COMMUNITY SHARE OWNERSHIP TRUSTS (CSOTs) AS POLICY INSTRUMENTS FOR ECONOMIC EMPOWERMENT: THE CASE OF THE MARANGE-ZIMUNYA CSOT, 2012-2015

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DEDICATION

To the troubled resilient communities surrounding the Chiadzwa mining field who are enduring the adverse effects of mining without benefiting much from it.
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My sincere gratitude goes to my supervisor, Mr Eldred, V Masunungure who has always been a source of inspiration ever since I got to know him. Acknowledging that I still have a lot more to learn from the man, I believe I have so far learnt a lot from his academic prowess in general and his thought provoking comments over the time he supervised my work. I would also want to extend my gratitude to the lecturers in the Department of Political and Administrative Studies at the University of Zimbabwe who contributed in several ways in locating me where I am in the academia.

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ABSTRACT

This study is about Community Share Ownership Trusts (CSOTs) introduced in Zimbabwe as one of the several policy instruments in the implementation of the Indigenisation and Economic Empowerment Act, Chapter 14: 33. CSOT are an empowerment vehicle into which qualifying businesses exploiting the natural resources of a community can dispose 10% of their shareholding towards complying with the minimum 51% indigenisation of Zimbabwe’s economy. The Marange-Zimunya Community Share Ownership Trust (MZCSOT), which is the focus of this study, is expected to contribute to the economic empowerment of the Marange and Zimunya communities through proceeds from the diamond mining activities at Chiadzwa in Marange. Economic empowerment is the process of bringing the previously disenfranchised indigenous Zimbabweans into the mainstream economy. The study was predicated on the hypothesis that ‘CSOTs have produced perverse effects on economic empowerment in target communities’. Perverse effects are effects that defeat or erode the purpose for which a policy is implemented. In general, economic empowerment initiatives, outside Zimbabwe, have met with the challenge of being hijacked by some strategically positioned, mostly politically connected, elite in society, to the detriment of the target groups. This is notably the case when one makes reference to the Malaysian and South African experiences reviewed in this study. Notwithstanding recorded successes, the above allegations have constituted the critique of economic empowerment initiatives in the named countries. The research utilised the qualitative methodology. Documentary search and key informant interviews were utilised in obtaining the data to test the stated hypothesis. Thematic analysis was used in presenting and analysing the findings. The broad research questions that the research sought to answer are: What are CSOTs as policy instruments? What are the policy goals of the MZCSOT? How effective has the MZCSOT been in enhancing economic empowerment? and How can the efficacy of the MZCSOT be improved? The study established that whereas CSOTs are potential vehicles for ensuring economic empowerment, and are a historical necessity in Zimbabwe, as are empowerment initiatives in Malaysia and South Africa among other countries, their contribution to the benefit of the target population is not a given. In the MZCSOT, evidence gathered points to more of adverse effects than benefits to the communities. Whereas the communities have lost their livelihoods, land, livestock; have suffered from water, air, and noise pollution; were relocated without compensation; and are struggling to access basic necessities such as water, little development in terms of project implementation by the MZCSOT has been realised. Challenges cited include lack of funding, lack of full time employed personnel at the MZCSOT, and mismanagement of financial resources. There have also been allegations of political interference and corruption, and controversy over the compensation of relocated people. The study concluded that CSOTs have the potential to enhance economic empowerment, the MZCSOT was not much effective in economically empowering target communities, and the targeted beneficiaries have suffered adverse effects. The study therefore recommends the enacting of legislation to compel mining companies to honour their pledges, having full time employees at MZCSOT, depoliticising the scheme, investigating corruption allegations, redefining the beneficiary community, and ensuring that the MZCSOT works with the Environmental Management Agency to ensure that mining companies avoid land degradation and pollution, among other things.
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</tr>
<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
</tr>
<tr>
<td>BBBEE</td>
<td>Broad Based Black Economic Empowerment</td>
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<td>Chiadzwa Community Development Trust</td>
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<tr>
<td>CRD</td>
<td>Centre for Research and Development</td>
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CHAPTER 1: INTRODUCTION

1.0 Introduction
The study is about Community Share Ownership Trusts (CSOTs) introduced as one of the policy instruments for the implementation of the Zimbabwe’s Indigenisation and Economic Empowerment Act (IEEA) Chapter 14:33. The legislation was enacted against the backdrop of colonially induced inequalities in access to, as well as distribution of, resources. Thus, it was felt a post-colonial imperative to right a historic wrong. However, CSOTs seem to have so far produced detrimental effects. A predatory elite seems to have benefited from the initiative at the expense of the initially targeted beneficiary communities. This chapter presents the background to the problem, the statement of the problem, the objectives of the study, research questions, and the hypothesis, the justification of the study, an overview of the literature review and the conceptual framework, delimitations, limitations, and an overview of the methodology.

1.1 Background to the Problem
The need for the correction of colonial injustices in post-colonial African States, Zimbabwe included, is widely accepted. Matsa and Masimbiti (2014: 151), for instance, assert that in Zimbabwe, the colonial system which existed prior to independence in 1980 was characterised by dispossession, marginalisation, and exclusion of black Zimbabweans from participating in the mainstream economy. Chowa and Mukuvare (2013: 2-3) are of the view that to reverse the inequality and marginalisation, there should be a deliberate policy of empowerment defined by Friedman as “a process of increasing the participation of marginalised groups in the economy”. As part of its efforts to fulfil that agenda, the post-colonial Zimbabwe government enacted and implemented the Indigenisation and Economic Empowerment Policy. The Indigenisation and Economic Empowerment Act (IEEA) 14, Chapter 14:33 of 2007, was gazetted on 7 March 2007 and it was signed into law on 17 April 2008 (Manyeza 2011: 1). The purpose of the Act is captured in the Preliminary section of the Act. The Preliminary section of the IEEA states the following:

AN ACT to provide for support measures for the empowerment of indigenous Zimbabweans; to provide for the establishment of the National Indigenisation and Economic Empowerment Board and its functions and management; to provide for the establishment of the National Indigenisation and Economic Empowerment Fund; to provide for the National Indigenisation and Empowerment Charter; and to provide for matters connected with or incidental to the foregoing.
Part 1 of the IEEA defines empowerment as follows: “The creation of an environment which enhances the performance of economic activities of indigenous Zimbabweans into which they would have been introduced or involved through indigenisation”.

In the Act, indigenisation is defined as: “A deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, so as to ensure the equitable ownership of the nation’s resources”. As defined under PART 1 of the Act, an indigenous Zimbabwean refers to:

> Any person who, before the 18th of April, 1980, was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person, and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest.

Part 2 of the Act, Section 3; Subsection 1, provides that:

> The government shall, through this Act or regulations or other means under this Act or any other law, endeavour to secure that at least 51 per centum of the shares of every public company or any other business shall be owned by indigenous Zimbabweans.

As policy instruments for the implementation of the Indigenisation and Economic Empowerment policy, the Government of Zimbabwe (GoZ) introduced Management Share Ownership Trusts (MSOTs), Employee Share Ownership Trusts (ESOTs), and CSOTs among other initiatives. Guided by the enabling legislation as detailed in the IEEA, the mining sector was the starting point (Tsvakanyi, cited by Matsa and Masimbiti 2014: 152). Mawowa (2013) asserts that Zimbabwe’s indigenisation and empowerment policy requires at least 51% of shares in every mining company to be owned by indigenous Zimbabweans by 2015. Of this, the Ministry of Youth, Indigenisation, and Economic Empowerment requires at least 10% to be disposed to local communities through a CSOT while a further 10% can be availed to employees through qualifying ESOTs (ibid).

By mid-2013, more than 59 CSOTs covering 93 local authorities across the country’s 10 provinces had been created (Chowa and Mukuvare 2013: 8). CSOTs are an empowerment vehicle into which qualifying businesses exploiting the natural resources of a community can dispose part of their shareholding (10%) towards complying with the minimum 51% indigenisation of Zimbabwe’s economy (http://www.myiee.gov.zw/index.php/about-us). They are vehicles through which local communities can participate directly in the economy of Zimbabwe and benefit from their natural resources (ibid).
The Marange-Zimunya Community Share Ownership Trust (MZCSOT) is one such Trust which was created to enable locals to benefit from the diamond mining activities done at Chiadzwa fields in Manicaland. The expectation was that with the implementation of the CSOT initiative, there will be dynamic transformation of socio-economic circumstances of the majority of the rural communities (Wushe and Mandudzo 2014: 1). However, it appears like the MZCSOT, launched on 26 July 2012 with much fanfare, has not delivered much for the benefit of the community. Rather, it seems like a civil-military elite, capitalising on their strategic positions, has engaged in predatory extraction and exploitation of the diamonds. Consequently, the Marange community has little or nothing to show for all the treasure that their ancestral land harbours. What is worse, the diamonds are fast depleting thus further limiting the prospects of delivering benefits to the community. Evident are the negative externalities that have accrued in the form of environmental degradation, pollution, and relocation.

1.2 Statement of the Problem
The research is about the efficacy of CSOTs as policy instruments in Zimbabwe’s efforts at economic empowerment. CSOTs, an ideally noble and promising economic empowerment tool, seem to have so far produced perverse effects, seemingly benefiting not the intended beneficiaries but a certain politically connected elite in a typical predatory fashion. This research investigates the extent to which CSOTs have been successfully used as policy instruments for the economic empowerment of targeted communities by interrogating the effects of the MZCSOT as a specific case.

1.3 Objectives of the Study
1. To understand CSOTs as policy instruments.
2. To examine the intended policy goals of the MZCSOT.
3. To assess the efficacy of the MZCSOT as a policy tool for economic empowerment.
4. To proffer recommendations for the improved efficacy of the MZCSOT.

1.4 Research Questions
1. What are CSOTs as policy instruments?
2. What are the policy goals of the MZCSOT?
3. How effective has the MZCSOT been in enhancing economic empowerment?
4. How can the efficacy of the MZCSOT be improved?
1.5 Hypothesis
CSOTS have produced perverse effects on economic empowerment in target communities.

1.6 Justification of the Study
The academic significance of this study, particularly in policy studies, lies in its focus on policy instruments as a central component of public policy. The study is an empirical assessment of the effectiveness of a selected policy instrument in achieving policy goals. It will thus add to such literature. The research is also intended to inform policy makers of ways through which CSOTs can be effectively used to enhance economic empowerment.

1.7 Literature Review and Conceptual Framework: An Overview

1.7.1 Policy instruments
According to Howlett et al (2009: 114), “policy tools, also known as policy instruments and governing instruments, are the actual means or devices that governments make use of in implementing policies”. Mackay (undated: 3) argues that “policy instruments are techniques at the disposal of the government to implement policy objectives”. It can be gleaned from the two definitions that a policy instrument is the vehicle through which a public policy is implemented. It is the actual means by which policy ideals are expected to materialise. It is through the policy instrument that policy goals are expected to be achieved.

Policy instruments are a critical part of any given public policy. Mackay (undated: 1) argues that every policy has three key elements: a problem definition, goals to be achieved, and the policy instruments to address the problem and achieve the goals. According to Pal 2014, and Schneider and Ingram 2007, cited by Henstra (2015: 2), public policy can be conceptualised as a course of action chosen by a government in response to a problem, which comprises goals, targets, instruments, and agents.

Normally governments have a number of instruments from which they could choose and achieve the same goal. Peters (2002, cited by Henstra 2015: 2) argues that instrument choice is not purely technical, but rather political in that the selection of a particular instrument affects whose interests will be served and the distribution of benefits and costs, and entrenches institutional procedures and resources that are difficult to redeploy. In the context of this study, CSOTs are assessed as one of numerous policy instruments aimed at enhancing economic empowerment in Zimbabwe.
1.7.2 Economic Empowerment

A cursory review of empowerment experiences in several countries reveals a general trend reflective of policy instruments serving the interests of a few at the expense of the needy majority thus raising serious questions about the broad-based nature of empowerment initiatives and the incentives behind the introduction of such initiatives.

For instance, despite success stories in Malaysia, emerging evidence questions the broad-based nature of Malaysia’s New Economic Policy (Muzaffer 2010, cited by Chowa and Mukuvare 2013: 4).

In the case of South Africa, Schlemmer 2005 (cited by Chowa and Mukuvare 2013: 5) notes that the Black Economic Empowerment equity transfer resulted in wealth redistribution to a few politically connected ‘black elites’ rather than to marginalised groups. According to Jackson et al 2005 (cited in Chowa and Mukuvare 2013: 5) the Broad-Based Black Economic Empowerment has been fraught with ‘fronting’ and ‘window dressing’ where companies create an impression that they are complying by appointing ‘non influential’ blacks onto boards with little say on organisational decision making.

This study sought to determine the effects or impact of CSOTs as policy instruments for economic empowerment in Zimbabwe. The study proceeded from the assertion that ‘CSOTs had produced perverse effects on economic empowerment in target communities’.

1.8 Methodology: An Overview

The research was qualitative. The study focused on a case study, the Marange-Zimunya CSOT, purposively selected for its seemingly outstanding demonstration of the political dynamics of CSOTs as policy instruments.

Purposive sampling was used to select key informants who are particularly knowledgeable on the subject under study. Interviews were held, with the aid of an interview guide, to elicit data from the key informants. The key informants included the two Chiefs who chair the MZCSOT, the District Administrator for Mutare RDC, the engineer for Mutare RDC who is also the Projects Manager for the MZCSOT, nine councillors for some wards in Mutare RDC, the MYIEE Director for Empowerment, and a few villagers from Chiadzwa and Arda Transau. Informants from Non-Governmental Organisations operating in Chiadzwa included the Economic Resources Governance Officer for ZELA, the former Director for CRD who is
currently the Director for CNRG, the Project Manager for CCDT, and the Chairperson for MDT.

Documentary search was also utilised as a key data collection method. Documents used include publications by NIEEB and ZELA, the Africa Report magazine, and newspapers. Data presentation and analysis was done through thematic analysis.

1.9 Delimitations
The study is confined to Zimbabwe. It focuses on CSOTs, particularly the MZCSOT, as a policy instrument for economic empowerment in Zimbabwe. Empowerment experiences in other countries were reviewed, but Zimbabwe and the MZCSOT remained the units of analysis.

1.10 Limitations
The major limitation in the study was in the form of time as delays were experienced in contacting key informants. The researcher also failed to get clearance to visit Chiadzwa which is classified as a protected security zone. Therefore, the researcher could not administer questionnaires to locals in Chiadzwa and could not move around to observe developments attributable to the MZCSOT. Some targeted key informants did not participate in the research.

1.11 Proposed structure of the dissertation
Chapter 1 comprises the background to the problem, the statement of the problem, the objectives of the study, research questions, and the hypothesis, the justification of the study, an overview of the literature review and conceptual framework, an overview of the methodology, delimitations and limitations. Chapter 2 consists of the conceptual framework and a detailed literature review. Chapter 3 presents the methodology for the study. Chapter 4 is about data presentation and the analysis of findings. Chapter 5 is on conclusions and recommendations.
CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature on the core concepts used in the study. It defines and discusses policy instruments and their importance in policy studies and practical policy implementation. The concept of economic empowerment is also discussed. The chapter also reviews country experiences with economic empowerment against the background of colonially induced inequalities in resource ownership and distribution. Malaysia and South Africa shall be covered. Focus shall be on the instruments that have been used and the general effects economic empowerment initiatives have had.

2.1 Policy Instruments

According to Howlett et al (2009: 114), “Policy tools, also known as policy instruments and governing instruments, are the actual means or devices that governments make use of in implementing policies”. For Salamon 2002, cited by Helgoy and Homme (2006: 142), “Policy tools refer to the instruments or means used to address public problems”. It can be asserted that policy instruments or policy tools are the vehicle through which public policies are implemented to solve public problems. It is the policy instrument that directly produces policy outputs which in turn produce outcomes and effects. In this study, the outputs, outcomes, and effects of CSOTs introduced in Zimbabwe to solve the problem of inequality in distribution and ownership of resources by empowering communities were interrogated.

2.1.1 Taxonomy of Policy Instruments

There have been attempts to identify policy instruments and classify them into meaningful categories. Such efforts have followed Laswell’s insight that governments use a variety of policy instruments to achieve a relatively limited number of political ends (Howlett et al 2009: 114). Laswell 1958 (cited by Howlett et al 2009: 114) argued that governments had developed a limited number of strategies that involved the management of value assets in order to influence outcomes. Understanding these basic strategies and the instruments that go with them required identifying the resources that governments worked with (Howlett et al 2009: 114).

According to Howlett et al (2009: 114), Cushman (1941) introduced a simple taxonomy of policy instruments based on whether government chose to regulate societal activities or not,
and whether those regulations were coercive or not. Dahl and Lindblom (1953) went on to
categorise policy instruments by their degree of intrusiveness and dependence on state
agencies or markets (Howlett et al 2009: 114-115). Lowi proposed a four cell matrix that is
based on the specificity of the target of coercion and the likelihood of its actual application
(ibid: 115). Lowi identified four types of policies, namely; the weakly sanctioned and
individually targeted distributive policies, the individually targeted and strongly sanctioned
regulatory policy, the strongly sanctioned and generally targeted redistributive policy, and the
weakly sanctioned and generally targeted category of constituent policy (Howlett et al 2009:
115). Although his typology was widely read but rarely applied because it was difficult to
operationalise and it had internal inconsistencies, Lowi’s central premise of policy
determining politics encouraged further efforts to classify and comprehend policy instruments
(Howlett et al 2009: 115).

With the emergence of the policy design literature in the 1980s and 1990s, policy design
researchers sought ways to group roughly similar types of instruments in line with Salamon’s
suggestion that rather than focusing on individual programs, or collections of programs
grouped according to major purpose, concentration should be on the generic tools of
government action, on the techniques of social intervention (Howlett et al 2009: 115).

Christopher Hood (1986) developed the ‘NATO’ model proposing that all policy tools used
one of four broad categories of governing resources (Howlett et al 2009: 115). For Hood, in
confronting public problems, governments make use of the information in their possession as
a central policy actor (nodality), their legal powers (authority), their money (treasure), or
formal organisations available to them (organisation) (Howlett et al 2009: 115). Hood’s
classification of policy instruments by principal governing resource leads to the
categorisation of information collection and release, advice and exhortation, advertising, and
commissions of inquiries under nodality while under authority would fall; command and
control regulation, self-regulation, standard setting and delegated regulation, and advisory
committees and consultations (Howlett et al 2009: 116). Under treasure would be; grants and
loans, user charges, taxes and tax expenditures, and interest group creation and funding
(ibid). Organisation would include; direct provision of goods and services and public
enterprises, use of family, community, and voluntary organisations, market creation, and
government reorganisation (Howlett et al 2009: 116).
Howlett et al (2009: 116) argue that in the post-Salamon era, studies of instrument choice tended to look at instances of single-instrument selection and to discern the general reasons why governments would choose one category of instrument over another. These studies tended to focus on substantive instruments, that is, those tools (such as classical command-and-control regulation, public enterprises and subsidies) that more or less directly affect the type, quantity, price, or other characteristics of goods and services being produced in society, either by the public or the private sector (Howlett 2009: 116). Scholars at this time paid much less attention to procedural instruments, which are those that are designed mainly to affect or alter the aspects of policy process rather than social and economic behaviour per se (Howlett et al 2009: 116). The systematic treatment of procedural instruments however later emerged (Riker 1983; 1986, Dunshire 1986; 1993a; 1993b, cited by Howlett et al 2009: 116).

Of the broad categories under which policy instruments can be classified, namely; nodality or information-based instruments, authority-based instruments, treasure-based instruments, and organisation-based instruments, as according to Hood’s NATO model, the authority-based instruments category is relevant in explaining CSOTs as policy instruments for economic empowerment.

CSOTs would fall under command-and-control regulation, specifically the social regulations class. According to Howlett et al (2009: 119), regulation is a prescription by government which must be complied with by the intended targets and failure to do so usually involves a penalty. Social regulations are of more recent origin and refer to controls in matters of health, safety, and societal behaviour such as civil rights and discrimination of various sorts (ibid). Examples of social regulation include rules regarding liquor consumption and sales, gambling, consumer product safety, occupational hazards, water-related hazards, air and noise pollution, discrimination on the basis of religion, race, gender, or ethnicity and pornography (Padberg 1992, cited by Howlett et al 2009: 120). Regulations that provide for the establishment of CSOTs are pursuant to the indigenisation and economic empowerment policy that seeks to address historical imbalances in access to and ownership of resources that were anchored on race and ethnicity. Thus CSOTs can be thought of as a type of social regulations under the broader command-and-control instruments category.

2.1.2 The Origins and Rise of Policy Design Studies

Policy instruments have recently captured attention in policy design literature. According to Howlett et al (2015: 291) “policy design involves the deliberate and conscious attempt to
define policy goals and connect them to instruments or tools expected to realise those objectives”. Following Harold Lasswell (1954) who, in his early path-breaking works on public policy-making, began integrating aspects of both policy formulation and implementation, pointing to the importance of understanding the range of policy instruments available to policy makers, Howlett (2011:4) argues that studies of policy design can be traced back to the origins of the policy sciences. This orientation found other policy scholars beginning to study the multiple ways that could be used by governments to effect policy and the context in which they could be used (Torgerson 1985 and 1990, cited by Howlett 2011:4).

Bardach (1980) and Salamon (1981), argued in the early 1980s that policy studies had "gone wrong" right at the beginning by defining policy in terms of “problems”, “issues”, "areas" or "fields" rather than in terms of “instruments” (Howlett and Lejano 2012: 361-362). A specific policy design literature emerged in the mid-1980s. Scholars at this time were preoccupied with the need for a more precise categorization of policy instrument types in order to have a better analysis of the reasons for which they are used (Howlett 2011: 5). Careful examination of implementation instruments and instrument choices, it was argued, would improve both policy designs and outcomes (Woodside 1986, Linder and Peters 1984, Mayntz 1983, cited in Howlett 2011: 5).

Soon, the instrument studies field had advanced to an extent that Salamon (1989) argued that the design or ‘tools approach’ had become an approach to reckon with in policy studies in its own right, as it brought a distinct perspective to the policy sciences focusing on policy outputs (Howlett 2011: 5). Salamon framed two important research questions which analyses of the tools of government action addressed, these are; "What consequences does the choice of tool of government action have for the effectiveness and operation of a government program?" and "What factors influence the choice of program tools?" (Salamon 1989, cited by Howlett 2011: 5).In spite of the advances, however, as a subject of academic inquiry, ‘policy design’ began to decline precipitously in the mid-to-late 1990s (Howlett 2011: 8). The central contention made is that the weakening of interest in policy design research was related to a broader decentering of policy studies away from centrality of authority and state-centeredness, as seen in the concurrent rise in the literature on collaborative governance and on the effects of globalization in undermining state capacities and capabilities (Howlett and Lejano 2012: 365).
In a turn of events, there has been a call for the renewal of design studies. It has been argued, for example, by Majone 1997, Peters 1998, and Klijn and Teisman 1991, that in response to the increased complexity of society and the international environment, governments in many countries (particularly in Western Europe) turned away from the use of a relatively limited number of traditional, often command-and-control oriented, policy tools (Howlett and Lejano 2012: 368-369). Focus has shifted from tools such as public enterprises, regulatory agencies, subsidies and exhortation to the increasing use of organizational resources to support a different set of substantive and procedural tools (ibid). Bingham et al 2005, cited in Howlett and Lejano (2012: 369) argue that policy designs invoking new tools such as government re-organizations, reviews and inquiries, government-NGO partnerships and stakeholder consultations which act to guide or steer policy processes in the direction government wishes through the manipulation of policy actors and their interrelationships are indeed more frequent and common.

The present study focuses on Salamon’s first question, that is; ‘What consequences does the choice of tool of government action have for the effectiveness and operation of a government program?’ It interrogates the consequences of the CSOT initiative (a policy instrument) with respect to the post-colonial imperative to enhance economic empowerment in Zimbabwe.

2.2 The perverse effects of policy

The term ‘perverse effects’ is used in this study as conceptualised by de Gorter, Drabik, and Just (2013: 464) who are of the view that a policy is perverse “if it results in a counterintuitive impact that may defeat or erode the purpose for which the policy was implemented”. In that sense, as argued by Vedung (faculty.education.illions.edu/westbury/papers/EVERT.doc), “perverse effects run counter to the very intentions of the intervention instigators”. Concern with ‘policy effects’ is, in part, the essence of policy evaluation, particularly what has been referred to as goal attainment evaluation. Vedung asserts that the two basic ingredients of goal attainment evaluation are goal-achievement measurement and intervention impact assessment (faculty.education.illions.edu/westbury/papers/EVERT.doc). The key question in goal-achievement measurement is: Are the results in accord with intervention goals? And the impact assessment issue can be formulated; Are the results produced by the intervention? (ibid). This study is more about the question on whether the results or impacts of the MZCSOT as a policy instrument for economic empowerment are in accord with the
MZCSOT’s goals. As Vedung argues, public interventions may create perverse effects (faculty.education.illions.edu/westbury/papers/EVERT.doc).

The study proceeds from the conjecture that the CSOTs have produced perverse effects on target communities. The presupposition is that the Marange and Zimunya communities have not benefited from the MZCSOT. Rather, a civil-military elite has benefitted from the initiative in defiance of the stipulated and expected policy goals that are supposed to see benefits accruing to these communities.

2.3 Economic Empowerment

Kruger (2011:1) defines economic empowerment as “policies or programmes that are designed to benefit a specific segment of society, be that for historical, political, or socio-economic reasons”. These measures can be broad-based covering a wide range of economic activities, or they can be sector-specific targeting certain industries or individuals (ibid). Kruger (2011:1) notes that the economic activities can include, for example, measures such as preferential procurement practices from government and state institutions, the preferred employment of targeted citizens, specific activities that are reserved for targeted citizens, preferential concessionary licences or partnerships, the promotion of joint ventures and partnerships, and the establishment of empowerment funds.

In this study, economic empowerment is taken to mean the process through which efforts have been made to bring previously disenfranchised indigenous Zimbabweans into the mainstream economy through indigenisation. The economic empowerment imperative in the post-colonial Zimbabwe has been pursued via indigenisation which basically refers to a deliberate act of replacing foreign ownership of resources with indigenous ownership or ensuring more active indigenous participation in the economy with a view to empowering previously disenfranchised people. The study focuses on CSOTs introduced, among other initiatives, to indigenise different sectors of the Zimbabwe economy.

There are some envisaged advantages of indigenisation. Politically, the proponents of indigenisation believe that enabling indigenous people to share in the ownership and control of their countries’ resources creates conditions for the existence of peace and stability (Makoni, cited in Maphosa 1999: 170). It is also believed that true independence can only be realised through economic empowerment (Osaze, in Maphosa 1999: 170). It has been consistently argued, especially by the ruling Zimbabwe African National Union Patriotic Front (ZANU-PF), particularly President Robert Mugabe, that Zimbabwe could not be
adjudged fully independent until it gains full control of its natural resources, and indeed the economy.

2.3.1 The imperative for Indigenisation and Economic Empowerment Initiatives

Although Nkwame Nkrumah had anticipated that political independence would beget, or bear in its womb, economic emancipation in formerly colonised States as expressed by his dictum: ‘Seek ye first the political kingdom, and all else shall be added unto you’ (Bracking 2004: 887), post-colonial experiences did not necessarily validate his claim. Thirty years after Nkrumah’s assertion, Chinua Achebe averred; “We sought the ‘political kingdom’ and nothing has been added unto us; a lot has been taken” (Bracking 2004: 887).

Sibanda (2013: 1) argues that the need for the redress of the skewed ownership of the productive assets has given rise to the process of indigenisation and economic empowerment processes in most previously colonised countries. Chowa and Mukuvare (2013: 1) argue that periods of colonialism across Africa and Asia witnessed various forms of oppression and marginalisation that were implemented by the colonial governments through skewed land and business ownership, uneven education system and unequal opportunities in employment and business. Countries such as Malaysia, Brazil, South Africa, and lately Zimbabwe, have therefore embarked on indigenisation and economic empowerment initiatives to varying degrees with the common aim of increasing the role played by the previously marginalised population groups in the mainstream economy and the correction of imbalances in resource ownership (Sibanda 2013:1).

2.4 Empowerment: Country experiences

2.4.1 Malaysia

Malaysia is a former British colony located in South-East Asia, bordered by Thailand in the North, Indonesia in the South, and Philippines in the East. It is a multi-ethnic, multi-religious federation of 13 states and three federal territories (http://www.bbc.com/news/world-asia-pacific-15356257). As of 2010, estimates were that the Malay constituted 50.1%, the Chinese made up 22.6%, 11.8% were indigenous, the Indians constituted 6.7%, others constituted 0.7%, while non-citizens made up 8.2% of the population (http://data.un.org/CountryProfile.aspx?crName=MALAYSIA).

The country achieved independence from British colonial rule in 1957. Faaland (in the Bank of Namibia 9th Annual Symposium Publication 2007: 64) asserts that the economy of Malaya
at independence was deeply segregated as between ethnic groups, in geographic location, in types of economic activity, and in levels of livelihood. For instance, compared with the non-Bumiputera, Malays formed a much higher proportion of the population in rural areas than in towns, within given industries and enterprises Malays typically held lower-echelon positions, they had property rights over only about one-third of land under agricultural cultivation, they had a significantly lower share of ownership, control and management of industrial and commercial enterprise and, as a result, less control of their own economic destiny (ibid: 64-65). In 1970, 65.9% of the Malays were poor, compared to only 27.5% and 40.2% of the Chinese and Indians respectively (http://ged.u-bordeaux4.fr/SBROSLAN.pdf).

Economic empowerment was pursued through a 20 year (1970 to 1990) programme of economic reform known as the New Economic Policy (NEP) (Abdullar, cited by Chowa and Mukuvare 2013: 2). NEP’s two major objectives were: “to eradicate poverty irrespective of race” and “to restructure society to abolish the identification of race with economic function” (http://www.unrisd.org).

BusinessMap, cited by Sartorius and Botha (2008: 447) cites policy instruments under NEP as including employment quotas, incentives for companies selling their stock, at a discount, to Malays, and expanded educational opportunities. A 30 percent Malays equity shareholding requirement was put as a condition when bidding for government contracts and listing shares on the stock exchange (BusinessMap 2000, cited by Sartorius and Botha 2008: 447). Faaland (in the Bank of Namibia 9th Annual Symposium 2007: 68-69) notes that NEP instruments also included the Foreign Investment Committee (FIC) and the Industrial Coordination Act (ICA), privatisation, and public procurement. Government contracts, licences and quotas were also used to promote the growth of Malay companies (BusinessMap 2000, cited by Sartorius and Botha 2008: 447).

Malaysia has demonstrated remarkable positive effects of the NEP. For instance, FW de Klerk Foundation, cited by Sartorius and Botha (2008: 447) states that share of corporate equity ownership of the Malays rose from 2.4 per cent in 1970 to 27.2 per cent in 1988. BusinessMap 2000, cited by Sartorius and Botha (2008: 447) notes that employment for the Malays in the manufacturing sector rose from 30.8 per cent to 48 per cent while in the services sector it rose from 37.9 to 51 per cent. Regardless of the success story of the NEP, there is a perception that the Malay elite have gained more than the rest of the Malays and that they have benefited through government favouritism (Sartorius and Botha 2008: 447). It
has also been claimed that the transfer of ownership to the indigenous population remains low (BusinessMap 2000, FW de Klerk Foundation 2005 cited by Sartorius and Botha 2008: 438). Faaland (in Bank of Namibia 9th Annual Symposium Publication 2007: 70) argues that much of the opposition to the NEP is based on the more blatant such misuse of NEP instruments, giving the whole NEP effort a bad name in some circles. Illustrations may be the reservation of a minimum of 30% of new equity holding for Bumiputera and the preferences accorded in public procurement (Faaland, in Bank of Namibia 9th Annual Symposium Publication 2007: 70).

Overall, though the Malaysian case is often justifiably heralded as a success story with respect to economic empowerment of previously marginalised populations, allegations of a politically connected elite having benefited more than the rest of Malaysians mar its projection as a model. To the extent that such allegations hold, it can be argued that the Malaysian NEP has produced some adverse effects. In the final analysis therefore, the Malaysian NEP typifies a case of mixed results.

2.4.2 South Africa

South Africa is a multi-ethnic society located in Southern Africa, at the Southern tip of the continent of Africa. According to the 2011 census, 79.2% of South Africans (41 million) were ‘Black Africans’, 8.9% were coloured (4.62 million), 8.9% were white (4.59 million), 2.5% were ‘Indian or Asian’ (1.29 million), and 0.2% (280.4 thousand) declared another race (https://welections.wordpress.com).

Until 1994, South Africa was ruled by a white minority government, and the Nationalist Party that came to power in 1948 enforced a separation of races with its policy called apartheid (http://www.bbc.com/news/world-africa-14094760). According to Tangri and Southall (2008: 699), “under nearly half a century of apartheid, the majority black South Africans were either left out or confined to the margins of the county’s mainstream economy”. As Aliber (cited in Bracking 2004: 895) notes, historical structures left over 60% of Africans poor, alongside nearly 40% coloureds, 5% Indians, and 1% of whites. The 1994 elections that ushered in democracy in South Africa marked the end of white minority rule and the beginning of a new era of political, economic, and social transformation in the country (Sanchez 2006: 2). Since 1994, South Africa has embarked on a major socio-economic transformation to achieve social equality and overcome the legacy of racial discrimination against the black majority left by
the apartheid regime (Sanchez 2006: ii). While political power shifted from white to black hands with the 1994 elections, the former retained their hegemony in the economy.

South Africa’s African National Congress (ANC) developed the policy of Black Economic Empowerment (BEE) with the intention of addressing the apartheid government’s legacy of economic exclusion which prevented black South Africans from participating in the country’s economy (Leon 2011, Fleermuys et al 2007). According to Sanchez (2011:5), the central aim of BEE was to promote the advancement of previously disadvantaged individuals (PDI) within the economy. The specific aims of the strategy include the development of a visible black middle class, the improvement of skills within the black population, and increasing black ownership and management of business and property (ibid).

The initial emphasis of empowerment in the early 1990s was overwhelmingly on equity transfer through business transactions and this narrow approach resulted in benefits for primarily a handful of individuals, who were mostly politically connected (ibid). The BusinessMap (2007, cited by Sanchez 2011: 5) states that while this was perhaps in line with the National Democratic Revolution (NDR) formation of a black elite, growing criticism and dissatisfaction with BEE policies provoked a re-examination of the strategy and of the meaning of black empowerment. The BEE was therefore further revised and enhanced, leading to a new Broad-Based Black Economic Empowerment Act (BBBEE) of 2003.

The Preamble to the BBBEE Act, number 53 of 2003 states that the South African economy still excludes the vast majority of its people from ownership of productive assets and possession of advanced skills.

Policy instruments for economic empowerment in South Africa have included; the use of legislation, regulation, joint ventures between blacks and whites, parastatals, privatisation, preferential procurement, the restructuring of State Owned Enterprises (SOEs), financial assistance, and skills development programs (Sanchez 2006: 3). The private sector has also been involved through industry specific charters.

Like in the Malaysian case, economic empowerment instruments in South Africa have so far produced mixed results. On a positive note, Burger and Van den Berg 2004, cited by Sartorius and Botha (2008: 437) argue that a black middle class has grown steadily since 1994. According to Southall, cited by Sartorius and Botha (2008: 437), black ownership of capital on the Johannesburg Stock Exchange (JSE) has increased to four per cent as a result of a number of industry charters.
However, it has also been argued by many critics that BEE is a ‘sham’ as it has only benefited a politically connected elite (Sartorius and Botha 2008: 437). Msomi 2003 (cited by Southall 2004: 313) notes that Moeletsi Mbeki, a brother to former South African president Thabo Mbeki, has declared BEE a sham, dreamed up by white capital to seduce the ANC away from nationalising the economy and hence to produce a predatory black elite. Jackson et al, cited by Chowa and Mukuvare (2013: 5) argue that BBBEE is fraught with ‘fronting’ and ‘window dressing’ where companies create an impression that they are complying by appointing ‘non influential’ blacks into boards with little say on organisational decision making. Unrestricted privatisations have resulted in the selling of SOEs to established or foreign capital (Southall 2007: 71). Consequently, BBBEE in South Africa has not contributed as much as it should to the empowerment of the previously disadvantaged populations.

Overall, economic empowerment in South Africa has produced mixed results. There has also been evidence of perverse effects. Schlemer 2005, cited by Chowa and Mukuvare (2013: 5) argues that the BEE equity transfer approach did not result in wealth redistribution to the marginalised group but to a few black elites with political connections. The BEE has been described as discriminatory as the majority of South Africans are still marginalised (Hoffman, cited by Chowa and Mukuvare 2013: 5).

2.5 Conclusion

The chapter discussed the major concepts in the study, namely; policy instruments and economic empowerment. It reviewed case evidence on economic empowerment as pursued in Malaysia and South Africa. By and large, experiences in both case countries can arguably be said to reveal cases of mixed results. A common observation across the case countries is that there is evidence of adverse effects of economic empowerment policy instruments where a politically connected elite has benefited at the expense of the targeted beneficiaries. The next chapter will present the detailed methodology of the study.
CHAPTER 3: METHODOLOGY

3.0 Introduction
This chapter presents the methodology for the study. The study used the qualitative research methodology. The case study for the research is the MZCSOT. Documentary search and key informant interviews were used as data gathering methods in the study. Purposive sampling was used in the research. Thematic analysis was used for data presentation and analysis.

3.1 Methodology
Outhwaite and Turner (2007: 245) define methodology as a strategy or way of gathering data which can make intellectual work seem authoritative. This study utilised the qualitative research methodology. Cresswell (2007: 57) defines qualitative research as “an inquiry process of understanding where the researcher develops a complex, holistic picture, analyses words and reports, detailed views of informants and conducts the study in a natural setting”. Patton (2002: 14) asserts that qualitative methods facilitate the study of issues in depth and detail.

3.1.1 Data Collection
According to Marshall and Gretchen (2006: 97), qualitative researchers typically rely on four methods for gathering information, namely; participating in the setting, observing directly, interviewing in-depth, and analysing documents and material culture. This research used documentary search and key informant interviews as data collection methods.
3.1.1.1 Documentary Search or Document Analysis

According to Patton (2002: 4), document analysis includes studying excerpts, quotations, or entire passages from organisational, or program records, memoranda and correspondence, official publications and reports, personal diaries and open ended written responses to questionnaires and surveys. In this study, the following were used as sources of documentary data: a publication by NIEEB, newspaper articles, in both the State and independent press, focusing on the subject under study, and publications by NGOs operating in Chiadzwa that provide data on the effects of the MZCSOT on the Marange and Zimunya communities.

3.1.1.2 In-depth Interviews


In-depth face-to-face interviews were held with key informants. The key informants included the two Chiefs who chair the MZCSOT, the District Administrator for Mutare RDC, the engineer for Mutare RDC who is also the Projects Manager for the MZCSOT, nine councillors for some wards in Mutare RDC, the Director for Empowerment in the MYIEE, and a few villagers from Chiadzwa and Arda Transau. Informants from Non-Governmental Organisations operating in Chiadzwa included the Economic Resources Governance Officer for ZELA, the former Director for CRD who is currently the Director for CNRG, the Project Manager for CCDT, and the Chairperson for MDT.

The informants constitute information-rich sources (key informants) who are particularly knowledgeable about the operation of the MZCSOT. The data they provided responded to the question about the effects of the MZCOT on the Marange and Zimunya communities that are supposed to benefit from the diamond mining activities in Chiadzwa. A tape recorder was used, where there was prior consent of the respondents, to record the interviews for subsequent analysis and to help quote the informants verbatim. Extensive notes were also taken during the interviews to complement tape recording and as back-up for the possible unforeseen malfunctioning of the tape recorder.
3.2. The Interview Guide

Patton (2002: 342) identifies the general interview guide instrument as a basic approach to collecting qualitative data through open ended interviews. The interview guide was used as a technique for data gathering for the in-depth interviews method. The interview guide is a list of questions or issues that are to be explored during the course of an interview (Patton 2002: 143). It is prepared to ensure that the basic issues of inquiry are pursued with each person interviewed (ibid). Patton further argues that direct quotations are a basic source of raw data in qualitative inquiry, revealing the respondent’s thoughts about what is happening.

3.3 Sampling

According to Sedlack and Stanley (1992: 104), “sampling is defined as the process through which one selects the elements from the population for inclusion in the sample”. A population is defined by Sedlack and Stanley (1992: 104) as “the total number of cases or elements that exist at a time of the study and that possess some characteristics of interest to the researcher”. Sedlack and Stanley (1992: 104) define a sample as “a smaller number of the elements that have been selected for study from the total number of elements contained in the population”. The research used non probability sampling techniques which are used when the probability of inclusion of any element for the sampling form can not be determined (Sedlack and Stanley 1992: 143). Accordingly, purposive sampling was used to identify the key informants for the study.

3.3.1 Purposive Sampling

Purposeful sampling (or judgemental sampling) focuses in-depth on a relatively small number, even single cases (N=1), selected purposefully (Patton 2002). According to Neuman (2014: 273), purposive sampling uses the judgement of an expert in selecting cases, or it selects cases with a specific purpose in mind. Babbie (2002: 178) argues that this sampling technique can be used when it is appropriate to select a sample on the basis of knowledge of a population, its elements, and the purpose of the study. Purposive sampling leads to selection of information rich cases for study in-depth from which one can learn a great deal about issues of central importance to the purpose of the research (Patton 2002). Cases sampled can be individual people, families, organisations, cultures or activities. Purposive sampling was used in selecting the key informants who participated in the study.
3.4 Data Presentation and Analysis
According to Patton (2002: 380), data interpretation and analysis involve making sense out of what people have said, looking for patterns, putting together what is said in one place with what is said in another, and integrating what different people have said. Thematic analysis was used in this study.

3.4.1 Thematic Analysis
According to Barbour (2008: 296), themes are broad codes assigned to the main issues arising in data. Thematic analysis was used to present and analyse data under broad themes.

3.5 Conclusion
The chapter presented the methodology for the study. The qualitative research methodology was utilised in the study. The purposive sampling procedure was used to select key informant interviews. In terms of data collection, the chapter defined and explained documentary search and in-depth interviews which were used as data gathering methods. Data analysis was done through thematic analysis as explained. The next chapter will present the research findings.

CHAPTER 4: FINDINGS AND ANALYSIS

4.0 Introduction
This chapter presents and analyses the findings of the study. The guiding hypothesis for the research is ‘Community Share Ownership Trusts (CSOTs) have produced perverse effects on economic empowerment in target communities’. The guiding research questions are the following: What are CSOTs as policy instruments? What are the policy goals of the MZCSOT? How effective was the MZCSOT in enhancing economic empowerment? How can the effectiveness of the MZCSOT be improved? This chapter presents responses to the above questions and tests the hypothesis.

4.1 Methodology and Research Experience

4.1.1 Recap of research methodology
The data gathering was done through documentary search and key informant interviews. The researcher also managed to attend a gathering convened by ZELA in Mutare on the 25th of February 2016 and interviewed a few villagers from Chiazwa and Arda Transau. Almost all the documents used were accessed online. These include newspapers, publications by ZELA,
CRD, and publications by NIEEB. Key informant interviews were held with members of the MZCSOT, NGOs operating in Chiadzwa, the Director for Empowerment in the Ministry of Youth, Indigenisation and Economic Empowerment (MoYIEE), and councillors from Mutare RDC.

4.1.2 Research Experience

The fieldwork was not entirely smooth. The major challenge experienced were delays experienced at several junctures. It took the researcher about two weeks to interview the first two key informants as they deferred the scheduled interviews. A key targeted informant, former indigenisation minister, Saviour Kasukuwere, could not participate in the research as his phone went unanswered so many times after he had told the researcher to check on him after a week. The other two former ministers for Indigenisation, Francis Nhema and Christopher Mushohwe could not be contacted as the researcher could not get their contact details. The researcher could not meet the current minister for Indigenisation, Patrick Zhuwao, as the Acting Permanent Secretary first referred the researcher to the Director for Empowerment who then assumed the role of responding to the interview questions in writing. It also took two weeks to contact the ZELA targeted key informant who later referred the researcher to his colleague. The researcher failed to gain access to visit Chiadzwa as the N.I.E.E.B provincial offices in Manicaland could not facilitate the researcher’s visit to the area which is classified as a protected security zone. The researcher had gone through the MYIEE and N.I.E.E.B Harare offices. The researcher did not manage to visit the homesteads of village heads in the research area. Representatives of the diamond mining companies could also not be contacted. Mbada Diamonds, for which contact details were available online, had relocated.

Table 4.1: Profile of informants, mode of key informant interviews, and interview dates.

<table>
<thead>
<tr>
<th>Key Informant</th>
<th>Organisation (s)</th>
<th>Designation</th>
<th>Mode of Interview</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Marange</td>
<td>MZCSOT</td>
<td>Chairperson</td>
<td>Face-to-face</td>
<td>13/01/16</td>
</tr>
<tr>
<td>M. Sibanda</td>
<td>ZELA</td>
<td>Economic Governance Officer</td>
<td>Face-to-face</td>
<td>19/01/16</td>
</tr>
<tr>
<td>M. Chiponda</td>
<td>CCDT</td>
<td>Project Manager</td>
<td>Cell phone</td>
<td>20/01/16</td>
</tr>
<tr>
<td>F. Maguwu</td>
<td>CNRG</td>
<td>Director</td>
<td>Cell phone</td>
<td>21/01/16</td>
</tr>
<tr>
<td>M. Mudiwa</td>
<td>CDT</td>
<td>Chairman</td>
<td>Cell phone</td>
<td>21/01/16</td>
</tr>
<tr>
<td>Name</td>
<td>Organization</td>
<td>Position</td>
<td>Contact Method</td>
<td>Date</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------------</td>
<td>-----------------------------------------------</td>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td>Mr Sigauke</td>
<td>MRDC &amp; MZCSOT</td>
<td>District Administrator</td>
<td></td>
<td>02/02/16</td>
</tr>
<tr>
<td>C. Murewi</td>
<td>MoYIEE</td>
<td>Director for Economic Empowerment</td>
<td>In writing</td>
<td>09/02/16</td>
</tr>
<tr>
<td>D. Musungo</td>
<td>MRDC &amp; MZCSOT</td>
<td>MRDC Engineer &amp; MZCSOT Projects Manager</td>
<td>Face-to-face</td>
<td>24/02/2016</td>
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<tr>
<td>J. Gupa</td>
<td>MRDC</td>
<td>Councillor (Ward 32)</td>
<td>Face-to-face</td>
<td>25/02/2016</td>
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<tr>
<td>J. Masondo</td>
<td>MRDC</td>
<td>Councillor (Ward 4)</td>
<td>Face-to-face</td>
<td>26/02/2016</td>
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<tr>
<td>C. Chapanda</td>
<td>MRDC</td>
<td>Councillor (Ward 9)</td>
<td>Face-to-face</td>
<td>26/02/2016</td>
</tr>
<tr>
<td>P, Z. Dhoropa</td>
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<td>Councillor (Ward 13)</td>
<td>Face-to-face</td>
<td>26/07/2016</td>
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<tr>
<td>H. Senga</td>
<td>MRDC</td>
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<td>Face-to-face</td>
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<tr>
<td>C. Manjengwa</td>
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<td>Face-to-face</td>
<td>26/02/2016</td>
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<td>I. Katsaruware</td>
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<td>MZCSOT</td>
<td>Chief</td>
<td>Face-to-face</td>
<td>27/02/2016</td>
</tr>
</tbody>
</table>

4.2 Findings and Analysis

This section presents and analyses the findings of the study as gathered through the interviews and documentary search.

4.2.1 The legal framework for Community Share Ownership Trusts

CSOTs are mechanisms for ensuring “broad-based economic empowerment” to the benefit of the majority of indigenous Zimbabweans (NIEEB 2014: 3). The objectives that a CSOT must fulfil are furthering and facilitating the economic empowerment mandate of the indigenisation programme (ibid). NIEEB (2014: 4) states the economic empowerment objectives as including:

- Providing livelihoods and poverty alleviation through enterprise development programme.
- Improving socio-economic welfare of the community through increased access to education, for example, through the building of schools, and increased access to health care through the building of hospitals, and sanitation, among other things.
- Infrastructural development, for example; building and rehabilitating roads, dams, and irrigation schemes, among other things.
- Promoting self-help, empowerment and skills development projects and providing training and support in respect of such projects.

- Providing training, assistance and support to microenterprises (NIEEB 2014: 32).

Community Share Ownership Trusts (CSOTs) are established by the Indigenisation and Economic Empowerment (General) regulations 21 of 2010, which give effect to the Indigenisation and Economic Empowerment Act [Chapter 14:33] (NIEEB 2014: 3). CSOTs are also in pursuance of economic empowerment as a corrective post-colonial imperative against the background of the systematic discrimination and marginalisation of the indigenous Zimbabwean people during the colonial era (ibid: 4).

Section 14B of the 2010 Indigenisation and Economic Empowerment (General) regulations 21 makes specific provisions for CSOTs which must benefit from qualifying businesses exploiting natural resources within a community (NIEEB 2014: 3). Natural resources exploited by a qualifying business and from which CSOTs must benefit include, among others,

- The air, soil, waters and minerals of Zimbabwe

Qualifying businesses are required, in terms of the regulations, to guarantee 10% to CSOTs which shareholding shall be considered by the Minister towards the business’ indigenisation quota (NIEEB 2014: 3).

According to NIEEB (2014: 2), the CSOTs initiative comes against the backdrop of two observations. The first observation is that natural resources were being exploited in many districts throughout Zimbabwe without the involvement of the communities, in whose areas the resources are located and with no meaningful revenue accruing to the Rural District Councils (RDCs) responsible for the areas in which the resources are located. The second observation was that corporate responsibility programmes are benevolent in nature and are planned by the companies where they seldom consult with the community and local leaders.

NIEEB (2014: 3) states that the policy of empowering indigenisation Zimbabweans through CSOTs is best advocated by the Head of State and Government, President Mugabe who, during the Zimplats Community Share Ownership Trust launch defined the objective of CSOTs:

CSOTs are a vehicle for broad-based participation in shareholding in various businesses by our communities. The proceeds from such participation shall be used
for the provision of social and economic infrastructure in line with the priorities of the communities concerned.

The MZCSOT was launched to ensure the economic empowerment of the Marange and Zimunya communities. Companies mining diamonds at Chiadzwa, an area in Marange, are the qualifying businesses that are supposed to cede 10% of share ownership to the communities. The MZCSOT has the mandate to fulfil the objectives that any CSOT should as discussed above. This should be done in line with the priorities of the Marange and Zimunya communities.

4.2.2 Understanding of Economic Empowerment

To the Chiadzwa Community Development Trust Project Manager, Mellanie Chiponda, Economic Empowerment is a multi-dimensional concept. According to her:

It can be taken at the level of the individual or at the level of a community. It can be seen from an inclusive development angle where citizens are able to contribute to the development priorities of their area. It can also be viewed as the citizens’ ability to bring about a positive change in their personal lives. It is often guided by principles of participation, equality and equity, and inclusiveness, among others.

Chiponda added that Economic Empowerment can either be viewed from an economics background or a development background.

The Director for Centre for Natural Resources Governance, Farai Maguwu said:

For me Economic Empowerment entails creating economic opportunities for disadvantaged people. With respect to Zimbabwe I have a problem with the difference between empowerment rhetoric and what is on the ground. For instance, artisanal miners are Zimbabweans trying to earn a living but the State deploys the police to arrest and beat them. Some of them are serving long term jail sentences because they were found in possession of minerals. About 500 000 people are into artisanal mining, 120 of which are women. But the government is not doing anything to provide a legal and institutional framework to help them mine professionally. Our empowerment drive is not genuine, it is political.

For the Zimbabwe Environmental Lawyers Association Economic Governance Officer, Mukasiri Sibanda, Economic Empowerment basically has to do with income. He said:

It is all about income. It can be achieved in a number of ways including job creation which gives people access to livelihoods supporting income, community enterprise development where poor people in resource rich areas are given opportunities to start income generating projects, or skills development which is linked to jobs. The skills could also be used in other areas apart from mining. It can also be about socio-economic infrastructure, for example, where a dam is constructed by a mining company and support is given for irrigation schemes that will lead to food security.
and economic empowerment. Economic Empowerment can also be achieved by formalising artisanal and small scale mining.

Chief Zimunya said Economic Empowerment has to do with infrastructure projects meant to sustain livelihoods through the sustainable generation of funds. The Mutare Rural District Engineer, who is also the Projects Manager for the MZCSOT said:

Economic Empowerment is when communities are self-sustaining. It comes in different ways but it is all based on how they are empowered in order to be able to feed themselves and their families and to be able to supply their basic needs. When we are able to do that as a District, I will refer to the District of Mutare, not necessarily the nation. If we manage to bring our District to that level where each and every rural family, no matter how poor they are viewed at, are able to sustain themselves, send their children to school, be able to survive without external assistance, then I would say they are economically empowered.

From the above, economic empowerment can be understood as a process of sustainable participatory and inclusive individual and community development which can be achieved in various opportunity creating ways. It has an equity dimension and can be achieved in a number of ways including the creation of jobs, skills development, support for income generating projects, socio-economic infrastructure development, and community enterprise development, among other things. In general, the informants’ understanding of economic empowerment resonates with the objectives of economic empowerment as stated by NIEEB.

4.2.3 Knowledge about the MZCSOT

In responding to the question on the knowledge that key informants had about the MZCSOT, the MYIEE Director for Empowerment indicated that the MZCSOT was set up in terms of the relevant legal framework for the purposes of holding 10% equity on behalf of the affected communities in businesses which are exploiting natural resources on commercial basis. She indicated that it was launched in July 2012 and duly registered with the Deed office in 2012.

Chief Zimunya said that at the launch, five diamond mining companies pledged US$1 500 000 each as seed capital and promised to pay US$10 000 000 each towards the MZCSOT. He said the seed capital was not paid and the US$ 10 000 000 pledges were not fulfilled. According to him, only Mbada Diamonds and Marange Resources paid US$250 000 each.

Mukasiri Sibanda, the Economic Governance Officer for Zimbabwe Environmental Law Association (ZELA) said there is no CSOT to talk about because shares were not passed on to the community. According to Sibanda “the CSOT is nominal, it exists only in name”. Sibanda also said that “the MZCSOT was launched amidst pomp and fanfare towards the 2013 elections and its relationship with the ZANU-PF campaign, with its empowerment
message, is very strong”. In Sibanda’s view, the ZANU-PF party had own-serving interests to win elections though, incidentally, communities were also expected to benefit from the anticipated outcome of the MZCSOT.

Farai Maguwu, the Director for Centre for Natural Resources Governance (CNRG), said that the MZCSOT launch “was a highly politicised process which was used by ZANU-PF as a campaign tool towards the July 2013 elections as evidenced by the absence of civil society and opposition parties that were not invited”. He said even the then Member of Parliament (MP) for Mutare South, in whose jurisdiction Chiadzwa fell, was not invited because he belonged to the Tsvangirai-led Movement for Democratic Change (MDC). Maguwu said after that there were newspaper reports on the fights between the then Minister of the MYIEE, Saviour Kasukuwere, and the mining companies where the former was saying the latter should honour their pledges. Maguwu said that, apparently, some dummy cheques had been signed and shown to the President. He said the whole thing was an elitist driven thing.

Malvin Mudiwa, the Chairperson of Marange Development Trust, said it was ideally good to have the MZCSOT as communities would benefit but, apparently, the MZCSOT had been a curse as communities had not benefitted.

Mellanie Chiponda, the Project Manager for Chiadzwa Community Development Trust (CCDT), said that there is not much that is going on in the MZCSOT. She said CCDT has the mandate to monitor the MZCSOT with the aim of doing social audits to see what is going on, who would have put some money into the Trust, and how the money would have been spent.

In terms of its constitution, the District Administrator for Mutare Rural District said that the MZCSOT comprises of Chief Zimunya and Chief Marange (current chairperson) who chair the CSOT on a rotational basis. He said there is also the Mutare Rural District Council, Ministry of Youth, District Administrators office, legal experts, finance experts, representatives of the disabled, and also the war veterans.

4.2.4 How the Marange and Zimunya communities can be empowered through the MZCSOT

The MYIEE Director for Empowerment, Mellanie Chiponda, and Mukasiri Sibanda shared the view that the 10% equity ownership by the Marange and Zimunya communities would empower the communities. Sibanda and Chiponda argued that the 10% equity transfer to the communities by the mining companies has to translate into reality so that the communities will start to realise economic empowerment. Murewi’s position was that the Marange and
Zimunya communities could positively transform their lives by using revenue from their ownership to facilitate development and stimulate growth of the local economy by way of economic empowerment projects that include the building and maintaining of roads, dams, clinics, schools, dip tanks, and promoting self-help empowerment and skills development programmes in their communities.

It was emphasised, for example, by Mukasiri Sibanda and Mellanie Chiponda that representation of the communities at the corporate governance level of the mining companies would further contribute to economic empowerment. Mukasiri Sibanda elaborated on this by saying:

Such representation will ensure that the communities partake in prioritisation, planning and budgeting, and monitoring and evaluation of projects. Further, they will also be able to better understand the supply chain opportunities presented by mining thus broadening their benefits beyond shares to the provision of overalls, security services, and catering, for example. It gives them greater insights on how they can leverage mining resources for improved local capture or local share of mining benefits. The bulk of mineral revenues goes towards procurement. So if they can identify more opportunities from procurement it means that they can increase their share of mining benefits.

Sibanda also said that the community members, as shareholders, should also be given the power to appoint, remove, and hold to account trustees who sit on the board of the MZCSOT. Chiponda argued that, as shareholders’ representatives, Chief Marange and Chief Zimunya should have powers to hold the other members of the CSOT accountable.

Farai Maguwu was of the view that the MZCSOT could help empower the locals by assisting in the payment of school fees for able but disadvantaged local students. Malvin Mudiwa also said “We were expecting that the companies would say we will pay fees for your children in all local schools”. Maguwu however expressed pessimism regarding the prospects of economic empowerment of the communities saying “the idea is good but there are no frameworks to ensure transparency and community involvement as well as accountability at the local level”. Maguwu’s assessment was that the MZCSOT was an elite driven thing.

The Projects Manager for MZCSOT concurred with Chief Zimunya and Malvin Mudiwa that the MZCSOT could empower the communities by way of sustainable income generating projects. To the MZCSOT Projects Manager, the building of schools is good, but the people may not have the money to pay school fees, hence the need for income generating projects. For Mudiwa, such projects could be enhanced by the construction of dams and setting up of irrigation schemes taking advantage of the Save and Odzi rivers in Marange.
4.2.5 Specific Community needs of the Marange and Zimunya Communities that could be addressed by the MZCSOT

Though some projects have been implemented in the Marange and Zimunya communities, particularly Marange, the communities still have needs that could be addressed by the MZCSOT. The community needs were generally identified as including compensation for the people who were relocated to pave way for mining companies, schools, clinics, roads, clean water, employment, and funding for self-help projects.

Perhaps most importantly, there is need for the relocated people to be compensated. Almost four years after the launch of the MZCSOT, relocated villagers are yet to receive compensation. The compensation issue featured prominently in responses that were given by most informants. Mellanie Chiponda said that there was need for the relocated people to be compensated and have their livelihoods and social services restored. Maguwu and Musungo also raised the compensation issue. CNRG expressed concern about the spending of one million dollars by Mbada Diamonds towards football as part of its Corporate Social Responsibility programme while neglecting to pay the debt they owe the displaced Marange community (http://teamzimbabwe.org).

There is need to construct more schools and help existing ones by way of providing the needed resources. The Councillor for Ward 10, Aaron Ranga, and the Village Head for Ziduche said there was need for more schools as some children were walking long distances to school. A teacher who preferred to be identified as Chamunorwa was of the view that mining companies were supposed to go beyond stationery provision and assist with renovations and construction of classroom blocks (http://teamzimbabwe.org). The Councillor for Ward 12 said schools such as Ngomasha Primary, Zarawa Primary, Shundure Primary, Mwandiambira Primary were in need of furniture. In an interview, Chief Marange said there was need for laboratories and textbooks at Advanced Level schools in the area. Ward 10 and Ward 12 councillors concurred that there was also need for food assistance in schools as children would sometimes collapse because of hunger. Ward 12 Councillor said, in some instances, a teacher would leave the class to go and prepare some porridge for a student who would have collapsed because of hunger.

More clinics are also needed in the communities. Councillors for Wards 4, 9, 13, and 25 all spoke about the need for more clinics. In an interview, Chief Marange said that the Marange Hospital needs to be upgraded to match the District Hospital designation that it has. He also
said the ambulance which is usually broken down is not reliable and there are no medical specialists. Chief Marange also bemoaned disturbing electricity power cuts that are experienced at the Hospital leading to the use of candles as an alternative. Chiponda said pregnant women, those who wanted to get Anti-Retroviral Drugs, and those who wanted to get family planning services were walking long distances and therefore needed something nearby. Mudiwa said that the Mukwada clinic, very close to Chiadzwa, has no running water adding that a windmill that was put there by donors collapsed and was not resuscitated. He said despite having a referral hospital locally, people have to travel to places as far as Mutambara in Chimanimani District and Howard in Chiweshe to access health services as the local hospital is inadequately resourced.

Concerns were also raised around the need for the construction of roads. The Councillor for Ward 32 also said there was need for the construction of roads and side drainages to avoid the damage of roads being experienced in the area. The Councillor for Ward 13 said along the Berzely Bridge road, there is a stretch of about eight kilometres of the road that is in a very bad state. The Councillor for Ward 4 said the Odzi to Marange road, the road from ‘22 Miles’ to Chiadzwa, and the road from Hot Springs to Chiadzwa need to be tarmacked. Chief Marange said there were no roads that were constructed by the MZCSOT. Mudiwa also cited the need for roads adding that even the road leading to the mining fields is in such a bad state that there is need to improvise to get equipment to the fields.

Farai Maguwu, the Director for Centre for Natural Resources Governance (CNRG) said that in terms of the community needs, construction was critical but the question to ask is whether it is the duty of the CSOT to construct roads when there is a Ministry and a Government Department responsible for that.

The communities also need clean water, particularly Marange. The Councillor for Ward 12 said water problems were experienced at schools in the area such as Ngomasha Primary, Zarawa Primary, Shundure Primary, and Mwandiambira Primary. In an interview, a villager who stays in Chiadzwa complained about the difficulty of accessing water saying that if the companies really wanted to relocate the villagers, they better do so quickly or at least provide water for them if the relocation was not imminent. The old woman said boreholes have been breaking down since November 2015 and people have to walk for about three kilometres to access potable water.
Albert Mhlanga who was relocated from the diamond fields to Arda Transau said “Miners have failed to develop our area. In fact, we no longer have running water and electricity” (Masau, http://spiked.co.zw, 11/09/2015).

The communities are also in need of employment. Liberty Nechipani of Danda village, in Mutare RDC, said “We are not getting first preference in terms of employment opportunities at the mining fields” (http://teamzimbabwe.org). Mellanie Chiponda of CCDT concurred with Nechipani that the diamond mining companies were not creating employment opportunities for the locals (ibid). The Councillors for Wards 4, 9, 13, and 25 also raised concern about the need for employment creation for the locals. The Councillor for Ward 4 said very few locals are employed at the mining field which is dominated by people from other provinces in the country. Chief Zimunya was unhappy with the failure by the MZCSOT to create jobs for youths and women from the areas under his Chieftainship. Christian Chiwanza of Mutsago area blamed Chief Gilbert Marange of using favouritism and bribery when compiling names for recruitment of people by the mining companies resulting in many locals being unable to get employment (http://teamzimbabwe.org). Chief Marange said that if the MZCSOT gets funds, it is normally the services of qualified personnel that are sought. He said casual labour should also be employed. CNRG noted that women and children had turned to cutting firewood and grass for sale at Odzi Business Centre, almost nine kilometres from Arda Transau for subsistence as there is no source of employment at Arda Transau (http://teamzimbabwe.org).

The community also needs assistance in self-help projects. A member of the Rubatso Cooperative in Marange said the companies were not forthcoming with support to boost their ailing agricultural business (http://teamzimbabwe.org). In an interview, the Councillor for Ward 10 of Mutare RDC, Aaron Ranga, also spoke about the need to support the Rubatso Cooperative. The MZCSOT Projects Manager said there is need to assist people so that they can be self-sustaining, either through putting up irrigation schemes, so that they can farm throughout the year or even adding value to what they are already producing instead of selling it as raw. The Councillors for Wards 4, 9, 13, 25, and the village head for Ziduché all spoke about the need for dams. The Councillor for Ward 7 said the ward needs assistance in the form of irrigation scheme equipment as they already have the dams. The councillor said in Burma Valley, a farming area, A2 farmers had the capacity to produce food for the whole district if it gets such assistance.
The Councillor for Ward 32, Zimunya Township, said that his Ward should be given preference ahead of other Wards in terms of sanitation facilities as it is perhaps the biggest township in Mutare RDC and is an urban set up which has a high population density.

Chief Zimunya said that there was need for projects that benefit the youths and women. He also said there was need for sustainable income generating projects where, for example, a training centre could be constructed for youths to be trained in trades such as carpentry. He said a centre could then be opened, at ‘22 Miles’ for example, where people could come and purchase what locals would be producing.

4.2.6 Community Development projects attributable to the MZCSOT

The question on development projects in Marange and Zimunya that are attributable to the MZCSOT attracted contrasting responses from different informants. Whereas the Projects Manager for the MZCSOT, the MYIEE, the Chiefs, and Councillors cited a number of projects that were implemented by the MZCSOT, responses from informants in the NGO sector ranged from ‘nothing that I know’ to ‘nothing’.

By the end of 2015, US$500 000 had been received by the MZCSOT (N.I.E.E.B 2014: 26). This was confirmed in interviews with both Chief Marange and Chief Zimunya. There seems to be lack of clarity regarding which second company had paid the US$ 500 000. N.I.E.E.B (2014: 26) states that US$200 000 was received from Marange Resources while the other US$200 000 was paid by Anjin and nothing was received from Mbada Diamonds, Diamond Mining Company, and Sino Zimbabwe. Chief Zimunya said Mbada Diamonds and Marange Resources paid US$ 250 000 each. The state newspaper, The Herald of 17 July 2014, cites Mbada Diamonds and Marange Resources as having paid while Anjin and Jinan had not paid anything (http://www.herald.co.zw).

Chief Zimunya said that, as Chiefs, they decided to give each ward US$ 5000. The Chief and the MZCSOT Projects Manager concurred that needs assessments were done in the Wards to determine the projects for implementation. The Projects Manager indicated that they had already streamlined the projects to confine them to infrastructural development projects that they were focusing on in the first phase of project implementation. He said that each Ward had to write a list of five projects of top priority to them.

Chief Zimunya, the MZCSOT Projects Manager, and several other councillors concur that at the constituency level, US$26 000 was allocated to each constituency. Chief Marange said Mutare West proposed the construction of a clinic in Matiza while in Mutare South, in
Jindwi, they proposed the construction of the Madayi clinic. According to Chief Zimunya, the clinics are at the window level. Chief Marange said Mutare West got another US$ 20 000 for the rehabilitation of the Marange Hospital sewerage system. For this, the traditional leader said work is currently under way and the rehabilitation is being done by Public Works while the MZCSOT is the funder. The MZCSOT Projects Manager said in Mutare North constituency they opted for the grading of their roads as implementing a project such as constructing a clinic would only benefit a corner of the large constituency. He said the US$26 000 was used to buy fuel as Council and the Ministry of Transport assisted with their graders. According to him, around 300 kilometres have been graded. He went on to say they also managed to do some structures like pipe drifts in four different Wards. Chief Zimunya said there is some money that was reserved to see to the completion of the projects that are being implemented.

Table 4.2 shows the amount of money that was received by some of the Wards in the communities and the projects that were implemented.

**Table 4.2: Funds received by some Wards in Mutare RDC and projects implemented**

<table>
<thead>
<tr>
<th>Ward</th>
<th>Amount received (USD)</th>
<th>Project(s) implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>5 000</td>
<td>Completion of Mount Zonwe Secondary School</td>
</tr>
<tr>
<td>4</td>
<td>5 000</td>
<td>Rehabilitation of two bridges along Chifatsure to Market road</td>
</tr>
<tr>
<td>7</td>
<td>5 000</td>
<td>Resuming of the construction of Kaswa Satelite Primary School</td>
</tr>
<tr>
<td>9</td>
<td>5 000</td>
<td>Construction of a waiting mothers’ shelter at Gwindingwi Rural Health Centre and school furniture purchasing for Chirinda Primary, Chirinda High, Gonon’ono Primary, Gonon’ono Secondary, and Gwindingwi Primary.</td>
</tr>
<tr>
<td>12</td>
<td>5 000</td>
<td>Purchasing of material for the construction of a science laboratory at Shundure Secondary School.</td>
</tr>
<tr>
<td>13</td>
<td>7 000</td>
<td>Purchasing of furniture for Chigombwe Community Hall and construction of a bridge bordering Mushati and Chapeyama.</td>
</tr>
<tr>
<td>25</td>
<td>5 000</td>
<td>Construction of Pakanwa clinic</td>
</tr>
<tr>
<td>32</td>
<td>5 000</td>
<td>Drilling of a borehole</td>
</tr>
</tbody>
</table>
Informants from NGOs had a different and more negative viewpoint altogether. Mellanie Chiponda said mining companies built a clinic at Arda Transau but it was never approved by the Ministry of Health because there is no water. She also said another clinic at Arda Transau that the mining companies refurbished was also inoperative because there is no water and a disposal system to dispose waste from the clinic, and there is no fence. Malvin Mudiwa said there is nothing that was done by the CSOT. He said that “there is serious political interference to such an extent that nothing meaningful was done”. According to Mudiwa, only food handouts were once given to the communities. Mudiwa put the blame on the mining companies that have not paid up what they pledged arguing that even the members of the MZCSOT were complaining as much.

Mellanie Chiponda was concerned that of the US$400 000 that was received by the MZCSOT, some of it went towards capacity development for the traditional leaders, some went towards the fencing of a school, and that the communities were given US$5 000. She posed the following questions: “How much was left when they went for capacity building as traditional leaders? Who decided to say the communities should be given US$ 5 000? Is it the community that prioritised the fencing of a school?” Chiponda said that there was need for stakeholder consultation to see what the community urgently needed. She observed “We have
overcrowding at a school at ARDA Transau. I think it could have helped to build more classrooms than to fence a school. This is from the perspective of someone who works with the parents and the community”. Chiponda also said that not all the Wards in both Marange and Zimunya got the US$5 000. She added that there was need for consultation and transparency in the allocation of the money. Farai Maguwu said there was nothing that was done by the MZCSOT. He said “after receiving money and having looted some, they went into the community with US$5 000. What can a whole community do with US$ 5 000?”

From the available data, one can conclude that some strides have been made towards empowerment as evidenced by the list of projects presented (appendix 2). This is particularly so when one considers the fact that, as the MZCSOT Projects Manager said, US$307 000 out of the US$500 000 that was received by the MZCSOT has gone towards projects, and that there is still some money set aside to see to the completion of ongoing projects as highlighted by Chief Zimunya. It appears the MZCSOT was largely constrained in implementing projects by the lack of funding owing to the companies that have reneged on their pledges. However, the allegations of the lack of transparency and the imprudent use of the received funds as hinted by Enoch Porusingazi in a Parliamentary Portfolio Committee meeting (Gumbo, www.herald.co.zw, 13/02/2014), point to the weaknesses of the MZCSOT in administering funds. Thus the MZCSOT is not completely absolved of the responsibility to have failed to sufficiently implement empowerment projects in the two communities.

4.2.7 Challenges encountered by the MZCSOT in empowering the Marange and Zimunya communities

On the question of challenges that were encountered by the MZCSOT in attempting to economically empower the MZCSOT, informants generally indicated that the main challenge was the lack of funding. Whereas an amount of US$ 50 000 000 was pledged by the mining companies, by the end of 2015 a total of only US$ 500 000 had been received. According to Chief Zimunya “the US$400 000 initially received by the MZCSOT came after a struggle. The people had become angry, frustrated, and were complaining. Indeed, it appeased the public anger”.

It also appears the US$ 400 000 that was received by the MZCSOT was not really put to good use. When Trustee chairperson, Chief Marange, Secretary to the Trust, Chief Zimunya, Mr Sherperd Chinaka and other members appeared before the Parliamentary Portfolio Committee on Indigenisation and Economic Empowerment, legislators expressed dismay
over how the Trust had already spent US$ 45 000 in seven months when no empowerment project had been undertaken on the ground (Gumbo, www.herald.co.zw, 13/02/2014). Trustees said they spent over US$ 17 000 on board fees, about US$ 14 500 on travelling and about US$ 13 000 on training (ibid). Legislators also raised concern at how the board continued to operate when it was not fully constituted (Gumbo, www.herald.co.zw, 13/02/2014). Enoch Porusingazi said:

_Ndirikuona panapa 400 000 ndiyo mari yavakatambira maererano nereport yavo. Asi iye zvino masare 371. Avana kana project imwe yavatii vaita asi mare inoita 29 000 yatoshanda. Vachitaridza kuti vakangoita misangano muna October yokutrainer matrustees, vakaaitzve kusangana musi wa30 January 'to consider projects’. Ndovatodya 29 000 izvozvo? (Gumbo, www.herald.co.zw, 13/02/2014)_

Mellanie Chiponda said that the protection of the mining companies under the Companies Act resulted in them operating under a veil of secrecy. It was also reported in the media that the companies operating in Marange seemed not ready to share information on their operations with the outside world as they tried to prevent a Parliamentary Portfolio Committee from accessing the mines (Mambondiyani, www.opendemocracy.net, 21/08/2013)

Chiponda also said the other challenge was that the MZCSOT was launched before it was legally registered. This was confirmed by Kasukuwere who, in a recording at the Zimbabwe Local Government Association annual congress in Mutare in 2013, said:

_I can assure you that your funds are now coming; the community trust has now been registered and it has been approved. We have sat down with the companies to say we must commit and we did commit. We must now implement and ensure that communities benefit from those resources...I am also mukwashwa we Zimunya-Marange so I understand your concern. So tiri tose panyaya iyoyo_ (Matimaire, www.financial/gazette.co.zw, 13/08/2015).

Mellanie Chiponda said the other challenge was the lack of clarity regarding whether the Chiefs are supposed to also sit on the boards of the mining companies. Chiponda also said another challenge was that the MZCSOT was male dominated leaving out women who, in her view, are major stakeholders. She said women are affected more in terms of loss of livelihoods due to mining and they contribute significantly to the rural household economy. Chiponda therefore argued that their exclusion in the MZCSOT would militate against the meeting of the community needs and realisation of progress in the community.

It has been reported that the companies are folding as the gems are said to have been exhausted (www.newzimbabwe.com). Chief Marange and the MZCSOT Projects Manager
said that it is ironical for the companies to assert, as they are doing, the difficulty of contributing alleging that the diamonds are exhausted when they are still mining. Chiponda said there should have been transparency where a geological survey and quantification of the mineral wealth at Chiadzwa was done. She said the results were then supposed to be made public and the duration of the mining specified to justify the necessity of relocating people from their ancestral land.

Maguwu said the MZCSOT was negotiated in bad faith as Minister Savior Kasukuwere coerced the mining companies into signing the agreements. For him that resulted in the difficulty of operationalising the CSOT. He also said that CSOT are not provided for in the parent Indigenisation Act but only come in subsequent regulations. This, to him, means that the CSOT was not enforceable at law and no one could take the defaulting companies to court. Maguwu also mentioned the commodity crises where mineral prices had gone down by about 50% resulting in the companies finding it difficult to spare funds for the CSOT. He also said that at the ground, the people are not connected to the CSOT.

The MZCSOT Projects Manager said that the lack of funding also resulted in the Trust not being able to employ its own people. He said the CEO of Mutare RDC who is Secretary of the Trust pledged his staff which is not being paid by the Trust for the extra work just as Council is not being paid by the Trust for the extra work. The MZCSOT Projects Manager said:

The staff running the Trust has their core business, like myself, I have the core business at Council. I only do Trust’s issues as and when it is required. So that alone would mean that our time to do the Trust’s business is limited, not that we do not want to do it. But you need someone who is full time to be able to really go down to the ground. We would be spending time on the ground with the communities finding out what they want, running around Harare following up the money.

The MZCSOT Projects Manager said the other challenge is that the support that they have received from their principals, the Ministers, in terms of following up on the pledges made, has not really yielded anything.

The Projects Manager said that because of the limited funds that they had in all the projects, the communities would provide locally available materials. However, he noted that:

The poverty stricken people have not been able to really meet the requirements such construction works which tend to take unnecessarily too long. They can not readily cooperate to provide bricks to the CSOT which does not deliver immediate benefits. Consequently, builders who were doing paid work would then complain that projects would be taking too long because of the unavailability of materials.
The Projects Manager also said that they would get project proposals amounting to US$ 2,000,000 when the budget was limited to US$5,000 in which case the Wards had to redo the proposals. Project feasibility, according to the Projects Manager, was assessed on the basis of the cost criterion.

4.2.8 Controversies at the MZCSOT

4.2.8.1 The MZCSOT launch and the July 2013 elections

Some political analysts suspected that CSOTs were used by ZANU-PF to woo voters ahead of the July 2013 elections (www.theafricareport.com). In their view, the launch of the MZCSOT was marred by controversy as the MP for the constituency, Shua Mudiwa, of the opposition MDC party was not invited to the event which looked more like a ZANU-PF political rally (ibid). The Director for Research and Advocacy in the Solidarity Peace Trust, Brian Raftopoulos, said:

By implementing this controversial programme, ZANU PF managed to claw back some space which it lost to the MDCs in the 2008 disputed elections and increase its support base. It is unfortunate that this indigenisation has exposed the State itself as owned by a particular party and that ZANU PF used this process to spearhead its campaigns without assessing how communities would benefit (Mambo, http://www.theindependent.co.zw, 17/04/2014).

Farai Maguwu said the launch of the MZCSOT was a highly politicised process which was used by ZANU-PF to campaign for the July 2013 elections. One of the interviewed Councillors said that the $US 50,000,000 pledge was made at a rally referring to the event of the launch of the MZCSOT. In an interview, Sibanda said the motive of ZANU-PF in launching the MZCSOT towards the July 2013 elections can be questioned. For him, as politicians they had the motive to win elections though it was hoped that, incidentally, communities would also benefit.

4.2.8.2 The problem of defining the beneficiary community

Mukasiri Sibanda said there is the problem of defining the beneficiary community. Sibanda complained that there is no mining that is being done in Zimunya which is far away from Chiadzwa but part of the MZCSOT, yet areas as close as Hot Springs, which is about 5 kilometres away from Chiadzwa and a dormitory town to mining companies’ employees which suffers the costs of the mining, are not part of the MZCSOT. Sibanda said that the inclusion of Zimunya was said to be on the basis of regard to Districts, which found Chiadzwa under Mutare Rural District which also includes Zimunya. For him, Districts are
just administrative boundaries and there was need to look at how people are settled around the mining area without necessarily considering their districts.

### 4.2.8.3 Skewed benefits between the Marange and Zimunya communities

The developments attributable to the MZCSOT have not been shared equally between the two communities. Chief Zimunya complained that Zimunya was only in the MZCSOT just in name. According to him, most of what was done was done in Marange. Chief Zimunya said “mining companies built a house for Chief Marange and headmen under his chieftainship, drilled a borehole for him, and bought cars for Chief Marange and headmen under his Chieftainship, which developments have not happened in Zimunya”.

### 4.2.8.4 The compensation issue

It is not clear whose responsibility it is to compensate the relocated villagers. Anjin’s Deputy Director, Getrude Takawira, said that Anjin had fulfilled its requirements as prescribed in the Memorandum of Understanding (MoU) signed between mining companies and government and she understands that Arda had long been handed back to government and was no longer a prerogative for the miners (Mataire, [http://nehandaradio.com](http://nehandaradio.com), 10/07/2014). She went to the extent of challenging the government to be honest and to avail the MoU to journalists for publication (Mataire, [http://nehandaradio.com](http://nehandaradio.com), 10/07/2014). Takawira said that all grievances should be directed to the government (ibid).

The Projects Manager for the MZCSOT said “We would not know what mode of compensation our principals and the mining companies agreed to and whether it is the companies or the government that had to pay the compensation”.

### 4.2.8.5 Controversy over the $US 50 000 000 pledge by mining companies

There seems to be controversy and lack of transparency regarding the matter of the pledges. The former ministers for the MYIEE gave varied explanations on the nature of the agreements and different positions were also given by the MYIEE and the diamond mining companies regarding both the agreements and the amount of money pledged. Former minister for the MYIEE, Saviour Kasukuwere who presided over the ministry when the MZCSOT was launched, produced letters to confirm that the companies knew about the pledges ([www.dailynews.co.zw](http://www.dailynews.co.zw), 12/05/2014).

However, Kasukuwere’s successor, former minister for the MYIEE, Francis Nhema said that he had looked for the letters at the Ministry and had not found them ([www.dailynews.co.zw](http://www.dailynews.co.zw),...
According to Nhema, the pledges were made through ‘gentlemen’s agreements’ without anything in writing, except minutes of the meeting in which the pledges were made. (Gumbo, [http://www.herald.co.zw](http://www.herald.co.zw), 04/04/2014).

Francis Nhema’s successor, Christopher Mushohwe provided the Parliamentary Portfolio Committee (PPC) on Youth, Indigenisation and Economic Empowerment, a copy of the letter that he said Minister Kasukuwere had written to him requiring that he ensures that the mining companies fulfil their pledges (Gumbo, [http://www.herald.co.zw](http://www.herald.co.zw), 14/04/2015). Before the PPC, Mushohwe first denied that he had written a letter to Anjin Investments giving Anjin the account number of the MZCSOT and later accepted after a copy of that letter, dated 04 September 2012, had been produced by the PPC’s chairperson, (Gumbo, [www.herald.co.zw](http://www.herald.co.zw), 14/04/2014). Mushohwe said he wrote the letter in response to minister Kasukuwere’s letter to him but had forgotten that he had written the letter (ibid).

But appearing before the PPC on Youth, Indigenisation and Economic Empowerment in May 2015, and concurring with Nhema, Simon Masango, then acting Secretary for Youth, Indigenisation and Economic Empowerment, said the failure by the mining companies to honour their pledges was largely because there was no written agreement which obliged these companies to comply (Manicaland Correspondent, [www.newzimbabwe.com](http://www.newzimbabwe.com), 07/05/2015).

The mining companies took a different stance altogether on the matter. Some mining companies professed ignorance about the establishment of the MZCSOT while some said they had only pledged US$ 1 500 000 seed capital each at the launch of the MZCSOT (Senior Reporter, [www.herald.co.zw](http://www.herald.co.zw), 1707/2014). Apparently, interviews with Chief Zimunya and the MZCSOT Projects Manager reveal that even the US$1 500 000 that the companies said they pledged was not paid up. Perhaps tellingly, the then Minister for Mines and Minerals Development, Obert Mpofu, was also said to have professed ignorance regarding the existence of the MZCSOT (Matimaire, [www.financial/gazette.co.zw](http://www.financial/gazette.co.zw), 13/08/2015).

The controversy seems to be at the level of documentation. Interviews with informants, including local councillors seem to confirm that the pledges were verbally made at the launch of the MZCSOT. Mudiwa could not believe that the companies would lie before the “Head of State and Government, and Commander-in-Chief of the Zimbabwe Defense Forces, President Robert Mugabe”.
4.2.8.6 Allegations of Political Interference in the MZCSOT

There also seemed to be political interference in the operation of the MZCSOT. When the trustees appeared before the PPC on Youth, Indigenisation and Economic Empowerment in 2013, they bemoaned interference by politicians and lack of funding for community development (Senior Reporter, www.herald.co.zw, 17/07/2014). Chief Kiben Bvirindi Zimunya, a trustee of the MZCSOT in Marange in March 2014 told the committee that some politicians from Manicaland were meddling in the affairs of the scheme (www.newsdaily.co.zw, 07/04/2014). He said:

There has been a lot of political interference by ZANU-PF bigwigs on disbursement of funds. Unfortunately, I can not say their names, but those bigwigs in Mutare want the US$ 50 000 000 to develop the whole province of Manicaland instead of developing Marange area only, and are responsible for holding the release of more funds (www.newsdaily.co.zw, 07/04/2014).

Anjin Investment board member Munyaradzi Machacha said:

The Trust has not approached us. Christopher Mushohwe, then minister of State for Manicaland Province, is the one we have been talking to. He gave us the bank account. We have not had any meeting with the MZCSOT. All the correspondence we have heard is through the Minister of State for Manicaland because he claims he has a working relationship with the MZCSOT (Mambo, www.theindependent.co.zw, 17/04/2014).

According to Chief Banga of Shurugwi in another CSOT area in the Midlands province, political interference hinders the success of CSOTs. He said “on certain hot issues of debate, people who are not trustees tend to dictate and even claim that they got instruction from higher authority, which is either the ministry or some political figures within the ministry” (Mambo, www.theindependent.co.zw, 17/04/2014).

Asked to whether there was any political interference in running the CSOTs, former Minister for Youth, Indigenisation and Economic Empowerment, Francis Nhema, said “I think CSOTs by nature are very political as Members of Parliament, District Administrators, Chiefs, and others have an interest in what is happening. Yes, there could be political interference here and there” (www.newsdaily.co.zw, 07/04/2014).

4.2.8.7 Allegations of Corruption in the MZCSOT

There were also allegations of corruption at the MZCSOT. It was reported in the media that Chief Zimunya produced newspaper cuttings implicating the former Minister of State in the President’s Office, Didymus Mutasa, former ZANU-PF Manicaland Provincial Chairperson, Mike Madiro and Christopher Mushohwe (www.newsdaily.co.zw, 07/04/2014).
On the other hand, former ZANU-PF Secretary for Administration, Didymus Mutasa implicated Vice President, Emmerson Mnangagwa, Christopher Mushohwe, others from the army, and Anjin as having benefited from the diamonds from Chiadzwa (www.newsdzezimbabwe.co.uk, 01/04/2015). During his tenure as ZANU-PF Secretary for Administration, Mutasa blew the whistle against former party members who were accused of siphoning diamond funds from Marange firms resulting in the suspension of the former Provincial Chairperson, Mike Madiro, his deputy Dorothy Mabika, the Provincial Youth Chairperson, Tawanda Mukodza, the Youth Secretary for Security Admire Mahachi, the Youth Secretary for Information and Publicity, Masimba Kangai, and former District Coordinating Committee chairperson for Mutare Urban, Clever Muparutsa (www.newsdzezimbabwe.co.uk, 01/04/2015). It is alleged that these received a combined US$ 700 000 from Chiadzwa firms (ibid). Mutasa also said he had gathered documented evidence that other party stalwarts from the Women’s League were extorting funds from Chiadzwa (www.newsdzezimbabwe.co.uk, 01/04/2015).

Chief Marange said the ministers who have authority over the mines and trusts were reluctant to act because, he believes, they were receiving kickbacks from the miners.

Ministers are busy conniving with diamond companies to loot diamonds and receiving khakhhi envelopes. This is why they can not act. I am under fire in my community because everyone heard the announcement. The President was there, only to be told that the miners are not aware of it. What do they take us for? (Matimaire, www.financial/gazette.co.zw, 13/08/2015).

Misheck Muyambo, a villager, said “We are beginning to doubt that the money was not disbursed. I strongly suspect that someone or a clique of untouchables received that money and diverted it to their own personal use” (Matimaire, www.financial/gazette.co.zw, 13/08/2015). Maguwu said there was “State-sponsored looting in Chiadzwa”.

4.2.9 Adverse effects suffered by the Marange and Zimunya communities

From the responses to the question on the adverse effects that the communities have suffered because of the MZCSOT, it was evident that perverse effects of a considerable magnitude were suffered by communities that were supposed to benefit from the MZCSOT. The perverse effects were more pronounced in Marange, where the mining is taking place, than in Zimunya.

In 2012, Anjin and Marange Resources were dragged to the High Court by villagers accusing the companies of polluting the Save, Singwizi, and Odzi rivers (www.theafricareport.com).
12/12/2012). Communities complained of the discharge of toxic waste into the rivers by the diamond companies (Mambondiyani, [www.opendemocracy.net](http://www.opendemocracy.net), 21/08/2013). Chris Mushava, an EMA official, confirmed receiving the reports about the Chinese firms that are polluting Odzi and Save rivers from villagers in Chidzwa ([www.newsday.co.zw](http://www.newsday.co.zw), 06/10/2014). He said they have tried to enforce the law and most mining companies now have slime dams that hold their effluent ([www.newsday.co.zw](http://www.newsday.co.zw), 06/10/2014). He however said that the problem with Chidzwa is the requirement to apply for written permission before visiting the protected area ([www.newsday.co.zw](http://www.newsday.co.zw), 06/10/2014). It takes seven days and by the time they get clearance to go, the polluters would have hidden the evidence ([www.newsday.co.zw](http://www.newsday.co.zw), 06/10/2014).

Sample tests done by Biological and Chemical Science Institution on behalf of ZELA on two major rivers in Manicaland, Save and Odzi, showed, among other things, that the rivers were polluted and the communities were at risk of contracting diseases (Masau, [http://spiked.co.zw/?p=793](http://spiked.co.zw/?p=793), 11/09/2015). The result, according to ZELA coordinator, Shamiso Mtisi, indicated that diamond mining operations had resulted in massive siltation, chemical and heavy metal pollution of Save and Odzi rivers, with turbidity and total solids exceeding the recommended World Health Organisation (WHO) standards (Masau, [http://spiked.co.zw/?p=793](http://spiked.co.zw/?p=793), 11/09/2015).

Pictures 4.2 and 4.3 show the evidence of pollution that the mining companies have allegedly caused.

**Picture 4.2: Effluent discharge into Odzi River at Anjin Diamonds -17/02/12**

Source: Presentation by Mutuso Dhliwayo on Zimbabwe’s Draft Mineral Policy (zela.org)
Of the communities targeted to benefit from the MZCSOT, the pollution of Save and Odzi rivers adversely affected the sources of livelihoods for communities that live along the river in Mutare West (Marange Communal Lands) (ibid). The locals depend on the rivers for water, both for domestic use and livestock (Mambondiyani, www.opendemocracy.net, 21/08/2013). Save river provided fish and drinking water for both humans and livestock (Mambondiyani, www.opendemocracy.net, 21/03/2013).

Some of the villagers’ livestock died after drinking the polluted water (Senior Parliamentary Reporter, www.newsday.co.zw, 06/10/2014). Women also experienced stillbirths at surrounding hospitals (Senior Parliamentary Reporter, www.newsday.co.zw, 06/10/2014).

Whereas villagers used to bath in the Save River, which also acted as one of the few recreational facilities for young boys and girls, people who come into contact with the polluted water were developing skin ailments (Mambondiyani, www.opendemocracy.net, 21/08/2013)

The Save River also provided water for domestic chores such as laundry (Mambondiyani, www.opendemocracy.net, 21/03/2013). Villagers interviewed by Centre for Natural Resources Governance said they are now digging in the sand to fetch water for laundry as the water in the river was too muddy (Mambondiyani, www.theafricareport.com, 12/12/2012)

In some parts, food was grown alongside the river, mainly due to the fact that Marange is a semi-arid region which experiences perennial droughts (http://www.theafricareport.com, 12/12/2012).

Apart from water pollution, Chiadzwa is also experiencing serious air pollution. Villagers fear a rise in diseases such as tuberculosis due to dust inhalation (www.theafricareport.com, 12/12/2012).
12/12/2012). More than 4 000 villagers trapped within and near mining concessions are exposed to hazardous dust (http://www.thezimbabwean.co/2014/07).

The people in Chiadzwa have also experienced noise pollution. Anjin Investments operates for 24 hours a day with its trucks and heavy machinery roaring throughout the night (www.theafricareport.com, 12/12/2012). People have remained poor while enduring noise and environmental pollution (Masau, http://spiked.co.zw, 11/09/2015).

Several boreholes also dried up in recent years with villagers accusing the mining companies whose activities, they suspected, affected the water table (www.theafricareport.com, 12/12/2012). Professor N.C Saxena of the Centre of Mining Environment in India observed that mining either by opencast or by underground methods damages the water regime and thus causes a reduction in the overall availability of water in and around the mining areas (www.theafricareport.com, 12/12/2012).

The miners have also been accused of not rehabilitating their alluvial diamond pits, which led to a malaria outbreak during the excessive rains experienced in early 2014 (http://www.thezimbabwean.co/2014/07).

After the chairperson of the PPC on environment, Annastacia Ndhlovu, said EMA was a toothless bulldog, EMA toured the Chiadzwa mining area and raised a wide range of environmental concerns, which they demanded be addressed (www.thezimbabwean.co, 2014/07).

4.2.10 The plight of the people at Arda Transau

Interviews with the MZCSOT Projects Manager, Chief Zimunya, Mellanie Chiponda, Farai Maguwu, Malvin Mudiiwa, and a few residents of Arda Transau revealed that all was not well with the people at Arda Transau. This is the place where the people who were relocated from Chiadzwa were resettled. Chief Zimunya said though Arda Transau is under the Zimunya Chieftainship, he was not consulted regarding the resettlement of the people. He said the Minister, the mining companies, and Chief Marange came to assess the area and resettled the people without consulting him and only came to him after some bizarre experiences of the people at Arda Transau. He said some of the boreholes were drying up while some of the water was sour.

The MZCSOT Projects Manager said “those people are really suffering”. He said that the displaced people are yet to receive compensation. One villager who was relocated to Arda
Transau said that she only got US$1 000 as disturbance allowance, not compensation. This, she said was given to her almost three months after relocation, having been moved on the 30th of October 2011, only to be paid on the 22nd of December 2011. It was also at that time that she was given food after three months without farming.

According to the Memorandum of Understanding signed between the diamond mining firms and government, each company was supposed to build a primary and secondary school, a clinic, provide clean water for the relocated families while supporting income generation projects for their livelihood (Mambondiyani, http://zimbabwe situation.com, 04/05/2013).

In March 2013, CCDT reported that families relocated to Arda Transau by Diamond Mining Company and Anjin were critically short of food after the company reneged on its pledge to support them (http://bulawayo24.com). The Administrator for Manicaland Province, Fungai Mbetsa said “The companies had agreed to construct an irrigation scheme but nothing has been done. We are not happy as a province” (Mambondiyani, http://bulawayo24.com, 04/05/2013). He said the companies broke the promise resulting in poor villagers depending entirely on the companies for food handouts (Mambondiyani, http://bulawayo24.com, 04/05/2013). The MZCSOT Projects Manager said that the people are no longer getting the groceries they used to get from the mining companies. The MZCSOT Projects Manager said “To date, there is no irrigation and those communities are really suffering because they were removed from an area where they had their livelihoods and right now they are in a new place where they can not farm as promised”.

In respect of the irrigation issue, Anjin Deputy Director, Takawira, said “the government stopped us under the pretext that they had their own setup which they wanted and up to now we are still waiting for it. The problem now is that even if it comes, it is too late as we are facing challenges” (Mataire, http://nehandalradio.com, 10/07/2014).

The MZCSOT Projects Manager, who is also the Mutare RDC Engineer said that the school and clinic that Anjin built were not up to standard. According to him, cracks were noticed before the buildings were put to use and the material used in the construction was not suitable for public facilities, for example, wooden door frames. The Engineer said that the inspections were done after the completion of the construction and when they raised the issues they were threatened for allegedly observing weaknesses only. Even the houses were also said to be cracking
The Projects Manager for MZCSOT also said that about two years ago there was a water treatment works that had been constructed by the mining companies the handing over of which Council declined since the companies wanted to hand over to the Council the associated bill. He said the people at Arda Transau now have to pay for water yet before the relocation, they would just drill their boreholes and dig wells to freely access water. One of the residents of Arda Transau said they can not afford to pay the US$ 8 required per tape given the unemployment at Arda Transau and that gardening was also not permitted.

Pictures 4.4 and 4.5 below show evidence of the community drawing water from unprotected wells since 2010 after the Zimbabwe National Water authority (ZINWA) switched off water supplies demanding payment upfront (http://www.africaportal.org, 2013: 9). Anjin provided chemicals for water treatment that lasted for only 6months soon after relocation (ibid).

Cephas Gwayagwaya, a representative of the relocated people said that the soils in Arda Transau are like pit sand and not good for agriculture (Mambondiyani, http://zimbabwesituation.com, 04/05/2013). He complained:

> We led self-sustaining lives before we were forcibly removed from Chiadzwa. We had a good life, we farmed on good land and we produced enough for our families, and the surplus we sold to the Grain Marketing Board. We were promised irrigation pipes by Anjin that would have helped us start our farming projects. Nothing has materialised and we are penniless and living on hand to mouth. We do not want to be spoon fed, we want them to empower us, we have got the hands and skills to survive on income generating projects like we used to do before we were relocated (http://allafrica.com/stories).

The MZCSOT Projects Manager said Mutare RDC rejected the proposal to have Arda Transau handed over to them but two weeks later, they heard that the handover had been effected. He said they thought their principal effected the handover with some other plan for the people at Arda Transau. The Projects Manager also noted that government was a shareholder in all the mining companies and therefore talking about the mining companies is
really talking about the government as well. In his view, the issue of the people at Arda Transau all goes back to the government which is supposed to do something for its people.

In respect of the handover of Arda Transau, it appears the central government effected the process against the decision of Mutare Rural District Council. There appears to have been a conflict of interests on the part of government as, on the one hand, it was supposed to ensure that the people at Arda Transau are well taken care of, yet on the other hand, the government, is a stakeholder in all the diamond mining companies in Chiadzwathat had built the structures for the relocated people. Self-interest seems to have ultimately loomed larger as the government seems to have sacrificed the need to take good care of the people at Arda Transau. Thus, as the MZCSOT Projects Manager argues, the responsibility squarely falls on the government to attend to the plight of the people at Arda Transau.

4.2.11 Effectiveness of the MZCSOT in empowering the Marange and Zimunya Communities between 2012 and 2015.

The question on the effectiveness of the MZCSOT in economically empowering the Marange and Zimunya communities attracted contrasting responses, particularly between the Ministry and members of the CSOT on the one hand, and civil society informants, some Ward councillors, and villagers on the other hand. In general, however, the responses to this question were negative.

Citing classroom construction, borehole drilling, and clinic construction projects, the MZCSOT Projects Manager, Engineer Musungo, said the MZCSOT “managed to do its best in proportion to the resources that were available”. The District Administrator (D.A) for Mutare RDC said “we were expecting a lump sum from the mining companies. But I think with the little that we got I can safely say we achieved”. Both the Projects Manager and the D.A, who are members of the MZCSOT, stated that given more money, the MZCSOT could have done much more. The Ministry of Indigenisation’s assessment was that “the livelihoods of the communities have significantly improved”. The Ministry cited the provision of more health facilities, job creation for the community, and more schools that have seen children no longer walking for long distances.

To the contrary, documentary search and a greater part of the informants revealed a gloomy assessment of the MZCSOT in terms of its effectiveness ineconomically empowering local communities. The informants seem to concur that this was, in part, due to the lack of funding which is a result of the reneging by the mining companies on their pledges. Thus the research
gathered that the MZCSOT did not contribute much to the economic empowerment of the Marange and Zimunya communities.

Proceeds from diamonds mined at Chiadzwa are not benefiting the local community as stipulated under the CSOT (http://spiked.co.zw). At a public hearing convened by ZELA on the 19th of September 2015, the Member of Parliament for Zvishavane suggested that such a platform should be taken to communities whose CSOTs have not benefitted from mining companies in the area such as Marange (http://hrbcountryguide.org).

The Councillor for Ward 4 said not much was done considering what the mining companies got from the mining activities in Chiadzwa. For him, the MZCSOT had been “poor” in terms of its effectiveness in empowering the local communities. The Councillor for Ward 32 said the MZCSOT “has been a ‘joke’, the worst I have ever heard of as nothing satisfactory was done considering what the mining companies made out of the diamond mining”. He added that the CSOT was not sufficiently effective because there were terrible crooks who were involved; the Chinese and also some Zimbabweans who must have gotten something for themselves from the companies.

Of the more dismissive civil society informants, Maguwu said the MZCSOT “was a sham”. Sibanda said “it was a mirage”. For Chiponda, “the MZCSOT did not meet the definition of ‘economic empowerment’”. She added, “I call it political grandstanding, not economic empowerment”. Mudiwa said the MZCSOT “was a curse and not beneficial”. He added that the little projects done were aligned on political lines and the composition of the CSOT was also politically aligned. For him, there is therefore bound to be bias in everything they do.

The Movement for Democratic Change’s (MDC) party spokesperson Obert Gutu said:

Only a few ZANU-PF political sharks and corrupt political gladiators have benefited from the Indigenisation policy. The CSOTs are virtually dead and buried. Just go to Marange and Zimunya communal areas today and you will be shocked by the grinding poverty afflicting thousands of villagers who never benefited from the alluvial diamonds that were looted from their ancestral land.

The villagers have also not been satisfied with respect to the effectiveness of the MZCSOT. Asked whether the discovery of diamonds was a blessing to the community, Albert Mhlanga who was relocated from Marange fields to Arda Transau, said he wishes the minerals were discovered elsewhere (http://spiked.co.zw). Neria Runde, a villager, said:

These diamonds are a curse. The earlier these companies exhaust mining the diamonds, the better for us. We have not benefited from the diamonds. Instead, we are
Jonas Mutsago, another villager, said “How long can we keep suffering when we have such a rich resource in our backyard? It is time we benefitted from the diamonds” (Mambondiyani, www.opendemocracy.net).

The Former Minister of State for Manicaland Affairs, Christopher Mushowe, also raised concerns: “We expect more responsibility, some companies are trying but they could do more. There is the Community Trust, infrastructure development, and employment creation which need to be attended to as a matter of urgency” (http://teamzimbabwe.org). Mushohwe confessed that he once stopped people from Marange from revolting over that MZCSOT saga (www.financial/gazette.co.zw). This is an indication of the dissatisfaction of the villagers, which, together with the assessment of most of the informants, could mean that the MZCSOT was really not effective in economically empowering the Marange and Zimunya communities.

4.3 Hypothesis testing

The research was intended to test the hypothesis that “CSOTs have produced perverse effects on economic empowerment in target communities”. Notwithstanding the projects implemented by the MZCSOT, adverse effects of a considerable magnitude have been suffered by the beneficiary communities. Both the Marange, and the Zimunya communities, particularly ARDA Transau in the case of the latter, have endured terrible perverse effects. To this end, it can be concluded that the MZCSOT has produced more adverse effects than benefits on target communities. Thus, the data gathered tends to validate the hypothesis.

4.4 Conclusion

The chapter discussed CSOTs as policy instruments for economic empowerment by relating CSOT to the fulfilment of the dictates of the regulations providing for their establishment and the IEEA, Chapter 14:33. The MZCSOT suffered the major challenge of lack of funding. With the money that the MZCSOT got, some developments have been realised. However, as established by the research, a lot more remains to be done in respect of Community Development projects. As for effectiveness, it seems the MZCSOT has not been much effective. Adverse effects of a worrying magnitude have also affected the communities. The next chapter will present the conclusions and recommendations from the study.
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents conclusions from the findings and proffers recommendations, based on the conclusions, for the improved effectiveness of the MZCSOT.

5.2 Conclusions
This section presents the conclusions drawn from the findings of the study.
5.2.1 **Economic Empowerment is a Post-Colonial imperative provided for in the Legal Framework establishing CSOTs**

Economic Empowerment is realised when communities are able to provide for their needs in sustainable ways using resources in their locality. CSOTs are not provided for in the parent Indigenisation and Economic Empowerment Act (Chapter 14:33) but are established in terms of the Indigenisation and Economic Empowerment (General) regulations 21 of 2010. CSOTs are in pursuit of economic empowerment as a corrective measure meant to address the deprivation suffered by the indigenous Zimbabweans during the colonial era. The MZCSOT was launched before it was registered at law.

5.2.2 **CSOTs have the Potential to Enhance Economic Empowerment in Target Communities**

CSOTs are ideally effective instruments for economic empowerment. Such economic empowerment would be realised through:

- The improvement of the socio-economic welfare of the communities through increased access to social services, for example, education and health. This requires the building of schools and hospitals,
- The supporting of infrastructural development, for example, by building and rehabilitating roads, dams, and irrigation schemes among other things,
- Promoting self-help empowerment and skills development projects,
- The transfer of 10% shareholding in companies to the communities.

5.2.3 **The MZCSOT has not Done Much but could Contribute More to Economic Empowerment of local communities in several ways**

- The MZCSOT has contributed by way of notable projects that include the construction of clinics, completion of classroom blocks at schools, and the drilling of boreholes.

The following could further enhance the contribution of the MZCSOT.

- MZCSOT could pay fees for local bright but disadvantaged students.
- MZCSOT could implement more health related, school related, road construction, and dam construction projects where there is need as indicated in the findings of this study.
- MZCSOT could support self-help income generating projects.
5.2.4 Numerous Challenges Militated against the Contribution of the MZCSOT in Enhancing Economic Empowerment

The following are some of the impediments:

- Companies did not fulfil their promises to the MZCSOT and shares were not passed on to the community.
- The commodity crises that resulted in a 50% fall in mineral prices negatively affected the capacity of the companies to honour their pledges.
- There also seems to have been imprudent use of the US$ 500 000 that was received by the MZCSOT.
- Poverty resulted in community members failing to cooperate and provide locally available resources for projects.
- There was secrecy regarding the operations of the MZCSOT.
- The MZCSOT is not in the parent Indigenisation Act and was launched before it was registered at law, therefore, being without a legal persona, it was difficult to operationalise.
- There was lack of clarity regarding whether the Chiefs should sit at the board meetings of the mining companies. This militated against their role to represent the communities.
- The failure to involve women in the MZCSOT may have contributed to the ineffectiveness of the MZCSOT.
- The lack of full-time employees at MZCSOT contributed to the ineffectiveness of the MZCSOT.
- Inadequate efforts in following up on the pledges militated against the effectiveness of the MZCSOT.
- At the ground, the MZCSOT is not connected to the people.

5.2.5 The MZCSOT is a highly Controversial Scheme

The MZCSOT is a highly controversial scheme. The following are some of the controversies:

- There are some who have linked the MZCSOT launch to the ZANU-PF campaign for the July 2013 elections.
- There was a problem in defining the beneficiary community as some areas close to Chiadzwa are not part of the MZCSOT yet Zimunya which is far is part of the Trust.
- There were skewed benefits, in favour of Marange, between the Marange and Zimunya communities.
- The relocated people have not been compensated and it is not clear whose responsibility it is to compensate them between the government and the mining companies.
- There was controversy regarding whether the US$ 50 000 000 pledge was made in writing or verbally.
- There were allegations of political interference and corruption at the MZCSOT.

5.2.6 Beneficiary Communities Suffer Adverse Effects

The people in Marange have suffered the effects of water pollution and siltation. They have been deprived of sources of water for domestic and agricultural purposes. Some have already
developed skin ailments as a result of the water pollution. Communities lost livestock and some women have suffered still births. Those still within mining concessions are suffering from air and noise pollution and their houses are cracking due to the impact of dynamites used by the mining companies. The villagers have also been adversely affected by the unavailability of water in the area as a result of the mining.

The people relocated to Arda Transau are suffering. There are no irrigation schemes as promised, they have lost land, the people now have to pay for water, and they are not allowed to have gardens. Further, the school and a clinic built were also said to be substandard, the clinics at Arda Transau are inoperative, the people also do not have jobs. All in all, the targeted beneficiary communities are miserable.

5.2.7 MZCSOT really not Effective in Economically Empowering Target Communities
Overall, the MZCSOT did not meet expectations in terms of enhancing economic empowerment. Rather than economically empowering the target communities, the MZCSOT has produced more of perverse effects.

5.3 Recommendations
This section presents recommendations, based on the conclusions, for the improved effectiveness of the MZCSOT. It suggests what could be done.

5.3.1 Ensure that eligible businesses effectively contribute to economic empowerment

- Shares should be passed on to the communities.
- Legislation should be enacted to compel companies to fund CSOTs.
- Ensure contract transparency where it is clear what the qualifying businesses and government will be signing to.
- Chiefs as the communities’ representatives should be capacitated through the necessary training to effectively represent community members at board level of both the mining companies and the CSOTs. They should be able to engage, at par, their qualified colleagues in the board at eye level and be held accountable by the communities.

5.3.2 Ensure that the MZCSOT contributes more to economic empowerment

- Responsible authorities should follow up on the pledges that were made.
- Make the MZCSOT more participatory and inclusive by involving the target beneficiaries on the input side and in decision making.
- Conscientise the locals about the MZCSOT; what it is all about, the right, privileges, and obligations of the community members in the MZCSOT.
- Ensure that community members are able to access information from the MZCSOT.
- MZCSOT should implement more education and health related projects, more infrastructural projects such as the construction of dams, roads, and irrigation
schemes, and should support self-help income generating projects, and create employment.

- MZCSOT should pay fees for able but disadvantaged local students.
- Ensure women representation in the MZCSOT.
- MZCSOT should have its own full time staff whose sole business is the running of the CSOT.
- Depoliticise the MZCSOT, investigate corruption allegations and take appropriate action.
- Ensure the equal distribution of mining benefits between the Marange and Zimunya communities.
- Redefine the beneficiary community so that areas that are close to Chiahzwa, but not necessarily within Mutare Rural District, are also included in the MZCSOT.
- Compensate relocated people.

5.3.3 Adverse effects suffered by communities should be addressed

- Address the adverse effects being suffered by the target communities, for example, by having the MZCSOT work with the Environmental Management Agency to make sure that the mining companies rehabilitate land and avoid polluting rivers.
- Relocate those who are still within mining concessions.

5.3.4 Lessons should be drawn from success cases

- Draw lessons from best practices in respect of such initiatives. Examples would include the Bafokeng Kingdom in South Africa and local CSOTs such as the Tongogara CSOT in Shurugwi, Midlands province, that have fared well.

5.4 Conclusion of the Study

The study revealed that the establishment of CSOTs in Zimbabwe was aimed at enhancing economic empowerment of the previously disadvantaged indigenous Zimbabweans. This is the case with similar initiatives in South Africa and Malaysia. Whereas in the South African and the Malaysian cases, economic empowerment strategies seem to have produced mixed results, the case of Zimbabwe, particularly with MZCSOT, is that of an economic empowerment initiative that has produced more adverse effects than the desired effects. There is therefore need to rethink CSOTs as policy instruments for economic empowerment, particularly the MZCSOT, in light of the above recommendations.

5.5 Implications for further research

The periodisation of the study implies that further research could assess the effectiveness of the MZCSOT in enhancing economic empowerment in target communities by focusing on the post-2015 era. Such research would be timely considering that, at the time this author is
writing, the companies that were mining in Chiadzwa over the study period have closed operations after they resisted a proposed new model in respect of the diamond mining at Chiadzwa. The model is in the form of an amalgamation of companies to form one big company. The anticipation is that, through the amalgamation strategy, transparency and accountability would be enhanced in the mining of diamonds at Chiadzwa, and by extension, in the operations of the MZCSOT. The resistance by companies could be telling considering that it has been reported that some of the companies were revealing that the diamonds are exhausted. Further heightening suspicion, it was once reported in the State media that these mining companies were, at one point, agreeable to the merger idea. In terms of the MZCSOT itself, the Mines Minister Walter Chidhakwa once said there was need to renegotiate the CSOTs to ensure that companies pay. Further research could proceed by making these issues a point of departure.
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Online material


Websites

http://www.indexmundi.com/south-africa/ethnic-groups.html

Ministry of Youth, Indigenisation and Economic Empowerment
http://www.myiee.gov.zw/index.php/about

Act of Parliament


Conference papers


Newspapers


**Magazine**

Appendix 1: Interview guide used for Key informant interviews.

My name is Rekai Rusinga, a student at the University of Zimbabwe. I am doing a dissertation as part of the requirements for the completion of the Masters in Public Administration Degree Program. My research topic is ‘Community Share Ownership Trusts (CSOTs) as Policy Instruments for Economic Empowerment: The case of the Marange-Zimunya CSOT, 2012-2015.’ I kindly appeal to you to participate in the research by responding to a few questions listed below. The interview is going to take approximately 30 minutes. I assure you that the data that you are going to provide shall be used strictly for academic purposes.

1. Let me start by asking you about your understanding of Economic Empowerment?

2. How much do you know about the Marange-Zimunya Community Share Ownership Trust?

3. In your view, how can the two communities be empowered through the Marange-Zimunya Community Share Ownership Trust?

4. Which specific community needs do you think the Marange and Zimunya communities have that could be addressed by the Marange-Zimunya Community Share Ownership Trust?

5. To your knowledge, what developments in the Marange and Zimunya communities, between 2012 and 2015, are attributable to the Marange-Zimunya Community Share Ownership Trust?

6. What adverse effects, if any, have the Marange and Zimunya communities suffered as a result of the MZCSOT?

7. In your view, how effective was the Marange-Zimunya Community Share Ownership Trust in economically empowering the Marange and Zimunya communities from 2012 to 2015?

8. What challenges were encountered in attempting to economically empower the Marange and Zimunya communities through the Marange-Zimunya Community Share Ownership Trust between 2012 and 2015?
9. What suggestions would you make for the improved effectiveness of the Marange-Zimunya CSOT?

10. Are there any other issues you may want to raise on this matter?

Thank you very much for your time and invaluable contribution!
Appendix 2: List of projects implemented by the MZSCOT
## Marange-Zimunya CSOT

### Projects Update January 2016

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mafararikwa</td>
<td>Construction materials for 2x5 hole block toilets at Nyangani school and 6x1 round hole toilets at teachers' houses at Zvipiri</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Mafararikwa</td>
<td>Renovation of for teachers house at Ncvega Primary School</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>32 Zimunya Township</td>
<td>Mutare South Borehole Drilling &amp; Fitting</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
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### Infrastructure Development

<table>
<thead>
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<th>No.</th>
<th>Area</th>
<th>Description</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>4</td>
<td>Chimoio</td>
<td>Mutare North Rakandama and Chamangwana Pipe drift construction</td>
<td>Completed. Defects rectified</td>
</tr>
<tr>
<td>5</td>
<td>Dora 'A'</td>
<td>Mutare North Rehabilitation/Improvement of Drift</td>
<td>Completed</td>
</tr>
<tr>
<td>17</td>
<td>Takanwa</td>
<td>Mutare West Pipe Drift - new construction</td>
<td>Completed</td>
</tr>
<tr>
<td>13</td>
<td>Gandai</td>
<td>Mutare South Chisamba River Crossing pipe Drift construction</td>
<td>Completed</td>
</tr>
</tbody>
</table>

### Constituency Projects

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutare South</td>
<td>Construction of Rural Health Centre - Madanga - Mipudzi Nizare Ward</td>
</tr>
<tr>
<td></td>
<td>Building now at slab level</td>
</tr>
<tr>
<td>Mutare West</td>
<td>Construction of Rural Health Centre - Matza clinic - Kashingirira ward</td>
</tr>
<tr>
<td></td>
<td>Footings have been done. Facing challenges on community contributions.</td>
</tr>
<tr>
<td>Mutare North</td>
<td>Grading of roads</td>
</tr>
<tr>
<td></td>
<td>Grading of Kitirege and Kuhudzai-Nyangani roads has been completed. Odzi - Marange 2.5kms done and Bazalely Bridge - Mushunje 2kms done. Other roads works have not yet started.</td>
</tr>
<tr>
<td>Ward</td>
<td>Ward Name</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
</tr>
<tr>
<td>Social Services and Poverty Eradication</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Muradzikwa</td>
</tr>
<tr>
<td>1</td>
<td>Nyamajura</td>
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<tr>
<td>28</td>
<td>Kushingirira</td>
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<tr>
<td>23</td>
<td>Buwerimwe</td>
</tr>
<tr>
<td>6</td>
<td>Gombakomba</td>
</tr>
<tr>
<td>7</td>
<td>Burma Valley</td>
</tr>
<tr>
<td>33</td>
<td>Vumba-</td>
</tr>
<tr>
<td>10</td>
<td>Nyachityu</td>
</tr>
<tr>
<td>12</td>
<td>Ngomasha</td>
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<tr>
<td>No.</td>
<td>Project Title</td>
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<td>-----</td>
<td>------------------------</td>
</tr>
<tr>
<td>22</td>
<td>Mpuudzi-Murare</td>
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<tr>
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<td>Nyagundi</td>
</tr>
<tr>
<td>18</td>
<td>Mudzimundiringe</td>
</tr>
<tr>
<td>8</td>
<td>Mukuni</td>
</tr>
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<td>2</td>
<td>Mtanda</td>
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<td>Chitora</td>
</tr>
<tr>
<td>11</td>
<td>Nhamburiko</td>
</tr>
<tr>
<td>20</td>
<td>Munyarari A</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>War Vets Office</td>
</tr>
<tr>
<td></td>
<td>(Ngonasha Ward)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Chishakwe</td>
</tr>
<tr>
<td>25</td>
<td>Kugarisana</td>
</tr>
<tr>
<td>No.</td>
<td>Village</td>
</tr>
<tr>
<td>-----</td>
<td>---------</td>
</tr>
<tr>
<td>9</td>
<td>Mutupo</td>
</tr>
<tr>
<td>19</td>
<td>Chindunduma</td>
</tr>
<tr>
<td>3</td>
<td>Odzi Commercial</td>
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<tr>
<td>24</td>
<td>Mutsago</td>
</tr>
<tr>
<td>30</td>
<td>Chiadzwa</td>
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<tr>
<td>10</td>
<td>Marange Rural Hospital (Nyachityyu Ward)</td>
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<tr>
<td></td>
<td>Water and Sanitation</td>
</tr>
<tr>
<td>36</td>
<td>Munyarari B</td>
</tr>
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<td>27</td>
<td>Munyoro</td>
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<td>35</td>
<td>Dora B</td>
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<td>Odzi T Ship</td>
</tr>
<tr>
<td>14</td>
<td>Rowa Chinyauhwerwa</td>
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<tr>
<td>16</td>
<td>Mafarariikwa</td>
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