Citizens must invest in an economy in which their rights are respected and protected. In this regard, the diaspora should be given political rights, which they can use to influence both politics and economic policy. Political participation by the diaspora is a way of making sure that they feel part of the society in which their views are heard and rights are protected.

Zimbabwe has about 4million people in the diaspora. Such is a vital economic resource which requires strategic harnessing. For instance, if everyone invests $10 bi-annually into the Zimbabwean economy, this totals $4billion. However, the country should devise strategic investment zones and sectors and policies for diaspora investment. This proposal allows the country to move from remittances being used for the usual consumption to productive purposes. While this strategy can bear economic gains to both the country and Diasporas, it also prepares the latter for a return and retirement.

5. Conclusion ad Recommendations

Building an inclusive economy has three advantages. Firstly, it reduces the costs and risks of instability associated with exclusion from the mainstream economy. Secondly, it inculcates a sense of cohesion, ownership and responsibility as citizens identify themselves with both the society and economy. Thirdly, an inclusive economy is an important element of promoting prosperity and development. In concluding, the paper provides the role of actors in building an inclusive economy. These actors are primarily, the government, private sector and youth.

5.1 Role of government

Government ought to:

a) Lead a process of reform so that economic institutions guarantee economic innovation, inclusivity and transparency,
b) Build the capacity of tax authorities and ensure that social protection is prioritised as a vital element of an inclusive economy,
c) Reform political institutions to guarantee civic participation, political competition, and rule of law,
d) Develop and adopt an urban development framework centred on developing four metropolitan cities,
e) Develop and adopt an economic development framework that prioritises industrial growth in input regions,
f) Support and fund research and innovation in higher and tertiary education,
g) Build its capacity for it to be able to deliver basic services such as education, health, water and sanitation among others.

5.2 Role of youth

Young people should:

a) Participate in political processes to influence change in political and governance frameworks,
b) Acquire skills relevant to changing market conditions,
c) Use technology as a medium to bring public sector institutions to account,
d) Start and develop business ventures which transform communities.

5.3 Role of the private sector

Private sector should consider:

a) Using business models which transform the lives of the poor and marginalised,
b) Investing in Research & Development to develop new innovations,
c) Investing in start-up businesses.

Footnotes

1. It seems that policymaking in Zimbabwe is dominated by respective ministries. For instance, economic policies are dominated by ministries responsible for finance and economic development and government agencies such as Reserve Bank of Zimbabwe. This is also true in other sectors such as local government, water, agriculture etc.
2. Decent work involves opportunities for work that: (i) are productive and provide a fair income paid on time; (ii) provide security in the workplace and social protection for workers and their families; (iii) offer prospects for personal development and encourage social integration; (iv) give people the freedom to express their concerns, to organize and to participate in decision-making that affects their lives; (v) protect against exploitation of the under-age; and (v) guarantee equal opportunities and treatment for all (ILO, 2010).
3. The contingencies include sickness, maternity, employment injury, unemployment, invalidity, old age or death of the breadwinner.
4. MSMEs are defined by the number of employees including individual entrepreneurs (0 employees), micro (1-5), small and medium size businesses (6-75).
5. For more information on this data, refer to Afrobarometer report accessible at: http://afrobarometer.org/publications/youth-day-2016.
6. http://www.statista.com/statistics/264656/countries-with-the-highest-unemployment-rate/
7. Examples include BEAM, Public assistance and Food for Work programmes among others.

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