INTRODUCTION

The purpose of this chapter is to draw the attention of the reader to pertinent angles to the infrastructure and management of human settlements debate in the era of dollarisation in Zimbabwe. From the outset, it must be underscored that dollarisation brought relief and stabilisation to the sinking economy of Zimbabwe in 2009. The worst affected and wounded sector was perhaps the infrastructure sector. This chapter will therefore focus on certain key infrastructure that include road, water, housing, street lighting, parks and recreational facilities and electricity. These infrastructure and utilities have been selected because they represent the essentials that are required to avoid a situation like the 2008/9 cholera outbreak in Zimbabwe which serves as a testimony to the depth of the problem which affected infrastructure maintenance and service delivery. With roads riddled with potholes and some, in the rural areas completely damaged and water supply systems in a state of disrepair, the situation with infrastructure remains deplorable in certain quarters. There is significant evidence to show that the situation has improved but the sustainability of the matter remains unanswered. This is because the country has so many forces working both for and against initiatives made possible by dollarisation. A plethora of the challenges that the country is facing is the issue of the policy framework and politics of the country which are mostly inconsistent making it difficult for investors to commit their funds to these sectors in the country.

One major challenge is that of policy inconsistencies. Policies and policy pronouncements both to do with labour and investment change overnight. During election times, (for example in 2013), the Minister of Local Government, Public Works and National Housing simply announced the scrapping of rates which landed most local authorities in serious trouble such that their ability to pay the workers and deliver services was greatly affected. Of course, most local authorities had been
'overpaying' their workers to the detriment of service delivery, but the change of policy was unwarranted. On the other hand, citizen engagement and accountability to the citizens by the local authorities was and remains a challenge hence a vicious cycle created between the local authorities and the citizens. With respect to infrastructure development, parastatals are responsible for the provision of power, water and related services. The irony of the whole story is that often they have little to offer yet the bosses take huge perks1 with them *(The Herald, 2014a; Daily News, 2014)*.

There is little public accountability on the ground in contrast to the provisions spelt out in the Regional Town and Country Planning (RTCP) Act (Chapter 29:12), Urban Councils Act (Chapter 29:15) and Rural District Councils Act (Chapter 29:13) of the collections and their use which seriously affect the sustainability of processes and intended outcomes. Overall, it is not about dollarisation but the critical matters that make the initiative work.

This chapter is organised under the following subheadings:

- **Background and context of the study** — This section highlights some of the most critical factors that characterise the context in which the study was conducted. It also outlines existing debates on the issue of dollarisation and infrastructure development and management.
- **Conceptual and analytical framework** — The purpose of this section is to give a reflection on some of the key concepts which are considered to be of particular importance to the subject of dollarisation and infrastructure development and management.
- **Discussion** — the discussion section tries to connect debates in literature and the reality on the ground with regards to issues of infrastructure management.
- **Conclusion and Recommendations** — This section provides some of the key policy recommendations for sustainable infrastructure development and management in Zimbabwe in the era of dollarisation.

**BACKGROUND AND CONTEXT OF THE STUDY**

Zimbabwe experienced a deteriorating economic and social environment since the year 2000 following the country's controversial Fast Track Land Reform Programme (FTLRP). The controversy resulted in massive economic and social problems characterised by a less than 10 percent industrial capacity utilisation, hyperinflationary environment and above all overall cumulative Gross Domestic Product (GDP) decline of 50 percent by 2008 *(Government of Zimbabwe, 2013)*.

The utilities and infrastructure sector has also not been spared from this economic crisis as indicated by the lack of major improvements and modernisation of roads, civil aviation and railway networks all because of the shortage of capital and long-term investment opportunities. However, there is some road maintenance and rehabilitation currently going on in Zimbabwe. This is a reflection of some economic recovery.

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1 Harare City Council town clerk earned about US$23,300 per month for basic salaries and benefits in July 2014 and this was set to be increased while the general employees earned an average of US$300 per month *(The Herald, 2014a; Daily News, 2014)*
Jonga and Munzwa (2009) elucidate that capacity challenges are exacerbated by some corruption by erstwhile councillors in the urban areas and this has somehow affected the smooth operation of councils resulting in a number of problems, chief among them being poor water and sewerage reticulation systems. Despite the utility of the energy sector as a key enabler to productivity and socio-economic development, the sector has been haunted by a number of challenges mainly attributed to old and dilapidated generation equipment and infrastructure. Inadequate financing and capitalisation and other structural bottlenecks have been identified as contributing to the challenges in the energy sector (Government of Zimbabwe, 2013). The genesis of the Zimbabwe crisis has generally been argued to have started with the World Bank (WB) and International Monetary Fund (IMF) supported Economic Structural Adjustment Programmes (ESAP) (Chingono, 2010). It is believed that ESAP laid the foundation/framework for the Zimbabwean economic crisis. Chimhowu (2009, p.16) observes that up to the introduction of the ESAP in 1991, Zimbabwe had a fairly diversified economy in which manufacturing played a much bigger role than in other African economies. With the implementation of ESAP, average real GDP declined, and growth averaged 1.7 percent between 1991 and 1996 while per capita income actually contracted by -1.9 percent to Z$1,992 compared to Z$2,998 just before ESAP (Chimhowu, 2009, p.17).

There are also arguments around the role played by Western sanctions on the destabilisation of the Zimbabwean economy. Chingono (2010) argues that Britain and her Western allies imposed sanctions on Zimbabwe, which has made it very difficult for the country to register meaningful economic progress. The rise of China has created hope of possible alternative sources of development finance in the world and hence the reconfiguration of global economic relations. The Chinese development companies have dominated the development sector in Zimbabwe, as evidenced by the so called mega deals signed between the Zimbabwean Government and their Chinese counterpart. China played an important role in providing Zimbabwe with loans and development financing. A number of cooperative agreements were entered into and signed between Zimbabwe and China. Chigora and Dewa (2009, p. 95) observe that, in the transport sector, two MA-60 aircraft from China were acquired adding to the six aeroplanes the parastatal had in 2009. The maintenance of the fleet has been a problem and this has compromised the development of the aviation infrastructure in the country. Moreover, the Zimbabwe United Passenger Company managed to purchase 135 conventional buses and 41 mini-buses from China in 2009. At present the greater part of this fleet is not on the road as the company struggles to maintain the buses.

**CONCEPTUAL AND ANALYTICAL FRAMEWORK**

There is no universally accepted definition that explains the concept of “infrastructure”. For the purpose of this chapter the term infrastructure is defined by the authors as the substructure or underlying foundation or a system or network that is used to provide goods and services. Of noteworthy, when referring to infrastructure, are the basic installations and facilities that enable the community to continue in existence and possibly grow. The following are examples of
infrastructure; roads, water systems, communications facilities, sewers, sidewalks, schools, power plants and transportation. Bell et al. (2006) argue that the definitions of infrastructure range from all public capital investment, to specific investment in the construction, repair and maintenance of fixed capital assets or facilities (such as roads, bridges, airports). For Bruce et al. (2007) the term ‘infrastructure’, implies productivity associated with public expenditure. Infrastructure services such as power, transport and telecommunications are central to economic development. They represent, if not the ‘engine’, then, the ‘wheels’ of economic activity (Tambekong, 2006, p. 110). There are two categories of infrastructure namely; hard and soft infrastructure. Hard infrastructure is the hardware that transmits or stores services, for example, telecommunications, power and water. Soft infrastructure refers to intangible assets including aspects of governance, transparency and accountability, financial systems and information systems (Chirisa et al., 2014). Soft infrastructure supports the production and operation of hard infrastructure (UNHABITAT, 2011).

Beeferman and Wain (2010) argue that infrastructure may be described in functional terms; that is, through the consideration of the uses of the facilities and services involved. Other proponents use the category of economic infrastructure in reference to toll-roads, bridges, tunnels, airports, seaports and rail networks, as well as common utilities such as gas distribution networks, electricity and renewable energy production and distribution and water treatment and distribution facilities. They distinguish economic infrastructure from social infrastructure that include schools, health care facilities, prisons and intra-city railroads. Furthermore, infrastructure has been divided into three groups namely transportation, utilities and social infrastructure (ibid). Beeferman and Wain (2010) argue that infrastructure further includes lotteries and parking lots and meters. This means that the term infrastructure is not easy to define and explain. From the above definitions, the general explanation that can be put forward is that infrastructure refers to physical, economic and social facilities that are required for the proper functioning of any society such as roads, schools, hospitals among others.

According to the UNHABITAT (2011), it is very difficult to have a clear-cut definition of the term infrastructure. Infrastructure does have its own characteristics and some of them are as follows:

- essentially public goods, providing in principle, non-exclusive goods accessible to all,
- fixed investments, bulky and lump-sum with long (or no) payback periods,
- having considerable variation in earning power capacity (e.g. telecommunications versus water), and
- sensitive to corruption and political shifts.

The term “local government” is not easy to define and conceptualise hence it has been defined from various angles. The term literally means management of the local affairs by the people of the locality. For Appadorai (2004) local government may be described as government by popularly elected bodies charged with administrative and executive duties in matters concerning the inhabitants of a particular district or place and vested with powers to make by-laws for their guidance.
It is based on the principle that the local problems and needs can be looked after by the people of the locality better than by central or state governments. Central governments often interfere in the affairs of local governments despite the autonomy of operations that they enjoy. Their actions are, however, subjected to the supremacy of the national government. Defining local self-government, it has been observed by Appadorai (2004, p.6) that it is a situation whereby local inhabitants represent a "... local body possessing autonomy within its limited spheres, raising revenue through local taxation and spending its income on local services constitutes the local-self-government."

The concept of "dollarisation" has different meanings to different contexts. Several arguments have been put forward by economists to explain the concept of dollarisation. The recurrence of currency crises in emerging countries has generated an intense debate on exchange rate policies. A growing number of economists have gone as far as arguing that (many) emerging nations should completely give up their national currencies, and adopt an advanced nation's currency as legal tender. This policy stance is what is termed 'dollarisation' (Edwards and Magendzo, 2001). Those scholars who support dollarisation have argued that countries that give up their currency will be unable to engage in monetary and macroeconomic mismanagement. Public finances will stay in balance, macroeconomic policy (or what is left of it) will be credible, and the external accounts will move within reasonable bounds. According to this perspective, dollarisation will have two major positive effects on national economic performance: First, inflation will be lower in dollarised than in non-dollarised economies. Alesina and Barro (2001, p.382) are of the opinion that the adoption of one country's currency may eliminate the inflation-bias problem associated with discretionary monetary policy. Moreover, countries that give up their currency tend to grow faster than non-dollarised countries. This growth effect is supposed to take place through two channels: (i) dollarisation will mean lower interest rates, higher investment, and faster growth (Dornbusch, 2001), and (ii) by eliminating exchange rate volatility, dollarisation is supposed to encourage international trade and this, in turn, will result in faster growth. However, there seems to be no convergence among scholars on the real impact of dollarisation on the performance of national economies. For this chapter, dollarisation will be examined in relation to its impact on the development and management of infrastructure and human settlements in Zimbabwe.

Accountability is one of the building blocks of good governance, although it can be difficult for scholars and development practitioners to navigate the myriad of different types of accountability. As a result of the different types of accountability, there has been growing discussion on the different typologies of accountability. In this section of the chapter, we focus on the definition and substance forms of accountability together with the key role that legislatures play in ensuring accountability. Accountability is a loose concept that is not easy to define. However, broadly speaking, accountability exists when there is a relationship where an individual or body, and the performance of tasks or functions by that individual or body are subject to another's oversight, direction or request that they provide information or justification for their actions. As such, the concept of accountability involves two distinct stages namely answerability and enforcement. The former refers to the obligation of the government, its agencies and public officials to provide
information regarding their decisions and actions so as to justify them to the public and those institutions of accountability tasked with providing oversight. On the other hand, the latter suggests that the public or the institution responsible for accountability can sanction all offenders or remedy the contravening behaviour. Different institutions of accountability may therefore be responsible for either or both of these stages. Accountability is very critical in governance and public management discourse because it helps in evaluating the effectiveness of public officials and public bodies in the delivery of public goods and services. There are different types of accountability. The current view is that horizontal accountability is provided by institutions of accountability such as parliament and the judiciary. This type of accountability may be referred to as the capacity of a network of relatively autonomous powers (i.e., other institutions) that can call to question and possibly sanction those responsible officials who fail to effectively discharge their mandates. In simple terms, horizontal accountability is the capacity of state institutions to check abuses by other public agencies and branches of government or the requirement for agencies to report sideways. For example in Zimbabwe, the Environmental Management Agency (EMA) has been very active in sanctioning local authorities in the country mainly due to discharge of raw municipal sewer in water bodies. The alternative to horizontal accountability is vertical accountability which refers to the means through which citizens, mass media and civic society seek to enforce standards of good performance by the respective officials or government institutions or agencies.

Section 196 (1-3) of the Zimbabwean Constitution emphasises the need for effective democratic local government that has the principle of devolution as the bedrock. Focus is placed on the local authorities being objective and impartial in decision making; honesty in executing public duties; accountability to the public for decisions and actions as well as discipline and commitment in the service of the people. This is a clear indication that the local authorities are accountable for the services they provide. In Zimbabwe accountability remains a novelty because local authorities take the citizens for granted and do not engage them in decisions they make. There is pseudo engagement of the public that characterises council activities in Zimbabwe and the power dynamics makes it very difficult to identify the culprits when problems occur. An example is the interference of central government in local authority activities which results in duplication of duties as well as finger pointing when things go wrong.

In simple terms, members of a community are “engaged” when they influence decision-making. Engagement means that the public is actively involved in defining the issues, identifying solutions as well as developing priorities for action and resource mobilisation. In this regard, Bassler et al. (2008) argue that local leaders ought to broaden the list of their responsibilities to include roles as facilitators, supporters, collaborators and help to empower local community members. Thus, citizen engagement is characterised by the following elements:

- Increasing citizens’ knowledge about a community issue
- Encouraging citizens to apply that knowledge
- Using that knowledge to improve the community.
Citizen engagement is very critical since it ensures that the proposed projects and programmes will be successful, building trust between the communities and local leadership and to ensure that everyone is included in the development processes at all levels. Though considered significant, the concept of citizen engagement is very difficult to implement due to differences in the socio-economic and political contexts of communities.

ISSUES IN INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE IN ZIMBABWE

This section provides an outline of the situation before dollarisation, in terms of infrastructure development as well as highlighting the key roles and functions of different parastatals in the development and management of infrastructure in Zimbabwe. Before dollarisation, the state of trunk road\(^2\) infrastructure was very poor and faced numerous challenges. The economy was deteriorating each day as it was faced with hyperinflation which clocked at almost 231 million percent in 2008 (McGreal, 2011). This imposed very big challenges to both the private and the public sector to finance the development of new trunk roads or even to maintain the existing ones. The migration of skilled personnel from Zimbabwe to neighbouring countries in search of greener pastures also affected the capacity for developing new infrastructure. This also led to a lack of an integrated approach to infrastructure investment planning.

The water supply systems in Zimbabwe were in a state of disrepair before dollarisation of the economy. This was largely because there was old and dilapidated infrastructure in the country. An example is proffered by Hove and Tirimboi (2011) who provide that Harare’s water distribution system was built way before independence in 1980 and continues in existence to this day without replacement or proper maintenance. The infrastructure just like most towns and cities across the country consisted of pumps that exceeded their lifespan of between 15 and 20 years yet most of them have not been replaced since they were installed (Kwidini, 2007). This means that the water systems are dilapidated and continually break down, translating into water shortages. Harare was the town that was most affected by water quality problems, whilst water scarcity problems was a major problem in the Matabeleland region (Nhapi, 2008). Water quality deterioration in water basins such as Lake Chivero was largely caused by regular discharges and inflows of poorly treated sewage effluents. Local authorities did not have the capacity to treat water hence they released unclean water which is not safe for human consumption (Nhapi, 2008; Davis and Hirji, 2014). Shortage of treated water also forced local authorities to intensify water rationing. Due to the water shortages, residents were forced to fetch water from shallow wells and other unprotected sources which exposed them

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\(^2\) A trunk road is also referred to as a highway or strategic road that connects two or more cities and is often operated by the national body in charge of national roads.
to water-related diseases, such as cholera, dysentery and diarrhoea (*The Herald*, 2010). The 2008/9 cholera outbreak in Zimbabwe brought to light the depth of the problem which affected water infrastructure maintenance and service delivery.

**PLACE OF INSTITUTIONS IN INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE: ROLE OF PARASTATALS**

Infrastructure development and maintenance falls under a range of areas. Because of this diversity and complexity of infrastructure development and maintenance, the process can never be a one man job. Therefore, for infrastructure to be sustainably developed and maintained various institutions have to be involved in this pursuit. The Government of Zimbabwe owns parastatals which are also known as State-owned enterprises which are used to raise revenue and to provide essential services to the general public. The parastatals' governance policies, procedures and practices are regulated by the Public Finance Management Act (Chapter 22:19) (*ZimEye*, 2010). However, regardless of this guidance from the Act, parastatals have been criticised for paying hefty salaries and allowances to senior management at the expense of service delivery. Kachembere (2015) also labelled parastatals as retirement zones which employ retired army personnel instead of employing professional experts. This resulted in parastatals undertaking many non-profit making ventures such as the creation of many subsidies which were meant to facilitate the looting of the public coffers. In the Zimbabwean context, the following state-owned enterprises are responsible for the development and maintenance of infrastructure and service delivery.

**Zimbabwe National Water Authority (ZINWA)**

ZINWA is a wholly government-owned organisation under the ministry of Water Resources Development and Management. ZINWA derives its power from the ZINWA Act (Chapter 20:25) and the Water Act of 1998. The authority is responsible for managing water on behalf of the state with the aim of ensuring that there is sustainable development and equitable distribution of the country’s water resources to all Zimbabweans at an affordable price. ZINWA is responsible for the optimum planning, management and development of water resources in the whole country, including safeguarding the resource against abuse through pollution. ZINWA took over the responsibilities of key revenue generating activity, water supply, from all urban local authorities in 2005 up until 2009 (*Mapira*, 2011). However, ZINWA dismally failed in service delivery thus jeopardising the health of urban residents. This led to a cholera outbreak which claimed nearly 4,000 lives nationwide (*The Herald*, 2010).

ZINWA is also responsible for managing the construction of the Tokwe-Mukosi Dam in Chivi District, Masvingo which started in 1992. The dam has a 89.2 metres long dam wall and it is supposed to provide irrigation water to the lowveld sugar estates and the surrounding communal farmers, and to generate hydro-electric power. However, by 2015 ZINWA have failed to draw the project to a close. This has mainly been associated with massive corrupt tendencies that characterise ZINWA. The Italian SaliniCostrutorri was the main reputable contractor for the project but
ZINWA failed to release funds to the contractor and opted to contract incompetent local sub-contractors who failed to deliver service on site even after being paid (Mugabe, 2014). The engagement of these incompetent sub-contractors is used as a gateway to corrupt tendencies.

Zimbabwe National Road Authority (ZINARA)
ZINARA is responsible for the collection of road user charges and toll gate fees. This revenue is in turn used to finance the construction of trunk roads country wide and rural roads. The parastatal also uses Public Private Partnerships (PPPs) with the private sector such as the Big Five to construct major highways in the country. To date, the Harare-Bulawayo road and Harare-Mutare road have been resurfaced while a few kilometres of both roads have been dualised. ZINARA has the mandate of collecting all revenue from vehicles and road users and reimburse some portion to urban local authorities (LAs) so that they can develop urban roads. Nevertheless there are conflicts of interests over traffic revenue collection between ZINARA and LAs. LAs complain that the reimbursements are too little for them to perform efficiently in road maintenance. In the 2014 budget for the City of Harare, it was revealed that the LA expected a sum of $15 million from ZINARA but just received a pothole patcher worth $550,000 and other materials valued at $200,000 (total of $750,000) (City of Harare, 2013). Recently, the top management of ZINARA asked the Parliamentary Portfolio Committee on Transport and Infrastructure Development to allow them to take over the business of city parking from urban local authorities. The appeal was supported by the need for ZINARA to boost its revenue base and channel more resources towards rehabilitation of urban roads. However, this was refuted by the Council business committee on the notion that if the city parking business is handed over to ZINARA it means the government would have stripped off local authorities of an important component in potential revenue.

Zimbabwe Revenue Authority (ZIMRA)
ZIMRA was established in 2001 to replace the Department of Taxes and Department of Customs and Excise. ZIMRA derives its mandate from the Revenue Authority Act (Chapter 23:11) and is responsible for a number of responsibilities that include assessing, collecting and accounting for revenue on behalf of the Ministry of Finance. The mandates of the parastatal include revenue collection in various areas such as customs duty, value added tax, excise duty, Pay As You Earn (PAYE), capital gains tax, surtax and income tax. Moreover ZIMRA is also mandated to facilitate trade and travel, advise government on fiscal and economic matters as well as protection of civil society. ZIMRA has been effective in its mandates and this has resulted in the government adding more responsibilities to the parastatal and these include collection of road tolls, royalties on minerals and it is the sole agent that has been appointed by the Ministry of Transport, Communication and Infrastructure Development to issue Road Traffic Act insurance policies as well as collection of premiums for all vehicles imported into the country as from March 2010.
Zimbabwe Electricity Supply Authority (ZESA)

ZESA is a state-owned company whose mandate is to generate, transmit, and distribute electricity throughout Zimbabwe (ADB, 2011). ZESA is the only electricity generator and supplier for the public grid. The Electricity Act and the Rural Electrification Fund Act both of 2002 pursued a reform agenda for the unbundling of ZESA into subsidiaries that assist the parastatal to achieve its prime goals. The Zimbabwe Power Company (ZPC) is responsible for energy generation, the Zimbabwe Electricity Transmission and Distribution Company (ZETDC) is responsible for the transmission and distribution of electricity and the Rural Electrification Agency (REA) is responsible for the development and management of electricity infrastructure in rural areas. ZESA owns four thermal power stations, namely, Hwange, Harare, Bulawayo and Munyati. Hwange thermal power station is the largest with a capacity of approximately 920 MW while the other three have a nominal capacity of 270 MW together. The enterprise is presently producing less than half of its total energy requirements of approximately 2,400 megawatts (MW). To this effect, the company announced that for the 2015 winter season there would be nine-hour load shedding at intervals in all areas across the country (Musarurwa, 2015). ZEDTC declared that the load-shedding programme was meant to balance power supply and demand. In 2016, there were improvements as they were few load shedding programmes at the backdrop of reduced demand due to low industrial activities.

LAND-BASED INFRASTRUCTURE FINANCING

Land plays a significant role in financing urban infrastructure. Land has the potential to produce immediate considerable revenues, which reduces the dependence on debt, yet Zimbabwe has not yet fully tapped the advantages that land has to offer. The RTCP Act and the Urban Councils Act state the legal parameters that can be used to raise finance from land. Land financing generally takes three forms, specifically: subdivision and consolidation, premature development concept and the general property taxation. Sections 39-44 of the RTCP Act give provisions necessary for raising finance from land through subdivisions and consolidations. Land owners who intend to subdivide or consolidate their properties are liable to pay endowment fees. The endowment fees are put into the development account which is used to finance infrastructure development. The premature development concept occurs when the local authority has financial constraints to develop an area. The private sector or private investors will then come into play as a supporting hand to develop infrastructure on behalf of the local authority before it is granted a certificate of compliance which then enables the private developers to commence use of land in order to recoup its development costs before it hands over the area to the local authority for administration.

The third method for land-based financing is through property taxation. Property tax is based on the value of properties owned by households and enterprises hence it is charged on land, residential and industrial constructions (Roy, 1999). All local authorities in the country have a mandate to charge rates and levies on various types of property within its jurisdiction and this has been a major source of income in Zimbabwe. The Urban Councils Act of Zimbabwe gives urban local authorities
power to impose a rate upon all rateable properties within its area. According to Rothschild (1996) the rate to be charged for any property is calculated on the basis of the value of property as listed in the council valuation roll. However, it is costly and technically difficult to maintain an up to date property valuations register. The Zimbabwean system makes use of development levies that are imposed as a tax by the central government for payment by the locals in a community to promote local development in the form of roads, bridges, schools, hospital construction, etc (Wekwete, 1987). Nevertheless, some citizens may resist paying the development levies due to a disproportionate between amounts paid and development on the ground (ibid).

However, we cannot speak of land based infrastructure financing without mentioning land barons who have invaded the land delivery process in Zimbabwe. Many tycoons are involved in selling state and council owned land to desperate land seekers. This led to the arrest of fifteen land barons in August 2015 (News dzeZimbabwe, 2015). Most of the land barons such as Godwin Gomwe deceived people in Harare South using political muscle since he was the ZANU-PF Harare youth provincial chairman. Cases of land barons are very common in Caledonia Farm and Harare South (Matenga, 2015). The problem with the land barons is that they siphon money from land seekers without delivering any infrastructure or services for them.

Human settlements’ enhancement
Part 3 of the Zimbabwean Constitution focuses on “local government” which has been categorised into two groups, namely urban local authorities and local authorities for rural areas. Section 274 of the constitution states that urban local authorities are established so as to represent and manage the affairs of the urban populace in the country. On the other hand, local authorities for rural areas are established so as to cater for and manage the affairs of the rural population (section 275). The constitution does not separate the functions of rural and urban local authorities in relation to their role in enhancing human settlements. The local authorities have the right to govern, on their own initiative, the local affairs of the people within the area for which they have been established (Government of Zimbabwe, 2013). Furthermore, local authorities have the power to make by-laws, regulate and make rules that promote effective administration of those areas under their jurisdiction, levy rates and taxes as well as raising revenue to fulfil their objectives and responsibilities (Government of Zimbabwe, 2013: 126). Since local authorities fall into rural and urban areas, two Acts of Parliament focus on each one of these and these shall be the focus of the forthcoming section wherein the role of local authorities will be outlined with reference to these acts.

Role of local authorities
Local authorities have a lot of responsibilities that they shoulder in enhancing human settlements. Their roles are clearly outlined in the RDC Act and UC Act and these roles are summarised as follows:
  • Planning and implementing local development (RDC Act section 74(1));
• Managing water and sewerage facilities (UC Act section Part xiii; 71(27)(1); 184 (1); RDC Act section);
• Provision and maintenance of roads (RDC Act Part iv);
• Management of refuse collection (RDC Act section 71);
• Provision of housing and servicing of stands with offsite infrastructure ();
• Management of cemeteries and public places such as parks and recreational facilities (UC Act section ; RDC Act section 71(3)); and
• Street lighting provision and maintenance (RDC Act section 71(3)(1); UC Act section 217).

However, these roles of local authorities are compromised by too much interference from various ministries. The Zimbabwe Institute (2005) argues that the local authorities in Zimbabwe operate at the behest and suffering of the Minister. The UC Act and RDC Act empower the Minister of Local Government to suspend or act on behalf of local authorities or nullify some decisions that would have been made by the councils. An example is given from the RDC Act where there are more than 250 instances where the Minister can intervene in the daily affairs of local authorities (Zimbabwe Institute, 2005). This interference greatly undermines the role of local authorities in fulfilling their mandates in service delivery. Accountability in this case is also undermined as there is much influence from the ministers as well as central government. An example is the resolution that was passed by the government to cut off debts owed by citizens to local authorities.

STATE OF SERVICE DELIVERY IN THE COUNTRY

Dollarisation has resulted in a number of achievements and strides being made in the country. Of note are the following achievements: increase in level of investment by the private sector in various sectors as indicated by an increase in FDI from US$387 million to US$400 million between January 2013 and July 2013; improvement in parks and recreational facilities across the country; milestone in reconstruction of trunk roads; and significant revenue collected by ZIMRA in the country. There has been a lot of progress and improvements made as well in land development as the dollarisation has stabilised the economy enabling investors to recover their investments within a specified time limit. Dollarisation has also opened some more avenues for local authorities who are now collecting more revenue in the form of land development levies and taxes. Access to loans for local authorities has also increased during the dollarisation era. In this section we focus on the state of the service delivery in the country after the dollarisation era. The following areas shall be considered: roads and transport, water and sanitation, street lighting, parks and recreation, land development and waste management.

Roads and transport services

There have been some remarkable improvements in the national roads as indicated by the resurfacing of the Harare-Bulawayo Road and Harare-Mutare and the dualisation of Airport Road in Harare. This is a clear indication of how the dollarisation of the economy has helped to complete some projects that were taking
long to finish, especially the dualisation of the Airport Road in Harare. However, all is not rosy as most roads in the country remain in a sorry state. It seems roads are not a priority, especially in the high density residential areas where most of the roads are littered with potholes and when maintenance work is being done there is just covering of the roads with rubbles which is a temporary measure especially when the rains come and erode the surfacing. In addition to the problems of the poor roads, there is also the challenge of parking and public transport that continues to haunt most rural and urban areas. With the increase in car ownership in the country’s urban areas there is increasing demand for parking space with most motorists resorting to on street parking. On the other hand, traffic congestion is becoming an issue due to the large volumes of vehicles against a road infrastructure that was not designed for such large volumes of traffic flow. Transport is a key component, yet it has remained the responsibility of private players who often charge exorbitant prices as well as not having fixed and timetables.

**Water and sanitation**

A successful story may be narrated with regards to the provision of water and sanitation services in Zimbabwe during the dollarisation era, though there are some areas that need to be rectified. Improved water and sanitation services have been availed through partnerships with private and public organisations. In 2008 the urban water coverage in Zimbabwe was approximately 40 percent in the rural while for the urban areas it was 60 percent. On the other hand, rural sanitation coverage was 25 percent and with urban sanitation being approximately 40 percent. These low coverage figures in relation to water and sanitation between 2000 and 2008 have been attributed to the implosion of the national economy, withdrawal of donor funding in service delivery and falling revenue streams necessary to maintain the water infrastructure (Water and Sanitation Programme, 2011). However, there was remarkable progress from 2009 when the US dollar was introduced in the country. Water provision increased to 95 percent in the urban areas and 48 percent in the rural areas. In Chiredzi, more than 30,000 residents gained access to safe drinking water following the rehabilitation of water supply infrastructure and sewerage systems with funding from the Australian Government between 2009 and 2014 (Nyangwanda, 2015).

Fourteen small towns in Zimbabwe were set to benefit from the same initiatives but the projects were not implemented in all the targeted cities and towns. The same applies for Harare where a South African firm had committed to lay 5,500 km of water pipes worth US$100 million (Newsday, 2014). However, in spite of such efforts and initiatives by the local authorities there are still some urban areas that are experiencing water and sanitation crises especially in Harare. Water and sanitation problems are most acute in emerging settlements that are being established without prior off site infrastructure connections. Some residents have lost confidence in the service delivery by the local authorities and instead rely on underground water sources (Gukurume, 2011; Davis and Hirji, 2014). On the whole, the dollarisation ought to have transformed the water sector in the country with relation to quality and quantity of water, but it seems the quality remains a challenge (Nhapi, 2009). Overall, there is a lot that has to be done if effective water and
sanitation services are to be delivered by local authorities in Zimbabwe. Questions arise as to why the councils fail to fulfil their mandate regardless of the large sums of money paid by property owners when they are allocated the stands.

Street lighting
Street lighting increases visibility in neighbourhoods at night, thus making the areas safe. Prior to the dollarisation of the economy most councils were burdened with street lighting woes as they were non-existent in most areas and if they existed they were dysfunctional. Some improvements have been observed in the dollarisation era, as there have been some installations of street lights in the major towns and cities in the country. For example, in Harare much has been invested in solar street lights. A Zambian company made a US$4.5 million 15 year deal with Harare City Council to provide 1,000 solar street lights along 16 streets in the capital. This is a private-public partnership which shows the improvements that have come with the dollarisation of the economy (The Herald, 2014). However, not all areas in the country have shared the success story of street lighting as most of the high density residential areas and rural areas remain without street lighting.

Housing and habitat
Housing remains a challenge in the country as councils are fighting to reduce the backlog that stands in excess of one million. The backlog is a cumulative shortfall that can be attributed to a number of factors that include Operation 'Murambatsvina' in 2005 and economic hardships that have made housing so expensive and beyond the reach of the poor. However, with the dollarisation of the economy there has been some remarkable progress made in housing in the country. Traditionally, the government and local authorities have placed the responsibility to provide housing in the hands of the private sector (co-operatives, buildings societies and individuals). Such efforts have proved to be worthwhile especially in recent years as there have been some partnerships between local authorities and private sector in housing provision. Events on the ground indicate that there has been remarkable investment in the housing sector with various players other than local authorities contributing to the development of housing infrastructure.

For example, close to 15,000 low-income home seekers were set to benefit from Old Mutual’s housing development across the country (Kachembere and Chirara, 2013). Beneficiaries for the project were set to be drawn from local authorities’ housing waiting list while CABS will provide mortgages worth US$62 million to the qualifying beneficiaries. However, despite the efforts by CABS to successfully construct the housing stock in Budiriro, Harare, the cost of the houses has remained far beyond the reach of the poor as potential owners are expected to pay at least US$200 per month for ten years. The interest shown by the private sector in housing development across the country can be attributed to the availability of hard currency among the citizens in the country which guarantees investors a return on their investments unlike in the Zimbabwean dollar era where it was not economical to invest in housing development in the country. On the other hand, private players have been actively engaged in housing development on their properties since the introduction of the US dollar in the country. This has been a positive response
The impact of dollarisation on Zimbabwe considering the low level of housing development prior to the dollarisation era. On the whole, there still remain more that needs to be done in the housing sector as the quality of the housing at times is a cause of concern due to materials used.

Land development
Land development is a process that includes the conversion of land into construction ready for a number of processes as well as the improvements on land. The RDC Act states that councils may lay out and service any state land for residential, commercial or industrial purposes, construct buildings on the land as well as make necessary improvements to the buildings. This is a form of land development that has been outlined in the RDC Act. Following the dollarisation of the economy in Zimbabwe, the local authorities and the private sector have been actively engaged in land development across the country. Land developers have emerged especially in the housing sector where a lot of initiatives are in the realm of residential as well as commercial developments. The boom in the construction sector owes its credit to the private sector with the local authorities contributing slightly in land development because of financial constraints. As of mid-2016, Sunway City (Pvt) Ltd is in the process of developing 1,559 hectare land bank in Harare where a US$93 million industrial park is to be established in Ruwa. Furthermore, a UK-based real estate firm, Pennant Home Estate Agents, has positioned itself to strengthen its foothold in Zimbabwe after announcing a strategic alliance with local land developers Larob Real Estate Agents (The Zimdiaspora, 2013). Moreover, the introduction of the US dollar in the country resulted in the completion of projects such as Joina City building in Harare that was finally completed in 2009 after a long period of stagnation. Some improvements have been made to some buildings that had become old and in need of repair.

Parks and recreation
The provision and maintenance of parks and recreation services had deteriorated during the hyperinflation era and this resulted in unpleasant environments especially in the urban areas where the urban form is of utmost importance. Parks provide aesthetic value to the city while promoting ecological functioning of cities. On the other hand, recreational facilities in the form of sporting arenas, swimming pools and cultural centres are a prerequisite in any city. A blind eye seems to have been cast on the provision and maintenance of parks and recreation facilities prior to the dollarisation era, but with the dollarisation of the economy there have been some restorations and establishments of parks and recreational facilities across the country. Noteworthy is the progress of initiatives being undertaken in Bulawayo and Gweru where the local authorities secured funding from the German Government and international relief agency GTZ/BMZ for the restoration and establishment of public parks in these two cities (Daily News, 2010). In Harare there have been great strides made in beautifying the open spaces in the city as well as other recreational facilities such as public swimming pools. The level of service delivery in this area has not reached full capacity as there are still some areas that are yet to be transformed. Since parks are traditionally public infrastructure in Zimbabwe, the private sector has not been active in investing in this sector as the returns and profits are very minimal.
Waste management

Waste management in urban areas continues to be a challenge in the country. There have been some positive changes where the local authorities have engaged in removal of refuse on residential, industrial and commercial areas as stipulated in section 71 of the RDC Act. A number of challenges still haunt the local authorities in relation to waste management because some areas are not serviced by local authorities in terms of refuse removal. High density residential areas are worse affected in this regard as the removal of refuse is not as consistent as the low density residential areas. This has been a challenge because the citizens feel the councils are not performing their duties effectively when one considers the rates paid by most citizens towards refuse collection. Gukurume (2011) gives an example of Masvingo where waste management is biased towards the high income residential areas. In Harare a positive change has been noted in the CBD where efforts by the City Council are visible through consistent waste removal following timetables. Moreover, the acquisition of a motorised refuse cleaner by Harare City Council is another milestone towards waste management.

CRITICAL ISSUES FOR CONSIDERATION

Level of investment

A number of initiatives in the country need to be financed through Foreign Direct Investment (FDI) because local governments do not have the capacity to fund these programmes using their own resources. As such FDI becomes instrumental in the provision of services and infrastructure development in rural and urban areas. According to Kahiya (2013) investors consider a number of issues when intending to invest in a country and some of these include, ease of running a business, economic freedom, investment policies, corruption, rule of law and enforcement of contracts. Since 2009, there has been some growth in FDI in the country that is evident from an increase of 280 percent between 2009 and 2013. Zimbabwe is ranked 111 out of 174 in terms of the enforcing contracts in the country. Although there has been a growth in FDI in Zimbabwe, the figures are generally low due to a range of factors that mainly include politics in the environment in the country that tend to repel investors. In 2013, US$172.4 million was invested in the services sector, US$5.25 million in the construction sector while the transport sector received an estimated US$129.4 million.

Willingness and ability by citizens to pay

Willingness to pay refers to the expected payment users are willing to make for a service or product. Whittington and Swarna (1994) argue that public perception of water quality and the availability of alternative services to the consumers often determine their willingness to pay. Willingness to pay is therefore subjective and depends on the consumer who may decide not to pay for a service when they actually have the means to do so. Ability to pay is another dimension which considers the citizens capacity to pay for the services. Although one may have the will to pay, they may lack the financial resources to do so hence willingness and ability are two different issues.
The ushering in of the US dollar in Zimbabwe was supposed to increase citizens' ability to pay for services but the majority of citizens in Zimbabwe especially in the rural areas are poor and live below the poverty datum line. According to Hobbes (2014) the average monthly income in Zimbabwe is US$253, yet a meagre 30 percent of the population is employed and the cost of living for an average family was US$511 as at January 2014 (Newsday, 2014). Statistics also show that about 62.6 percent households in Zimbabwe were poor while 16.2 percent were extremely poor (Zimstat, 2013). This has meant that despite the dollarisation of the economy, some citizens are worse off than before and the rates and taxes charged by local authorities are beyond the reach of many people. The inability of most citizens to pay for services is shown through huge council debts, for example in Harare the council was owed US$330 million by rate payers in the city in 2013 that was cancelled through a government directive. Although some proponents would want to argue that it is a case of deliberate faltering by the citizens, the debts are attributed to inability to pay. Councils in Zimbabwe charge exorbitant rates when compared with the rates charged in the region by other local authorities. For example, a 0.33 litre bottle of water costs US$0.42 in Zimbabwe while the same costs approximately US$0.25 in Zambia. On the other hand, the quality of the services offered by the councils is so discouraging that some citizens deliberately decide not to pay for services such as water supply and refuse collection. It is this intrinsic and seemingly complex web wherein there is poverty on the one hand and public perception that service delivery by councils is poor service hence making it difficult to establish whether it is inability to pay or lack of will to pay.

To privatise and not to privatise
Local authorities have the mandate to provide services to the public but this is not always the case as service delivery may alternatively be provided through public-public partnerships, partnership with civil society, contracting out, public-private partnerships or privatisation. However, despite the use of any of these options, the local authorities remain accountable and responsible for the quality and effectiveness of service delivery to the public (Naidoo, 2000). Contracting or privatising service delivery is discouraged by Gukurume (2011) who argues that the ceding of service delivery to independent providers compromises quality of the services provided because these private organisations are mainly profit oriented hence tend to focus more on their returns than on service delivery. Privatisation is recommended for non-essential assets and services such as street lighting and parks and recreation while basic human services such as water, electricity, housing and waste management should be provided by the councils. With the dollarisation of the economy, there is increasing role by the private sector in financing infrastructure such as housing. The privatisation of housing across the country has created more problems than solutions because private developers have been engaged in unscrupulous dealings with members of the public. Service delivery by local authorities should be guided by a number of factors that include accessibility, affordability, value-for-money, transparency, accountability and sustainability (Combined Harare Residents Association, 2014).
DISCUSSION

Critical debates emerge from this chapter. Local authorities are mandated to undertake a range of activities and one of their roles is to collect levies and taxes for various purposes in urban and rural areas. In this regard, local authorities often fail to collect the full revenue through this way. There are a number of factors that limit the amounts that are collected by local authorities such as poor service delivery that results in citizens resisting to pay for the services such as water, political interference that results in some outstanding debts being cancelled. Overall, there have been some improvements in service delivery in the country as demonstrated by the investments made in water and sanitation provision, land development and parks and recreational facilities. However, the state of service delivery in the country seems to be unsustainable because local authorities at times fail to recover the full costs of establishing the service delivery or they fail to adequately maintain the services such as roads. This then result in perpetual degradation of the infrastructure and stifling the efforts that are being made to improve infrastructure development and service delivery. In the era of dollarisation, local authorities in Zimbabwe have been facing serious problems as they relate to the development and management of key infrastructure assets such as roads, railways, telecommunications, and sewer among others. The situation is exacerbated by shrinking local government finances and lack of transparency and accountability with regards to the use of public funds. Economic hardships being faced by the country now are some of the major factors contributing to the crisis in the development and management of critical infrastructure assets in the country. However, it should also be noted that with the coming of dollarisation in Zimbabwe, some relief was brought about as evidenced by the ability of LAs to access loan facilities from countries such as China. The key issue is on the utilisation of these facilities though. Evidence shows that urban LAs such as Harare have not been very much transparent and accountable with regards to the use of loans.

CONCLUSION AND RECOMMENDATIONS

This chapter has highlighted that though dollarisation has brought some stability to the economy of Zimbabwe, there are still challenges relating to funding, corruption and governance in the development and management of the country’s major infrastructure such as roads, and railways among others. In light of the foregoing discussion in this chapter, the following recommendations apply in the case of Zimbabwe: there has to be less interference from the president and ministers with relation to the responsibilities of local authorities. Politics has to be detached from the issues that pertain to the roles of local authorities. The local councils must also initiate policies and lure private investors to their respective areas. Investors must not be scared away by local investment policies. Local levies and taxes must be justified and correlate with the services offered so as to prompt payment among the citizens. Local government in Zimbabwe needs to seriously explore alternative and innovative financing tools for the development and management of infrastructure in the dollarisation era. The development and management of infrastructure requires transparency and accountability on the part of public officials.
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