**BINDURA UNIVERSITY OF SCIENCE EDUCATION**



**ECONOMIC RECOVERY AND CURRENCY REFORMS IMPACT ASSESSMENT FOR ECONOMIC STABILITY AND GROWTH IN ZIMBABWE.**

**BY**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING AND FINANCE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION**

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## DEDICATION

This pierce of work is dedicated to my Mother and Father who stood by me during my four years at Bindura University and my fellow banking and finance students.

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My greatest appreciation goes to my supervisor for his unwavering support, patience and guidance during the course of my studies and the preparation of my dissertation. I also would like to extend my gratitude to my father (Mr  J Matanga) and my mother (Mrs E Mwale) for being there for me, my  brothers Joeve, George, Takunda and Frank for their emotional support and prayers.  My heartfelt gratitude goes to Mr O. Magunje and Mrs A Chikoto for their support during the write-up of this research. I would want to extend my appreciation to my pastor Reverend Maziofa and Reverend Majachani for their spiritual guidance and prayers. Lastly, my indebtedness goes to the Lord Almighty God for the gift of life and strength to overcome all obstacles I came upon during the preparation of my dissertation.

# ABSTRACT

The research study entitled, "Economic recovery and currency reforms impact assessment for economic stability and growth in Zimbabwe" which aimed at assessing the extent to which economic recovery and currency reforms impacts the economic stability and growth in Zimbabwe over a period of 5 years. This was achieved by; firstly, identifying the currency reforms and economic recovery methods implemented in Zimbabwe over the period of 10 years; assessing the impacts of economic recovery strategies and currency reforms towards inflation, poverty reductions as well as standards of living; evaluating the impact of currency reforms on currency exchange rate stability and business investments in Zimbabwe and lastly, recommended solutions aiming at improving and revising the economic recovery and currency reforms for economic stability and growth.

The specific objectives necessitated the data collection using a quantitative research approach, where questionnaires were distributed to relevant economic sectors and departments. A sample population of 70 participants was assessed and the research recorded an overall response rate of 82.9%. Data was presented, analysed, and discussed appropriately leading to the conclusions and suggestions through the use of descriptive statistics provided using the Statistical Package for Social Sciences (SPSS) software with an emphasis on the mean score ranks, and frequency tables amongst other tools. The research tested the inter – reliability testing for the 36 variables of the questionnaire and a Cronbach's alpha coefficient of 0.942 was observed resulting in the coefficient being accepted.

The research framework was built through the following theories; Structure-Conduct-Performance Model, Efficiency Structure Hypothesis (ESH) and Harrod Domar model – Savings Ratio and Investment. The major findings were; Short-Term Emergency Recovery Policy (STERP) and Fiscal Policy (FP) for strategies for economic recovery and Reintroduction of the Zimbabwean Dollar and Currency Board Regime for the Currency Reforms. The effects and impacts towards inflation, currency exchange rate stability and business investments; poverty reductions as well as standards of living were discussed accordingly. The major recommendations were that there should be collaboration with the business sector and development partners are required, avoiding a learning crisis that might threaten long-term growth and productivity and leveraging private financing where possible to stimulate growth.

*Keywords: Currency reforms, Economy, Economic recovery strategies, Impacts, Economic growth, Economic stability*

# TABLE OF CONTENTS

# LIST OF FIGURES

# LIST OF TABLES

# LIST OF ACRONYMS AND ABBREVIATONS

**ADBG**            African Development Bank Group

**BOP**              Balance of Payment

**CBR**              Currency Board Regime

**FDI**               Foreign Direct Investment

**ESH**              Efficiency Structure Hypothesis

**FP**                Fiscal Policy

**GDP**              Gross Domestic Product

**IFIs**               International Financial Institutions

**MP**                Monetary Policy

**PP**                 Price Policy

**SMEs**            Small to Medium Enterprises

**STERP**          Short-Term Emergency Recovery Program

**UN**                United Nations

**UNDP**           United Nations Development Programme

# CHAPTER 1:

# RESEARCH INTRODUCTION

## 1.1    Introduction

Inadequate economic reforms, the collapse of numerous industrial sectors, and poor governance were the indicator and pointing factors that have contributed to the economic meltdown of Zimbabwe. Zimbabwe's economy has not been functioning since the hyperinflation and depreciation of the local currency in 2008, thus the finance and economics ministries have been frantically trying to restore it. The study attempts to evaluate the effects of currency changes and economic recovery on Zimbabwe's economic development and stability. The research observed the economic performance within a span of five years from 2019 to 2023. The scope of the research mainly focuses in the: economic performance, currency reforms, assessing economic stability and recovery strategies.

This chapter outlined the background of the study, statement of the problem, research objectives and corresponding research questions. Also, the significance of study, assumptions, delimitation and limitations as well as the definition of key terms were explained.

## 1.2    Background of Study

### 1.2.1 Zimbabwean Economic History

The study looked at the major changes in GDP evolution across the post-independence era and shows growth rates for different time periods. The years 1960 to 2008 may be broken down into four separate episodes: two pre-independence sub-periods, 1960 to 1972 and 1973 to 1979, and two post-independence sub-periods, 1980 to 1997 and 1998 to 2008.
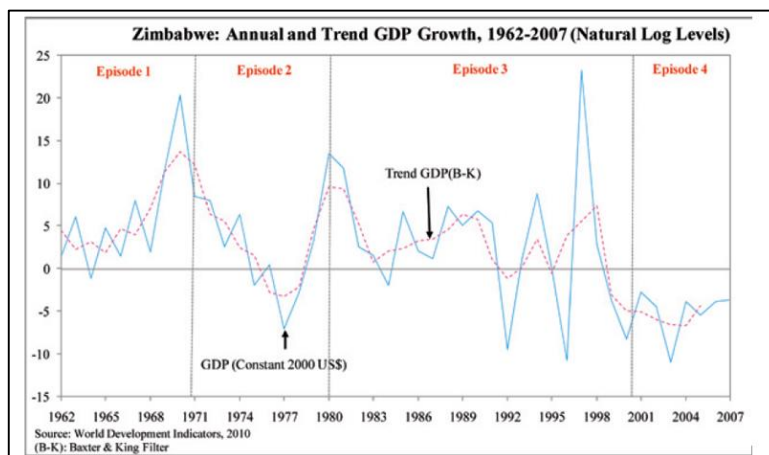
Figure 1.1: From 1962 through 2007, Zimbabwe's economic performance trended downward, with a clear decrease beginning in 1980. (*Source: 2011 Report of ADBG)*

**Episode 3:** "The economy accelerated after independence, with GDP growth averaging around 5.5 percent between 1980 and 1990. Zimbabwe's economy expanded faster than that of Sub-Saharan Africa as a whole during this time. Soon after winning independence, the economy began to rebound significantly, expanding by 10% on average between 1980 and 1982Favorable conditions both domestically and internationally, such as the easing of banking constraints, the encouragement of general demand by redistributive fiscal measures, with the opening of foreign markets, fuelled activity.

Up to the end of the 1990s, development was then characterized by economic booms and busts that largely correlated with periods of favourable weather or severe drought. A general collapse in the economy occurred in the 1990s as a result of insufficient investment, an unfavourable internal environment, and losses in industrial industry production brought on by currency shortages. (Report from the African Development Bank Group, 2011)

**Episode 4-the Lost Decade**: The government's increased land reform program, coupled with financial mismanagement, bad governance caused on by rule of law violations, the resulting loss of support from the international community, capital flight, and low investment are some of the main causes of the crisis. Since 2000, there has been a marked increase in inflation, which peaked in 2006 at triple digits. Then, in 2007, it changed to severe hyperinflation slightly before peaking to 500,000,000% at the end of 2008.

It was fuelled by years of RBZ (Reserve Bank of Zimbabwe) money creation to pay for quasi-fiscal spending and governmental expenses. Real production decreased as a consequence of persistently high inflation, and the majority of consumer items were in short supply as a result of extensive producer and retail price restrictions. Expropriation of farms and resettlement in community and industrial agriculture worsened the loss in food production. (African Development Bank Group Report, 2011)

Furthermore, the research also extracted Zimbabwean economy history from African Development Bank Group Report 2011 and the information gathered was:

"Before 1990, Zimbabwe's economy had both strong and weak eras. Real GDP growth rates between 1960 and 1980 were close to 4.5 percent yearly on average, thanks to deliberate policies that promoted major investment in local industries such as agriculture and manufacturing. The

latter measures were largely motivated by the desire for self-sufficiency in the wake of international sanctions against the Government of the Unilateral Declaration of Independence (UDI). Zimbabwe's accomplishment since 1980 has been uneven due to ineffective policy and unfavourable weather that reduced agricultural output. The latter measures were largely motivated by the desire for self-sufficiency in the wake of international sanctions against the Government of the Unilateral Declaration of Independence (UDI). Zimbabwe's accomplishment since 1980 has been uneven due to ineffective policy.

From 1980 to 1990, Zimbabwe displayed its strongest post-independence economic record, with a population increase of almost 3% and GDP growth exceeding that of the SSA area by an average of roughly 5.5 percent. Real GDP growth, however, was measured by Weak policy settings, governmental regulations, droughts, and initiatives to address social disparities by providing basic and social services at the price of production are only a few of the reasons that have contributed to the economy's dismal performance since 1990. The research made efficient use of the underlying knowledge to understand the causes of the Zimbabwean economy's poor performance. The researcher also looked at the overview of the economy's performance and position.

### 1.2.2 Economic Performance background

According to Mears and Blaauw (2010), alluded that supporting system in many Sub-Saharan African countries has impacted negatively their economy, as a result it has increased poverty in these nations. In a 2017 analysis, the United Nations concluded that employment in Zimbabwe is currently higher than 95%. Multitudes of people are struggling to survive each day and are they are living in extreme poverty. Approximately over 60% of Zimbabwean households, according to the United Nations Development Programme (UNDP), are below the country's official poverty threshold (UNDP, 2013). Therefore, the Zimbabweans are living under unfavorable conditions and the local currency lost its value which has worsen the situation since the country is not producing foreign notes.

The U.N. further theorized that this, together with COVID-19's consequences, worsened Zimbabwe's complex issue. Its continued economic decline was characterized by high prices, a lack of cash, and a significant debt load. The gradual reintroduction of the Zimbabwe currency resulted in record inflation, which reached a peak of 700% by July 2020 which effectively wiped the earnings of the majority of Zimbabweans. By the end of 2020, almost seven million Zimbabweans would require food assistance due to the dire humanitarian crisis that the country's economic collapse has caused.

Additionally, as reported by the United Nations (UN, 2017), Zimbabwe currently is experiencing a social and economic downturn that is the result of a variety of reasons, including a significant budget imbalance, poor economic policies, declining prices for its primary exports, and uncertainty regarding domestic policy. The researcher took into account the aforementioned elements when developing the study problem statement and the design of the research-specific objectives.

The researcher investigated the factors that indicates the economic status and performance through the use of the economic freedom score, open market index and regulatory efficiency index. According to the Economic freedom status of 2022, the Zimbabwe economic freedom was very bad sitting at 33.1 presented by figure 1.2.
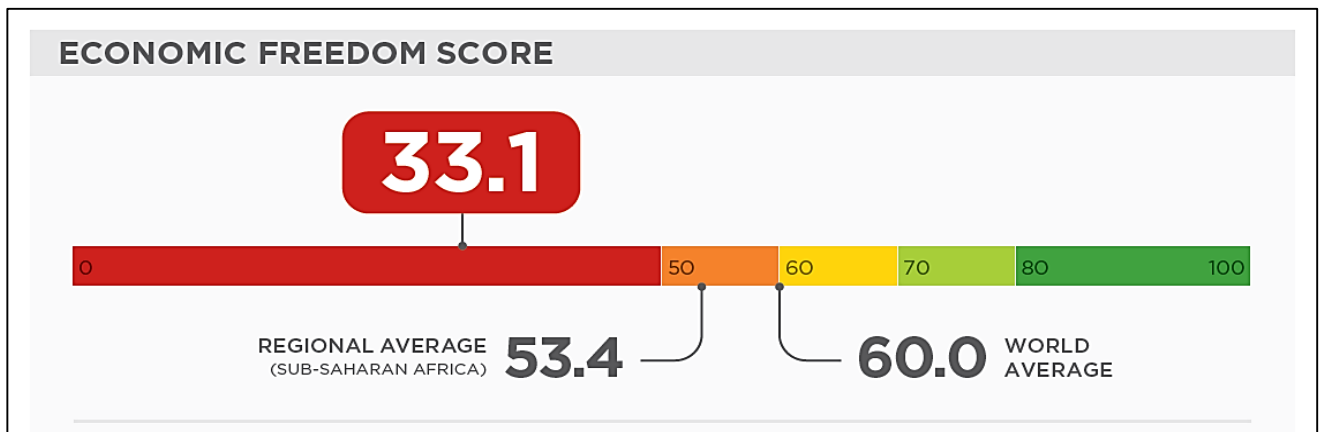


Figure 1.2: Economic freedom score (*source: Economic freedom status 2022)*

The score of 33.1 for Zimbabwe has placed it as the 173rd freest economy overall in the region as compared to other nations. Additionally, Zimbabwe was ranked 46th out of 47 Sub-Saharan African nations due to its total score of (33.1), which was considered to be below both the region's average and the global average. In light of this, the researcher aims to evaluate the contributing causes and actions taken to boost stability and increase economic performance.

The researcher also looked at the performance of the economic freedom trend from 2017 to 2022, as shown in figure 1.2. According to the graph of the economic freedom trend, there has been no improvement in the country throughout the time under study. According to information in figure 1.3, the index was at 44.0 for the years 2017 to 2018; however, because of the impact of COVID, it decreased to 39.5 in 2021 and 33.1 in 2022.
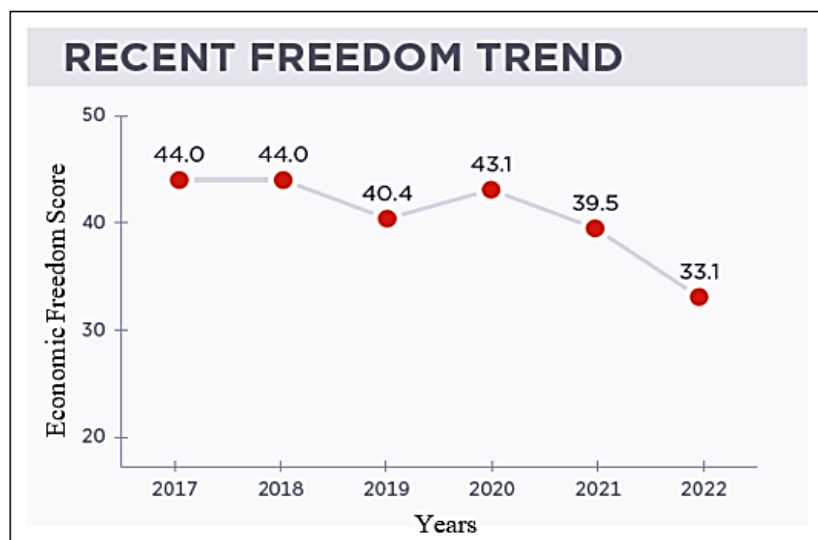
Figure 1.3: 2017 to 2022 economic freedom trend (*source: Economic freedom status 2022)*

According to a forecast covering the years 2027 to 2022, Zimbabwe's GDP shrank throughout the preceding five years from 2017 through 2019, dipped in 2020, and then grew in 2021. The economic freedom continued to diminish throughout the same half-decade. Since 2017, Zimbabwe has had a sharp 10.9-point decline in overall economic freedom, moving it farther into the "Repressed" category. The ratings for trade freedom and monetary freedom have significantly decreased, which is mostly to blame for this fall. The trading regime has become worse in particular, and the efficacy of laws, open markets, and the rule of law are all missing (Economic freedom status, 2022).
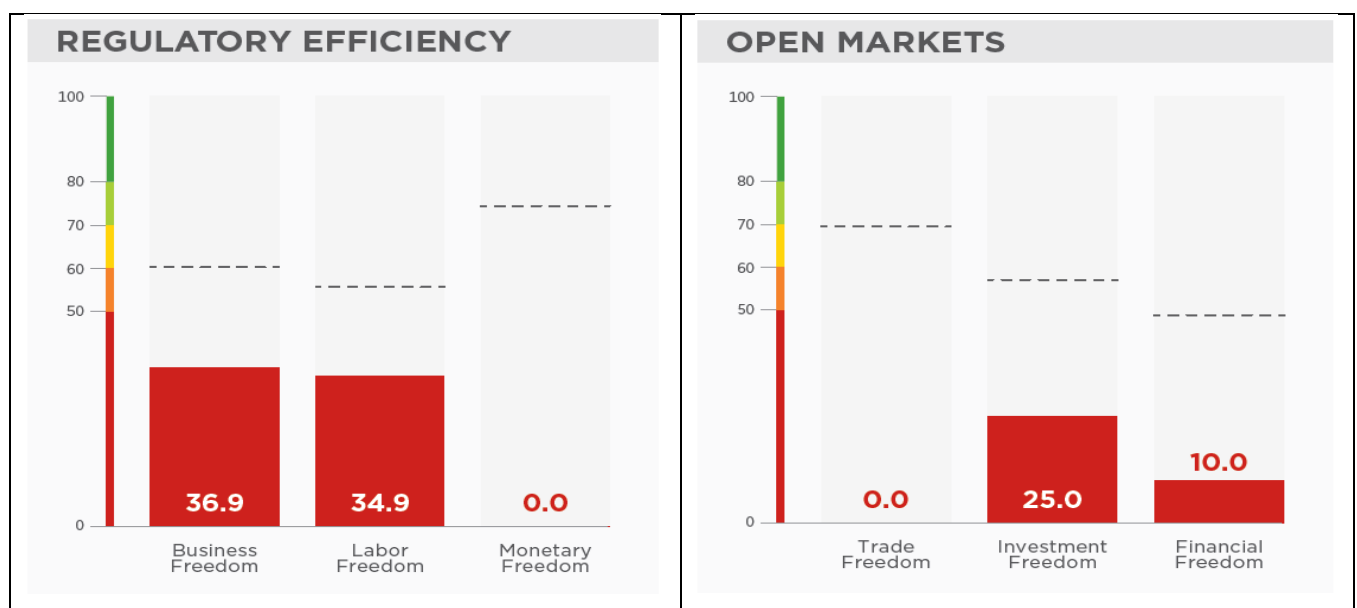


Figure 1.4 Index scores (*source: Economic freedom status 2022*)

The results of particular variables that are causing the economy of Zimbabwe to contract are shown in Figure 1.4. It is important to note that monetary freedom (0.0), trade freedom (0.0), and financial freedom (10.0) are significant indicators that made it necessary for the researcher to perform this study.

### 1.2.3 Leading causes

The US Integrated Country Strategy (2022) for Zimbabwe underlined the ineffective economic policies that were responsible for Zimbabwe's protracted economic collapse. Zimbabweans' capacity to fully engage in economic possibilities is constrained by ineffective, market-distorting restrictions over important industries like agriculture and mining. Concerningly, the Zimbabwean government has a reputation for being highly indebted, corrupt, impoverished, and food insecure. All Zimbabweans will have the chance to profit as a result of economic reforms aimed at a market economy, and they will also help to advance American prosperity by opening up new markets for American companies and investors. Structural changes that promote sustainable growth and return macroeconomic stability are needed for Zimbabwe's business climate to improve.

The BTI 2022 Country Report for Zimbabwe stated that the political environment was dominated through intense factionalism within ZANU-PF, continuing political and economic paralysis, and a lack of significant changes during the political change in power era of the 2008 Elections through the Government for National Unity (GNU), which ended in 2013. There was renewed hope for political and economic transformation following Mugabe's 37-year rule. The fire was further fueled by Mnangagwa's public statements that his "new dispensation" was "open for business" and prepared to make democratic changes. But throughout his early years, Mnangagwa ruled over a time of growing repression, a lack of change, appalling corruption, and a worsening economic crisis (BTI 2022 Country Report, 2022).

According to the African Economic Outlook (2012), there is still a significant amount of fiscal space that is severely constrained due to the incomplete engagement of foreign development collaborators, the lack of disclosure regarding mineral revenues, especially diamonds, and the budget's excessively consumption-oriented nature (63% of revenues go toward employment costs). Due to the severely limited fiscal space, which only enables recurrent spending, mainly employee costs, the budget is only tangentially related to policy initiatives, placing more focus on short-term objectives.

trouble extending long-term loans to the production sectors of the economy because of the high levels of unstable transferable deposits. This finding prompted a call for international cooperation from other nations to address Zimbabwe's situation.

The survey also identified ineffective financial management systems as a big issue, which explains why implementing a results-based management system in government is currently challenging. 2012 Economic Outlook for Africa Many strategies have been created, for example, the Transitional Stabilization Programme (TSP) lays out a detailed immediate policy reform agenda, such as proposals to stabilize the economy, reform or privatize state-owned businesses (SOEs), improve the business environment, and more, according to Chatham House Africa Programme (2019). The authors also hinted that the Vision 2030 sets out its "core values" and aspiration for the nation of Zimbabwe to achieve upper-middle-income status.

## 1.3    Problem Statement

There noticeable decline in the economic performance that was observed through the financial reports of many companies, public and private companies' liquidation and collapse, closure of the industrial sectors, pull out of local and foreign investors to mention just a few negative indicators. A significant indicator of economic failure was the study's observation that, according to Economic freedom status 2022, the level of economic freedom was 33.1. The research identified that there were gaps in the economic recovery and currency reforms implemented before and current that resulted int the instability and economic growth decline of the Zimbabwean economy. Also due to the continual political and economic paralysis and a lack of substantial reforms. (BTI 2022 Country Report, 2022).

Due to the aforementioned unfavorable phenomenon, Zimbabweans have been continuously confronted with high unemployment and poverty rates, abnormal local currency exchange rates against foreign currencies, the loss of the purchasing power of foreign currencies locally due to liquidity issues, a lack of printed local currency due to shortages, poor investment opportunities, and declining business returns. Zimbabwe, according to the United Nations (UN, 2017), has experienced an economic and social crisis that has led to a significant budget imbalance, poor economic policies, declining prices for its primary exports, and policy instability at home.

The previously mentioned issues are a result of poor governance that exacerbated the economic crisis, a lack of reform, severe corruption, a lack of transparency regarding mineral revenues, a very small amount of fiscal room, and insufficient economic resuscitation tactics that could have improved economic growth and stability in Zimbabwe.

**1.4    Objectives**

**1.4.1    General Objective**

To assess the extent to which economic recovery and currency reforms impacts the economic stability and growth in Zimbabwe over a period of 5 years.

**1.4.2    Specific objectives**

1. To identify the currency reforms and economic recovery methods implemented in Zimbabwe over the period of 10 years.

2. To assess the impacts of economic recovery strategies and currency reforms towards inflation, poverty reductions as well as standards of living in Zimbabwe

3. To evaluate the impact of currency reforms on currency exchange rate stability and business investments in Zimbabwe.

4. To recommend solutions aiming at improving and revising the economic recovery and currency reforms for economic stability and growth in Zimbabwe

**1.5 Research Questions**

1) Which currency reforms and economic recovery strategies implemented in Zimbabwe over the period of 10 years?

2) To what extent does the economic recovery strategies and currency reforms impact the inflation, poverty reductions and standards of living in Zimbabwe?

3) To what extent does the currency reforms influence the currency exchange rate stability and business investments in Zimbabwe?

4) What strategies can be recommended to improve and revise the economic recovery and currency reforms in order to enhance economic stability and growth in Zimbabwe?

**1.6    SIGNIFICANCE OF STUDY**

The significance of the research depends on the creation of a thorough analytical report about these crucial elements in promoting economic stability and prosperity. The topic of discussion on a global, regional, and local level has been the rise in currency rates, the failure of industries and other investments, the inflationary operating environment, and the terrible living conditions of the majority. Zimbabwe is one of the poorest nations in Africa, and something needs to be done about it.

Examining pertinent literature and other scholarly publications will help to build a thorough grasp of the conditions of the currency changes and economic recovery policies currently in effect for the next five years. The research will also analyse and evaluate how these reforms affect investments, inflation, exchange rate stability, poverty alleviation, and living standards.

By examining trends of any growth or stabilization of the currency or economic boost as per finance and market analyses of different businesses across all sectors, the study will then also specify the effectiveness of economic recovery strategies and currency reforms in fixing the financial crisis in Zimbabwe.

In order to attain or improve economic development and stability in Zimbabwe, new strategies that may be used to complement the present reforms must be developed. This research aims to contribute to the enrichment of information required for these new strategies. The information and findings of this study will be utilized to close gaps in the present methods of reviving the economy and to advance financial literacy among a number of stakeholders:

a) **Policy makers**

The findings of this study will assist the government and the finance minister in making necessary policy changes and in developing a thorough plan for implementing the research findings. By adhering to these strategies, they will be more effective and efficient, which will lead to a discernible improvement in the economy, living standards, developments, and stabilized growth.

b) **Financial institutions**

The institution will use the results to adjust interest rates in line with the recent economic changes in order to preserve an adequate amount of cashflows, access to affordable lending facilities, as well as interest rates which promote small- and medium-sized enterprise (SME) investment in the regional economy and enable locals to take advantage of it.

c) **Infrastructural development boards**

These will be provided with enough information to include in their investment appraisals as well the trends will help then to determine the recouping periods and better estimates on the rate of return to their investments. Also, the results of the study will provide a sense of confidence to encourage infrastructural development and allows these investors and developer to realize the correct time to source external funding.

d) **Financial colleges**

The study will provide a small amount of information to the educational curriculum that is pertinent, sufficient, realistic, and applicable to implement in various economic situations so that they can also start these reforms in the industry to maintain sustainability in the economic stability, exchange rate stabilization, inflation reduction, poverty reduction, and improvement in standard of living. The educational establishment will produce equipped resources to resurrect the nation in all areas of activity.

### e) General public

The study will influence the general public to support the new reforms and how they function to improve streamlined economic operations as well as to assist the administration through direct engagement through structured programs that enable multi-stakeholder participation in decision-making. Direct collaboration is required since the study will make it possible for the general public to comprehend how effective the changes and policies are in improving their quality of life.

### f) Foreign and local Investors

The study will also promote investment by pointing out the potential for the Zimbabwean economy to have a welcoming environment for both domestic and foreign investments, as there will be strategies that ensure long-term inflation reduction, unlimited fiscal space, currency having its purchasing power, reasonable exchange rates, stability in money circulation, among other economic improvements.

## 1.7    DELIMITATION OF THE STUDY

- Since Harare, Zimbabwe, is the country's administrative center and where many corporations have their headquarters, the research is a case study of that country.
- The research is carried out within the constraints of the period 5 years.
- The study aims to examine data from the public and private sectors from their financial and market analysis reports, examining concepts for economic recovery and currency stabilization developed by Zimbabwean economists and planners.
- The study attempts to look at information from the public and commercial sectors from their financial and market analysis reports, looking at ideas for economic recovery and currency stabilization created by Zimbabwean economists and planners.
- The study is deemed to be conducted within one academic semester (approximately sixteen (16) weeks).

## 1.8    ASSUMPTIONS OF THE STUDY

The study's premise is that the existing approaches to economic recovery and currency changes have gaps that still exist, making it possible to stabilize economic performance and start observable growth across the board. The improvement of important economic indicators, such as currency stabilization, control over exchange rates, decrease of inflation, improved living standards, increased investment opportunities, company growth, and poverty reduction in Zimbabwe, will indicate the effects of successful reforms.

## 1.9    LIMITATIONS OF THE STUDY

The study makes the assumption that it will be difficult to combine data from various organizations in the public and private sectors because of varied cultural norms or other factors that have an impact on their financial performance as an organization but are unrelated to changes in the value of the currency, which will distort the literature.

Additionally, because other important stakeholders will be guarding their organization's reputation, the researcher may encounter resistance when attempting to access additional financial records or reports. As a result, the research may take longer to produce comprehensive data for analysis, necessitating a reduction in the study's original scope.

As Harare is the administrative centre, the research will only collect data from companies there, and a sample will only be taken from those organisations. Furthermore, due to the fact that many operations were disrupted during the COVID-19 pandemic phase, businesses that did not maintain current financial records for the period under inquiry will be subject to limitations.

## 1.10 DEFINITION OF TERMS

a. **Economy –** A complex network of interrelated production, consumption, and trade activities, or a, ultimately determines how resources are distributed among all actors. 2022 (Investopedia)

b. **Currency Reform** – It is possible to conduct a premeditated redenomination or adjustment of the currency, often with confiscatory components, as part of a disinflationary stabilization program when territorial or political circumstances necessitate the introduction of a new currency (2015).

c. **Economic stability** – According to the Rural Health Information Hub (2022), a healthy economy makes it possible for individuals to get the money, good housing, food, and employment they need to survive.

d. **Economic growth –** is an increase in the production of economic products and services from one period to the next, measured in nominal or actual terms as well as the terms of Gross National Product (GNP) or the Gross Domestic Product (GDP). 2020; Investopedia

## 1.11  ORGANISATION OF THE STUDY

First, chapter one established the subject, gave background information, listed objectives and research questions, and described assumptions, delimitations and restrictions, as well as the structure of the study.

Chapter two reviews the literatures past researched by other authors that are related to current to economic recovery and currency reforms aiming to cover theoretical and conceptual frameworks, empirical evidence for the obstacles and strategic recommendations which assisted the researcher in identifying the literature gaps.

Chapter three focuses on the research methodology for collecting and analysing data through utilizing adequate research design, and the selecting the appropriate data analysis and presentation methods. The research also covered the data reliability and validity.

Data presentation, analysis and discussions is done in chapter four for the data collected by the researcher.

Lastly, chapter five concludes the research findings and discussions by presenting comprehensive research summary, conclusions and recommendations.

# CHAPTER 2:

# LITERATURE REVIEW

## 2.1    INTRODUCTION

An existing literature, according to Bell (2013), is an analysis and assessment of the current state of knowledge in a particular area of study. The major objective was to gather and assess relevant and adequate information regarding the effects of economic recovery and currency changes on Zimbabwe's stability and growth, as well as other important and pertinent areas in the context of broader trends in economic performance. This chapter will assist both the researcher and the observer better understand how the study's concepts were developed and relate them to regional and worldwide data gathered from previous studies on this unfavourable occurrence.

The philosophical and theoretical foundations, economic recovery plans, currency fluctuations, and their consequences on hyperinflation, economic power, economic expansion, and living standards were all covered in this chapter. In order to support this research and offer answers to the research's problems, this chapter also makes an effort to pinpoint the gaps in the earlier literature and analogous studies.

## 2.2 THEORETICAL AND CONCEPTUAL FRAMEWORKS

The research began by looking at the theoretical and conceptual underpinnings of macroeconomic performance in the context of growth and stabilization in order to understand the phenomena being researched.

### 2.2.1 Structure-Conduct-Performance Model

The idea of competition and how it characterizes how banks' performance is judged throughout time has been researched by several scholars (Corts, 1999). The theory behind the notion of bank profitability is based on the structure-conduct-performance model, which was first introduced in 1933 by Edward Chamberlain and Joan Robinson and then refined by Edward Mason in the 1940s.

Edward Chamberlain and Joan Robinson's work created the theoretical foundations of the structure conduct performance. Since the degree to which new entrants may infiltrate the market also influences how the economy's participants behave in the banking, development, and investment sectors, the model can aid in examining bank performance as an influencing factor to growth and economic stability.

To support ongoing developments and investment opportunities in agribusiness, mining, and other sectors, it is crucial to keep in mind the barriers to entry into the banking industry, which have negatively impacted poor performance in the stabilization of the monetary system and liquidity issues as investments are at a standstill due to economic funders defaulting (few banks are in control, leading to a limited number of deposits and advances as well as high rates of interest on loans).

### 2.2.2 Efficiency Structure Hypothesis (ESH)

This is yet another suggestion for evaluating the efficiency of significant institutions including organizations, governments, and the financial sector. Demsetz (1973) produced research that formed the cornerstone of the Effective Structure Theory, a theory that examines performance evaluation from the perspective of efficiency. Demsetz (1973) added that a company that is effectively using its resources is more likely to provide significant returns than other businesses.

By enabling it to deliver less expensive and more appealing services, asset efficiency will also provide the business a sizable market share. Efficiency disparities will lead to an uneven distribution of roles in the market since some firms will be generating at a lower cost than others (Demsetz 1973). This enables these companies to take advantage of economies of scale, which encourages commercial or organizational growth.

According to the study, an efficient Zimbabwean economy would provide it a competitive advantage over other nations in the area since it would lead to more exports, foreign investment, and a smaller debt deficit. These are essential for economic recovery because they will enable the nation to raise living standards and pursue independent development, which are necessary for growth and stability.

### 2.2.3 Harrod Domar model – Savings Ratio and Investment

According to Pettinger (2019), the Harrod-Domar model, a subset of the neo-classical model, claims that the growth rate is a factor of the savings rate. This plan places a strong emphasis on the requirement for increased domestic savings on a global scale. The author continued by saying that you may fund investments by saving the money you need. This investment is what drives further expansion. This has significantly contributed to the economic growth of Asia..

Because savings are not possible in Zimbabwe's economy due to its inefficiency, which also adds to the country's economic crisis and the country's low quality of life due to unemployment and a lack of investment, the country is currently experiencing an economic crisis. Inadequate social and economic structure makes it impossible to accomplish growth in the economy (African

Development Bank Group Report, 2011). The necessity to raise the standard of infrastructure and services in Zimbabwe is therefore at the heart of the administration of Zimbabwe's policy, strategy, and actions to foster sustained and shared productivity expansion in the country.

## 2.3    ECONOMIC RECOVERY STRATEGIES

As it was covered in this part, the aim of the research was to "define the economic recovery plans and changes to the currency in Zimbabwe." Recovery methods are necessary for an economy to achieve either stability or growth, as the history of the Zimbabwean economy has shown that the country's economy has to be resurrected. The inquiry identified the following tactics used by the government.

### 2.3.1 Short-Term Emergency Recovery Program (STERP)

The Inclusive Government (IG), which was founded in March 2009, adopted a cash budget system and changes to the multi-currency regime, according to the African Development Bank Group Report (2011). This supported a building macroeconomic stability in 2010. Because of the more stable and liberalized economic environment brought about by the Short-Term Emergency Recovery Program (STERP), real GDP climbed by 5.7 percent in 2009 and is anticipated to have grown significantly by around 8 percent in 2010, as contrast to a decline of over 14 percent in 2008.

According to Biti (2015), STERP was structured around four major categories. In order to contain the expanding budget deficit, negative rates of interest, and hyperinflation, macroeconomic adjustments were first implemented. Second, to increase capacity utilization and raise production, supply-side initiatives were developed. Third, building social safety nets to support the most vulnerable would be necessary to combat poverty. Finance for constitutional reform as well as initiatives for democracy and peace-making made up the last topic. Now, the Zimbabwean government had to follow through on its promises. There are too many incomplete initiatives in the nation, says Biti (2015), which is an issue. Furthermore, the nation could not achieve this on its own and required support from international financial organizations. Biti (2015) verified that there was no connection between the Zimbabwean government and the international financial institutions (IFIs).

Biti (2015) made a suggestion that the present issues with the economy were due to their self-imposed distortions. The nation's costly, conflicting, and perplexing policies needed to be immediately rectified since they were having long-term detrimental repercussions. However, a plan by itself wouldn't be enough. Zimbabwe has had several economic plans since gaining its independence, but few of them have been implemented, which is what led to the current economic crisis.

## 2.3.2 Macroeconomic Policies

According to Grant (2000), macroeconomic policies are the long-term measures an economy would take to develop and prosper. Every economy aims to meet the four essential macroeconomic objectives of employment, generally stable prices, production, and long-term economic development. In an effort to encourage economic growth and stabilization, the research has examined the following measures.

### a. Fiscal Policy (FP)

Fiscal policy responds by raising government expenditure and/or cutting taxes when demand from the private sector is too low, and vice versa. According to the theory, the private sector should be encouraged to contribute to economic growth. If the operating environment is suitable, they should make up the majority of players in the manufacturing, mining, and agricultural sectors and contribute their earnings to social welfare. Keynesians favor changing government spending to taxing on the belief that changes in spending are likely to have a bigger multiplier impact. This is because recipients of government spending are known for having higher Marginal Propensity for Consumption (MPC) than taxpayers (Matanda et al., 2012).

### b. Monetary Policy (MP)

According to the study by Matanda et al. (2012), the phrase "monetary policy" (MP) refers to the techniques that a country's central bank might employ to influence the amount of in an economy. Zimbabwe should take steps to increase the amount of money supply (MS) during this multi-currency period since the economy is suffering a deflationary state with relation to the money supply. To create the capital stocks required for economic growth, Zimbabwe should provide attractive circumstances for foreign direct investment (FDI), advantageous tax rate structures, and laws that give priority to the needs of a capitalist economy. The emphasis of the approach did not, however, change the fact that there was still a scarcity of money in use. People might be observed standing in long queues at banks to obtain the still-rare foreign currency. The government devised

a scheme to provide citizens with foreign currency via belle rue de change services, but the system was manipulated and failed to address the country's economic collapse.

### c. Price policy (PP)

To help the PP fight inflation, price regulations that are useful for thwarting inflationary indicators in a particular economy can be reestablished (Grant, 2002). There has not yet been a complete recovery from Zimbabwe's hyperinflationary period from 2000 to 2008. In our multi-currency age, the then-common impulsive price modifications continue to be a problem for our present total price level. The Zimbabwean government was unable to control the USD price of critical goods since there are more domestic companies actively supplying the population with basic necessities through the underground economy than there are recognized suppliers.

According to the Zimbabwean government, this cost-push inflation tactic can only be stopped by imposing price controls and providing income support programs (Matanda et al., 2012). The current Zimbabwean government can reduce the corporate income tax by reinstituting policies like lowering indirect taxes and raising income tax in an effort to reduce wage claims, subsidize manufacturing costs, lower costs imposed by government entities, and reduce salaries in the public sector (Grant 2002).

### d. Balance Of Payment (BOP) policy.

Depending on the severity, underlying causes, and objectives of the government, there are many ways to address the BOP imbalance (Matanda et al., 2012). Grant (2002) contends that for the currency rate to be determined by supply and demand, import restrictions must be upheld (import substitution), and local goods and services must be made more competitive abroad (export-led growth). Because of its vast deposits of platinum, chrome, diamonds, and iron ore as well as its varied economy and small but highly educated population, Zimbabwe, according to Biti (2015), is endowed with immense potential. Therefore, the country should be self-sufficient and not dependent on imports. In order to minimize budget deficits and, at the very least, preserve a primary national balance, the state must also live within its means (Biti, 2015).

To increase local output while simultaneously lowering imports, damaging policies focusing on export surrender limitations, excessive protectionism, price controls, and a more positive attitude toward wealth creation were essential (Biti, 2015).

Plans for economic recovery were developed, and the study discovered that they were, in some ways, successful in addressing Zimbabwe's socioeconomic problems. Despite the fact that further

problems were brought up that couldn't support these tactics, the research found that a certain degree of stability had been achieved. The result was that the economy continued to endure great harm. Biti (2015) said that "Zimbabwe's primary difficulty remains political" and implied that "the country's future would appear bleak" in the absence of genuine democratization, inclusivity, reconciliation, and national recovery.

## 2.4    CURRENCY REFORMS

The research also identified the currency changes carried out in Zimbabwe in accordance with the first objective, which aims to "1. Identify the currency reforms and economic recovery strategies implemented in Zimbabwe over the period of 10 years." Zimbabwe implemented a multiple currencies system (MCR) in February 2009 and declared the demonetization of the Zimbabwean currency in July 2009. The reforms were:

### 2.4.1 Dollarization

According to Ghalayani (2011), dollarization can be categorized as official (de jure), unofficial (de facto), or semi-dollarized. De facto occurs when locals choose foreign money over their own money in private transactions because of the local money's bad image. When it originally started, Zimbabwe's "dollarization" was not something that the country's monetary authorities wanted or encouraged. Due to the residents' loss of confidence in the native currency after its de facto launch in 2008, they started to favor transacting business in US dollars and South African Rand. Matanda et al. (2012) assert that Zimbabwe's dollarization was unique in that the nation's monetary authorities announced the adoption of a multi-currency system in which transactions could be carried out in South African rand, American dollars, and Botswana pula. The USD was utilized for financial reporting more often than the other currencies.

Massive amounts of local currency were being printed by the local monetary authority to close the budget shortfall and support quasi-fiscal activities. Since the exchange rate was regulated at the time, a sizable black market developed (Matanda et al., 2012). Trading in US dollars continued until a SI was enacted that forbade the use of foreign currency as legal tender by the government and regulated businesses. This led the inflation to surge once more since the market rejected the central bank's attempts to restore the country's currency in 2018.

### 2.4.2 Reintroducing the Zimbabwean Dollar

The commitment of the monetary authorities to upholding price stability, preventing hyperinflation, and preserving their independence from politics, according to Kararach, Kadenge,

and Guvheya (2010), is a prerequisite for the restoration of the Zimbabwean dollar. To do this, institutions like the Reserve Bank and the Currency Board must change in order to regain the trust of the market. The central bank's overall operations are affected by the reinstatement of the Zimbabwean dollar, particularly the return of the bank of last resort function.

In a similar line, money generation will be reintroduced. The goal of the project was to fix the problem with the unit of account that fixed the problem with smaller denominations and change. With the introduction of the Zimbabwean currency, the use of the exchange rate as a tool for monetary policy has also been restored. It would be the role of the central bankers to ensure that the exchange rate policy is either set, managed float, or flexible in order to fully profit from it. According to the study, the central bank had these advantages and disadvantages in its mind when it reinstated the BOND NOTE as legal tender, even though they had to wait for the actual Zimbabwean currency, which would arrive sooner in 2020 and have a ZWL 100.00 largest note but no purchasing power compared to the US $100.00 note.

According to the Bertelsmann Stiftung's Transforming Index (BTI) 2022 Country Report, the gradual reintroduction of the Zimbabwe currency created historic hyperinflation that peaked at over 700% in July 2020 and effectively erased the earnings of many Zimbabweans. Given that Biti (2015) claimed that "Zimbabwe's largest difficulty remains political," it would seem that there is still work to be done on the country's economy.

### 2.4.3 Currency Board

A Currency Board Regime (CBR), which is the strictest pegged exchange rate option, connects a country's currency to a portfolio that includes additional currencies, such as those of trade agreements (Kararach, Kadenge, and Guvheya, 2010). According to the author, Zimbabwe may also establish a forex panel where the local currency is entirely supported by foreign reserves. The internal exchange rates are of the greatest standard and stability within this CBR framework, and there is complete convertibility between local and international currencies.

Other advantages include the capacity to finance public spending, seigniorage through interest, no balance of payments issue, transparency, and no inflation. These advantages are in addition to the CBR's independence from political interference. According to the research, these are the advantages Zimbabwe's economy seeks in its vast long-term plans for steady and sustained growth.

The Currency Board does, however, have some significant disadvantages, including the creditor of last resort problem, the potential for a country's government to default on debt issued in a foreign currency, costly speculative attacks that result in the loss of reserves, and private securities with higher interest rates (Kararach *et al*., 2010).

## 2.4.4 The flexible exchange rate policy

Another currency reform is a flexible exchange rate policy that enhances control over the money supply. This plan will be flawlessly carried out by the Zimbabwean government within its financial constraints. The payment's balance position is zero when exchange rates are fully flexible because the exchange rate corrects itself to reach equilibrium. In this instance, the forces of supply and demand and the rate settle at the point at which the market clears because exchange rates are allowed to find their own level. The central bank may select the money supply as a policy objective, but it must accept any exchange rate that is consistent with that objective.

The participation of the currency boards will contribute to ensuring transparency, the absence of any political intervention, and the alignment of the monetary authority with the objective of fostering economic growth and stability in order to increase living standards.

## 2.4.5 Conclusion

The study examined the planned and implemented monetary regimes that were implemented to support the Zimbabwean economy. The study made it very evident that these measures won't instantly satisfy Zimbabwe's desire for economic stability and recovery strategies. The study did highlight that in order for the different currency regimes to be successfully implemented, a number of prerequisites must be met, including: policy consistency, political leadership and commitment, socioeconomic convergences, institutional reforms, and the adoption of responsible monetary and fiscal policies by Zimbabwean governance in order to alleviate the nation's dire economic situation.

## 2.5 THE IMPACTS OF ECONOMIC RECOVERY STRATEGIES AND CURRENCY REFORMS TOWARDS INFLATION, POVERTY REDUCTIONS AND STANDARDS OF LIVING.

The importance of conducting this research study was determined as a result of a literature review for the second specific purpose of the study, which is to "*assess the impacts of economic recovery strategies and currency reforms towards inflation, poverty reductions, and standards of living.*"

Biti (2015) asserts that there is fragility in the financial sector. Extremely hazardous factors include the percentage of non-performing loans and the number of banks with insufficient capital. There is no such thing as a bank of last resort. Because of the T-bills that were created to finance the growing fiscal imbalance, which is debilitating to business, interest rates on US dollars have soared to 28%. In order to cover its deficit, the State has also been misappropriating bank cash kept at the Central Bank, significantly undermining the banking sector.

According to the World Bank's Economic and Social Update report, between 2011 and 2021, "almost half of Zimbabwe's population fell into severe poverty," which has an impact on society as a whole. Despite ongoing price increases and a minor improvement in employment and incomes in both the official and informal sectors, it is predicted that 7.9 million people would still be living in severe poverty in 2021. Living below the US $29.80 per person per month national poverty line is considered to be "extreme poverty" according to the World Bank Report (2021). The number of people living in poverty increased as a result of these measures from 3 million in 2011 to 6.6 million in 2019.

The survey stated that "as a result of the economic and climatic shocks, food insecurity rose dramatically, exceeding 42% in 2019 up from 30% in 2017," the report. As if that weren't enough, COVID-19 and its impacts disrupted livelihoods, resulting in the extreme poverty of an additional 1.3 million people by 2020, raising the overall rate to 49%. (Report from the World Bank, 2021).

Due to earlier investment possibilities in health and education, as was already established, Zimbabwe has a strong human capital base. A recent economic and political crisis as well as emigration have significantly hurt Zimbabwe's human resources. Human capital, however, may diminish throughout this time or more quickly. Fragile nations should ideally ring-fence public expenditure, provide equitable and fair local and territorial authorities, and appropriate funds for the welfare budget in order to achieve inclusive growth.

## 2.6    THE IMPACT OF CURRENCY REFORMS ON CURRENCY EXCHANGE RATE STABILITY AND BUSINESS INVESTMENTS IN ZIMBABWE

The third research objective is to *" evaluate the impact of currency reforms on currency exchange rate stability and business investments in Zimbabwe.* " By looking at how they affect various national industries. The research observed the following findings;

According to Matanda *et al.* (2012), it should be noted that the introduction of the multi-currency system has caused a mismatch in pricing that has, in most cases, raised production costs. The price of raw materials has periodically been highly variable, occasionally even going over the fair price of finished items. The shortage of coins in circulation has made this situation worse by allowing retailers to round up prices, raising the cost of items.

Zimbabwe's economic and monetary leaders used dollarization as a response to the country's issues as well as the unrest and high inflation in Lebanon and as a means of addressing their own country's difficulties. Gosh et al. (1998) presented empirical data showing that countries with higher levels of dollarization give up monetary policy flexibility but gain over time lower inflation and a more stable currency. Furthermore, they noticed that the sample economies saw economic growth in comparison to non-dollarized ones (Matanda et al., 2012). Because the multicurrency system had both advantages and disadvantages, one had to decide between "the long-term advantages of falling prices and a more favorable exchange rate" and "their monetary policy's flexibility." The major goals were to lower inflation and stable exchange rates, both of which were accomplished in the short term.

The percentage of non-performing loans remained alarmingly high, and several banks continued to lack adequate capital, leaving the financial sector exposed. Because of the T-bills that were created to finance the growing fiscal imbalance, which is debilitating to business, interest rates on US dollars have soared to 28%. Because there are no active donors to support or revive the local investments, there is a demotivation that affects the investment. The State has also been robbing bank balances kept at the Reserve Bank to cover its deficits, undermining the banking sector in the process. Unexpectedly, Zimbabwe cannot undergo a meaningful correction without a large financial injection (Matanda et al., 2012). The situation was further worsened by the COVID-19 outbreak, which made it more difficult for businesses that were already thriving to survive in such challenging economic circumstances.

In addition, traders continued to expect high profit margins after the multi-currency system emerged because they had not adjusted properly from operating with high profit margins prior to the introduction of the dollar, driving up the price of goods and creating inflated foreign currencies with lower purchasing power than the main country. According to Biti (2015), "significant deindustrialization, stagnation, and deflation have all contributed to the economy's rapid decline since 2013." Once more, capacity utilization has fallen below 20%. Direct foreign investment and help are no longer available. The guarantee is no longer present. For business operations to run more efficiently, the indigenization legislation has to be abolished.

Support is needed from the East and South in addition to the West and the North. China and the BRICs are very important allies. But so too is the West. Both a lack of allies and a lack of allies are intolerable for Zimbabwe. However, no substantial international assistance will be given to Zimbabwe until it resolves its unpaid foreign debt and starts debt reduction talks. It is also unlikely that adequate foreign direct investment and development aid will be produced without political reform.

There are not enough resources domestically to bridge the infrastructure deficit. International financial institutions (IFIs) owe US\$0.5 billion, US\$0.1 billion, and US\$0.7 billion, respectively, in arrears to the AfDB, IMF, and World Bank, and maintaining good relations with them requires resolving any outstanding state debt issues. As a result, there is a debt issue in the country. Having said that, the research will utilise these crucial principles to achieve its main objective.

Therefore, if the Zimbabwean government wants to draw in new investment and promote economic growth, it must solve the infrastructural shortage. According to Matanda *et al.* (2012), a lack of infrastructure, particularly in fragile regimes, inhibits investment possibilities, notably from foreigners. Most of Zimbabwe's infrastructure is in poor condition. The country needs US\$14 billion to address its infrastructure issues.

## 2.7 SOLUTIONS TO IMPROVING AND REVISING THE ECONOMIC RECOVERY AND CURRENCY REFORMS FOR ECONOMIC STABILITY AND GROWTH.

The last objective of the research is, "To recommend solutions aiming at improving and revising the economic recovery and currency reforms for economic stability and growth." Therefore, the research observed previous studies:

- Domestic policies that support price stability and the optimum use of public resources are crucial, particularly in view of the sizeable financial requirements to stop a loss in human capital and the application of the triangulated policies, as stated by the research.

- Reallocate funds from ineffective, harmful subsidies to targeted programs that would lessen the impact of the epidemic, provide social safety nets and food security, and prevent a learning crisis that might endanger long-term development and productivity.

- Because it currently has limited access to external financing and constrained public finances, Zimbabwe will need to heavily rely on reallocating domestic resources to best public uses, mobilizing humanitarian support to prevent rising fragility, and using private financing to stimulate growth where it is possible.

- Given the deficit's enormous growth over the previous two years, a sizable sum of money will be required to restore service delivery to its levels from earlier in the decade. It is necessary to establish innovative methods of cooperation with the business community and development partners in order to make use of financing and capabilities. When coupled with an accountable and responsive public sector, such techniques would enable service delivery to improve more quickly.

- Thorough planning with complete engagement from all parties, particularly community involvement to encourage integration in the organizations, is strongly advised.

- To be executed for the good of the nation, economic initiatives and reforms shouldn't be politicized.

The researcher has been able to discover gaps in the literature that need to be filled, as explained in the following section

## 2.8 RESEARCH GAP

There is a knowledge gap in the relevant literature on economic recovery and currency reforms particularly for economic stability and growth in Zimbabwe. Many studies have focused on inflation, economy recovery strategies and currency reforms. Little have been written on the impact economic recovery and currency reforms on economic stability and growth in Zimbabwe. Thus it should be noted that the research seeks to cover this knowledge gap by studying economic recovery and currency reforms for economic stability and growth in Zimbabwe.

**2.9 CHAPTER SUMMARY**

The chapter examined theoretical and conceptual underpinnings and provided an overview of the recent currency and economic changes. The chapter also gathered information concerning how these factors affected the exchange rate, company investments, inflation, the elimination of poverty, and living standards. The researcher concludes by offering suggestions for ways to strengthen and revise the economic recovery and currency reforms for economic stability and expansion. The study examined the gaps that the researcher project aims to fill and the precise goals. The third chapter, which follows, examines the research methods.

# CHAPTER 3:

# RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

Research methodology, which served as the basis for this study, is essentially the "how" of any particular piece of research, according to Jansen and Warren (2020). This chapter's major goal was to examine and explain the procedures and methodologies that are most appropriate for this research in order to get pertinent data. The accuracy of the data was checked to make sure it aimed at fulfilling the study's goals. The research design, data collecting methods, population definition, data sources, sample procedures, data analysis tools, and ethical issues were all reviewed in detail in this chapter.

## 3.2 RESEARCH APPROACH

According to Fellows and Liu (2015), there are three research methodologies: qualitative, quantitative, and triangulated investigations. The author continued by saying that either one or both of these approaches might be employed in academic research. The qualitative method, which is less important for this study because it is analytical in nature, according to Fellows and Liu (2015), aims to obtain understanding of people's perspectives on the world and get insight into their perspectives. The strategy helped the research study use secondary data—literature obtained from earlier studies that were well-documented in several sources—as the primary method for collecting qualitative data for this investigation.

As further evidence of the quantitative research approach's connection to positivism's conception of facts, Fellows and Liu (2015) noted that it aims to gather factual data, explore relationships between facts, and evaluate how such facts and relationships square with theories and conclusions of any prior research. The methodology used in this study made it possible to collect quantitative information about the financial performance of organizations over a five-year period. This method of conducting the study has the advantage of enabling a statistical comparison between the growth and stability levels for the chosen companies. This research methodology was utilized to collect data for the study using closed-ended questionnaires.

The main goal of quantitative techniques is to describe a phenomena across a wider sample size. The method involves conducting a large-scale survey of people and using statistical methods to identify broad patterns and trends. According to Saunders (2009), the advantages of the quantitative approach include the ability to generalize because of the method's widespread application. Due to the study's surveying of private and public firms in Zimbabwe affected by the

country's economic situation and poor performance, the technique also made it possible to collect data from a sizable number of participants.

In conclusion, a quantitative technique was used to conduct this investigation. Using this strategy, the research investigation was able to collect primary data important to this study. The literature review employed secondary data sources by looking through reliable, previously published data sources.

## 3.3   RESEARCH DESIGN

This sort of study is analytical in nature and aims to investigate the level of variance in economic and market performance patterns in the public and private sectors in response to economic recovery and currency changes in Zimbabwe. To obtain answers to the study questions, the research strategy used was based on features of a quantitative research technique. According to Fellows and Liu (2015), the researcher must choose the methodological strategy for addressing the research topic or research questions in a study design. In order to understand this analytical sort of research, an empirical research design that classified the best and worst performing organizations in the vicinity of Harare, Zimbabwe, was implemented.

According to Fellows and Liu (2015), the researcher must choose the methodological technique to use while attempting to solve the research problem or answer the research questions. As a result, the empirical research methodology was used to classify the top and bottom performing organizations in the Harare, Zimbabwe area using a case-study survey design in order to understand this analytical style of research.

This study employed a survey research design because it enabled the gathering of comparison data that was thorough and timely in a sizable population together with a pertinent sampling strategy that was affordable. Since survey results were organized in a systematic, standardized manner that was utilized in the following chapter, they were simple to deal with. Additionally, the research's understanding of the variables that generate variances was aided by the approach. The architecture made it possible to analyse quantitative data in a quantitative manner.

In order to complete the comparative analysis report, the data obtained using a survey technique developed models of these associations as well as provided potential explanations for specific interactions between variables. It was more pertinent since it provided greater control over the research process and, when sampling was utilized, it may have enabled the study to provide

conclusions at a lesser cost than gathering data from the entire population. This research design, as expected, came up with an analytical and conclusive evidence about the research objectives.

## 3.4    POPULATION AND SAMPLING

According to *Hawaldar et al.* (2017), when referring to a research study, the term "population" refers to the target region from which the data needed for the study's objectives is gathered. The study especially addressed big public and private sector organizations in the Harare region of Zimbabwe, as well as small and medium-sized businesses. The research only examined a population of 140 organizations at most in order to account for time constraints and other resource constraints, with the goal of having a sample size that was close to 50% of the population. Each organization was limited to having one respondent (participant) in the study.

Surveys were distributed to the targeted organizations in an effort to gather feedback from the following important stakeholders: business managers, general managers, manager's assistants, and CEOs who were approachable and willing to help with the research's information needs.

Because the study's target population was unevenly dispersed and stratified random sampling was utilized to choose participants, it focussed on regions with highly concentrated organizations or businesses, such as the Central Business District and other enterprises in office parks in outlying areas. The sample size of 70 was modest, and the research had an outstanding dispensation rate and a comparable response rate.

## 3.5    THE DATA

Aryal (2019) defines data as unprocessed, disorganized factual information. It doesn't have to be complicated or look random in order to be ordered and be of value.  Additionally, the author hinted that data is a collection of individuals' values in relation to qualitative or quantitative aspects.

Quantitative data [online] is described by Questionpro (2020) as the value of data expressed as counts or numbers, where each data set has a certain numerical value assigned to it. Because it was any quantitative information that could be used in mathematical calculations and statistical analysis, such as the profitable seasons and peak retrenchment periods, this sort of data was crucial for this study.  Quantitative data, on the other hand, is described as non-numerical information that characterizes and approximations via observation or recording (Questionpro, 2020).

This research collected both quantitative and qualitative data in the form of both primary and secondary data necessary for the comparative analysis to be accomplished.

### 3.5.1 Secondary Data

In this study, secondary data was chosen as the information source for the literature review part since it doesn't employ raw primary data but rather already published sources from reputable and pertinent publications. According to Naoum (2019), secondary data collecting efforts had certain specific benefits over primary data collection efforts, hence they were more important for this research investigation.

During the literature review process, a variety of trusted sources were used, including key performance indicator reports, customer complaint reports, corrective and preventive action reports, company financial reports, new papers, government statutory instruments, ACTS, journal articles, and websites. These sources come highly suggested for this research investigation and were also outlined by Basera et al. (2019).

### 3.5.2 Primary data

This type of data was gathered through the use of a survey approach that offered potential explanations for specific connections between variables. Because sampling was used, it allowed for better control over the research process and allowed for the production of conclusions that were typical of the entire population at a lesser cost than gathering data from the entire population.

*3.5.2.1 Research methods / Research instruments / Data collection tools*
**Questionnaires**

Using seventy (70) questionnaires as the major data collection method, which extensively addressed the target group, this survey research was carried out successfully and efficiently. The questionnaires were given out in two sets, each employing a different distribution strategy, and were self-administered. The original strategy was delivering printed hardcopies by hand to businesses that were nearby and in need due to the limited resources. For convenience, the other set of questions were distributed electronically in the form of survey URLs that were distributed via emails and the WhatsApp messaging service.

The surveys' two distinct portions with distinct variables allowed the research's goals to be achieved. Close-ended questions that probed the potential respondents' demographic perspectives made up the first segment (segment A). The surveys' second portion (portion B), which included closed-ended questions as well as analyses of the important factors, methods for economic recovery, currency changes, and metrics for economic stability and growth, was divided into subsections (B1, B2).

This approach of data gathering allows researchers to draw conclusions about a big group of people using information from a very small sample size of those persons (Marshall and Rossman, 2006). This data collecting method was noteworthy and pertinent because it achieved four fundamental goals: (1) gathering the right data, (2) making data comparable and analyzeable, (3) reducing bias in question formulation and asking, and (4) making questions interesting and diverse.

## 3.6    THE ANALYSIS OF THE DATA

The study analyzed and discussed the results from statistical reports generated by the Statistical Package for Social Sciences (SPSS) application software using comparative terminology. This application contained frequency distribution tools and descriptive tools for test findings. Tables that helped in the study and interpretation of the quantitative data with regard to trends in economic performance, levels of inflation, trends in the standard of life, trends in exchange rates, and other themes. Utilizing inferential statistics, such as the Chi-square test, the connections between variables, such as how the changes affected inflation and living standards, were also confirmed.

### 3.6.1 Quantitative Data Analysis

In order to gather quantitative data for the study, likert scales and closed-ended questions were employed with the help of the SPSS application program. The study used both descriptive and inferential statistical methods of data analysis to convey the findings. In addition to mean score rankings and association tests for each of these variables, the research study also presented frequency distributions in percentages for the sample size. This information was then shown as tabulated category frequencies, a bar chart, a pie chart, or a graph in order to promote debate.

## 3.7    RELIABILITY AND VALIDITY

Reliability and validity, according to Suleman and Gul (2015), are the most important steps in validating and enhancing the research instruments because they are fundamental principles that will be taken into account when using research data collection techniques to prevent bias and incorrect judgmental answers that are irrelevant to this research study.

### 3.7.1 Reliability

The consistency of a metric is a problem for reliability. According to Fellows and Liu (2015), test-retest reliability, inter-item reliability, and inter-rate reliability are the three most often used

methods for estimating the dependability of a measure. The study used inter-item reliability, which was important because the questionnaires included test participants with several variables.

In order to evaluate the degree of consistency among the varied test participants on a scale (internal consistency reliability), the study used this methodology. According to Fellows and Liu (2015), internal consistency reliability was used to evaluate the validity of a summated scale, which combined many components into one final score.

With a focus on the internal consistency of test subjects about the impacts of economic state fluctuation towards inflation, exchange rates, poverty, and standards of living, it was anticipated that the questionnaire respondent's results would demonstrate a high degree of consistency using the coefficient alpha. The greater Cronbach's alpha score indicated a high degree of reliability, which indicated that there was a significant connection between the findings of two or more tests. Cronbach's alpha, which runs from 0 to 1.0, is a measurement of the internal reliability of the items on surveys, according to Fellows and Liu (2015). Given that this study employed questionnaires to gather data, it has greater value because it illustrates the degree to which the questions are assessing the same thing.

### 3.7.2 Validity

Valid is concerned with a measure's precision to examine the findings' applicability. A high reliability score is seen to be the primary measure of the validity of the findings. Construct validity, according to Fellows and Liu (2015), relates to how well the variables that were used to measure the variables held true.

Prior to and during the administration of the questionnaires, checks and balances were used in the research to determine how well the variables of measure addressed each aspect of the construct. After pre-validation, administration was carried out to make sure they satisfied all study goals. The researcher tested the research instrument in the field with a small sample size of no more than ten (10) respondents before distributing the electronic survey forms.

### 3.8    ETHICAL CONSIDERATIONS

The phrase "research ethics" is used to refer to a broad range of principles, practices, and institutional structures that assist to create and govern scientific activity, according to Research Ethics Committees (REC) (2019). In other words, these ethics are a statement of scientific morality in practice, according to REC (2019). Due to the involvement of parties outside the research team in the distribution of findings and data gathering for qualitative and quantitative studies, ethical issues emerge. The study made sure that the following things were noted:

a. Confidentiality and privacy.

b. All participants' free and voluntary consent.

c. Risk and deceit were kept to a minimum.

d. Any potential conflicts of interest were disclosed.

e. Relationships between researchers and participants were not exploited.

## 3.9 CHAPTER SUMMARY

The chapter also discussed the population and sample methods that were used to pick the intended targets. The sources of the data were reviewed, and the study instrument's data collecting techniques that were most appropriate for gathering acceptable and sufficient data were developed. The chapter continued to describe how the research approach used also allowed the study to choose the best data analysis technique for the quantitative data needed for the comparative comparison. The processes for reliability and validity as well as ethical consideration were described and followed. In chapter four, which will be published following chapter three, the presentation of the data analysis and the results of the data collection will be discussed. The researcher will also go through the study's findings.

# CHAPTER 4:

# DATA PRESENTATION, ANALYSIS AND DISCUSSION

## 4.1 INTRODUCTION

The study findings were presented and analyzed using the format described in chapter three (3). The Statistical Package for Social Science (SPSS) program's data were used to develop descriptive tools and interpretation for this chapter's open-ended replies as well as traditional content analysis. When presenting the results of the investigation, tables, charts, and figures are employed wherever possible. The study's quantitative analysis and discussion of its results. The descriptive statistics were finished, and then SPSS was used to analyze the data. The approach was briefly discussed in the chapter previously.

## 4.2 BACKGROUND INFORMATION

### 4.2.1 Response rate

**Table 4.1: Questionnaire Response rate:** *Source: field research*

| Categories | Questionnaires | | | |
| --- | --- | --- | --- | --- |
| | *Commercial Banks* | *Industrial firms* | *Private Companies* | *Government firms* |
| **Total sampled size** | **N = 30** | **N = 20** | **N = 10** | **N = 10** |
| **Total distributed** | 30 | 20 | 10 | 10 |
| **Collected** | 28 | 18 | 7 | 5 |
| **Not Returned** | 2 | 2 | `3 | 5 |
| **Percentages** | 93.3% | 90.0% | 70.0% | 50.0% |
| **Overall response rate** | **Questionnaires** (58/70) = **82.9%** | | | |

The research presented the responses distribution in the table 4.1 as shown above and the data was collected from the following categories, Commercial banks (93.3%), Industrial firms (90.0%), Private Companies (70.0%) and government firms (50.0%) resulting in a total of 58 questionnaires collected out of a total 70 dispatched. The overall response rate for the entire research recorded 82.9%. The response rate was satisfactory to rely on the data collected as it was above the 50% of the targeted population and also each entity had enough representatives to consider their arguments and contributions.

**4.2.2 Demographic Results**

*4.2.2.1 Gender Analysis*

Out of 58 participants, the researcher obtained that the total frequency distribution was biased on male with a 60.3% and females were only 39.7% were. The commercial industry has proved that it is male dominated and the female participation is still relatively low. Males being the dominant gender in this research become an advantage as they had The results are presented in the figure 4.1
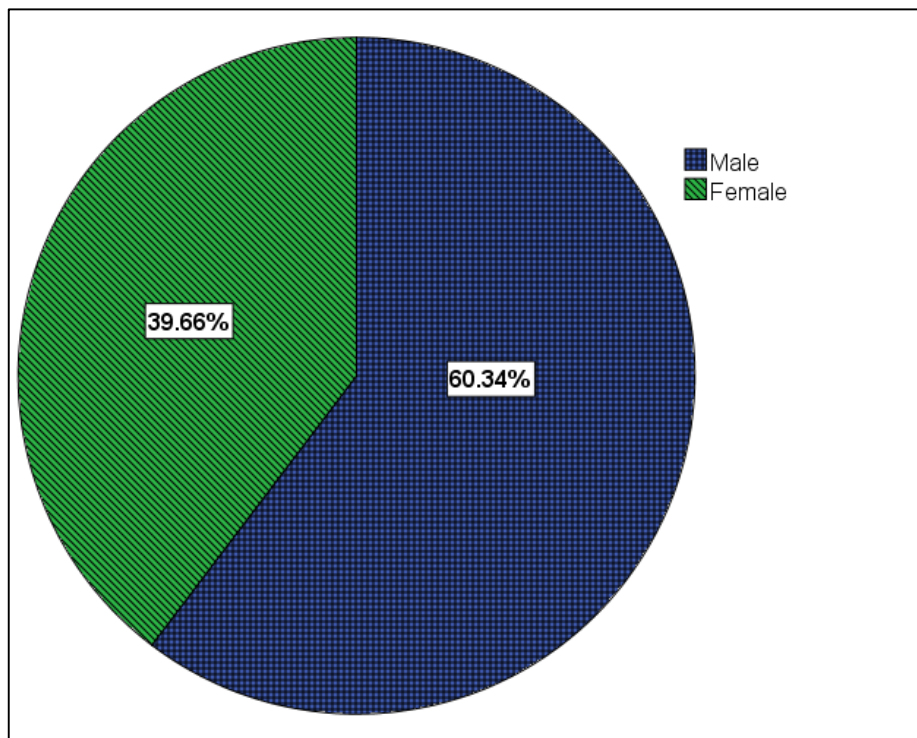


Figure 4.1 Gender analysis: *Source: Field research*

*4.2.2.2 Age analysis*

**Table 4.2: Age group distribution frequencies:** *Source: field research*

| Age Groups | Frequency | Percent | Cumulative Percent |
|------------|-----------|---------|--------------------|
| 18-25 | 11 | 19.0 | 19.0 |
| 26-35 | 29 | 50.0 | 69.0 |
| 36-45 | 13 | 22.4 | 91.4 |
| 46-55 | 5 | 8.6 | 100.0 |
| Total | 58 | 100.0 | |

The researcher observed the age group for the respondents and the results are presented in the table 4.2. The majority were found in the age group range (26 to 35) with the highest frequencies of 29 (50.0%) of the total population followed by age groups (36 to 45) and (18 to 25) with frequency percentages 22.4% and 19.0% respectively. These results assured the researcher that these participants were old enough to have adequate working experience needed by the survey. Also, it incorporated all the crucial ages since they mixed the more experienced and the recent graduates which resulted in the mixture of knowledge and skills. Least responses came from age group (46-55) with frequency percentage of 8.6%.

### 4.2.2.3 Working Experience
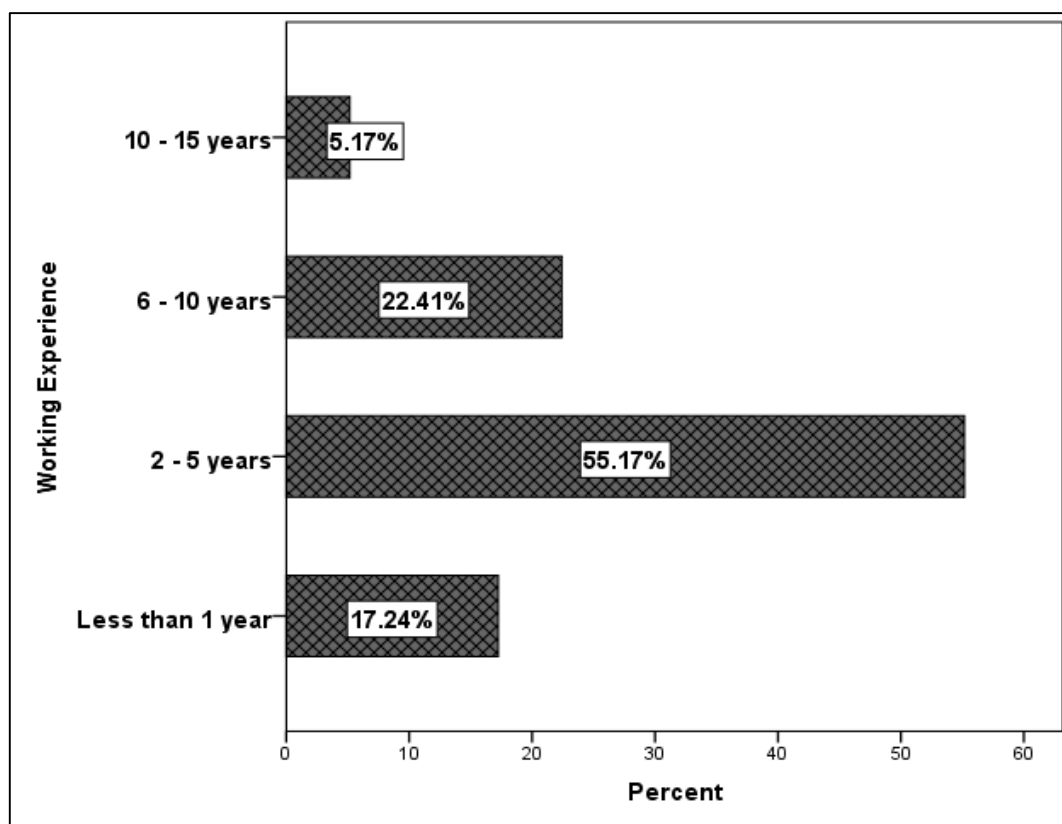


Figure 4.2 Working experience periods: *Source: Field research*

Figure 4.2 presented the majority of the respondents who attended the research instruments have been in the industry between two (2) and five (5) years, which marked their highest working experience. This was followed by those exposed to the economic systems and functions for six (6) to ten (10) years with 22.4% and marginally there were those with working experience less than 1 year, had a frequency distribution of 17.2%. The participants level of working experience was adequate for the researcher to draw conclusions and recommendations from them since they were well informed. The researcher was disturbed with the population with the longest period in

the industry who had only 5.2% and they had been in the industry for 10 to 15 years. Nevertheless, the research study was fortunate that they made a significant contribution by completing the instruments.

### 4.2.2.4 Level of education

The researcher also investigated on the level of education for the respondents, the results observed were 63.8% (bachelor's degree), 24.1% diploma and marginal results were for the doctorate and other qualifications. The information is presented in the figure 4.3. The researcher had confidence in the research findings because the population was educated enough to understand the phenomenon under investigation. They also had the idea of the economic drivers associated with the currency reforms as well as economic recovery strategies.
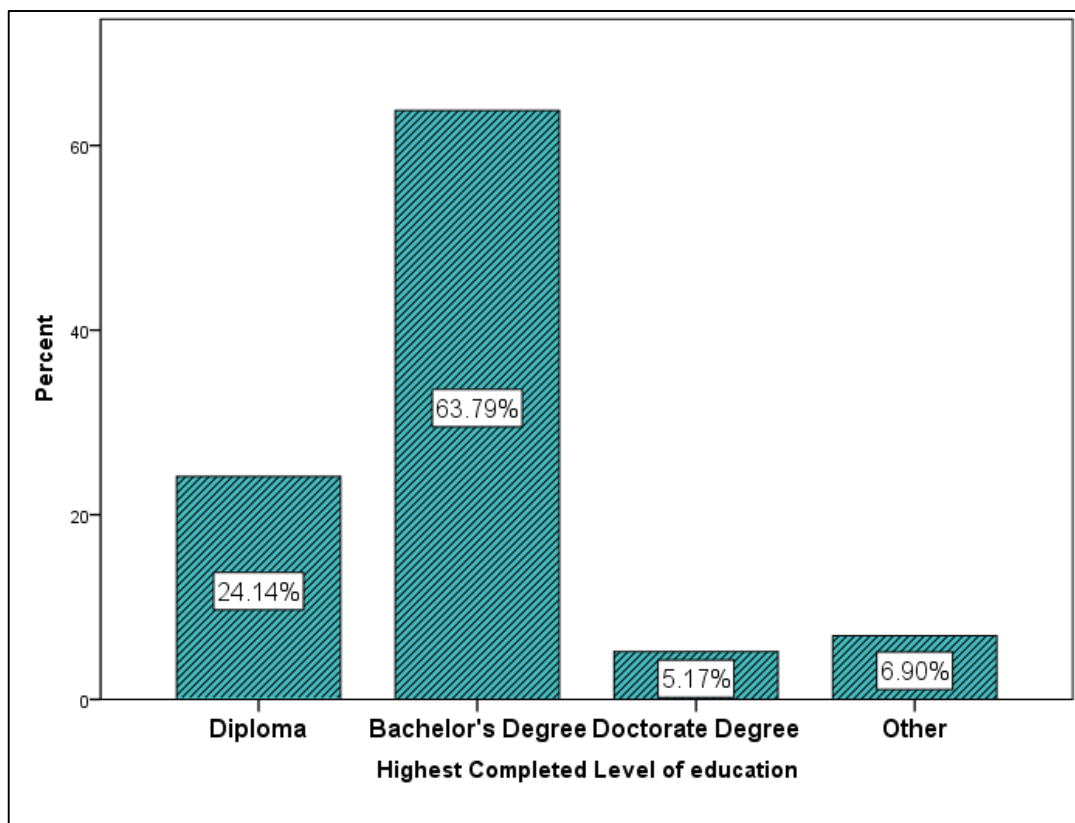


Figure 4.3 Highest educational level attained: *Source: Field research*

### 4.2.3 Sector of the economy that participated

The researcher went further to investigate the sectors from which the professionals who attended the questionnaires fall as shown by the table 4.1, the results observed banking and finance (48%), production and manufacturing (31%), Investments (12%) and the government (9%). The researcher's aim was to involve all the key sectors that contribute to functioning of the economy as well as the policy makers so that the results for the factors that influence or impact the recovery

strategies and currency reforms will be exploited comprehensively. These sectors are also the drivers for the economic stability and growth through the input and out processing that has an implication on the GDP of Zimbabwe, hence they were vital for the study. The results of the economic sector are shown in the figure 4.4.
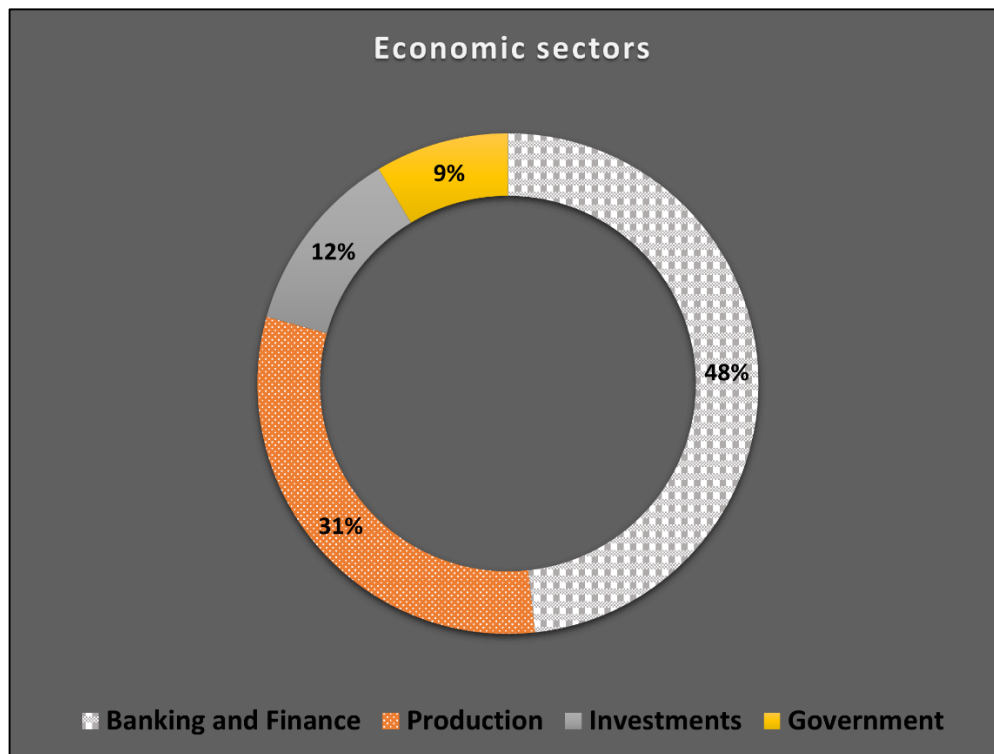


Figure 4.4 Participated economic sectors: *Source: Field research*

## 4.2.4 Targeted organizational departments

The study also assessed the departments from which the respondents belonged to and the results discovered that they came from the following key departments; administration, top management, human resource, finance, general employees and the general hand. The category with the highest frequency distributions were top management and finance, at 27.6% and 24.1% respectively. This was followed by general employees and administration both contributed 15.2% equally. The least contribution was from the general hand with 5.2%. The information was presented in the figure 4.5.

The researcher was happy with the participation contribution frequencies of the top management and finance because the phenomenon under investigation needed their participation the most since the economic recovery and reforms for the stability of Zimbabwean economy and its growth is a

result of their decision making and the level of accountability with help of the government ministry of finance and the central bank.
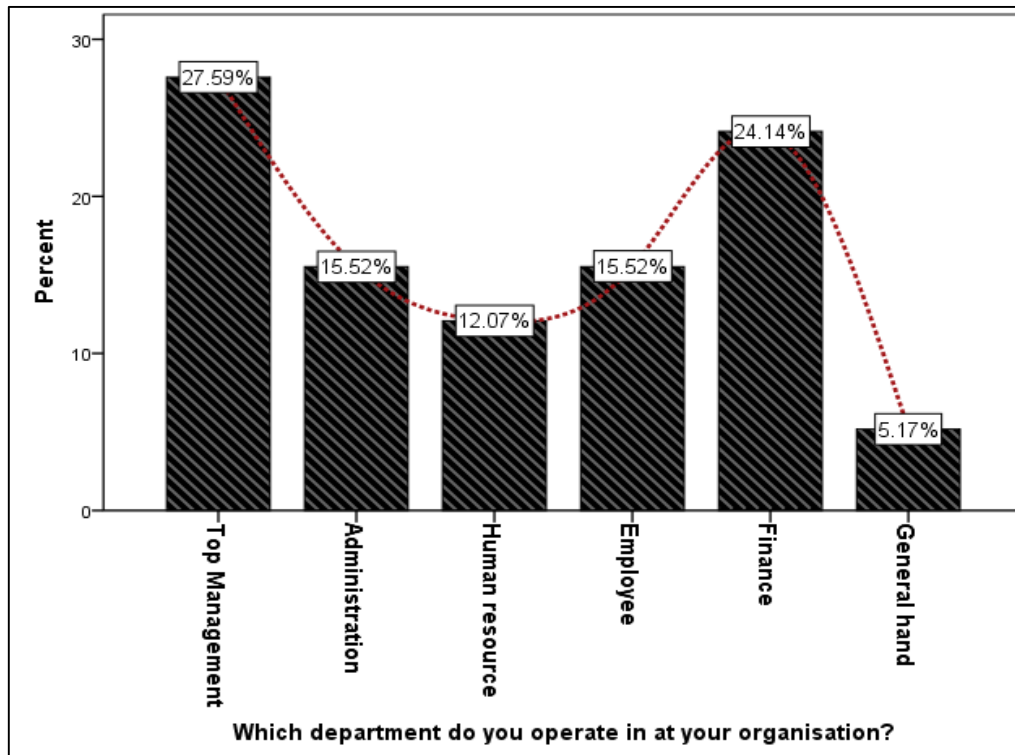


Figure 4.5 Participated organizational departments: *Source: Field research*

### 4.2.5 Reliability Testing

The researcher conducted a reliability testing for 36 variables of the questionnaires using the Cronbach's alpha testing function of the SPSS software. The researcher was testing for checking the level of consistency in construct of the questions for the research instrument. The SPSS alpha test results were summarised in the table 4.3 as shown below:

**Table 4.3: Cronbach's Alpha variable testing**: *Source: field research*

| Variables | Cronbach's Alpha | N of items |
|---|---|---|
| Demographic Information | 0.270 | 6 |
| Economic recovery strategies and Currency reforms. | 0.110 | 3 |
| The impacts of the current recovery strategies and currency reforms on the inflation. | 0.879 | 7 |
| Effects of economic recovery and currency reforms on poverty reductions and standards of living enhancement. | 0.852 | 6 |
| The influence of the currency reforms on currency exchange rate stability and business investments in Zimbabwe. | 0.913 | 6 |
| Strategies enforced to improve and revise the economic recovery | 0.888 | 8 |

| | | |
|---|---|---|
| and currency reforms and enhancing economic stability and growth. | | |
| **Overall reliability** | **0.942** | **36** |

Thirty-six (36) variables (questions response options) for the questionnaires that were attended to by 58 respondents recorded an overall Cronbach's alpha coefficient of 0.942. According to argument by George and Malley (2003), who asserted that the Cronbach's alpha greater than 0.70 is considered acceptable in the social science studies, therefore, the results were accepted giving a resemblance that questionnaire variables had a satisfactory internal consistency.

## 4.3 STAKEHOLDER PERCEPTIONS TOWARDS THE ECONOMIC RECOVERY AND CURRENCY REFORMS IMPACTS TO ECONOMIC STABILITY AND GROWTH IN ZIMBABWE.

To effectively evaluate the perceptions of the stakeholders the researcher was guided by the researcher objectives. The general objective of the study was to, "assess the extent to which economic recovery and currency reforms impacts the economic stability and growth in Zimbabwe over a period of 5 years". The researcher observed 67.2% concurrence rate to the question that investigated if, the respondents concur that the Zimbabwean economy can be revived through the use of recovery strategies and currency reforms. The results are presented in the figure 4.6 below:
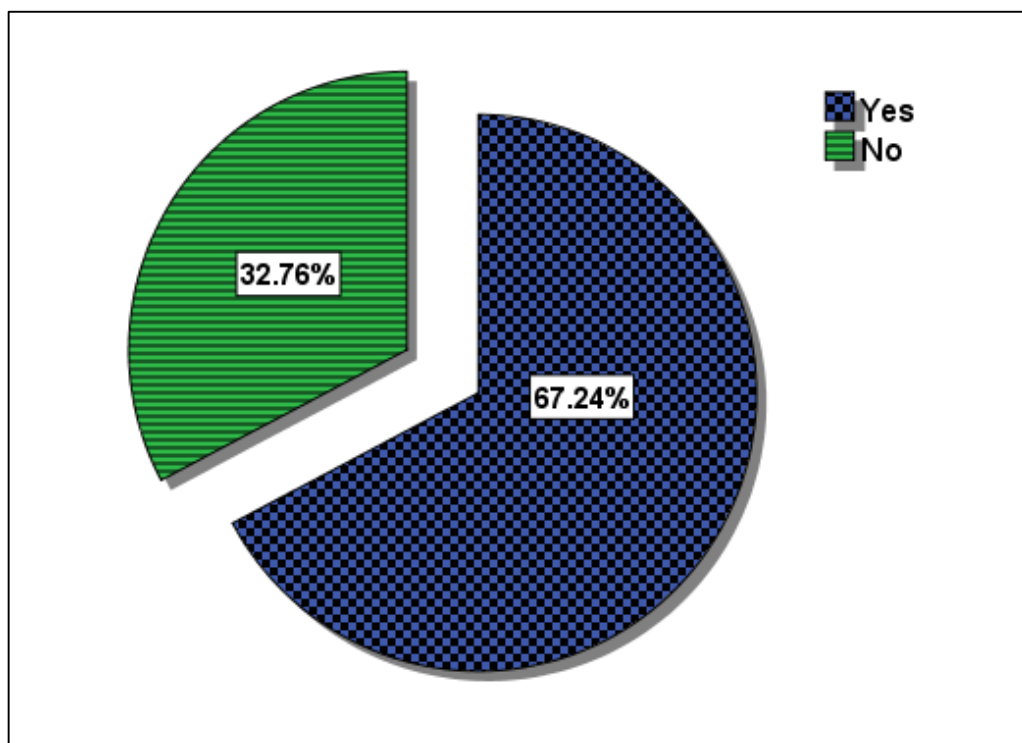


Figure 4.6 Respondents concurrence rate: *Source: Field research*

The results presented above served as strong evidence that argued that Zimbabwe can be revived through the economic recovery and currency reforms and achieve its stability and noticeable growth. The research therefore, invested the type of the reforms that should be utilized or enforced to achieve the desired economic state. The results are presented in the subsection 4.4.

## 4.4 SPECIFIC OBJECTIVE 1: THE CURRENCY REFORMS AND ECONOMIC RECOVERY METHODS IMPLEMENTED IN ZIMBABWE OVER THE PERIOD OF 10 YEARS.

The first objective of the research seeks to identify the reforms that were implemented in Zimbabwe, the results observed both the strategies for the economic recovery and the currency reforms.

### 4.4.1 Strategies for economic recovery

The researcher observed the following results for the strategies for the economic recovery as presented in the table 4.4.

**Table 4.4: Economic recovery strategies response frequencies:** *Source: field research*

| Economic recovery strategies | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Fiscal Policy (FP) | 11 | 19.0 | 19.0 |
| Short-Term Emergency Recovery Program (STERP) | 28 | 48.3 | 67.2 |
| Price policy (PP) | 7 | 12.1 | 79.3 |
| Monetary Policy (MP) | 3 | 5.2 | 84.5 |
| Balance Of Payment (BOP) policy | 9 | 15.5 | 100.0 |
| Total | 58 | 100.0 | |

The results observed the majority voted for the STERP with 48.3% followed by Fiscal Policy (FP) with 19% and Balance of Payment (BOP) with 15.5% as the most effective economic recovery strategies. The least effective were the Price policy and Monetary policy with frequency percentages 12.2% and 5.2% respectively. The results are discussed the first two strategies as they were the most effective strategies. The other strategies were also acknowledged as the supplementary and complementary strategies to the STERP and FP.

### 4.4.1.1 Short-Term Emergency Recovery Policy (STERP)

The study saw the STERP being implemented in 2009, when the economic situation in Zimbabwe was out of control. These emergency efforts are in response to a particular severe amount of economic harm, including absurd levels of inflation. The research is in favor of this approach

since it is an additional means of imposing macroeconomic measures to stimulate the economy, such as fiscal policy.

STERP is an emergency short-term stabilization program with the main objectives of stabilizing the macro- and micro-economy, restoring levels of savings and investment, and fostering growth while laying the groundwork for a more transformative mid- to long-term economic plan that will make Zimbabwe a progressive developmental State. The general results of this strategy include: improved macroeconomic stability and public financial management; increased confidence in the private sector and donors; improved financial intermediation; policy development and implementation in key strategic areas, particularly in infrastructure rehabilitation; arrears clearance; Zimbabwe's eligibility under the HIPC initiative; increased confidence in the private sector activities; and the resumption of full deregulation. The results for the ADB itself will be a comprehensive Bank Country Strategy Paper based on a medium-term strategy created by the government and the resume of regular loan operations.

According to Biti (2015), STERP addresses the following four crucial facets of the economy: the development of macroeconomic reforms; maintaining the supply side to jump-start production and encourage capacity utilization; third, establishing social safety to support the most vulnerable and combat poverty; and fourth, dealing with interventions promoting peace and democratization, including monetary support for constitutional reform. In order to make the policy durable via consistency and coherence and improve the economic position so that it is stable and growing, the state is required to contribute, along with other stakeholders.

### 4.4.1.2 Fiscal Policy (FP)

Good fiscal policies have the effect of ensuring that the economy is active in the creation and provision of goods and services, increasing the domestic output while allowing businesses to make profits that they may reinvest in social benefits. The government will support local businesses so they may grow and provide jobs for residents, raising their standard of life in the process. Additionally, the fiscal policies will boost exports and foreign direct investment, increasing the country's availability of foreign currency.

The New Dispensation's sound fiscal and monetary policies, increased investment in infrastructure and other productive sectors, governance reforms, business-friendlier regulations, and the engagement and reengagement drive all contributed to the sustained economic transformation that gave rise to the resilience.

The polling data showed that the public supported the budgetary program. Fiscal policy is a component of macroeconomic policies that would help the Zimbabwean economy by allowing the government to reduce spending or modify taxes levied against the private sector in accordance with the level of demand. The study found that the private sector would get increasingly involved in the endeavors that guarantee economic progress, such as the construction of infrastructure, mining, agricultural, and industrial sectors. If these critical factors are fully operational, the economy will grow and remain stable.

### 4.4.2   The Currency Reforms

The research also collected data with regards to the currency reforms used in the Zimbabwe and the results observed 58.6% for reintroduction of the Zimbabwean Dollar and 19% for currency board regime. The least frequencies were obtained from flexible exchange rate and dollarization with 10.3 and 12.1% respectively. The results are shown in the figure 4.7
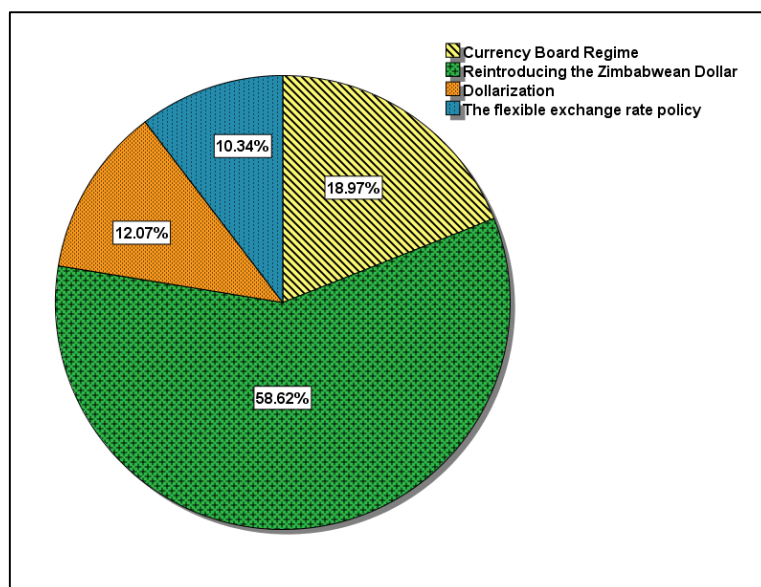


Figure 4.7 Currency reforms: *Source: Field research*

The researcher explained only the most effective currency reforms which are the first two reforms and these were the reintroduction of the Zimbabwean dollar and the use of currency board regime in resuscitating the Zimbabwean Economy.

### *4.4.2.1 Reintroduction of the Zimbabwean Dollar*

The research concluded that the nation should adopt an exchange rate strategy that would be either fixed, managed float, or flexible in order for the exchange rates to stay stable. The concerns of the monetary authorities continue to center on the implications of this currency on exchange rates and the purchasing power of the currency. Since the flexible exchange rate policy enhances control

over the money supply, the Zimbabwean government will be operating within its means to completely implement this approach. The document also urges the financial authorities to plug any gaps in their security that partisan politicians could try to exploit. Therefore, it is important to avoid politicizing the economy in order to achieve exchange rate stability. The project's objective was to address the issue with the unit of account that was resolved by lower denominations and change. The use of the exchange rate as a tool for monetary policy has also been reinstated with the establishment of the Zimbabwean currency.

According to the report, Zimbabwe may now utilize its own currency as legal tender and a means of exchange for both local and international goods and services since the currency reform has made it possible for the country's central bank to resume operations. The reinstatement of the Zimbabwean currency was underlined by Kararach, Kadenge, and Guvheya (2010) as a pledge to maintain price stability and avoid hyperinflation. The restoration of seigniorage, which handled the issue of change and shortages of lesser denominations, was another achievement of the project.

The Minister of finance and economic development (Hon. Prof Mthuli Ncube) released a press statement on the policy measures to stabilise the economy on the 29$^{th}$ of May 2023. The statement effected the macroeconomic stabilization front, where the government as of 2$^{nd}$ of May 2023 will increase the retention on the domestic foreign currency sales to 100%, adoption of all external loans by Treasury, increasing consumers access to basic commodities and promotion of use of domestic currency by government agencies as the measures to curb the further depreciation of the local currency and increases in prices marked in domestic currency. The researcher acknowledged these measures as they cement the reintroduction of the Zimbabwean dollar and enforce the usage in the local trading.

### 4.4.2.2 Currency Board Regime

The second effective reform was the CBR, which was implemented under the multiple currency regime program. The strictest type of pegged exchange rate option is a currency board, in which the nation pegs its own currency to a basket of other currencies, such as those of trading partners. In reality, as some economists have suggested, the economy in Zimbabwe is running as though it were under some form of Currency Board under the present MCR. The CBR has several benefits, such as managing inflation, seigniorage from interest, no balance of payments crises, transparency, no inflation, and inability to finance public spending.

The researcher observed the significancy of adopting the CBR in the Zimbabwean economy together with other reforms to ensure that the economy has been revived. Once the BOP is lower

the country would be able to get assistance from other nations and also attracts the investment opportunities from the foreign direct investments.

## 4.5 SPECIFIC OBJECTIVE 2: THE IMPACTS OF ECONOMIC RECOVERY STRATEGIES AND CURRENCY REFORMS TOWARDS INFLATION, POVERTY REDUCTIONS AS WELL AS STANDARDS OF LIVING.

The researcher aimed at assessing the impacts of economic recovery strategies and currency reforms towards inflation, poverty reductions as well as standards of living and this was achieved as discussed below:

### 4.5.1 Impacts on Inflation

The results presented in figure 4.8 are the mean score ranking for the responses regarding the impacts of the economic recovery strategies and currency reforms towards inflation. The measure was on a scale of 1 to 5 where "5 = strongly agreed" and "1= strongly disagree" according to their perceptions, experience and knowledge. The mean scores ranged from 3.67 to 4.14 and the summary of the fundings are in the figure 4.8.
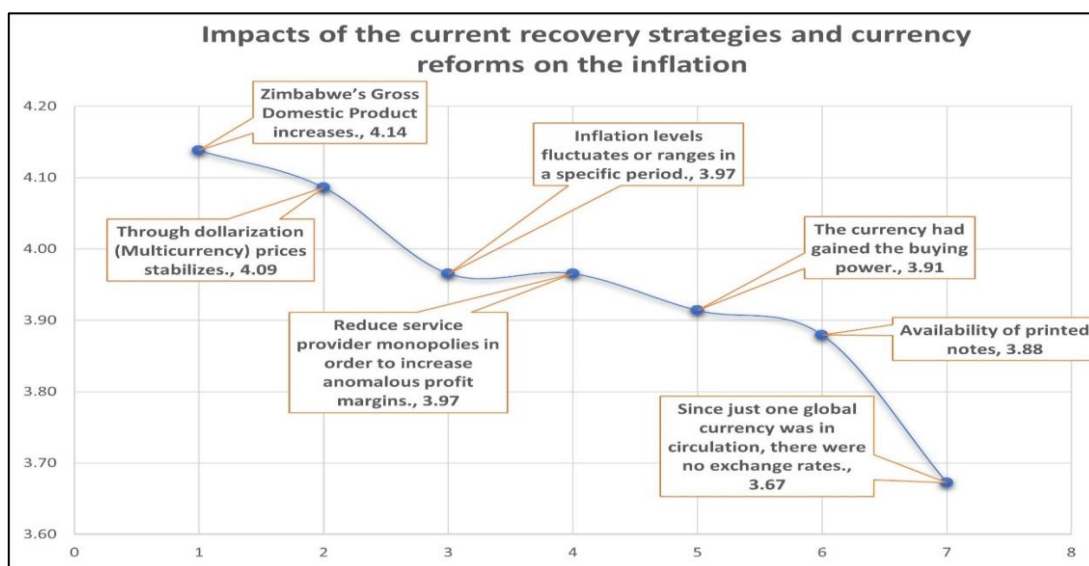


Figure 4.8 Mean scores for the impacts of the reforms on inflation: *Source: Field research*

The first three impacts were;

- Zimbabwe's Gross Domestic Product increase with mean score 4.14
- Through dollarization (Multicurrency) prices stabilizes with mean score 4.09
- Inflation levels fluctuates or ranges in a specific period (mean = 3.97)

The least perceived was, "since just one global currency was in circulation, there were no exchange rates" with mean score 3.67

The past research studies indicated that fiscal measures, the implementation of STERP, and the introduction of a new multicurrency system have all affected Zimbabwe's inflation rate. After the multicurrency system was implemented in 2009, the inflation rate "varried between -3% and 1%," according to a study. Matanda *et al.* (2012) also came to the conclusion that "dollarization" was successful in bringing Zimbabwe's inflation rate down to a particular level over a defined period. Another survey found that a multicurrency environment stabilized prices was highly agreed upon by more than 60% of respondents.

The researcher concurs that when these reforms were introduced, they had a direct effect on the GDP and also on the Prices of commodities. Especially when the multicurrency was introduced. The manufacturer to the retail trader has their financial structures that ensures the desired return on investment and the government would try by all mean to utilize the statutory instruments to manage the process and the trading schemes.

### 4.5.2 Impacts on poverty reductions as well as standards of living

When the reforms were introduced, their other aim was to assist the government in reducing poverty and improve the standards of living for the majority. The monetary and fiscal policies had the people at heart hence the research assessed the impact towards the poverty and standards of living and the results are presented in the table 4.5 through the mean score rankings.

**Table 4.5: Mean score ranking of the responses towards the impact on poverty:** *Source: field research*

| Descriptive Statistics | | | |
|---|---|---|---|
| Effects of economic recovery and currency reforms | N | Mean | Rank |
| Price distortions kept commodity values high, which kept the expense of living from decreasing. | 58 | 4.24 | 1 |
| Zimbabwe's Gross Domestic Product increases. | 58 | 4.14 | 2 |
| The government's ability to assist the expanding population of individuals living in severe poverty is limited by a lack of funding and implementation capabilities. | 58 | 4.09 | 3 |
| Zimbabwean population fell into extreme poverty rather. | 58 | 3.98 | 4 |
| Since no investments were made and no industrial resuscitation took place, employment possibilities remained static. | 58 | 3.97 | 5 |

| Human capital continued to be lost as Zimbabweans left the country in search of better opportunities in neighboring countries. | 58 | 3.91 | 6 |
|---|---|---|---|
| Valid N (listwise) | 58 | | |

The mean scores ranged between 4.24 and 3.91 and the first 3 (three) effects were:

- Price distortions kept commodity values high, which kept the expense of living from decreasing, ranked first with mean score 4.24.
- Zimbabwe's Gross Domestic Product increases, ranked second with mean score 4.14.
- The government's ability to assist the expanding population of individuals living in severe poverty is limited by a lack of funding and implementation capabilities ranked third with mean score. 4.09

The above-mentioned effects were as a result of various factors that came along with the reforms. For instance, the price distortions were as a result of the multicurrency regime and the dollarization. The researcher observed 51.7% and 24.1% of the respondents "strongly agree" and "agreeing" respectively to the effect. The majority of the Zimbabwean citizens were not earning the foreign currency whereas the basic commodities were being charged in foreign currency and the prices were relatively unaffordable due to the inflationary environment.

The domestic currency had lost its value hence the reintroduction of the local currency was argued as the solution by Biti. (2015).

Locally the use of foreign currency as the means to stabilize the economic has worsen the lives on the Zimbabwean citizens because of the basic commodities they cannot afford due to the income they earn. The civil servants are always complaining because even the foreign currency cushion they get, then cannot easily get it in hard cash.

The researcher also observed the government has no capacity to assist its own people due to lacking of funds. The recent studies argued that the, "*the Zimbabwean government has a reputation for being highly indebted, corrupt, impoverished, and food insecure*". As a result, the government has no capacity to even seek the hand from the developed nations because of high debts and also some economic imbalances. Locally the resources can not be utilised to support and improve the livelihood of the citizens but they are being channels through to personal and political favours and gain in the expense of the entire population, and now the nations cannot benefit any infrastructural development (roads, electricity, clean water supply, effective sew reticulation).

In the economy where everything is expensive due to monopolised markets, the government is also failing to subsidise the produce and the supplies so that the general public being the end users can get it at a lower cost and become affordable and economical. Even basic education is becoming expensive for the majority with the parents in public schools both secondary and primary complaining about the CALAs being expensive since they are adding extra costs on top of the normal levies and tuition fees. This indicates that even from the angle of education, the poverty will remain for the poor and only the rich can obtain better services and improve their living standards.

As a result of these adverse effects of the economy, the economic recovery and currency reforms failed to address, the researcher also recorded that, "*Human capital continued to be lost as Zimbabweans left the country in search of better opportunities in neighbouring countries.*" This has been going on for only the fortunate one who managed to secure travelling expenses and has resulted in massive brain drain. As a matter of fact, the economy remains crippled since the educated and intellectual who have the capacity to revive it are leaving the country.

## 4.6 SPECIFIC OBJECTIVE 3: THE INFLUENCE OF THE CURRENCY REFORMS ON CURRENCY EXCHANGE RATE STABILITY AND BUSINESS INVESTMENTS IN ZIMBABWE.

The research third specific objective was to "*evaluate the impact of currency reforms on currency exchange rate stability and business investments in Zimbabwe.*" To achieve this, the researcher evaluated the extent to which they concur to certain and specific economic indicators towards investments. The results observed the following impacts that ranged between the mean score 3.97 and 3.40. The most perceived impacts were;

- Because the government didn't solve the infrastructure gap, the investments remained impoverished. (mean = 3.97)
- Price mismatches brought on by the currency regimes have, for the most part, increased manufacturing costs. (mean = 3.91)
- The nation remained without foreign assistance due to the high foreign debt status. (mean = 3.83)

The results are summarised in the figure 4.9 below;

**The influence of reforms on exchange rate stability and investments**

| Statement | Mean score |
|---|---|
| Derived increase in the prices of commodities. | 3.40 |
| Despite the implementation of the multicurrency system, traders continue to demand enormous profit margins, driving up the price of products and creating inflated... | 3.52 |
| Many banks continued to operate with little capital, and the percentage of non-performing loans remained extremely high | 3.69 |
| The nation remained without foreign assistance due to the high foreign debt status. | 3.83 |
| Price mismatches brought on by the currency regimes have, for the most part, increased manufacturing costs. | 3.91 |
| Because the government didn't solve the infrastructure gap, the investments remained impoverished. | 3.97 |

Figure 4.9 Mean scores rankings on the influence of the reforms on exchange rates stability and investments: *Source: Field research*

The Zimbabwean infrastructure has been in bad state for long time ever since the economic melt down in 2008, the roads, electricity and water supply are not favourable for investment. The country has been experiencing massive load shedding and the industrial sector and commercial sector were being disadvantaged at large. As a result of that infrastructural gap the government is failing to cover, the nation is failing to attract investment and business development and the investors are taking their businesses elsewhere. According to this research, 41.4% of the population concurred that this effect and it has disadvantaged the economic sector at large.

As a result of lacking the investments, the researcher also managed to put across that the unemployment rate remained high and also had the adverse effect on the living standards of the people. The other argument was on the government policies, which are more beneficial to the government. The country was proclaimed to be "open for business" as means to attract the foreign investments and businesses and the Chinese government has been more active in these economic relations. As a result, bilateral agreements were signed and the developed country gains more than the developing country which has resulted in the exploitation of resources and benefit less the hosting country that has further worsen the economy of the host country. The researcher therefore, recommended that the government should utilize multilateral economic deals.

The research findings also, showed that the *price mismatches brought on by the currency regimes have, for the most part, increased manufacturing costs*. 41.4% and 24.1% of the population have concurred to this observation. This was because the local manufacturer had neglected to correct the international prices resulting from the importation of raw materials, and the effect was passed on to the finished product. Since the central bank was unable to produce any notes, the lack of foreign money was also a significant problem. This resulted in an increase in local commodity prices that were expensive and prevented the venture from making the anticipated returns.

The study's findings indicated how the country's currency reforms had an impact on investment and exchange rate stability, and they also showed that *"the nation remained without foreign assistance due to the high foreign debt status"*. 32.8% and 29.3% of the population "strongly agreed" and "agreed" to this effect. The report stated that Zimbabwe's arrears with global financial institutions (IFIs) are estimated to reach US$1.5 billion, with US$0.5 billion owed to the African Development Bank (AfDB), US$0.1 billion owed to the International Monetary Fund (IMF), and US$0.7 billion owed to the World Bank. As noted by the World Bank, the majority strongly agreed with this perception.

The report emphasized that relationships with the IFIs are essential for the investments to be regenerated in support of the economic growth since the beneficial effects of the currency changes may take longer to be realized owing to the country's situation as indicated. According to the research, economic recovery techniques would be more successful and efficient in recovering debts, which would lead to foreign financial support for Zimbabwe.

## 4.7 SPECIFIC OBJECTIVE 4: THE STRATEGIES ENFORCED TO IMPROVE AND REVISE THE ECONOMIC RECOVERY AND CURRENCY REFORMS AND ENHANCING ECONOMIC STABILITY AND GROWTH.

The fourth objective seeks to *"recommend solutions aiming at improving and revising the economic recovery and currency reforms for economic stability and growth"* the mean scores for the responses observed ranged from 4.29 to 3.76 indicating the most effective strategies to the least effective respectively as presented in Table 4.6. The information presents comprises of the frequency distribution for the responses on a Likert scale with parameters (SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree and SA = Strongly Agree). The strategies were summarised as follow:

**Table 4.6: Mean score ranking and response frequency distributions on the responses towards the strategies to improve reforms:**

| Strategies | N | SA | A | N | D | SD | Mean | Rank |
|---|---|---|---|---|---|---|---|---|
| The nation's limited financial resources and the considerable amount of funds required to halt further deterioration in the delivery of social services should be considered in the policies that are adopted. | 58 | 50.0% | 36.2% | 6.9% | 6.9% | 0.0% | 4.29 | 1 |
| Collaboration with the business sector and development partners are required. | 58 | 55.2% | 24.1% | 13.8% | 5.2% | 1.7% | 4.26 | 2 |
| Avoiding a learning crisis that might threaten long-term growth and productivity. | 58 | 56.9% | 20.7% | 15.5% | 5.2% | 1.7% | 4.26 | 2 |
| Leveraging private financing where possible to stimulate growth. | 58 | 46.6% | 22.4% | 17.2% | 12.1% | 1.7% | 4.00 | 4 |
| Redirect funding to focused initiatives to reduce the pandemic's toll, offer social safety nets and food security, | 58 | 50.0% | 13.8% | 25.9% | 6.9% | 3.4% | 4.00 | 4 |
| Zimbabwe will need to heavily rely on reallocating domestic resources to optimal public uses, mobilizing humanitarian support to prevent increasing fragility. | 58 | 34.5% | 31.0% | 20.7% | 8.6% | 5.2% | 3.81 | 6 |
| Domestic policies that promote price stability and the best possible use of public resources are essential | 58 | 36.2% | 15.5% | 37.9% | 8.6% | 1.7% | 3.76 | 7 |
| In order to foster integration, comprehensive planning should incorporate full participation from all parties, especially the community. | 58 | 34.5% | 24.1% | 25.9% | 13.8% | 1.7% | 3.76 | 7 |
| Valid N (listwise) | 58 | | | | | | | |

*Source: field research*

The results presented the first four ranked strategies were:

- The nation's limited financial resources and the considerable amount of funds required to halt further deterioration in the delivery of social services should be considered in the policies that are adopted.

- Collaboration with the business sector and development partners are required.

- Avoiding a learning crisis that might threaten long-term growth and productivity.

- Leveraging private financing where possible to stimulate growth.

- Redirect funding to focused initiatives to reduce the pandemic's toll, offer social safety nets and food security

The least ranked strategies were:

- Domestic policies that promote price stability and the best possible use of public resources are essential
- In order to foster integration, comprehensive planning should incorporate full participation from all parties, especially the community.

The research aimed at recommending the strategies to the existing one and in order to attain or improve economic development and stability in Zimbabwe, these new strategies that may be used to complement the present reforms.  Also, the government is continuously amending the statutory instruments accordingly aiming at improving the economy. The researcher has acknowledged the figure 4.10.
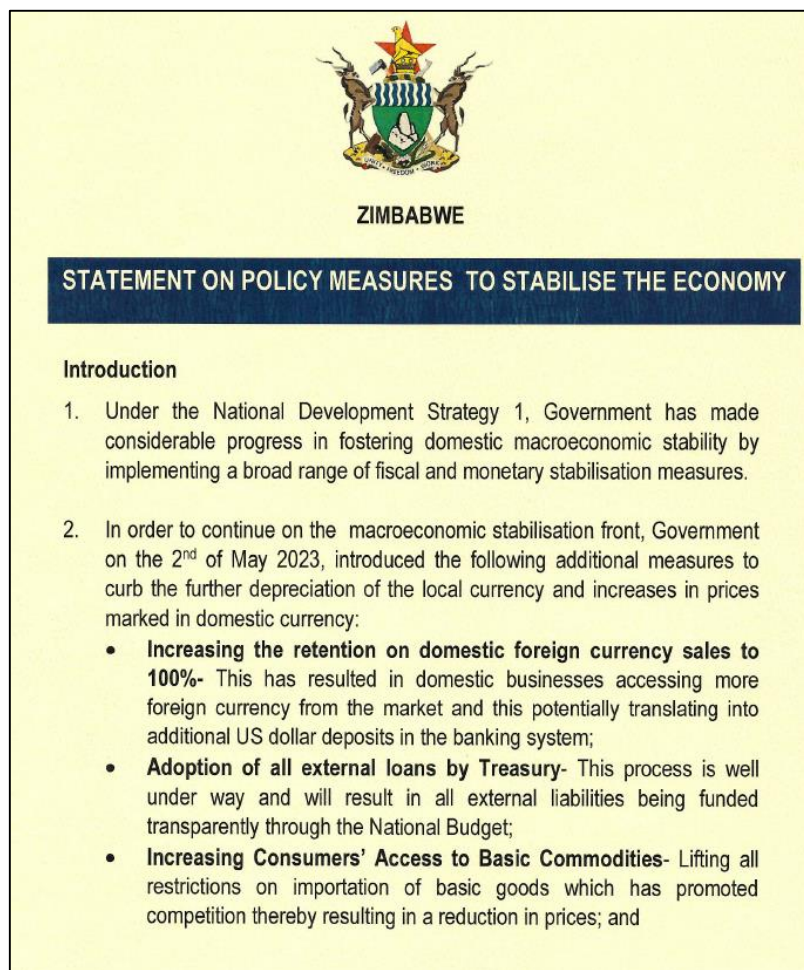


Figure 4.10a Statement on policy measures to stabilise the economy: *source, the press, 2023*

> **Other Supportive Policy Measures for Immediate Implementation**
>
> 6. The above will be supported by the following policy measures:
>    - All export proceeds that remain unutilised after 90 days will be liquidated onto the interbank market.
>    - The weekly auction will be limited to a maximum of US$5 million.
>    - As from 1 June 2023, winning bids at the auction will be paid within 24 hours of award.
>    - All public foreign currency debts will be contracted by Government and will be the responsibility of Treasury.
>    - There will be tightening of monetary policy in order to reduce lending and hence money creation by banks.
>    - All manufacturers selling general goods, such as cement, milk, soft drinks, etc for the export market, will now be required to charge VAT, which is refundable by ZIMRA after exporting.
>
> 7. Government will continue to sterilise excess liquidity already injected into the economy through issuance of Treasury bills, whilst the Reserve Bank will also continue to sterilise through appropriate monetary policy tools.

Figure 4.10b: the statement continuation

The economic pillar and the government will work tirelessly together to revive the economy and ensure that the economic recovery strategies and currency reforms are effective and enforced to achieve the economic stability and growth that the Zimbabwean economy seeks to achieve.

## 4.8 CHAPTER SUMMARY

The chapter adhered to the research approach outlined in the preceding chapter three in order to present, analyse, and discuss the research findings in an effective manner. The research objectives served as the chapter's guiding principles as they addressed the particular research topic stated in chapter 1 subsection 1.4. The next chapter, which serves as the study's last chapter, will provide a summary of major findings of the research, conclusions and suggestions or recommendations.

**CHAPTER 5:**

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

**5.1 INTRODUCTION**

Based on the findings from earlier chapters, the chapter summarized the research's key findings, conclusions, and potential suggestions for the college and industry as well as for more research. This chapter's primary goal was to summarize and draw conclusions on how the researcher was able to accomplish the study's goals. The study's general objective was to assess the extent to which economic recovery and currency reforms impacts the economic stability and growth in Zimbabwe over a period of 5 years, which was achieved as follows:

**5.2 SUMMARY OF MAJOR RESULTS**

The research study was entitled, "Economic recovery and currency reforms impact assessment for economic stability and growth in Zimbabwe" with the scope aiming to assess the extent to which economic recovery and currency reforms impacts the economic stability and growth in Zimbabwe over a period of 5 years. The following precise objectives were used to achieve the general objective and these were:

- To identify the currency reforms and economic recovery methods implemented in Zimbabwe over the period of 10 years.
- To assess the impacts of economic recovery strategies and currency reforms towards inflation, poverty reductions as well as standards of living.
- To evaluate the impact of currency reforms on currency exchange rate stability and business investments in Zimbabwe.
- To recommend solutions aiming at improving and revising the economic recovery and currency reforms for economic stability and growth.

The research was significant in determining the effectiveness of economic recovery strategies and currency reforms in fixing the financial crisis in Zimbabwe. The research utilised the following stakeholders, policy makers, financial institutions, Infrastructural development boards, financial colleges, Foreign and local Investors and the General public. The research framework was built through the following theories; Structure-Conduct-Performance Model, Efficiency Structure Hypothesis (ESH) and Harrod Domar model – Savings Ratio and Investment. The concepts were

based on the economic recovery strategies such as Short-Term Emergency Recovery Program (STERP) and Macroeconomic Policies. The currency reforms were; Dollarization, Reintroducing the Zimbabwean Dollar, Currency Board Regime and the flexible exchange rate policy.

The research methodology implemented was the quantitative approach that enabled the researcher and allowed the investigation if the economic performance in different periods and came up with comparative evidence. The research utilised the closed-ended questionnaire designs to collect quantitative raw data from a sample population of 70 participants. The data analysis utilised the data processing software SPSS to produce reports through the descriptive and inferential statistical tools. This information was then shown as tabulated category frequencies, a bar chart, a pie chart, or a graph in order to promote debate as well mean score rankings.

The questionnaires recorded an overall response rate of 82.9% which was collected from the commercial banks, industrial firms, private companies and government firms. The majority of the participants were male (60.3%), the dominant age group was between the ages 26 to 35, with the longest working experience being between 2 to 5 years and their highest level of education was a bachelor's degree, with 63.8%. the prominent economic sectors were the banking and finance and productions. Also, the top management and finance departments were dominant in their participation in the research. The research tested the inter – reliability testing for the 36 variables of the questionnaire and a Cronbach's alpha coefficient of 0.942 was observed resulting in the coefficient being accepted.

## 5.3 CONCLUSIONS

The respondent's majority of 67.2% concurred that the economy can be revived through the reforms in this research. Therefore, the following are the conclusions the researcher has been able to sum up on each and every specific objective as a result of the research findings:

**Specific Objective 1:** "To identify the currency reforms and economic recovery methods implemented in Zimbabwe over the period of 10 years". The research results observed the following:

- Strategies for economic recovery: Short-Term Emergency Recovery Policy (STERP) and Fiscal Policy (FP).
- The Currency Reforms: Reintroduction of the Zimbabwean Dollar and Currency Board Regime.

**Specific Objective 2: "**To assess the impacts of economic recovery strategies and currency reforms towards inflation, poverty reductions as well as standards of living." The most perceived impacts on Inflation were:

- Zimbabwe's Gross Domestic Product increase.
- Through dollarization (Multicurrency) prices stabilizes.
- Inflation levels fluctuates or ranges in a specific period.

The least perceived was: since just one global currency was in circulation, there were no exchange rates.

The impacts on poverty reductions as well as standards of living were observed as well and the first 3 (three) effects were:

- Price distortions kept commodity values high, which kept the expense of living from decreasing.
- Zimbabwe's Gross Domestic Product increases.
- The government's ability to assist the expanding population of individuals living in severe poverty is limited by a lack of funding and implementation capabilities.

**Specific Objective 3:** "To evaluate the impact of currency reforms on currency exchange rate stability and business investments in Zimbabwe." The researcher drew the following conclusions from the most perceived impacts:

- Because the government didn't solve the infrastructure gap, the investments remained impoverished.
- Price mismatches brought on by the currency regimes have, for the most part, increased manufacturing costs.
- The nation remained without foreign assistance due to the high foreign debt status.

**Specific Objective 4:** "To recommend solutions aiming at improving and revising the economic recovery and currency reforms for economic stability and growth." The researcher concluded on the following strategies as the most effective:

- The nation's limited financial resources and the considerable amount of funds required to halt further deterioration in the delivery of social services should be considered in the policies that are adopted.

- Collaboration with the business sector and development partners are required.
- Avoiding a learning crisis that might threaten long-term growth and productivity.
- Leveraging private financing where possible to stimulate growth

The least effective strategies were:

- Domestic policies that promote price stability and the best possible use of public resources are essential.
- In order to foster integration, comprehensive planning should incorporate full participation from all parties, especially the community.

## 5.4 RECOMMENDATIONS

### 5.4.1 Recommendations for the Industry

The researcher also managed to gather the following recommendations as from the strategies brought forward by the findings as well as suggested opinions of the researcher. The recommendation are as follows;

- Adopted policies should take into account the nation's constrained financial resources and the sizeable amount of funding needed to stop future deterioration in the delivery of social services.
- In order to foster integration, comprehensive planning should incorporate full participation from all parties, especially the community.
- Zimbabwe will need to heavily rely on reallocating domestic resources to optimal public uses, mobilizing humanitarian support to prevent increasing fragility, and leveraging private financing where possible to stimulate growth due to its current tight public finances and limited access to external financing.
- Domestic policies that promote price stability and the best possible use of public resources are essential, especially in light of the significant financial requirements to stop a decline in human capital.
- Transfer funds from ineffective, distorted subsidies to targeted programs that reduce the pandemic's toll, offer social safety nets and food security, and avoid a learning crisis that might threaten future productivity and growth.
- Given that the deficit has increased significantly over the past two years, significant money will be needed to return service delivery to the levels of recent years. In order to utilize funding and capabilities, new strategies for collaboration with the business sector and

development partners are required. Such methods would make it possible for service delivery to improve more quickly when combined with a public sector that is responsive and responsible.

- Collaboration with the business sector and development partners are required. It is strongly advised to do thorough planning with full engagement from all parties, particularly community involvement, in order to encourage integration within the organizations.

- In order for economic policies and changes to be executed for the good of the nation, politics should not be brought into the discussion.

### 5.4.2 Recommendation for the University and the Students

In order to develop new economic recovery methods and currency changes that will promote economic development and stability, the research recommends colleges to continuously include students in the present economic restructuring and to make sure that their fresh perspectives are used broadly. The economic based forums and workshops are key in involving the students in the discussions and contributions to the national economic affairs.

Additionally, the students should be able to fill up any theoretical gaps, guarantee that concepts are applied realistically, and enforce the outcomes. The new information, knowledge, and skills that the students get through the curriculum change help to organize and implement successful tactics and economic stability and growth efforts.

### 5.5 SUGGESTIONS FOR FURTHER STUDY

The report suggests more research to analyse trends in the performance of SMEs affected by economic recovery initiatives. The report also suggests assessing the methods employed to boost investment and industrial revival or resuscitation so that the economy can be revived through the key pillar of economies.

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**Appendices**

**Appendix 1: Research Questionnaire**

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**



**FACULTY OF COMMERCE**

**DEPARTMENT OF BANKING AND FINANCE**

**TITLE: ECONOMIC RECOVERY AND CURRENCY REFORMS IMPACT**

**ASSESSMENT FOR ECONOMIC STABILITY AND GROWTH IN ZIMBABWE.**

*Dear Valued Participant,*

*I Joyful T. Matanga (R1851217) a final year student at the above institution studying towards completion of Bachelor of Commerce Degree in Banking and Finance. According to the university requirements, I am carrying out research entitled, "**Economic Recovery and Currency Reforms Impact Assessment for Economic Stability and Growth in Zimbabwe".** I am kindly requesting for your assistance in responding to the questionnaire. Your responses will be held with CONFIDENTIALITY and used ONLY for the purpose of this study. You are also advised to remain anonymous.*

*Your assistance and cooperation in responding to this questionnaire is crucial to my ability to gather pertinent information and carry out this research. Please don't hesitate to write me at if you need further details, available at B1851217@students.buse.ac.zw or call **+263 775 346 836.***

*Thank you for your time and cooperation.*

# COMMERCIAL BANKING STAFF QUESTIONNAIRE

**This Instrument have TWO (2) sections. Please complete ALL the sections.**

## SECTION A: DEMOGRAPHIC BACKGROUND

*For your answer please **tick** (✔) representing the most appropriate response for you in respect of the following items.*

---

1. What economic sector do you fall under?

   Banking and Finance ☐  Production ☐  Investments ☐  Government ☐

   General Public ☐  Academics ☐  Other: …………………………………………………………..

---

2. Which department do you operate in at your organisation?

   Top Management ☐  Administration ☐  Human resource ☐  Employee ☐
   Finance  General hand ☐

---

3. Age (years)

   18-25 ☐

   26-35 ☐

   36-45 ☐

   46-55 ☐
   56 and above ☐

4. Highest Completed Level of education

   High School Level ☐

   Diploma ☐

   Bachelor's Degree ☐

   Doctorate Degree ☐
   Other ☐

---

5. Gender

   Male ☐
   Female ☐
   Other ☐

6. Working Experience

   Less than 1 year ☐
   2 - 5 years ☐
   6 - 10 years ☐
   10 - 15 years ☐
   16 and above ☐

# SECTION B: STAKEHOLDER PERCEPTIONS TOWARDS THE ECONOMIC RECOVERY AND CURRENCY REFORMS IMPACTS TO ECONOMIC STABILITY AND GROWTH IN ZIMBABWE.

**B1: Stakeholder opinion on the economic recovery strategies and currency reforms.**

1. Do you concur that the Zimbabwean economy can be revived through the use of recovery strategies and currency reforms? *Please **tick** (✔)*

   Yes ☐     No ☐

2. From the list of the economic strategies and currency reforms below, which ones were used in Zimbabwe? *Please **tick** (✔) more than one option if applicable.*

| Economic recovery strategy | (✔) | Currency reforms | (✔) |
|---|---|---|---|
| Fiscal Policy (FP) | | Currency Board Regime | |
| Short-Term Emergency Recovery Program (STERP) | | Reintroducing the Zimbabwean Dollar | |
| Price policy (PP) | | Dollarization | |
| Monetary Policy (MP) | | The flexible exchange rate policy | |
| Balance Of Payment (BOP) policy | | | |

Other:

…………………………………………………………………………………………………………

…………………………………………………………………………………………………..

**B2: STAKEHOLDER OPINIONS ON THE IMPACTS OF THE CURRENT RECOVERY STRATEGIES AND CURRENCY REFORMS ON THE INFLATION, POVERTY REDUCTION AND STANDARDS OF LIVING.**

3. To what extent do you concur to the following statements describing the impacts of the current recovery strategies and currency reforms on the inflation? *Please **tick** (✔) the number representing the most appropriate responses for you. (Strong Disagree = 1; Disagree =2; Neutral=3; Agree=4; Strongly Agree=5)*

| Statement | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| Zimbabwe's Gross Domestic Product increases. | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Inflation levels fluctuates or ranges in a specific period. | | | | | |
| Through dollarization (Multicurrency) prices stabilizes. | | | | | |
| Availability of printed notes | | | | | |
| The currency had gained the buying power. | | | | | |
| Since just one global currency was in circulation, there were no exchange rates. | | | | | |
| Reduce service provider monopolies in order to increase anomalous profit margins | | | | | |
| | | | | | |

Other:

…………………………………………………………………………………………………………

………………………………………………………………………………………………….

4. To what extent do you concur to the following effects of economic recovery and currency reforms on poverty reductions and standards of living enhancement? *Please* **tick** *(✓) the number representing the most appropriate responses for you. (Strong Disagree = 1; Disagree =2; Neutral=3; Agree=4; Strongly Agree=5)*

| Effects of economic recovery and currency reforms | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| Price distortions kept commodity values high, which kept the expense of living from decreasing. | | | | | | |
| Zimbabwean population fell into extreme poverty rather. | | | | | | |
| Since no investments were made and no industrial resuscitation took place, employment possibilities remained static. | | | | | | |
| The government's ability to assist the expanding population of individuals living in severe poverty is limited by a lack of funding and implementation capabilities. | | | | | | |
| Human capital continued to be lost as Zimbabweans left the country in search of better opportunities in neighboring countries. | | | | | | |
| Poor standards of living are a result of the delayed recovery of jobs and earnings in both the official and informal sectors, which has worsened poverty. | | | | | | |
| | | | | | | |

**B3: STAKEHOLDER OPINIONS ON THE INFLUENCE OF THE CURRENCY REFORMS ON CURRENCY EXCHANGE RATE STABILITY AND BUSINESS INVESTMENTS IN ZIMBABWE.**

5. To what extent does the following statements evaluate the effectiveness of the currency reforms in stabilizing the current exchange rate and boosting investments in Zimbabwe?

*Please **tick** (✓) the number representing the most appropriate responses for you in respect of the following statements.*

| STATEMENT | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |
| a. Price mismatches brought on by the currency regimes have, for the most part, increased manufacturing costs. | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |
| b. Derived increase in the prices of commodities. | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |
| c. Despite the implementation of the multicurrency system, traders continue to demand enormous profit margins, driving up the price of products and creating inflated foreign currencies with low purchasing power. | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |
| d. Many banks continued to operate with little capital, and the percentage of non-performing loans remained extremely high. | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |
| e. The nation remained without foreign assistance due to the high foreign debt status. | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |
| f. Because the government didn't solve the infrastructure gap, the investments remained impoverished. | 1 ☐ | 2 ☐ | 3 ☐ | 4 ☐ | 5 ☐ |

Other:

…………………………………………………………………………………………………………………

………………………………………………………………………………………………………………….

## B4: STAKEHOLDER OPINION ON THE STRATEGIES ENFORCED TO IMPROVE AND REVISE THE ECONOMIC RECOVERY AND CURRENCY REFORMS IN ENHANCING ECONOMIC STABILITY AND GROWTH.

To what extent do you concur to the following strategies enforced to improve and revise the economic recovery and currency reforms and enhancing economic stability and growth. *Please **tick** (✓) the number representing the most appropriate responses for you. (Strong Disagree = 1; Disagree =2; Neutral=3; Agree=4; Strongly Agree=5)*

| Statement | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| Domestic policies that promote price stability and the best possible use of public resources are essential | | | | | | |
| Redirect funding to focused initiatives to reduce the pandemic's toll, offer social safety nets and food security, | | | | | | |
| Avoiding a learning crisis that might threaten long-term growth and productivity. | | | | | | |
| Zimbabwe will need to heavily rely on reallocating domestic resources to optimal public uses, mobilizing humanitarian support to prevent increasing fragility. | | | | | | |
| Leveraging private financing where possible to stimulate growth. | | | | | | |
| the nation's limited financial resources and the considerable amount of funds required to halt further deterioration in the delivery of social services should be considered in the policies that are adopted. | | | | | | |
| Collaboration with the business sector and development partners are required. | | | | | | |
| In order to foster integration, comprehensive planning should incorporate full participation from all parties, especially the community. | | | | | | |

Other:

…………………………………………………………………………………………………………

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## Dissertation

| 5% | 4% | 0% | % |
|---|---|---|---|
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PRIMARY SOURCES

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