

Q&A: Zimbabwe's Finance Minister, "The Worst Job In The World"

HARARE: Zimbabwean President Robert Mugabe last week presided over the formation of a new unity government. Movement for Democratic Change (MDC) secretary general Tendai Biti was appointed to the post of finance minister.

Biti faces the difficult task of transforming a moribund economy riddled with the following problems: a virtually dead manufacturing sector, a collapsed agricultural sector, a world-record inflation rate, a soaring rate of unemployment and mounting poverty levels. But Biti, a firebrand critic of Mugabe's economic policies, is profoundly aware of the mammoth task that lies ahead of him.

Though he doesn't possess any qualifications in finance and economics, he has a reputation for being a voracious reader with a penchant for quoting from sources ranging from Greek classics, through Shakespeare and Dickens to popular contemporary books like Paulo Coelho's *The Alchemist*.

The tough commercial lawyer spoke to IPS reporter Stanley Kwenda following his appointment and offered some of his thoughts on how he intends to fix the Zimbabwean economy.

IPS: What are your impressions of your new challenge?

Tendai Biti: The job is the worst in the world but I will have to look it in the eye and I have no doubt that I will be equal to the task and will prevail.

IPS: How are you going to get the country's economy out of the mud?

TB: The first thing is that we have to get the country out of the mess that Mugabe has got it into by putting in place sound measures to stabilise the economy and create an investor-friendly climate.

IPS: How do you plan to do this?

TB: We have to fix the supply side of industry. It has to graduate in the first six months from the near zero percent capacity to at least 60 percent capacity. This will be done by offering packages and incentives to the industrial sectors.

We will also need to change the mining policy and come up with an attractive market structure which will offer local miners international prices for their production. Mining royalty percentages will also have to be looked into, as well as creating an investor-friendly environment by removing various impediments.

IPS: You describe your new job as the worst in the world. There were reports that you were at some point reluctant to participate in this new government. What persuaded you to finally take the job?

TB: Just the fact that somebody had to do it.

IPS: Zimbabwe's economy is largely agriculture-based but this sector is far from its full potential. What measures are you going to put in place to revive the sector?

TB: We are going to invest a lot in this sector, particularly during the 2009-2010 agriculture season.

The sector forms the basis of the country's manufacturing sector and it contributes about 90 percent to the country's gross domestic product (GDP). In short we want to establish a transformation regime in all sectors.

IPS: The country's currency is now equated by many as good as toilet paper as a result of the hyper inflationary environment. What measures are you going to take to reverse this tide?

TB: We will introduce participatory democracy to tap into various ideas as opposed to the centralised command system.

On the micro side of things, we will have to move to save the Zimbabwean dollar by floating it on the market so that it finds its natural value. In the interim we will use it side by side with the South African rand but the solution lies in it retaining its true value rather than the randisation of the economy.

IPS: What about the accusations that the Reserve Bank of Zimbabwe (RBZ) has caused inflation by continually printing notes?

TB: The role of the RBZ in the economy is going to be minimal, returning it to its core functions of managing the country's monetary policy and establishing a real interest regime and encouraging savings in the country's foreign currency reserves.

The printing of money will have to be stopped through the establishment of a strict fiscal discipline regime. We will only spend what we have.

IPS: What are the prospects of the much needed financial injection from the West to kick-start the economic revival?

TB: No doubt the country will need financial injections from the west and there are concrete promises to this effect but these can only be realised after the satisfaction of certain benchmarks, such as the establishment of democracy, respect for human rights and for property rights.

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