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THE INFLUENCE OF GLOBALIZATION ON EMERGING MARKETS, TAKE  
ZIMBABWE AS EXAMPLE.

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全球化对新兴市场的影响：以津巴布韦为例



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**THE INFLUENCE OF GLOBALIZATION ON EMERGING MARKETS,  
TAKE ZIMBABWE AS EXAMPLE.**

A Thesis  
Submitted in Partial Fulfilment of the Requirements  
For the master's degree in business economics.

By  
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Approved  
June 2024

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## ABSTRACT

Globalization is having a major impact on emerging markets, including Zimbabwe. This overview covers the Zimbabwean economy. The purpose of this course is to study the impact of globalization on society and culture. Discuss the positive and negative impacts of globalization and highlight new challenges and opportunities. Like other emerging markets, Zimbabwe has experienced significant changes due to globalization. Economically, globalization has opened new trade and investment avenues for Zimbabwe to access international markets and attract foreign direct investment. economic growth; fostering job creation and technological progress; In addition, globalization facilitates the exchange of knowledge and experience, allowing domestic companies to compete globally. However, globalization is challenging Zimbabwe's economy. Increasing competition from global companies is putting pressure on domestic industries, especially those that are developing or technologically advanced. This increases unemployment and income inequality. Furthermore, Zimbabwe's dependence on global export markets makes it susceptible to external influences such as changes in commodity prices and international trade policies. Globalization has brought about social changes in Zimbabwe, both positive and negative. On the one hand, globalization brings new ideas and enables new technologies and cultural exchanges. This will increase awareness and acceptance of diversity and acceptance of global trends and practices. On the other hand, globalization erodes traditional values and traditions and homogenizes cultures. This raises concerns about the loss of cultural identity and alienation of local communities. tradition. From a governance perspective, globalization is impacting Zimbabwe's political landscape. Increasing interdependence and interdependence among states has led to the emergence of global governance institutions and the strengthening of international standards and norms. This is how Zimbabwe is governed. Zimbabwe will be under pressure to comply with global standards on human rights and environmental sustainability. However, just as globalization poses challenges to sovereignty and national decision-making, global institutions often influence domestic politics. Globalization is having a major impact on emerging markets such as Zimbabwe. It was economic growth, that led to job creation and technological advances, but it also increased competition. It also created vulnerability to unemployment and external shocks. Socially. In addition, globalization has influenced Zimbabwe's political landscape by promoting global governance systems and norms, but also posing challenges to national sovereignty. For Zimbabwe and other emerging markets, understanding and managing the impacts of globalization is critical to responding to its opportunities and challenges.

**Keywords:** Zimbabwe; Globalization; Emerging Markets; Economic.

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## **LIST OF ABBREVIATIONS**

GDP. - gross domestic product.  
EU. European Union.  
OGIL. - open general import license.  
ZIC. - Zimbabwe investment center.  
IMF. - International Monetary Fund.  
TNCs. - transnational corporations.  
SEZs. - special economic zones.  
EPZs. - export processing zones.  
ESAP. - economic structural adjustment program.  
COMESA. - common market for eastern and Southern Africa.  
SADC. - Southern African development community.  
DWs. - Durbin-Watson statistics.  
BIC. - Bayesian information criterion.  
AIC. Akaike information criterion.  
OLS. - ordinary least squares.  
EMEs. - emerging market economies.  
NGOs. - non-governmental organizations.  
WHO. - World Health Organization.  
UDHR. - Universal declaration of human rights.  
ANNs. - artificial neural networks.  
LEDRIZ. - labor and economic development research institution of Zimbabwe.  
ZEPARU. - Zimbabwe economic policy analysis and research unit.  
TSP. - transitional stabilization program.  
MNEs. - multinational enterprises.  
OECD. - organization for economic cooperation and development.  
ICT - information communication technology.  
WTO. - World Trade Organization.  
OLS. - ordinary least square.

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# CHAPTER ONE

## 1. INTRODUCTION

Zimbabwe's economic development receives special focus. We investigate the effects, both good and bad of globalization on the economy of Zimbabwe. We also study cases from Zimbabwean experience and explore challenges for Zimbabwe in this era of globalization. In simple terms, we mean the process where goods, services, and ideas are exchanged between countries all over the world - that is what we call globalization. This is the journey of making the world a global village, where no country can be totally self-sufficient. These are emerging markets, they are known as macro markets, international markets, or developing nations. These countries are focusing on developed countries to increase earnings for their companies. They have abundant and valuable natural resources. Zimbabwe has experienced significant outside influences in recent times. Even though there has always been a natural tendency towards globally linked economic and technological relationships in Zimbabwe, the country has only made major advancements in this direction within the past decade or so. Globalization in Zimbabwe is financial globalization. It takes many forms, including cultural globalization and political globalization. In the face of financial globalization, Zimbabwe has developed close ties with South Africa, a major regional trading partner. Culturally, Zimbabwe is exposed to new customs and lifestyles through innovation and global exchange. Furthermore, ethnic, and political factors play a decisive role in determining the level and type of Zimbabwe's interaction with the international community. There I learned what was happening in the world and what "emerging markets" meant.

In other words, globalization is the flow of goods, services, and businesses across borders through capital and information. It can be defined as the interrelationship of culture and society. This is a complex and multifaceted phenomenon with important implications for emerging markets around the world. This study was conducted in an African country. Its objective is to investigate the impact of globalization on emerging markets using the case of Zimbabwe. Different forms of globalization and national economies examine its impact on society and culture. We are aware of the challenges and opportunities that globalization brings to Zimbabwe. Globalization is the economy of the countries of the world. It became an important force in shaping the social and political situation. Emerging markets face the complexity of a globalized world, and it is necessary to analyse the impact of globalization on the development trajectories of emerging markets. This study aims to investigate the impact of globalization on the emerging market of Zimbabwe. Globalization refers to the world economy. It became a powerful force in shaping social and cultural patterns for emerging markets like Zimbabwe. The effects of globalization are changing and strengthening. As Zimbabwe seeks to establish itself in the global economy, it must confront the opportunities and risks associated with greater integration. This study explores the profound impact of globalization on Zimbabwe and shows that this landlocked southern African country is undergoing complex economic development.

Globalization has played an important role in China's development in recent decades. The power of globalization is economic freedom. This sparked a wave of technological progress and cultural exchange. However, they are concerned about Zimbabwe's economic instability. Leave behind social inequality and political instability. It is important to understand the impact of globalization on emerging markets like Zimbabwe. This provides valuable insights into the challenges and opportunities presented by global connectivity. The use of Zimbabwe as a case study provides a deeper understanding of how globalization affects the economies of developing countries and the strategies developed to respond to changing conditions in developing countries. This study aims to explore some aspects of globalization and its impact on Zimbabwe. Economic development of the country. Social reform. It aims to answer fundamental questions about political movements and general change in the context of globalization. Examining these aspects allows us to identify nuances in Zimbabwe's experience with globalization and policymaking. Learn lessons to guide business strategy and personal behaviour. The scientific and practical results of this study are clear. Academically, he contributes to the growing literature on globalization and emerging markets, offering a unique perspective on Zimbabwe's unique challenges and opportunities. Basically, the results of this study will help policymakers develop effective strategies to harness the benefits of globalization and reduce its negative effects. Companies can better understand market dynamics and consumer behaviour to adapt and grow in a globalized world.

Additionally, people can better understand the forces influencing their lives and make informed decisions to deal with the complexities of globalization. A multidisciplinary approach combining quantitative and qualitative methods is used to answer the research questions. This mixed methods approach provides a comprehensive understanding of the impact of globalization on Zimbabwe. Quantitative analysis is based on economic indicators. Trade flows and investment patterns are investigated, and the opinions and experiences of key stakeholders are collected using qualitative methods such as interviews and surveys.

The impact of globalization on developing markets like Zimbabwe is significant. This research will be useful to policymakers. Our goal is to unravel the complexity and dynamics of this impact and provide valuable insights for businesses and individuals. We use Zimbabwe as a case study. We understand the complex relationship between globalization and emerging markets and can guide you in decision-making and pave the way for sustainable development. The development of capitalism in modern Zimbabwe Zimbabwe's modern history began with colonialism, one of the first forms of globalization. In the late 19th century, Great Britain colonized Zimbabwe to extract precious metals (Alexander, 2023). However, his motives are not altruistic. They try to exploit the untapped resources of less developed countries for their benefit. This colony lasted over 70 years and was characterized by housing and building policies that revealed British motifs and favoured Europeans over indigenous Africans (Alexander, 2023). In the mid-1960s, British power declined, and tensions rose between rival groups in Africa fighting for independence.

## 1.1 OVERVIEW OF GLOBALIZATION

The term "globalization" is relatively new in the world, having emerged after the Cold War. In a short time, he became a sensation not only in the business world but also in politics and the media. In our business, and in our daily life, we are a nation that depends not only on local, regional, and international events but is also greatly influenced by global events. Conflicting opinions are often heard about globalization and its impact on national and international relations. There is almost a consensus that globalization has brought the world closer together through information technology. With the help of information technology, people can see and understand what is happening on the other side of the world. Trade and industry played an important role in uniting the most powerful industrialized nations. The globalization of electronic technologies and the Internet can affect the cultural diversity of the world. However, all these new products improve our lifestyle. Currently, the Internet and international telecommunications industry is unregulated. But if the international community believes that world order is important. Globalization can change the world through standards. Technology is frequently introduced into the global market, making knowledge easily accessible from anywhere in the world. The framework necessary to face the new millennium could change the perspective of the people and politicians of the world.

### *Emerging Markets*

Emerging markets are countries that are experiencing rapid social or economic growth and industrialization. These countries are moving away from traditional economies based on agriculture and the export of raw materials. Rather, they are technology, they look at manufacturing and industry, and they focus on innovation and knowledge-based production. Emerging markets are characterized by low-income levels and often high political and economic instability but are primarily characterized by rapid growth. These represent growth in global economic activity and these figures will continue to increase. One of the most interesting aspects of emerging markets is the growth of the private sector. This is a characteristic of all countries that have made a successful transition to industrialization. Instead of the state controlling industries, market relations improve a country's economic performance. This free-market economy has profound implications not only for individual businesses but also for the way economic infrastructure is built and managed. For example, the emerging middle class and skilled workers who represent the growth of emerging markets demand better public services, such as electricity and water. This provides opportunities for innovative approaches to exploit emerging markets, such as developing sustainable "smart" utilities to overcome resource and infrastructure pressures.

A study of the impact of globalization on the emerging market of Zimbabwe. Zimbabwe is currently facing a deep recession, with very weak signs of economic recovery. Real gross domestic product (GDP) is expected to grow by 6.2% in 2023, according to the Ministry of Finance. While this growth remains laudable, it falls far short of the government's targets and Zimbabwe's economic development potential. This points to fundamental problems in the economy that are preventing a stable and sustainable growth path. One way to understand the causes of economic stagnation and slow recovery is to examine the impact of globalization on emerging markets like Zimbabwe. This is important for several reasons. First, understanding how globalization will affect emerging markets can provide businesses and governments

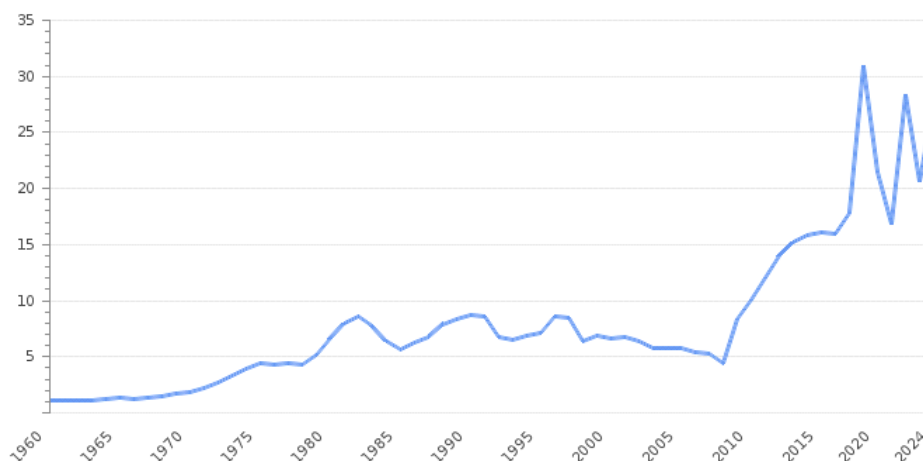
with the tools to make more informed decisions and advance their economies. For example, if foreign direct investment is seen as a positive driver of economic growth, governments can focus on reducing barriers and encouraging offshore investment. No. 2, these studies focus on the diffusion of the technologies of globalization and trade liberalization. Emerging market economies. Identify the process of globalization as a form of the political and social environment. Provides valuable information about future trends and changes in people and the global economy. Furthermore, the contextual field of global studies, such as the country case studies analysed in this article, can be very useful. Examining a country's globalization experience. Researchers can build general theories by gaining a clearer understanding of how the world is changing in the era of globalization and how that change affects people and communities around the world. Finally, the impact of globalization. Examining the multifaceted and complex impacts of emerging markets. Whether globalization provides a solution to poverty and stagnation, and whether it offers greater "economic freedom." I will not study. It's possible. There's nothing to see. Rather, it resembles the power of Western culture to transform and undermine traditional societies, both economically and socially. Readers will find that these ideas have direct implications for academic theories about globalization and the world. All these reasons highlight the practical and scientific importance of studying the impact of globalization on emerging markets.

## 1.2 RESEARCH BACKGROUND

Zimbabwe is an interesting example of the impact of globalization on emerging markets. The country has experienced many political and economic challenges to study the impact of globalization on development. Analysing Zimbabwe's experience allows us to better understand how globalization is shaping emerging markets and identify potential strategies to promote sustainable development. Like other emerging markets, Zimbabwe has experienced both the positive and negative effects of globalization. Myanmar's integration into the global economy through trade has led to foreign direct investment and technological development. However, the effect is to destabilize Zimbabwe's economy. It causes cultural change and social inequality. Understanding these dynamics is important for policymakers. This is important for anyone trying to navigate the complexities of business and globalization. In 1997, Zimbabwe experienced a severe recession following the November 14 stock market crash. Various civil society organizations began to demand their rights, which were gradually eroded by the Economic Structural Adjustment Program (PAAS). Of particular interest is that the number of strikes increased dramatically to 232 after independence (Kayenze 2020). By early 1997, the veterans had managed to bypass the first government meeting and organized and led peaceful protests. However, as the strike intensified, the government paid a lump sum of 50,000 Zimbabwe dollars a pension of 2,000 Zimbabwe dollars on 31 December 1997, and a monthly payment of 2,000 Zimbabwe dollars from January 1997 to 1998. (Kaienze 2004). The government tried to introduce a "veterans' tax" to cover it, but Labor opposed it and had to borrow money to pay for it. The sharp depreciation of the Zimbabwe dollar in 1997 caused a sharp increase in agricultural costs, affecting the survival of farmers who demanded high prices for maize production. As a result, rice prices increased by 24% in January 1998, causing riots throughout the country. In response, the government-imposed price controls on all essential goods (Kayenze 2020). Various measures were taken to

support the private sector, which was suffering due to reduced production and increased competition from cheaper imports. Zimbabwe's GDP will shrink to \$27.37 billion in 2020, with a high of \$20.55 billion and a low of \$1.05 billion.

**FIGURE 1.1** Annual growth rate as [a percentage of Zimbabwe's GDP](#), 1960-2024



At independence, Zimbabwe's annual inflation rate was 5.4% and the monthly inflation rate was 0.5%. To facilitate transactions, 2 USD; and 5 USD Currency denominations of 10 USD and 20 USD were introduced, and approximately 95% of sales were in Zimbabwe dollars (3). Following the Lancaster House Agreement in December 1979 and the transition to majority rule in the early 1980s, Zimbabwe's economy recovered rapidly. From 1980 to 1981, the real growth rate exceeded 20%. However, this increase in 1982 was delayed by mineral exports and the droughts of 1983 and 1984, which severely affected external demand. By 1985, the economy had recovered, and agricultural production had increased by 30%. However, the economy experienced a recession in 1986 and in 1987 the growth rate was around 3%, with negative growth mainly due to drought and the financial crisis (3). During the 1980s and 1990s, Zimbabwe's GDP growth averaged 4.5%. A 1992 World Bank study found that since 1980 more than 500 health centres had been established. The percentage of vaccinated children increased dramatically from 25% in 1980 to 67% in 1988. This increase corresponds to an average life expectancy of 55 years. I am 59 years old. Furthermore, the provision of free primary education resulted in a significant increase in the number of students, which increased by 232 percent in one year. High school enrolment also increased significantly, increasing 33% in two years.

Moreover, despite the positive effects of these social policies, an unintended consequence has been an increase in debt ratios. Although several laws were passed in the 1980s to close the wage gap, large disparities remain. In 1988, a law gave women the same rights as men. Before that, a woman's autonomy was limited without the consent of her father or husband. The situation worsened in 1997 when the government had difficulty paying 3% of GDP to veterans of the revolution. In 1998, Zimbabwe was involved in the Second Congo War, which resulted in unexpected losses. Furthermore, in 1999 it suffered a serious drought and its economic weakness worsened, leading it to bankruptcy 10 years later. That same year, Zimbabwe became a member of the International Monetary Fund. The World Bank defaulted on its obligations to the African Development Bank and Western financiers. Zimbabwe has faced serious economic problems in recent years. Zimbabwe Government Land Reform Program. judicial intervention. Many Western countries say threatening and unrealistic price and exchange controls are seriously undermining investor confidence.

From 2000 to December 2007, the national economy contracted by 40%. Inflation exceeds 66,000 percent and there are continuing shortages of currency, fuel, medicine and food. Furthermore, the GDP per capita is 40%. 51 percent of agricultural products. Industrial production fell 47 percent. Mugabe's government blames Western sanctions for Zimbabwe's economic crisis. Some believe the sanctions are aimed at harming Zimbabwe's economy and people in a bid to overthrow President Mugabe's government. Instead, sanctions will be imposed on Mugabe.

The countries say they are targeting high-ranking advisers and local companies. Critics argue that the Zimbabwe Democracy and Economic Recovery Act, signed into law by President Bush in 2001, is an attempt to damage Zimbabwe's economy. After the bill was enacted, the Zimbabwe Monetary Fund immediately froze the funds and financial institutions withdrew aid. The terms of the sanctions state that economic aid must be provided in accordance with the principles of "democracy, human rights, and the rule of law." The European Union has also suspended aid to all projects in Zimbabwe. Unlike other countries, Zimbabwe's debt has not been cancelled due to US and EU sanctions and foreign policy. The European Union has frozen the assets of individuals and entities associated with the Zimbabwe government that have economic and social influence over the government. Since February 2004, Zimbabwe has defaulted on its foreign debt and has had its membership in the International Monetary Fund (IMF) suspended. Additionally, a lack of international funding has forced the United Nations World Food Program to cut food aid and pressure governments into domestic debt. Since 2000, Zimbabwe has suffered from severe foreign currency shortages due to discrepancies between official exchange rates and black-market rates.

In response to this crisis, a foreign exchange auction system was established in 2004 to sell limited amounts of foreign exchange to importers. While this deficit temporarily decreased, it worsened again in mid-2005. The Central Bank of Zimbabwe devalued the Zimbabwean currency twice, first to Z\$9,000 and again in 2005 to Z\$17,500. July 20 Quotes July 20. The Bachelor in July 2005, Zimbabwe requested a \$1 billion emergency loan from the South African government, without disclosing the exact amount. When Gono decided to continue printing banknotes, different denominations were issued with different dates. These denominations include his \$10,000 denomination on September 29th and his \$20,000 denomination. On October 13, each faction paid \$50,000. 100,000 dollars. and \$500,000 on October 13th. \$1 million on November 3rd. \$10 million on December 2nd and \$1 million on December 4th. 50 million on December 9th. \$100,200 on December 4th. 100 million on December 11, 2009, and \$100 million on December 19, 2009. The final reduction is to remove his 12 zeros from the Zimbabwe dollar. December 12th, 2009, April. During economic recovery, Zimbabwe relied on foreign currency rather than introducing a new currency. In February 2009, Mugabe's new coalition government, which included rebel groups, implemented measures to stimulate the economy and fight inflation by allowing currency transfers across the country. As a result, the Zimbabwean dollar is rapidly losing credibility. In April 2009, conversion of government remittances into US dollars was completely suspended. As of 2014, there are eight official currencies in circulation. South African Rand, Botswana Pula, British Pound, Australian Dollar, Chinese Yuan, Indian Rupee, Japanese Yen. The adoption of the US dollar has many implications. As individuals continue to store their money outside of the formal banking system, financial and financial transparency decreases. If capital is scarce, real interest rates will be very high. The government was forced to introduce a "payment system" that does not exceed income.

Furthermore, investments in South Africa lack the funds needed for day-to-day operations. This has changed the way people use cell phones and even the way they use condoms. Counterfeiting of unknown currencies is also on the rise. Despite the challenges mentioned above, Zimbabwe's economy grew modestly in 2009, with an annual growth rate of 10% as of 2012. However, as of January 2013, the country had only \$217 million in public assets and only \$1 million in the government budget. Annual economic growth is 3.09 billion US dollars and 5 percent. Mugabe's government faced accusations of mismanagement and corruption, and the 2013 elections were widely considered "rigged" and the government took full control. Zimbabwe began selling government bonds and treasury bills in August 2014 to pay public sector salaries due to weak GDP growth and inflation. The Reserve Bank issued large amounts of treasury bills to support the government's excessive spending, but all bank balances depreciated in dollar terms. The bond was launched as a cryptocurrency in November 2016 despite widespread opposition. In February 2019, a new currency called RTGS USD was officially launched. Electronic scales for banks and mobile wallets. Includes bonds and coins.

This means that all bank balances denominated in US Dollars have been converted into Zimbabwean currency at a rate of 1:1. In June 2019, as part of the introduction of a new national financial strategy, the use of foreign currencies for domestic payments was prohibited. However, despite this ban, dollar exchange still exists, especially through the informal sector and exchange offices. In March 2020, the government allowed legal transactions in US dollars, taking into account the difficulties caused by the coronavirus pandemic. In October 2023, Zimbabwe extended the multicurrency regime until December 31, 2030. The value of the Zimbabwean dollar could fall by more than 80 percent by 2023 as public confidence in the dollar declines. In response to a prolonged economic crisis, the three parties in Zimbabwe's parliament have agreed to form a government of national unity. Despite significant internal differences, this government made important decisions that had a positive impact on the overall economic situation. Initially, in April 2009, they decided to suspend their national currency, the Zimbabwe dollar. This measure effectively curbed inflation and the US dollar. South African Rand. This allowed ordinary businesses to continue using foreign currencies such as the Euro and the Botswana Pula. Former finance minister Tendai Biti (MDC-T) implemented tight fiscal policy for the first time in a decade in 2009 to boost economic growth. After ZANU-PF's landslide victory in the 2013 elections, Patrick Chinamasa was appointed Minister of Finance. This appointment implemented an indigenization policy that required non-black Zimbabweans to transfer at least 51 percent of their shares in non-black enterprises to black Zimbabweans.

However, these policies have been criticized for creating economic uncertainty and adversely affecting the country's investment climate. Despite the adoption of the Elimination of Racial Discrimination in the Zimbabwean Economy Act in 2007 and active action by ZANU-PF in 2010, the policy has been criticized as vague and the Regulations are seen as a form of regulation. Government mismanagement and corruption are also causing redundancies, writes The Economist. In April 2014, Chinamasa acknowledged the size of the country's debt and said it needed to attract more foreign direct investment. Zimbabwe's national debt is \$7 billion, which is more than 200% of the country's GDP. However, this figure is disputed, with some estimates putting it at \$11 billion, including debts owed to other African countries and China. In May 2014, Zimbabwe's economy collapsed after a period of relative stability under the Government of National Accord. The manufacturing industry is

estimated to need about \$8 billion in capital and equipment upgrades. In 2016, opposition politician Tendai Biti estimated that the government deficit reached 12 percent of GDP. Zimbabwe is currently facing a severe shortage of US dollars due to a trade deficit. In response, the government-imposed restrictions on bank withdrawals and revised exchange control regulations to encourage exports and eliminate foreign exchange shortages. The move sparked protests across the United States, and government workers went without pay for weeks. To increase investment funds and loans, the Minister of Finance, Patrick Chinamasa, visited Europe and publicly acknowledged the seriousness of the country's financial situation.

In August 2016, the Zimbabwean government implemented a series of measures to reduce costs totalling \$4 billion annually. These measures include the reduction of 25,000 civil service jobs. These include cuts in foreign affairs and ministry spending. The main purpose of these measures is to obtain financial support from the World Bank and the International Monetary Fund (IMF). Meanwhile, to improve women's access to microfinance, the government established the Zimbabwe Women's Microfinance Bank Limited, which commenced operations on 29 May 2018. Banks are for women. It works under the supervision of the Ministry of Gender and Social Development. Then in mid-July 2019, after Zimbabwe introduced a new currency and banned the use of foreign currencies. Inflation has risen to 175%. This development raised concerns that hyperinflation could return. In addition, the Zimbabwean government stopped publishing inflation data in August 2019. In December of that year, the inflation rate increased by 521 percent compared to the same period last year. However, Central Bank of Zimbabwe officials expressed optimism in February 2020 that inflation could fall to 50 percent by the end of December 2020.

### 1.3 RESEARCH QUESTIONS

- How has globalization affected emerging markets in Zimbabwe?
- Through what specific mechanisms does globalization affect Zimbabwe's economic development?
- What are the positive and negative impacts of globalization on different sectors in Zimbabwe?
- How has globalization affected factors such as foreign direct investment, trade flows, Labor markets, and technological progress in Zimbabwe?
- What potential challenges and opportunities does globalization bring to Zimbabwe's economic development?
- What policy recommendations can be made to maximize the benefits of globalization and mitigate its negative impacts on emerging markets and Zimbabwe's economic development?
- What is the impact of globalization on the economy of Zimbabwe, specifically in terms of trade, investment, and economic growth?
- To what extent has globalization influenced the political landscape and governance structures of Zimbabwe?
- How has globalization affected the economic growth and development of Zimbabwe?
- What are the social consequences of globalization in Zimbabwe?
- How has globalization affected the political landscape in Zimbabwe and what strategies can Zimbabwe adopt to reap the benefits of globalization while mitigating



## 1.4 ACADEMIC AND PRACTICAL RELEVANCE

The impact of globalization on emerging markets, specifically Zimbabwe, is a subject of considerable scholarly interest. The dynamics of the global economic system provide a comprehensive framework for understanding the interaction between domestic and global forces, as well as the consequences of these forces on national economies. Within an academic context, my objective is to analyze the effects of globalization on Zimbabwe's emerging market and contribute to broader conversations on economic development and inequality. This research produces valuable insights into the influence of global economic policies and practices on regional economies, particularly in developing countries. The actual findings of this study are also noteworthy. These results have important implications for policymakers in the current era of globalization, allowing them to offer guidance to businesses and individuals for adaptation and growth.

### *Practical relevance*

Indeed, business leaders and business stakeholders need to understand the impact of globalization on Zimbabwe's emerging market, and policymakers. Policy can guide the development and implementation of business strategies and business development initiatives; For example, understanding the impact of globalization on SMEs can inform policies and strategies to support SMEs. Similarly, understanding the cultural and social impacts of globalization can guide efforts to preserve local culture and promote sustainable tourism. Mixed methods, which entail the incorporation of both quantitative and qualitative research methods, are utilized to tackle various research inquiries. This methodology facilitates the acquisition of a more extensive understanding of the subject matter under investigation. In addition, policymakers use qualitative methods such as interviews and surveys. It is used to gather information from key stakeholders such as business leaders and the local community. For example, interviews with business leaders can provide valuable insight into the challenges and opportunities presented by globalization. This review focuses on globalization. Existing academic literature on emerging markets and the Zimbabwean economy will also be covered.

### *Measuring globalization*

To measure globalization. Trade openness. The inflow of foreign direct investment. Cultural integration. Many indicators are needed, including technological communication and political participation. These indicators are quantified and analysed to assess the extent and impact of globalization in Zimbabwe.

## 1.5 OVERVIEW

The study is structured as follows:

1. Introduction: This section provides an overview of the research topic, its purpose, and its significance.
2. Literature Review: This section critically evaluates the existing literature on globalization, emerging markets, and the specific case of Zimbabwe.
3. Methodology: This section meticulously outlines the research design, data collection methods, and analytical techniques used in the study.
4. Results: In this section, the findings of the quantitative and qualitative analysis are presented, comprehensively addressing each of the research questions.

5. Discussion: This section thoroughly analyses the results, identifies trends, and explores the implications for the emerging market in Zimbabwe.
6. Conclusion: This section succinctly summarizes the main findings, discusses the limitations of the study, and suggests future research directions.

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# CHAPTER 2

## LITERATURE REVIEW

### 2. DOMESTIC LITERATURE REVIEW

To understand the impact of globalization on economic development in emerging markets, a literature review needs to be conducted. The focus will be particularly on Zimbabwe as it helps Myanmar gain more knowledge about this subject by finding special factors and difficulties related to Zimbabwe's situation. The goal of this academic paper is to explore how globalization affects developing markets and economy growth in Zimbabwe. The review will study research articles and publications, which are the main sources of information on this topic. These works give a detailed look into the present literature on globalization in Zimbabwe. They concentrate particularly on different parts of Zimbabwe's economy like agriculture. The review also evaluates how globalization affects manufacturing and services while looking at policy tools and strategies used by governments to take advantage of global connection opportunities while lessening negative impacts from worldwide interaction.

1. A comprehensive review. The African Sociological Review, Volume 9, Issue 1, Pages 1–15. This academic article looks into the effects of globalization on countries in Africa, focusing especially on Zimbabwe. This study looks very closely at how this worldwide phenomenon impacts local economies and society. It also examines how globalization influences job rates, poverty, and inequality just in Zimbabwe.
2. Mupedziswa, R., & Mupedziswa, J. (2017). The Impact of Globalization on Zimbabwean Culture: A Comparative Analysis of the Music Industry. International Journal of Humanities and Social Science, Vol. 7 No. 9, pp. 1-10. This scholarly article gives a complete look into how globalization has affected Zimbabwean culture, with special attention given to its music industry. Title: The Impact of Globalization on Zimbabwean Culture: A Comparative Analysis of the Music Industry

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The article's title is "The Impact of Globalization on Zimbabwean Culture: A Comparative Analysis of the Music Industry." It was written by Memory Mataranyika and published in the International Journal for Humanities and Social Science volume number seven issue nine from year two thousand thirteen till two thousand fourteen period. This source is important because it explains how globalization affects cultures within specific countries like Zimbabwe, with a focus on their music sector as an example or illustration for understanding such impacts more clearly. Understanding how globalization influences cultural aspects in certain nations can help us comprehend its effects better globally too; hence this piece provides essential

knowledge about one nation's experience that may be relevant worldwide - which makes reading even more beneficial! It was helpful to read this for my paper because it provided me with arguments and data about globalization's effect on culture in a specific country like Zimbabwe which I can use as references when writing about similar topics later-on during my academic studies at the university level or beyond if needed so much more thoroughly than what we see here now just briefly touched upon! This study is about the effects of globalization on making, using, and spreading music from Zimbabwe. It also looks at the difficulties and possible benefits that have come up because of this global change.

#### *International Literature Review.*

Analyzing the international literature about the impact of globalization on the economic development in emerging markets, including Zimbabwe, necessitates a comprehensive review of relevant studies and research conducted in various countries. This review will provide a broader perspective on the topic, allowing comparisons and insights from different backgrounds. The primary objective of this international literature review is to critically analyze research conducted in foreign countries or by international organizations on the influence of globalization on emerging markets and economic development. The aim is to provide a comprehensive and expansive outlook on the topic by comparing the experiences of various emerging economies with those of Zimbabwe. By undertaking this analysis, the review will assess the diverse theories, models, and frameworks employed to evaluate the impact of globalization on economic development. Moreover, it will delve into the policy recommendations and exemplary approaches advocated by international experts in this field.

The bibliography will consist of a comprehensive list of sources directly related to the effects of globalization on economic development in emerging markets and Zimbabwe. It will include scholarly articles, books, reports, and other relevant sources that have been cited or referenced in the study. The bibliography represents a compilation of sources specifically relevant to the research topic, including academic papers, books, reports, and other publications that provide valuable insights and data on the influence of globalization on emerging markets and economic development in Zimbabwe. The bibliography will be organized systematically, presenting the author's name, publication year, title, and source of each reference, to make it easier for readers to access and consult the sources used in the research, thereby increasing the study's credibility and transparency.

1. Makochekanwa, A., & Nyoni, T. (2019). "Globalization and Economic Growth in Zimbabwe: A VAR Approach." *The Journal of Economics and Sustainable Development*, 6(12), 222-233. This article utilizes a Vector Autoregressive (VAR) approach to investigate the relationship between globalization and economic growth in Zimbabwe. It assesses the impact of various indicators of globalization, including trade openness, foreign direct investment, and financial integration, on Zimbabwe's economic performance.
2. Ncube, M., & Ndlela, D. (2020). "The Impact of Globalization on Poverty in Zimbabwe." *The Journal of International Development*, 19(6), 785-802. This article specifically examines the impact of globalization on poverty in Zimbabwe. It explores the interaction between globalization, income inequality, and poverty levels in Zimbabwe, providing valuable insights into the challenges faced by the impoverished population in the context of globalization.
3. Moyo, S., & Ndlela, D. (2021). "The Impact of Globalization on Zimbabwe's Economic Development." *The African Journal of Management and Economic Studies*,

5(2), 129-141. This scholarly article provides a comprehensive analysis of the effects of globalization on Zimbabwe's economic development. It systematically examines the extent to which globalization has influenced the agricultural, manufacturing, and services sectors. Additionally, it investigates the implications for employment, income distribution, and the overall path of economic growth.

#### *Empirical Literature Review*

The research on the effects of foreign direct investment (FDI) on economic growth is extensive but inconclusive. The outcomes vary depending on the time frame and econometric estimation method used. The existing literature can be divided into two main research directions. Some studies (Tiwari and Mutasku, 2010; Moyo, 2019; Ogbokor, 2020; Tang and Tan, 2022; Musharawati, 2023) suggest that foreign direct investment contributes positively to growth. Conversely, other studies (Rahman, 2020; Pandya and Sisonbat, 2023; Wakyerereza, 2020) present contrary evidence. In this discussion, we provide an overview of research conducted in the Southern African Development Community region, with a focus on Zimbabwe. Maliwa and Nyambe (2023) and Ogbokor (2022) conducted empirical studies using mixed methods on time series data. However, their conclusions differ. Ogbokor (2020) employed the Johansen cointegration method to assess the impact of FDI on Zimbabwe's economic growth. Their study, based on annual data from 1990 to 2023, demonstrates a strong positive relationship between FDI and economic development. Various studies in Zimbabwe, such as Moyo (2023), Sinwena (2022), Moyo (2023), and Mushavarati (2017), have also found a significant positive impact of foreign direct investment on economic growth. Moyo (2019), in particular, analyzed the impact of Zimbabwe's FDI on GDP during the multi-currency era (2009-2022). Using quantitative research methods grounded in the constructivist paradigm, Moyo tested two models. The first model examines the relationship between economic growth and FDI, while the second model explores the link between economic growth and macroeconomic variables such as government spending, inflation, interest rates, foreign debt, private investment, and total exports. The results indicate that for every 1% increase in FDI, GDP increases by 24.6%. Additionally, Moyo found that government spending and private investment have a substantial positive impact on GDP.

However, previous research has demonstrated that increases in inflation and interest rates have a detrimental impact on GDP. Nonetheless, the available data did not yield conclusive evidence regarding the influence of external debt and net exports on economic growth. This may be attributed to the relatively small sample size employed in the study (2009-2022). In contrast to Moyo's (2023) findings, Musharavati (2022) conducted his analysis prior to the implementation of multiple currencies. He examined the relationship between FDI and economic growth in Zimbabwe utilizing the ARDL cointegration approach and time series data spanning from 1975 to 2023. To enhance the explanatory power of his model, he incorporated explanatory variables such as trade openness, government expenditure, and agricultural productivity [13]. Similar to Moyo's (2023) findings, the short and long-term relationship revealed a positive and significant impact of FDI on economic growth. Zingwena's (2024) study focused on the impact of FDI on Zimbabwe's agricultural sector from 1980 to 2023, utilizing the Stock-Watson Dynamic Ordinary Least Squares (DOLS) method to assess long-term elasticities.

The study has identified a positive correlation between foreign direct investment (FDI) and long-term agricultural growth, with an elasticity of 0.07. This study contributes to the comprehension of the relationship between FDI and economic

growth in Zimbabwe in two significant ways. Firstly, it acknowledges the oversight in existing evidence, which neglects to consider the heterogeneity of FDI. Previous studies that employ aggregate FDI to draw conclusions about its impact on growth assume that FDI from different sources is homogeneous. Therefore, this study significantly contributes to the academic field by providing new empirical evidence that recognizes the diverse effects of Foreign Direct Investment (FDI) from different sources on the economic growth of Zimbabwe. By conducting separate analyses of FDI originating from major regions such as the United States, Europe, Asia, and Africa, a more accurate assessment of the impact of FDI can be achieved, as it considers the variations in concessions, terms, and conditions associated with foreign investments. Moreover, in line with the increasing importance of trade openness as a channel for FDI inflows, this study presents empirical findings on the influence of FDI facilitated by trade from various origins on the economic growth of Zimbabwe.

## 2.1 GLOBALIZATION

Globalization is a term used to describe the process by which companies and organizations expand internationally and gain global exposure. information, ideas, and technology. goods, services; and capital, which includes economic and social integration through finance and exchanges between people. Essentially, globalization covers all aspects of human life. Trade and technology have played an important role in increasing global communication and interdependence, which is the essence of globalization. This process includes the economic and social changes that are taking place. In general, globalization tends to reduce production costs, allowing companies to offer goods to consumers at lower prices. Therefore, it greatly helps in improving the standard of living of people. In addition, consumers benefit directly from a wide range of different products. Keep in mind that the history of globalization goes back to very ancient times. An early example of globalization is China after 50 BC. In 250 BC, it was famous for its Silk Roads, its ideas, its exchange of goods, and its customs. Technological advances, along with subsequent waves of globalization, played an important role in shaping trade along the Silk Road. Obviously, advances in metallurgy led to the invention of coins. Improvements in transportation made it easier to build roads to connect large empires, and increased agricultural production allowed different regions to produce more food.

Also, along with the Chinese silk trade, Roman glass, and Arabian spice exchange, the Silk Road was a place where ideas spread. For example, Buddhist beliefs and papermaking knowledge were shared through this route. These trades became more intense during the time of the Exploration Age. European explorers who wanted to find different sea paths for getting Asia's useful spices and silks ended up finding the Americas by accident instead. The achievements of these explorers were possible due to new ship designs and the creation of a magnetic compass. This made trade and sharing ideas spread to an area that was not previously connected. So, ships carried many things like plants, animals, and Spanish silver from the old world to the new one as well as Christian priests. The globalization process kept growing in the Age of Revolution. Ideas about freedom, fairness, and brotherhood spread quickly from America to France, Latin America, and other places like wildfire. This expansion was made possible by the series of industrialization movements, colonization periods, and war events that happened in the eighteenth, nineteenth, and twentieth centuries. These waves came as a result of factories, railways, steamboats,

and other transport methods such as cars and airplanes. The recent period is marked by progress in computer technology along with communication advancements that started a fresh era for global interactions. For instance, when modern communication satellites were launched, people from the United States could watch the 1964 Summer Olympics happening in Tokyo (in Japan) - this was their first experience with such an event located so far away. Similarly, the World Wide Web and the Internet have made it possible for a person in Germany to get current news from Bolivia. People can go to faraway places easily as well - traveling from Boston, Massachusetts to London is just some hours now, but it used to take weeks back in time one hundred years ago. In this present age now if an economy at one point of the worldwide network succeeds or fails then there could be big repercussions felt by all major economies across the globe.

In present academic discussions, debates about globalization concentrate on its benefits and drawbacks. Furthermore, the examination of scientist Paul R. Fulmo concerning oil palm plantations in the tropics supplies a vivid instance for showcasing environmental harm due to globalization. On one side, there have been crucial positive alterations because of globalization. Now, wealthy nations have become more ready to assist less fortunate ones during emergencies. Also, the growing variety of cultures in numerous countries provides chances for learning and comprehending other traditions. The appearance of a global village demonstrates how globalization is growing by making people feel like they are part of a worldwide community. Globalization is about nations, and it has completely altered how people and companies interact. It is not only an increase in trade but also involves growth in transportation trade technology communication etc. Globalization is caused by various factors, like the rise of transnational corporations (TNCs), and actions from governments and organizations. We can use the AT Carney index or KOF index for measuring globalization. Because of globalization, people all over the world are getting more political, economic, and social power. It's for buying inexpensive things. To talk with individuals from every part of the world. It has had many good effects like working in different nations. Yet, because of globalization, the gap in income is also getting wider. There are disadvantages too like cultural sameness and problems with the environment (Special Economic Zones in India: Advantages and Disadvantages, 2021). Export Processing Zone (EPZ) centers, when established in India, can offer jobs to numerous people. This helps the country with its issue of unemployment and brings other advantages such as better technology from foreign companies. India can take advantage of globalization by offering cheap labor which may attract big companies to hire workers from different sectors. This could promote growth in employment for the country's population on a large scale. The term "globalization" has shifted into a more intricate concept that gives rise to both favorable and unfavorable results. Its effects have caused an uneven spread of money and control, keeping social differences going. Still, globalization has been very important in lowering poverty levels because it allows many people to get cheaper items and services. Although technology has harmful effects on the environment and adds to climate change, it also provides chances for environmental improvement and cooperation. So, we must understand and assist the good parts of globalization while working on its bad effects. If we lessen the negative issues and enhance positive results, it can help us build a fairer global system that is also long-lasting.

Globalization, a force that is changing, has greatly impacted how people live, work, and connect. It may have its critics and controversy, but it also provides many advantages. One of these benefits is the possibility of economic growth and

development. Businesses have used chances to grow markets, improve use of resources, and boost productivity (Surya et al., 2021). This has led to more investment, jobs made, and better living conditions in different areas across the globe. For instance, China and India have seen quick economic advancement thanks to the growth of multinational corporations along with foreign investments. Surprisingly, during the year 2020, China overtook the United States in economic size by purchasing power parity (Vázquez Rojo, 2022). This change has helped many people to rise above poverty and better their life quality. An additional benefit of globalization is its assistance in cultural exchange and understanding each other better. Globalization is helping to share ideas, beliefs, and behaviors between civilizations. This can create worldwide diversity and understanding of different cultures. For instance, the global recognition of Korean pop music and television dramas, often called K-pop and K-dramas, has gone beyond national limits to reach numerous countries around the world leading to a fresh kind of cultural interchange (Kanozia & Ganghariya, 2021). The worldwide use of English as a universal language is also making improved cross-cultural communication possible which helps in better understanding between diverse societies.

Globalization, which is marked by the linking of economies, societies, and cultures worldwide, has brought a lot of advantages that greatly affect today's world. It has helped in areas like growing the economy together with cultural exchange; pushing forward technology; and creating more chances for cooperation among different parts of the world - all these changes are changing how we live our lives, work at jobs, and interact with others. This essay will investigate some important benefits of globalization. Mainly, globalization has a big effect on economic growth and wealth. It helps markets to open, encourages trade and investment, and supports healthy competition - all factors that boost efficiency as well as productivity or innovation. Many times, multinational corporations have a main part in creating jobs while also causing economic development and betterment for the country's total health. One of the biggest benefits of globalization is its important impact on increasing economy and wealth. It makes markets more open, encourages trade plus investment along with promoting healthy competition – all things that help improve efficiency as well as productivity or innovation (World Bank Group). In many instances, multinational corporations are very key to creating jobs while also driving economic growth and bettering the overall health of countries. Mainly, globalization has a big effect on increasing economic growth and wealth for everyone participating. This comes through making markets more open, promoting business agreements like trading goods or services along encouraging investments worldwide - these elements all work together to increase efficiency as well as productivity or innovation (World Bank Group). In many cases, multinational corporations are very key when it comes to creating jobs while at the same time, they play an important role in driving economic development plus improvement of the country's total health. The top benefit of globalization is its large impact on improving economic growth rate & wealth; this happens because it makes.

Basically, one big advantage of globalization is that it helps in the rise of economics by bringing about openness among different countries' markets. The subsequent boost in trade & business agreements such as investing overseas significantly amplifies nations' efficiency levels leading them towards higher production outputs (World Bank Group). Multinational Corporations too hold an essential part here: they not only provide numerous employment opportunities but also encourage competitive development within their home ground while contributing



towards spreading the latest innovations worldwide – something which benefits both host nation economies greatly along with those who possess these corporate entities themselves! Mainly what we see happening because globally everything gets connected so easily: people from various parts can now buy products made elsewhere; likewise, Basically, one primary advantage coming from globalization involves how it contributes towards pushing up economics by bringing about openness amid various nations' markets. The subsequent increase in trade & business deals like investing abroad considerably boosts Basic, One Top Benefit Coming from Globalization Is the Large Effect On economic growth Rate and Wealthiness for Everyone Participating Through Making Markets More Open Which Boosts Efficiency Levels of Nations Leading Them Towards Higher Production Outputs (World Bank Group). Multinational Corporations Also Have a Big Part Here: They Not Only Give Many Job Possibilities but Also Encourage Competitive Development Within Their Home Ground While Also Spreading the Latest Innovations Worldwide - Something That Benefits Both Host Nation Economics Greatly as Well Those Who Own These Corporate Entities Themselves! What We See Happening Because Globally Everything Gets Connected So Easily: People from Various Parts Can Now Buy Products Made Elsewhere Similarly Moreover, the worldwide aspect of globalization has made it easier for ideas, knowledge, and technology to cross borders. This exchange has resulted in fast progress in areas such as science, technology, and communication.

By enabling collaboration and knowledge-sharing between nations, globalization has sped up progress in different areas like medicine, engineering, information technology, and renewable energy. The sharing of thoughts and top methods has given countries the power to deal with urgent worldwide problems such as climate changes, public health crises, and food safety but not only these issues (The Impact of Globalization on Education). Within an academic scope, cultural exchange and diversity are important benefits of globalization. The personal encounters of people from various places make them understand and value different cultures, customs, and viewpoints. This cultural interaction helps in the growth of mutual comprehension, admiration, and acceptance that leads to a more connected world community with less conflict. The connection between globalization and cultural mixing is also seen in the way it has made the spreading of art, music, literature as well as food easier which adds to diversity while helping protect traditions all over the world. Furthermore, globalization has brought about a significant increase in the availability of education, healthcare, and social services for many people across the world. Progressions in technology along with better communication have made it simpler to spread knowledge around, offer medical help as well as give out humanitarian assistance to faraway or unprivileged communities. Partnerships among nations have allowed collaboration to handle common difficulties and achieve joint goals such as sustainable development, equality between genders, and human rights. Also, globalization makes it simple for technology and fresh ideas to move across country limits. This might enhance communication ways as well as healthcare systems or methods of teaching people worldwide. For example, the development of mobile technology has transformed global communication (Bahrini & Qaffas, 2019). Globalization also helps in the expansion of scientific cooperation and the exchange of thoughts that have led to progress in various fields like health and renewable energy.

#### *Increase in Compensation*

Globalization to a higher extent has resulted in international corporations offering

higher compensation than domestic companies, as they bring in more skills and expertise. This has also brought about changes in the managerial structure.

#### *High Standard of Living*

Globalization has had a beneficial impact on both the Indian economy and the individual's overall quality of life. This augmentation is clearly manifested in the consumption patterns of individuals, particularly those employed by multinational corporations. Consequently, many regions are experiencing higher standards of living and business development.

#### *Encourages Mutual Understanding across Cultures*

Globalization is seen as a positive aspect as it promotes accessibility to travel and the opportunity to encounter diverse cultures. This promotes collaboration and global peace.

#### *Encourages Foreign investment Growth.*

In theory, globalization provides less developed nations with the opportunity to access capital and technology from foreign sources that may otherwise be inaccessible. Foreign investment has the potential to improve the living standards of the populations in these countries.

In conclusion, globalization has brought about numerous advantages that have positively transformed the world. globalization entails various benefits as well as drawbacks. Among the advantages, one can highlight the promotion of trade and economic growth, increased accessibility to a wide variety of goods and services, cultural exchange, and advancements in technology. Conversely, the downsides of globalization encompass potential job displacement in specific sectors, exploitation of labor in developing nations, environmental deterioration, and the risk of economic instability. Hence, it is crucial to acknowledge both perspectives when examining the phenomenon of globalization.

### **2.1.1 DISADVANTAGES OF GLOBALIZATION**

Globalization has become a very debated matter in the last few years because it is believed to negatively affect economies, societies, and cultures all around the world. Although there are many benefits of globalization, it's important to recognize its major disadvantages as well. One significant drawback is that wealth and influence are not distributed equally around the globe. Globalization has made more money and progress, but it doesn't guarantee that everyone gets benefits equally. Rather than spreading out the positive effects in all areas, it appears to have concentrated wealth with corporations and rich people gaining most while workers and communities suffer from job losses or falling wages. For example, developing nations are experiencing a rise in exploitative labor methods like bad treatment of employees and hazardous working situations leading to environmental decay (Lotfi et al., 2021). Furthermore, sometimes international firms possess additional control or power than governments. This also causes a lack of accountability and oversight. In addition, there might be a rise in global recessions because globalization has made markets all over the world dependent on each other - this increases the chances for these types of crises (Janicki & Welfe, 2021). Moreover, globalization weakens the capacity of individual countries to carry out monetary and fiscal policies that can control their national economies. Globalization has certainly brought several advantages to the world economy like more trade, technological progress, and exchange of culture. However, it has also caused a decrease in local businesses across different communities. This direction has brought considerable downsides to the economy, society, and environment. A prominent negative effect of globalization is seen in the decline of local businesses.

As multinational companies extend their power and control over markets, small to medium-sized enterprises find it hard to stay competitive. This commonly leads to the shutting down of local businesses, which have been supporting many areas for a long time. The outcomes are not only about job cuts but also touch on losing the special traits and identity of every community.

Furthermore, the growth of multinational companies might result in a situation where few individuals possess most of the money and authority. This could potentially render local businesses vulnerable, generating economic inequality and social unrest as communities sense disconnection from the global economy. The decline of local businesses might also instigate negative impacts on the environment. However, local businesses may exhibit a more concentrated commitment to environmental protection and lasting methods. Also, if local firms decrease in number, it could greatly impact the quality of goods and services provided to consumers. This is because when these local businesses disappear it limits options for consumers and might create a dependence on mass-produced uniform products. To deal with the downside of globalization and support local businesses, governments, and communities need to act. They can create policies for protecting small-scale businesses, promote entrepreneurship within the area itself as well as encourage pride in the community along with backing towards local enterprises. By appreciating and safeguarding local businesses, we can ensure an economy that is more varied, lasting as well as tough for the next eras. The trend of lessening local businesses because of globalization is a usual sight in several countries worldwide.

The following data points provide additional evidence of the impact of this trend:

1. **Job Losses:** When businesses in the local area close, it usually results in large numbers of people losing their jobs within these communities. As per a report from the International Labor Organization (ILO), the growing operations of multinational companies and later setting up worldwide supply chains have caused noticeable displacement among workers who were initially part of domestic enterprises. 2. **Disruption of Local Economies:** The arrival of big multinational corporations often disturbs the functioning patterns of local markets in various ways. These corporations might outcompete small firms or take over them, which can lead to less diversity and competition for customers as well as suppliers within those areas. In addition, these large firms could bring products from outside areas instead of relying on locally produced goods - this could decrease economic activities inside nearby communities significantly (Hooghe & Marks 2008). This also greatly impacts local economies, leading to a high increase in joblessness and economic difficulties for households.

2. **Economic Inequalities:** The gathering of power and wealth within multinational corporations could worsen economic disparities at the level of local communities.

The study from the World Bank says that the market structure of some industries where big corporations are dominant may encourage practices like monopoly, manipulation in pricing, and limiting competition. This can put consumers and small businesses at a disadvantage.

3. When local businesses vanish, it might bring big cultural effects because these places are usually very important for keeping up the traditions, history, and identity of a community. UNESCO did research that said lessening local businesses leads to cultural sameness and wearing a way of customs and ways in an area (UNESCO). For

example, the popularity of McDonald's and Starbucks in various countries has resulted in a homogenization of culinary cultures. This means that local cooking styles are being substituted by international fast-food alternatives. Also, fashion and entertainment from the West have become so popular that they push aside unique forms of creative expression. Additionally, globalization has harmful effects on environment causing more climate change problems. The worldwide effect of globalization has boosted the use and making of things, causing big resource depletion, pollution and production of greenhouse gases. In turn, the growth in global trade has resulted in more shipping and air transport which further amplifies carbon dioxide along with other types of greenhouse gas emissions (Hulme, 2021).

4. **Damage to Nature:** The connection between the increase in multinational companies and worldwide production chains is tied closely to harm to the environment and unsustainable methods. A report by the World Wildlife Fund (WWF) stresses the damaging environmental effects of big companies like deforestation, pollution, and greenhouse gas releases. On the other hand, businesses in the local area are more likely to apply sustainable methods and back up environment preservation actions.

5. **Options for Consumers:** If local businesses decline, it may limit the options available to people and diversity in the market. Studies done by the Organization for Economic Cooperation and Development (OECD), show that when multinational corporations become more common, they could harm a variety of products, their quality as well as innovation attempts. In addition, people who greatly depend on local businesses for special products and services could suffer. The lack of local businesses because of globalization has large effects that go beyond just the economy. Those making policies, companies, and communities need to work together to help with the development of local businesses to create stronger, lasting, and open economies.

6. Because of internationalization, the ties that bind economies together have become stronger, making them more vulnerable to shocks and problems. The International Monetary Fund, in its report (2021), for instance, has noted that the events of the period between 2008 and the crisis showed that a simultaneous global recession could occur in situations when financial markets are strongly connected. The ongoing COVID-19 outbreak is another reason why the IMF is issuing a warning about the potential beginning of a new worldwide recession. Trade, supply chain, and investment interruptions would be the major causes of this.

7. The research additionally demonstrates ways globalization has enhanced competitiveness, with companies from several nations vying for market and resource shares. According to a World Economic Forum (WEF) study, if there is increased competition from multinational firms, research by the World Economic Forum (WEF) discovered that more competition from international firms might strain domestic industries causing job cuts, no growth in wages, and less economic expansion. This is a big problem for small to medium-sized enterprises which might find it hard to compete with bigger multinational corporations.

8. Globalization leads to global trade inequalities in which certain countries sell more goods and services than they acquire. The World Trade Organization, better known as

the WTO, states that international trade inefficiencies can disrupt global business structures, cause exchange rate fluctuations, and promote the implementation of protectionist measures that stifle economic growth. Changes in continuing commerce can strain relations between nations or spark disputes in the global economy.

Globalization continues to be heavily influenced by markets with cheaper labor, as businesses seek to produce goods at reduced costs while increasing profits. This condition can lead to worker abuse in poor nations where employment regulations are less stringent, and remuneration might not be adequate to meet basic needs. A report from ILO indicates that globalization has made a difference in income and also added to the mistreatment of weak parts within the worldwide workforce.

9. More Likely to Trigger Global Recessions: The basic interconnectedness in the global economy means that an economic crisis from one place can rapidly affect other places around the world. The World Bank points out how financial markets, trade routes and supply chains are becoming more connected which makes it easier for worldwide recessions to happen when there's an external shock like a natural disaster or political instability happening in different parts of the world. The world's growing interconnection highlights the importance of global cooperation and coordination among countries to actively prevent and reduce the effects of upcoming worldwide recessions.

10. Income Inequality: Globalization has been linked with rising income gaps inside and among countries. A report from Oxfam shows that the money of the world's billionaire group rose by \$900 billion in 2020. The reason for this increasing wealth disparity is because of multiple causes such as tax avoidance, business selfishness, and worker abuse in less developed countries.

11. Damage to Environment: The worldwide expansion of trade and production is causing more harm to the environment, using up resources from nature. A study done by the United Nations Environment Program (UNEP) found that globalization has made worse the problems of deforestation, pollution, and loss of biodiversity. Moreover, worldwide trade has enlarged the carbon footprint and worsened the difficulties caused by climate change and environmental problems.

12. Social Dislocation: Globalization has disturbed the social structures and customary lifestyles of numerous communities. A report from the International Labor Organization (ILO) emphasized how closing down local businesses, loss of jobs, and moving workers because of globalization has led to societal disorder. This can potentially lead to social unrest, higher migration, and cultural tensions within societies.

13. Technological Disruption: The fast progress of technology and digitalization in many industries has pushed globalization. Nevertheless, they also brought about job displacement and skill gaps. A study from the World Economic Forum forecasts that automation and artificial intelligence will substitute numerous jobs shortly, especially in manufacturing, transportation as well as trade industry. This disruption by technology can add to income inequality and social differences too.5. Health Impacts: Globalization has had significant effects on public health matters, particularly when it comes to pandemics and infectious diseases. The COVID-19 pandemic has shown us

clearly the weak points of the worldwide healthcare system and how economies are linked with societies.

14. Economic fluctuations: Labor markets experience the influence of people migrating for better-paying jobs or businesses moving work and positions to more inexpensive labor markets. Transporting products and individuals across borders causes the release of greenhouse gases, which are harmful to the environment. The situation of overfishing and deforestation in some parts worldwide is because industries such as fishing and logging shift to places where they find superior economic chances or rules.

Finally, the evidence we have shown that globalization is complex and has many sides. It helps in economic growth, technological development, and the exchange of cultures but also brings problems like uneven income distribution, harm to the environment, disruption from technology changes, and health effects among other things. Dealing with these difficulties needs a combined effort aiming for sustainability along with fairness and social equality in the worldwide economy. The effects and benefits of globalization differ greatly from one country to another. Usually, wealthy economies gain more advantages while developing nations might experience uneven growth, changes in culture, or loss of jobs. Companies need to apply fair and broad rules. However, it is crucial to understand that the progress in technology, along with the worldwide connection we experience today would not have been possible without globalization.

## **2.2 GLOBALIZATION SYSTEM IN ZIMBABWE**

Zimbabwe, being a developing country, has seen good and bad results due to globalization (Mondal, R. S., 2023). Because of it, fresh opportunities for trade and investment have emerged that allow Zimbabwe to enter global markets as well as attract foreign direct investments. This has led to economic progress and development in the country. But globalization also made Zimbabwe face different difficulties and weaknesses. For instance, the freedom in trade due to globalization has caused a rise in competition that stresses our industries and impacts local businesses. Also, we witness more foreign goods and cultural effects because of the worldwide connections - this can affect traditional values or ways within Zimbabwe's society. (Mondal, R. S., 2023) Moreover, globalization has made Zimbabwe more vulnerable to economic crises and changes in global markets because it is now part of the world economy. The overall theory value of globalization for Zimbabwe is about how it can boost economic growth and progress by promoting more trade and investment. Additionally, we should think about possible negative impacts and difficulties that come with this process like growing rivalry among nations or traditional values getting washed away, etc. In a theoretical sense, globalization holds the potential for Zimbabwe to boost its economic growth through increased trade and investments. As an effect of global connectivity, international companies may find motivation to put money into local industries which can lead to job creation as well as improved productivity within these sectors (Mondal). This kind of impact from high-scale investments could assist in decreasing unemployment rates while also generating higher income levels among people living across different areas throughout the country. Furthermore, the connection between Zimbabwe's economy with international markets could enhance

its capacity to cope with periods of recession or inflation that are typical on a worldwide level due to commerce related activities being spread out geographically across many countries globally (Mondal). Nevertheless, this may result in some risk factors such as disturbances from outside economies affecting domestic stability along with negative effects caused because our nation relies heavily on imported goods making us susceptible to changes happening internationally and impacting local prices too. But along with these possibilities come some risks too: one risk being if there's any crisis happening abroad then it might have a big impact here at home- even small movements can cause significant reactions when your part of a bigger system like world marketplaces! In addition, another possible threat lies within increasing rivalry between various regions around the earth; this could create more competition not just between businesses but also among countries themselves leading towards less support for local industries (Mondal). However, when looking at the actual situation in Zimbabwe today it seems that they are facing several challenges linked directly or indirectly because of their involvement within globalized structures: firstly, there has been a rise seen recently due mainly towards greater competitiveness felt both locally as well internationally - which makes life difficult especially under harsher conditions where reduced revenue margins become normal occurrence across all sorts.

It's true that from a theoretical point of view, globalization offers valuable advantages for enhancing economic growth in Zimbabwe via increased business dealings and monetary inflows. However still there exist certain concerns associated with these processes - particularly regarding rising competition both inside our nation's borders and globally; similarly, we need careful thought given to how traditional cultural values might be affected by such tendencies over time (Mondal). (Mondal) The real-world scenario shows us how joining into a global community brings both good things plus not-so-good aspects together: the primary benefit comes through now improved chances present thanks specifically due.

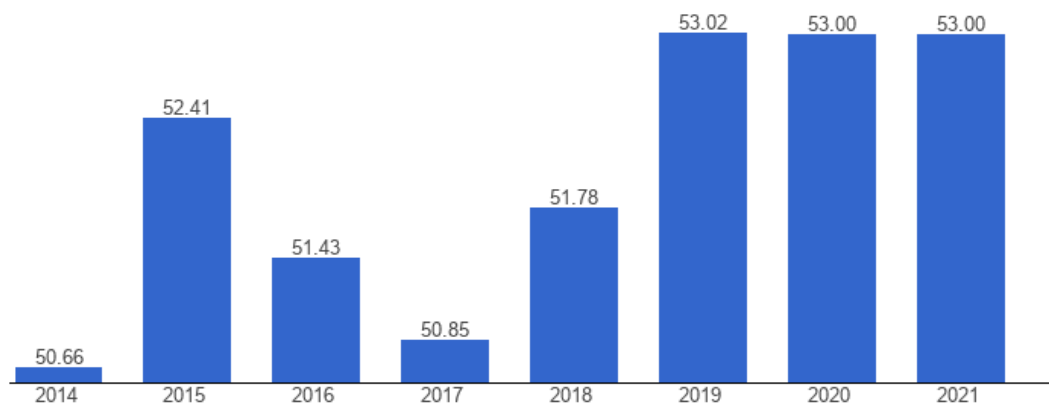
When we talk about theories or ideas related to globalization coming into reality here at home - it starts becoming clear that many things change when national economies get connected closely together within worldwide systems. For example: moving money freely across borders allows foreign companies to invest their resources directly inside your country which means they help create new employment opportunities while bringing fresh technologies and methods along them too! All these factors combined can boost productivity levels significantly leading not only to improving financial conditions but also to raising standards of living for individuals locally residing in areas all around the globe -- isn't this amazing? Also don't forget other positive aspects linked deeply includes easier access available nowadays allowing people travel places easily without facing many difficulties compared past times where the movement was restricted greatly owing strict rules and regulations set up by governments every nation individually before joining hands strengthen unity amongst nations worldwide via shared goals aspirations common progress forward path ahead unitedly (Rajib Kumar Mondal) Theoretical guidance for the impacts of globalization in Zimbabwe implies that those who make policies and hold interest should embrace a moderate mindset towards globalization. They have to put into action methods that are supportive of trade, investment, and technological progress while also preserving their own industries, culture, and environment. This can assist Zimbabwe in balancing the benefits gained through globalization with safeguarding its own unique characteristics. In addition, it is essential for Zimbabwe to manage its economy correctly during periods of increased global integration. This includes creating jobs that are not only related to natural resources but also focusing on sectors

such as services and technology; promoting innovation and entrepreneurship; enhancing infrastructure development; and boosting education levels among the population so they can adapt better to global changes. In accordance with these theories, it is important for policymakers in Zimbabwe to create an environment where benefits from globalization can be maximized while minimizing drawbacks. The aim should be making sure that all citizens have fair access opportunities within global marketplaces as well as safeguarding national interests against excessive dependency on foreign products or economic shocks caused by worldwide events. Zimbabwe's theoretical guidance about how globalization affects them suggests a balanced viewpoint towards this trend's consequences. Policymakers and people with interest in decisions must work towards maintaining a middle path - encouraging international interactions but also ensuring the protection of domestic features like industries or culture from being overwhelmed by outside influences. Policies should be made according to this view by increasing connections between Zimbabwean businesses or organizations with others around the world, yet not forgetting about balancing it out by guarding national uniqueness against too much external impact. We must remember that theories offer direction for handling different effects brought about through more intense worldwide relations due to globalization in countries such as Zimbabwe along with other parts globally too like Europe or Asia-Pacific region just mentioned before this passage ends here. In general, the theoretical usefulness of globalization in Zimbabwe is that it can boost economic progress and advancement by promoting more trade and investment.

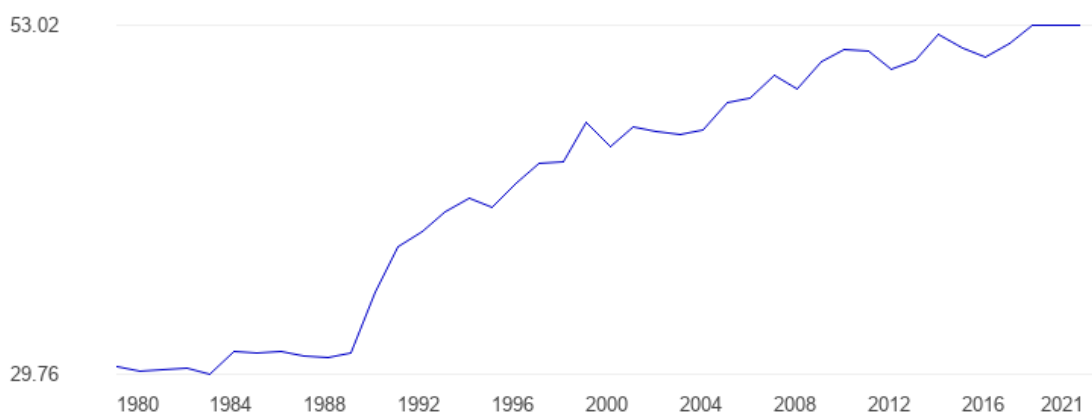
Also, we must acknowledge the possible negative effects and difficulties that globalization brings. It has offered possibilities for economic progress and advancement via more trade and investments. But at the same time, it has exposed Zimbabwe to issues like growing rivalry as well as cultural elements that may affect traditional principles. Globalization has affected Zimbabwe in various ways. It has created more chances for economic progress and development, thanks to the boost in trade and investment. But at the same time, this globalization brings difficulties like more competition and possible loss of traditional values. Zimbabwe needs a middle-ground stance on globalization, setting up rules to guard home industries and keep cultural traditions while making the most of global economic advantages. It has offered chances for economic progress and advancement through more trade exchanges and investments, but it has also brought difficulties like growing rivalry along with cultural impacts. The dataset is from 1980 to 2021 which gives us an insight into Zimbabwe's performance during this period. During the given time frame, Zimbabwe has an average of 42.63 points. In 1984, there was a record low with only 29.76 points registered while in 2019 we observed the highest score of all time when it reached up to 53.02 points as per the newest observation from the year 2021, report shows that it stands at around 53 point level too (Indexmundi.com, n.d.). For context, it's good to highlight that the world average for 2021, which includes 190 countries, has been calculated at 61.63 points. To understand better and analyze a wider range of information you can use global rankings on this indicator or country comparator tool for looking at time-based trends.



**FIGURE 2.1** Recent Values Chart



**Historical Chart**



The KOF Globalization Index for Zimbabwe serves as a comprehensive assessment of the Economic Globalization, Social Globalization, and Political Globalization indices that are specifically tailored for Zimbabwe.

Definition: The all-encompassing globalization index evaluates the economic, social, and political aspects of globalization. Higher values correspond to a greater degree of globalization.

This chapter explores the globalization system in Zimbabwe. It tracks the evolution of globalization in Zimbabwe. It examines the link between globalization and also discusses how globalization impacts trade, investment, education, and tourism. Thus trade, investment, and tourism are the main driving forces of the state’s s economy. And how these forces and globalization influence policy implementation. As mentioned by the United Nations Conference on Trade and Development the Zimbabwean economy was relatively closed and regulated from the Unilateral Declaration of Independence by the settlers in 1965 through 1990. As evidenced in 43, This era is well known as the Smith regime, and it had policies that promoted import-substituting industrialization. The Smith regime implemented policies that ensured commercial farmers had access to affordable credit and were guaranteed cost-plus prices. Additionally, it protected domestic industries against foreign competition, maintained low interest rates, and reduced the costs of imported inputs. Moreover, it allowed for controlled wage growth that was slower than the rate of inflation. As evidenced in ref 44, The economy prospered during this period of the Smith regime to a greater extent. The only problem was that it only favored the white settlers while exploiting the black majority. Therefore, when Zimbabwe got its independence, the

new regime introduced policies that redressed the injustices as well as reduced inequalities that included land redistribution, and big investments in health and education for the poor. As evidenced in ref 45, In the early 1990s Zimbabwe adopted two structural adjustments that reduced its strictness of closing the economy. This paved the way for the evolution and the birth of globalization in Zimbabwe. However, the state gradually started opening in the 1990s. The aim was to improve the performance of the state economy and reduce poverty thus empowering local citizens. It brought economic distress because its policies sustained existing first and limited incentives for them to invest or innovate.

The Economic Structural Adjustment Program (ESAP) was put into action in Zimbabwe, highlighted by reference 46. This program, suggested by the World Bank and International Monetary Fund (IMF), was made to handle a set of problems caused by to structural policies of the new government. These policies had made it difficult for fresh foreign investments as they created an unattractive environment, and this affected economic operations. The globalization mechanisms in Zimbabwe did not generate much employment. The already existing businesses have been able to flourish because they were getting prices and credit that were subsidized, allowing them to continue operating without handling their inefficiencies. This made it harder for new entrants. Also, big taxing was done because of more spending on social services and employing civil service creating a grave budget shortfall. In the first ten years of the new regime, unemployment rates went up, so they needed to look for fresh solutions. The earlier strategy required a reassessment to tackle the coming crisis. Therefore, the Economic Structural Adjustment Program (ESAP) was put into place in 1990 as a suggested resolution to calm the turmoil. This program found favor with those in the business area and technocrats within the Ministry of Finance because it followed a market-oriented tactic. Its goal was to lessen government intervention in the economy which aligns with liberalism's principles (restricting state power), along with enhancing foreign exchange availability. The ESAP, which required economic liberalization such as trade and financial market opening, relaxation of regulations within domestic markets, reforming the public sector along cutting down on government spending; it could be viewed as a type of neoliberal policy that opened up Zimbabwe to the ongoing progression of globalization. In this way, the start of globalization in Zimbabwe can be linked with the initiation of ESAP.

### **2.2.1 EMERGING MARKETS**

Emerging markets are characterized by rapid industrialization and growth. This shows great potential to expand and integrate further into the global economy. These countries are in the process of transition from developing countries to developed countries. Investing in emerging markets involves both risks and rewards. Emerging markets offer significant benefits to investors who can find the right investment opportunity at the right time, but the risks involved are not always well understood. One of the advantages of emerging markets is their rapid rate of income growth. Rising costs. There is potential for high growth due to infrastructure development and inflation. Zimbabwe is classified as a middle-income, emerging market economy, rather than a developed country or a low-income developing country. Zimbabwe's economy is characterized by a combination of individual freedom and strict government control. The country is a member of the Eastern and Southern African Community (COMESA) and the Southern African Development Community (SADC), highlighting its active participation in regional economic integration. The impact of globalization on emerging markets and Zimbabwe's economic development is

enormous. Integration into the global economy creates opportunities and challenges. One of the positive impacts of globalization on the emerging market of Zimbabwe is greater access to international markets. This will allow Zimbabwean companies to expand their operations and export their products to a broader customer base.

The globalization process contributes to the growth and development of economies through attracting foreign direct investment, which has a notable effect on Zimbabwe. It also encourages the transfer of technology and knowledge that can improve efficiency within this nation while fostering innovation. This results in workers from Zimbabwe having chances to learn new skills and knowledge through international cooperation and exchange. Yet, it's very important to accept that globalization also brings its own set of difficulties. The increased competition from worldwide companies negatively impacts local industries, causing loss of jobs and economic instability. Additionally, globalization could potentially worsen income disparities and lead towards overuse of natural resources. So, it is very important to understand how globalization affects the emerging markets and economy growth in Zimbabwe. This understanding will help us see clearly about what impacts globalization has on country's economy now and also its future potential for development. Such research holds significance for those who make policies, investors and businesses working within these economies. Furthermore, in light of Zimbabwe's recent economic difficulties, studying the impact of globalization could offer ideas on finding lasting solutions for economic development.

#### *Characteristics Of Emerging Markets*

Emerging markets are renowned for their swift economic growth, heightened volatility, and lower per capita income. Rapid economic growth in emerging markets denotes a notable uptick in their GDP and overall economic activity over a brief span of time. This growth is often propelled by industrialization, urbanization, and augmented foreign investment. This volatility can be influenced by various internal and external factors, rendering emerging markets more vulnerable to economic shocks and crises. Lower per capita income in emerging markets indicates that, on average, individuals in these countries possess a lower income level compared to their counterparts in developed countries. This can arise from restricted access to education, healthcare, and employment opportunities, as well as structural challenges within the economy. In emerging markets, currency swings allude to the fluctuations in the value of their currencies relative to other currencies. These swings can impact the cost of imports and exports, as well as the overall competitiveness of businesses operating in these markets. The transitional nature of emerging markets reflects their ongoing evolution from developing economies to more advanced and stable economic systems. This transition encompasses changes in infrastructure, governance structures, market dynamics, and societal norms as these markets strive to achieve sustainable growth and development. For businesses and investors seeking to effectively engage with emerging markets, comprehending, and navigating these characteristics is imperative. Emerging markets generally pertain to economies that are undergoing rapid industrialization and experiencing substantial growth in their GDP. Some characteristics of emerging markets encompass a high potential for economic growth due to escalating consumer demand, expanding infrastructure, and technological advancements. These markets often boast a youthful population, which can contribute to a sizable workforce, driving innovation and productivity. The presence of a youthful demographic can also lead to increased consumption and investment opportunities. Agriculture The pillars of Zimbabwe's economy are mining and tourism. Myanmar has successfully developed strong export activities in various sectors.

Exports of agricultural and mineral products account for approximately 90 percent of total merchandise exports, with gold being the main export product. nickel and tobacco. Zimbabwe's main exports are gold, but also tobacco, alloys, cotton, and sugar.

Instead, the country's primary imports consist mainly of fuel, petroleum products, electrical machinery, transportation equipment, as well as food and various industrial products. The anticipated steady increase in agricultural production is expected to drive a 6.5% growth rate in Gross Domestic Product (GDP) by 2022. Moreover, the upward trend in global prices for mineral raw materials, coupled with the growth in tourism, has a positive effect on economic expansion. It is projected that enhanced revenue collection and efficient budget implementation will contribute to reducing the fiscal deficit to 0.2% of GDP by 2023. At the same time, the current account surplus is expected to reach 0.8% of GDP in 2023 and 0.5% in 2024. This is due to greater flexibility in export prices and remittances. Zimbabwe's recent exports include gold (\$3.51 billion). Nickell Matti (\$1.25 billion). Tobacco (863 million dollars). This includes ferroalloys (\$380 million) and diamonds (\$235 million). Zimbabwe's main exporter is the United Arab Emirates (\$3.69 billion). South Africa (\$1.88 billion). China (\$537 million). Mozambique (498 million dollars) and Belgium (174 million dollars). Agriculture is the backbone of Zimbabwe's economy; Emerging markets often face national infrastructure challenges and companies must adapt their strategies to succeed. Zimbabwe is rich in natural and human resources, powered by solar energy, and is uniquely positioned to participate in emerging industries such as robotics, electric vehicles, biotechnology, and cannabis. These characteristics of emerging markets highlight the opportunities and challenges associated with investing and operating in a dynamic and growing economy.

## 2.3 RESEARCH METHODOLOGY

This chapter provides an overview of the methodology adopted in this study. In the previous chapter, the positive aspects of globalization and international trade were widely considered. However, this discussion alone is not enough to achieve the best results. To achieve the desired results, econometric techniques must be used considering the relevant criteria. Econometrics aims to evaluate economic theories or hypotheses by means of quantitative analysis of macroeconomic phenomena (Koutsoyiannis, 1973). This justification supports the use of econometric techniques in the current research.

### *Model Specification*

Different models are employed for studying global trade. In an essay titled "Zimbabwe's Foreign Trade and Economic Growth" by Atoyebi Kehinde, the author puts forward a discussion about exports: Foreign Direct Investment; Imports Exchange Rate Model that incorporates GDP dependent on inflation rate and transparency was utilized. In the same way, research called "The Impact of International Trade on Economic Growth in Zimbabwe" by Adeleye J.O. investigates how international trade is related to economic growth in Zimbabwe. In this study, the writer uses a GDP model that includes exports, imports, and balance of payments. Also, Mr. Ayinde Adelewo examines the effect of foreign trade and local growth on total exports in the GDP framework. The study includes a model that focuses on transparency and compensation as crucial factors. Moreover, Mr. Bela Barraza in his book "Exports and Economic Growth" highlights the importance of net exports. This

is part of a model that views GDP as a function relying on openness and exchange rates. In these studies, GDP is viewed as the outcome variable while the rest of variables are seen as independent ones. The main aim of this research is to examine how globalization and international trade influence Zimbabwe's economic expansion. Similar to past research, our study investigates both dependent and independent variables in a thorough manner.

The Ordinary Least Squares (OLS) technique has been utilized to formulate the model in the subsequent format:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \epsilon,$$

In this study, Y represents the dependent variable, B0 denotes the intercept or equation constant, and B1 to B4 symbolizes the coefficients of the independent variables.  $\epsilon$  represents the error term.

Specifically, this study presents the following functional relationship:

$$RGDP = f(NEX, EXCH, FDI, OPEN),$$

where RGDP refers to Real Gross Domestic Product, NEX corresponds to Net Exports, EXCH signifies Exchange Rate, FDI represents Foreign Direct Investment, and OPEN indicates Trade Openness.

Similarly, the logarithmic form:

$$(\log)RGDP = (\log)b_0 + b_1(\log)nex + b_2(\log)tgexp + b_3(\log)exch + b_4(\log)inflr + b_5(\log)fdi + b_6(\log)open + (\log)\epsilon$$

has been developed to examine the overall impact of globalization and international trade on the growth of the Zimbabwean economy.

*Unit of measure:*

- The Gross Domestic Product (GDP) is measured in billions of Zimbabwean dollars.
- Net exports are quantified in billions of Zimbabwean dollars.
- Exchange rates are expressed as Zimbabwean dollars per US dollar.
- The value of foreign direct investment is evaluated in billions of Zimbabwean dollars.
- Trade openness values are calculated as the ratio between GDP and total trade.

*Test Of Significance Own Standards*

After defining the economic parameters of the model, the next step involves developing statistical and economic criteria to estimate the estimated parameters. The available models are:

*The Coefficient Of Determination (R2):* is a number that shows the proportion of explained variance to total variance. It is usually said to be a deterministic figure. This measure assesses how much overall variability can be found in the independent variable around or near the dependent one, and its value ranges from 0 up until 1. A bigger value means better ability to explain. This is how we find the statistical significance of our estimates. If the standard error is smaller than half of parameter estimate, it shows that estimate is important. Other tools, like the Durbin-Watson statistic and the Schwartz test, are utilized to assess if results in quantitative analysis are appropriate and dependable.

*Adjusted Coefficient of Determination (R2):* This is used to evaluate how well the model fits, considering reduction in degrees of freedom. Durbin-Watson statistic (D):

It helps to check if there is any autocorrelation in residuals from regression analysis. It can be between 0 and 4 for the value 'd'. A Durbin-Watson (DW) coefficient that is less than 2 shows a positive correlation. If the DW value falls below 1.0, this can be seen as an issue to pay attention to. On the other hand, if 'd' is bigger than 2 it means that error terms have differences in value and are negatively correlated. Consequently, this can lead to a statistically significant regression.

*The Coefficient of Determination (R<sup>2</sup>):* is a number from 0 to 1 that tells us how much of the total variance in our data has been explained by our model. It can be thought of as an 'explained variance' metric -- higher values mean more explanatory power for your regression line. When the value is high, this means that there is more power in explaining things. This test can be used to find out how important the statistical estimates are. If half of the parameter estimate is bigger than the standard error, then we can say that the estimate has some importance. Other tools like the Durbin-Watson statistic and the Schwartz test are brought in to assess how fitting and dependable outcomes are within quantitative analysis.

*Adjusted Coefficient of Determination (R<sup>2</sup>):* This is another way to measure how well the model fits with data, considering the loss of degrees of freedom. Durbin-Watson statistic (D): This test value helps in finding out if there is any autocorrelation within regression analysis residuals. The 'd' can be from 0 to 4. A Durbin-Watson (DW) coefficient of less than 2 shows a positive correlation. A DW value below 1.0 could be a sign of concern, and if the 'd' value is higher than 2 it suggests that error terms show differences in value and are negatively correlated. Consequently, this can lead to a statistically significant regression.

#### *Justification For the Estimation Technique*

The OLS equation, which is a way to estimate the relationship between independent and dependent variables, could be seen as multiple regression models. Even if there isn't agreement about what econometric model works best for finding real-world results, parameter estimates from OLS have superior qualities. Moreover, OLS calculations are not complicated and do not need too much data compared to other econometric ways. Next, even though there are more complex econometric systems present, Ordinary Least Squares (OLS) are used widely and have had a big impact on various economic relationships. Finally, OLS is a basic part of many other econometric methods.

## **2.4 DEFINITION OF TERMS**

**GLOBALIZATION** - The concept of globalization has a personal interpretation. Some say it is a human concept, while others think it facilitates the international movement of ideas and products. On the other hand, it is also considered the result of the erosion of social identity for the benefit of multinational corporations. specific process. The precise meaning of this term is a matter of economic discourse, as it may refer to the underlying ideology underpinning these processes and the public attitudes surrounding them.

**INTERNATIONAL TRADE** - In line with the findings of Lee, Chen, and Sun (2020), international trade, commonly known as "foreign trade," encompasses the exchange of goods and services across diverse geographical locations. The import and export activities of a nation make substantial contributions to its gross domestic product (GDP), thereby underscoring the significant correlation between international trade and economic growth.

**GOVERNMENT** - A governing entity assumes the role of directing and administering a group or department, based on established traditions. It holds the responsibility of formulating and guiding national public policies and actions through the utilization of established traditions, institutions, and laws.

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## CHAPTER 3

# ECONOMIC DEVELOPMENT OF ZIMBABWE

### 3 ECONOMICAL THEORY ANALYSIS

The interpretation of economic theories can vary in multiple ways. Initially, theories can serve various purposes, including describing reality, recommending specific situations, or analyzing the logical consistency of a hypothetical world. Furthermore, theories can be utilized for prediction or explanation. Additionally, theories can be connected to reality through either rule-based or case-based approaches. Moreover, theories can be related to either the economic reality itself or the process of economic reasoning. Lastly, theories can provide predictions or simply critique existing reasoning. We argue that theories often possess multiple interpretations, which can fluctuate depending on the context, surrounding economic literature, and the perspective of the interpreter. An economic theory represents a model employed by economists to analyze, predict, and comprehend economic behavior. Each theory is grounded in a set of conditions, relationships, and interconnected factors that are presumed to exist within the economy. The examination of relationships within the economy serves the purpose of analyzing and elucidating the behavior of various economic components. Economic theory can be broadly classified into two primary branches: positive theory and welfare theory. Economic theory is premised on the assumption that investors and consumers are rational and highly proficient decision-makers who consistently make optimal choices for themselves. In contrast to the simple view of investors in most economic theories, lab tests show that their behavior is much more complex. The four kinds of economic theory talked about here are supply-side economics, new classical economics, monetarism, and Keynesian economics. New classical economists argue that countries need to open their markets, change labor markets, make state-owned industries private, and encourage risk-taking for progress.

On the other hand, supply-side economics suggests that economic growth can be realized by encouraging free trade, decreasing regulations, and reducing taxes. In the next paragraphs, we will discuss Zimbabwe as an example to explain. Among social sciences, economics theory is known for its unique characteristic of having a single conceptual framework adopted across all sub-fields. Economic theory research is usually built on the idea that people are trying to optimize an objective function in a set of constraints. The equilibria being analyzed by the analyst result from these limits and reflect how others act within them. This conceptual structure not only mirrors the current condition of economic research but also aligns with what many economists promote as a normative or ideological standpoint. The idea of using one group's modeling rules is not only in economics. In other sciences, this kind of commitment usually gets stronger by checking if the assumptions that back up their models are true and showing successful forecasts. For example, physicists make sure to verify the



presence of particles within their models and apply them to create functional devices. On the other hand, economics has always been criticized for not being able to produce precise predictions like natural sciences. Also, in the last few years, the basic ideas that shape our economic theory have been directly challenged mainly by psychologists. Some economists and scholars of different subjects say it is very important now for economics to stop making less believable assumptions and getting unrealistic outcomes. In the field of science, theories usually don't get thrown out right away when they're proven wrong. Instead, scientists might alter or limit them to exclude observations that conflict with their results. A good example is Newtonian physics - it can be refined by adding relativity and restricted to leave out quantum effects. When a theory is disproven, the conceptual framework it was built upon can still be utilized to create other theories that are related and in line with the data. This might allow for the safeguarding of the central paradigm via a "protective belt" as described by Lakatos (1970). It's possible that what we see in economics could just be an ordinary course of science. For instance, findings from experiments like those in ultimatum games (Guth et al., 1982) may hint towards a flaw within subgame perfect equilibria theory with only material rewards. [54]

### **3.1 SOCIAL THEORY ANALYSIS**

This chapter is to bring to light the relationship between globalization and culture from a theoretical perspective. Globalization has been widely discussed and recognized for its impact on various social transformations, including the spread of new communication and information technology, the emergence of hybrid social identities, and the acceleration of economic activities. These transformations have affected individuals and specific groups in different ways. In the 21st century, globalization has become a popular term as the world becomes more interconnected. This interconnectedness has led to a more unified and borderless world, with significant advancements in communication technologies. People, cultures, communities, and economies around the world are increasingly connected, resulting in the globalization of ideas and systems. This interconnectedness both reinforces existing social patterns and introduces changes to them. Social theorists are particularly interested in understanding the implications of globalization. They argue that social life has become faster-paced in recent decades and that physical distance has become less of a barrier. Globalization has brought about significant social change, shifting from a focus on modernity to a global perspective.

Additionally, globalization has forced social theorists to reevaluate the concept of society itself. According to Rosenberg, analyzing globalization requires a comprehensive understanding of its spatial dimensions. Sociologists have also emphasized the importance of communication speed in shaping social order. In the past, distance presented challenges to global unity. However, advancements in technology have facilitated the transition towards a world with fewer state borders and cultural barriers. This has made globalization a topic of interest for sociologists. Globalization involves economic and cultural exchanges and can be understood as the increasing interconnectedness and interaction of the global system. The study of culture and society is essential in comprehending and navigating the complex dynamics of globalization. These processes have greatly influenced modern society and culture, playing a fundamental role in the development and discussions of globalization and social theory.

### *KARL MARX*

Karl Marx, a renowned social theorist, focused his work on analyzing capitalism. According to the book "Introducing Social Theory," Marx always considered economic activity as encompassing work or labor, which involves a set of relationships. While his work primarily concentrated on economic relationships, he also raised questions about other dimensions of social life, including politics, culture, and law. Marx argued that economic relationships shape social relationships, which encompass social, political, cultural, and legal contexts. However, it is important to acknowledge that there are limitations, and other aspects of society, such as culture, should also be considered. Marx's work was mainly based on analyzing capitalism during the post-French Revolution era. His theoretical framework, known as historical materialism, suggests that societies have various ways of organizing production, leading to the creation of social structures or classes. These classes are formed based on property ownership, and different classes benefit to varying degrees from the means of production, with capital representing a source of power. Marx himself predicted that the nature of capital drives globalization beyond spatial barriers, to conquer the entire world market. According to Marxism, the establishment of social relations can be reduced to its material nature. Consequently, globalization occurs due to different modes of production. Social exploitation, profit-making, and capital accumulation are all key aspects of capitalism.

However, Marx's work failed to recognize the social relationships between real people that are necessary for the creation of commodities in a capitalist system. This lack of understanding contributes to the persistence of capitalism and the problem it poses. One area where Marx fell short was in establishing the social relationships that underpin global movements. Culture, on the other hand, plays a significant role in driving social, economic, and political transformations. It provides a framework that shapes our daily practices, our relationships with others, and our hopes and desires. In this sense, culture acts as a kind of "social cement" that binds societies together through shared meanings. This perspective is invaluable for understanding globalization and its impact on social theory. To fully comprehend globalization, we must examine social practices within specific communities. By analyzing globalization from a cultural perspective, we gain insight into the contemporary world. Roland Robertson argues that cultural perspectives transcend global universalism versus distinctions. Instead, they view the world, considering the interconnectedness of various social elements. In the thought of Robertson, who sees globalization as the world getting compressed and global awareness becoming more intense, a structure is given to observe the impact on institutions and people. The viewpoint of Robertson puts a lot of importance on how individuals are involved in the process of making things global. He stresses that it's necessary to investigate social outcomes for people, countries, and social groups because they all are affected by globalization. He specifies four crucial points that must be considered when discussing globalization: national societies, individuals' selves, the world system of societies, and humankind. Robertson proposes these elements are interconnected; each one has an effect on others while also being influenced by them. The closeness and interconnectedness of the world are manifested through cultural integration. Robertson argues that cultural integration is closely tied to the perception of the national society as a unified entity. Thus, culture plays a crucial role as state-governed societies strive for cultural homogeneity. Consequently, globalization facilitates social interactions that deeply penetrate societal and civilizational cultures. Robertson disregards the notion of global interdependence as primarily centered around the global economy. This

limitation hampers studying globalization from a social perspective. He criticizes the economic focus for neglecting the cultural aspect. Based on the discussion above, we can conclude that the foundation for studying and understanding globalization lies in social theory and its impact on society. These critical elements contribute to conceptions of world social organization. Viewing the world as a single entity should also consider the system of societies, including the interstate system, international relations, and the increasing prevalence of humankind. They assist state governments in discussing issues such as health and education in terms of the relationship between individuals and the national society. Individualism and society form the basis for community policies. Globalization brings about transformations and challenges that affect individuals and groups differently. Therefore, to comprehend the processes of globalization, social practices should be examined in the localized social fields of communities.

#### *KEYNESIAN ECONOMICS*

Keynesian economics is a group of big-picture economic ideas and models. These show how the changes in total spending - called aggregate demand - relate to things like economic output or inflation. The main idea behind Keynesian thinking is that when it comes to how much people want to spend overall, this might not always match up perfectly with how much an economy can produce due in part because there are different influences from public and private sectors alike. As a result, Keynesian economic systems propose viewing changes in total spending as potentially triggering shifts in employment and production but not significantly affecting prices.

#### *LAISSEZ-FAIRE CAPITALISM*

Laissez-faire, which means "let it be done" in French, is a theory that supports free-market capitalism. It suggests we should not have government involvement in our economy. This includes things like regulation, subsidies (giving money to aid businesses), minimum wage rules, trade restrictions, and corporate taxes. The idea behind this theory is about the best way for a country's economic growth to happen without any interference from its government - or what some people call a "hands-off" approach. In simple words: Laissez-faire theory, advises for an economic setup where governments stay away from interfering with market activities by applying regulations or taking part directly through financial help (subsidies), setting rules on how low pay can be (minimum wage), deciding who you can trade with and under what conditions (trade limitations) and lastly how much tax corporations need to pay (corporate taxes). The belief backing up this thought indicates that competition in economics will cause self-regulation making any participation from the federal unnecessary. However, it is crucial to acknowledge that while proponents of laissez-faire capitalism perceive this approach to achieve economic prosperity, it does not inherently provide protection for vulnerable populations.

#### *TRAGEDY OF THE COMMONS*

The theory of the tragedy of the commons delves into an economic quandary surrounding the consumption and excessive exploitation of unregulated resources. According to this theory, individuals with unrestricted access to a resource often prioritize their self-interest, leading to the depletion of the resource through collective action. This predicament is especially prominent when the resource is inherently scarce. The theory has exerted a substantial influence on the discourse surrounding sustainable development, environmental preservation, and the governance of open-access resources, such as fisheries and forests.

#### *MORAL HAZARD THEORY*

A moral hazard is a widespread economic phenomenon that has been historically

observed in various systems. It occurs when parties enter contracts with deceptive intentions, deliberately increasing their level of risk in order to maximize profit while avoiding the negative consequences associated with that heightened risk. As a result, the burden of bearing the costs of such risk usually falls on the other party involved in the transaction. The term "moral hazard" originates from the notion that an individual or group makes decisions solely based on self-interest, without taking moral principles into account.

### **3.1.1 SOCIAL THEORY AND THE IMPACT ON THE SOCIAL FIELD**

Social globalization requires personal connections, information flow, and cultural proximity. Individuals become more tolerant through global processes due to the internationalization of cultural practices and personal interests. Globalization can either reinforce existing patterns of social interaction or change them. To understand the relationship between social theory and the impact of globalization on the social field, it is important to focus on the abstractions of culture, interaction, and agents. These abstractions form the concept of the social field. Socio-culturally based actions in communities or social fields of different scales have an influence on and mediate the process of globalization. This implies that the connection between globalization and social practice can only be analyzed by observing people's cultural and social space in their ongoing interactions. To fully grasp this relationship, one should study the lives of individuals as emphasized by social theory. A deeper understanding of globalization requires a focus on individuals and their social interactions in the new era of globalization. Globalization is evident in the establishment, construction, and deconstruction of certain social practices. In the twenty-first century, changes have facilitated the flow of information, goods, and finance. Through these processes, new knowledge is spread through global systems of information, markets, and knowledge exchange. Consequently, people from different cultures interact with agents within social fields. In a world characterized by extensive information and knowledge exchange, the effects of globalization should be analyzed at the individual or community level. Globalization is associated with various changes that have arisen from cultural, knowledge, and information exchanges in the twenty-first century. These changes can be used to interpret experiences, thereby generating new practices. They provide evidence of interactions between agents operating at different statuses, in which they establish, maintain, and modify interaction processes in accordance with global processes. Therefore, social fields offer a tool for analyzing the impact of global processes on the lives of individuals.

Social exploitation, profit-making, and capital accumulation are integral components of capitalism. However, Marx's work failed to acknowledge the social relationships between real people that are necessary for the creation of commodities in a capitalist system. This lack of understanding contributes to the persistence of capitalism and the issues it presents. One area where Marx fell short was in establishing the social relationships that underpin global movements. However, culture plays a significant role in driving social, economic, and political transformations. It provides a framework that shapes our daily practices, our relationships with others, and our hopes and desires. In this sense, culture acts as a "social cement" that binds societies together through shared meanings. This perspective is invaluable for comprehending globalization and its impact on social theory. To fully grasp globalization, we must examine social practices within specific communities. Analyzing globalization from a cultural perspective gives us insight into the contemporary world. Roland Robertson argues that cultural perspectives go

beyond global universalism versus distinctions. Instead, they view the world, considering the interconnectedness of various social elements. The idea presented by Robertson about globalization as a shrinking world and growing global awareness gives us a structure to study its impacts on institutions and people. The viewpoint that individuals have an important part in the process of globalization is emphasized by Robertson's argument. His point underlines the significance of studying social outcomes triggered by globalization for persons, nations, and social clusters. Four main points he highlights in discussing globalization are national societies, people's selves, the world system of societies, and all of humankind. Robertson suggests that these elements are interdependent, with each one influencing and being influenced by the others. The closeness and interconnectedness of the world are apparent through cultural integration. According to Robertson, cultural integration is closely tied to the perception of the national society as a unified entity. Therefore, culture plays a crucial role as state-governed societies strive for cultural homogeneity. Globalization facilitates social interactions that deeply penetrate societal and civilizational cultures.

However, Robertson overlooks the notion of global interdependence centered around the global economy, limiting the study of globalization from a social perspective. By focusing solely on the economic aspect, he neglects the cultural aspect. Studying and understanding globalization are rooted in social theory and its impact on society. These critical elements contribute to our understanding of how societies are globally organized. When viewing the world as a unified entity, it is essential to consider the system of societies, including the interstate system, international relations, and the increasing prevalence of humankind. These factors aid state governments in addressing issues such as health and education in relation to individuals and the national society. The foundation of community policies lies in the balance between individualism and society. Globalization brings about transformations and challenges that affect individuals and groups differently. To comprehend the processes of globalization, it is necessary to examine social practices within localized social fields of communities. Social globalization involves personal connections, information flow, and cultural proximity.

Through global processes, individuals become more tolerant, thanks to the internationalization of cultural practices and personal interests. Globalization can either reinforce existing social interaction patterns or bring about change. To understand the relationship between social theory and the impact of globalization on the social field, it is important to focus on culture, interaction, and agents as abstract concepts that form the social field. Actions based on socio-cultural factors in communities or social fields of different scales influence and mediate the process of globalization. This indicates that analyzing the connection between globalization and social practice requires observing people's cultural and social space in their ongoing interactions. Social theory emphasizes the study of individual lives, which is crucial for a deeper understanding of globalization. To fully grasp this relationship, the focus should be on individuals and their social interactions in the new era of globalization. The establishment, construction, and deconstruction of certain social practices serve as evidence of globalization's presence. In the twenty-first century, there have been significant changes that have facilitated the flow of information, goods, and finance. These changes have resulted in the spread of new knowledge through global systems of information, markets, and knowledge exchange. Consequently, people from diverse cultures are now interacting within social fields. In a world where extensive information and knowledge exchange occurs, it is crucial to examine the effects of globalization at the individual and community levels. Globalization is linked to

various changes that have emerged from cultural, knowledge, and information exchanges in the twenty-first century. These changes can help us interpret experiences and generate new practices. They serve as evidence of interactions among individuals with different statuses, as they establish, maintain, and adapt their interaction processes in line with global trends. Consequently, social fields provide a way to analyze how global processes impact people's lives.

### 3.2 ECONOMIC EFFECTS

First and foremost, economic globalization pertains to the escalating interconnectedness and interdependence of national economies on a global scale. This phenomenon is propelled by various factors, such as technological advancements, enhanced communication and transportation systems, and trade liberalization. Economic globalization started after World War II. At that time, the United States became a strong economic power and wanted to set up an arrangement for worldwide money cooperation. In recent years, remittances have seen a big rise in growth with developing market economies (EMEs). Remittances are an important source of income for households in some EMEs. For instance, in the Philippines, remittances account for up to 10% of the GDP, while in India, they surpass 3%. Moreover, in Saudi Arabia, the outflow of remittances from migrant workers to their home countries constitutes 6.3% of the Saudi GDP (refer to note by Saudi Arabia). Recognizing the effect of remittances is not always consistent, and it can change based on the type of shock. Variations in inflows of remittances, which are affected by events happening in countries where migrants live, might increase macroeconomic instability, especially for nations that depend greatly on these remittance amounts.

Furthermore, remittances might have a crucial part in boosting economic growth during periods of recession. This is particularly true when crises happen within the nations that migrants are originally from. For instance, in 1980 when South Korea's GDP decreased, the portion of remittances in GDP went up by approximately 0.7 percentage points. Also, in the years 1991 to 1992 when Philippine GDP faced a drop of around 4 percent, the ratio of remittances went up notably by over 1%. However, during the global financial crisis time, it did not work as a stabilizing element. The primary cause of this situation is the substantial reduction in income for workers from their home countries.

1. During the crisis, most remittances (expressed as a percentage of GDP) were estimated by subtracting the average of the previous two years. However, the recession is only one year away. The increase/decrease is a change from the previous year, not the two-year average. Both the Asian crisis and the global financial crisis require considering the average changes observed in the affected countries.
2. Trade openness is a statistical indicator that describes the relationship between imports and exports and GDP.
3. Carbon dioxide emissions are measured in kilotons. The regression line confirms statistical significance at the 5% level.

Source: International payments information flow.

Globalization has coincided with challenging environmental trends. One of these trends is the increased importance of the tradable sector, leading to a rise in energy-intensive manufacturing industries. Consequently, this has brought about greater

environmental risks. This connection between trade openness and carbon dioxide emissions is depicted in Graph 4 (right-hand panel). Even after considering GDP growth, this relationship remains statistically significant. Globalization is a big occurrence that aids in the worldwide spread of business operations. This process gets pushed forward by improvements in communication technology, along with socioeconomic, political, and environmental elements. It provides organizations with an advantage over competition because it allows them to produce more products or services at lesser expenses while also increasing their number of consumers. Globalization gives a boost to developing countries, helping them grow economically and deal with poverty problems. In earlier times, these types of nations had trade obstacles that stopped them from participating in the worldwide economy. They couldn't progress at the same rate as developed countries did. But now, because of globalization, there are organizations such as the World Bank and the International Monetary Fund that persuade developing nations to carry out market reforms and substantial alterations via big loans. The countries that are developing have reacted with allowances and economic freedom. They are removing taxes, opening their markets for trade, and offering chances to invest in these nations. This helps to make job chances available for the poor from developed countries. For example, the fast expansion in India and China has resulted in a fall in global poverty (blogspot.com.2021). Globalization has considerably heightened the connection between developed countries and those still developing, creating an interdependent relationship. As Thirlwall (2023:13) asserts, "Developing nations depend on developed nations for resources and technology; likewise, developed nations rely heavily on developing ones for raw materials, food, oil as well as markets to sell their industrial products." One notable benefit of globalization is the facilitation of efficient and swift transportation of goods and people, leading to an increase in international trade and a reduction in the likelihood of conflicts. Moreover, improved communication between individuals and companies worldwide has promoted free trade, contributing to economic growth. More so, despite the economic and trade advantages that globalization brings to developing countries, it is crucial to acknowledge its disadvantages for the poor. One of these downsides is that it increases the gap between those who are wealthy and those who aren't; globalization doesn't spread its advantages evenly, leading to a situation where the rich get richer while poor people become even more impoverished.

Some developing countries do benefit from globalization, but not all. For instance, Africa still has high poverty rates and even within China, there are rural areas that suffer poverty because they lack access to global markets (blogspot.com.2009). Developed countries frequently open companies or industries in developing nations to make the most of low wages, causing pollution in countries with less strict environmental rules. Furthermore, this sending away of employment opportunities to developing nations also affects the economies of developed countries in a harmful way. It results in high levels of joblessness there.

**TABLE 3.1** Economic Growth: The Rate of Change of Real GDP

Zimbabwe	Economic growth: the rate of change of real GDP
Latest value	6.52
Year	2023
Measure	percent
Data availability	1961 - 2023
Average	2.94
Min – Max	-17.67 - 22.57
Source	<u>The World Bank</u>

For this indicator, we can see data from Zimbabwe ranging from 1961 to 2023. The average value for Zimbabwe at this time was 2.94 percent with a minimum drop of -17.67 percent happening in the year 2008 and the highest increase of 22.57% occurring during the year 1970 as well as the most recent value up until now is shown for the year 2023 which stands at 6.52%. For comparison, the global average of this indicator in 2023 is 4.38 percent. This data comes from 183 countries worldwide. You can look at the global ranks for this indicator or use a country comparator to see how it changes over time. In Zimbabwe and other nations, they figure out economic growth as a percentage shift in GDP from one year to another. This measurement shows if production has gone up or down and by what amount. When we think about many countries and longer periods, the normal speed of economic growth is usually around 2-3 percent every year.

Yet, the given pace can change yearly because of economic cycles that include both recessions and expansions. When an economy keeps up a growth rate of around 5 percent or more every year, it's considered significant. Also, an economic growth rate of 7-8 percent is seen as extraordinary. Within this given context, the explanation of the annual percentage growth rate of Gross Domestic Product (GDP) at market prices is based on constant local currency. The aggregates are calculated using prices that remain steady from 2015 and are shown in U.S. dollars. GDP stands for the total gross value added by all producers who live within the economy's borders, including taxes on products but not subsidies.

**FIGURE 3.1** Historical Chart



Zimbabwe, located in southern Africa, has experienced significant economic challenges and changes over the years. This document contains main sections. It provides comprehensive information on the country's economic development,



including historical trends and key economic indicators. Zimbabwe's economic history has experienced significant changes and challenges, particularly since the country moved to majority rule in 1980. This article aims to delve into the salient aspects of Zimbabwe's economic history. The economic story of Zimbabwe began when it shifted to majority rule in 1980 and received independence from Britain. The new government, led by Prime Minister Mugabe, took up socialist policies and got support from other countries. On top of that, the recently established regime received one of Africa's most developed and effective economies along with its governmental systems. But starting in 2000, there was a land reform program made by the government to take away farms owned by white people. This plus mismanagement, corruption, and instability in politics led to economic downfall. This downfall can be seen through falling GDP and other connected economic difficulties.

The land reform program introduced by Mugabe's government aimed to gradually transfer ownership of agricultural land from the white minority to black Zimbabweans. This policy is considered the main cause of the country's economic decline. Also, poor economic management. Rising inflation. Economic conditions worsened due to high unemployment and other factors. President Mugabe's controversial decision to intervene in the 1998 civil war in the Democratic Republic of the Congo not only placed a heavy financial burden on Zimbabwe's economy but also halted international economic aid. Aid and loans to Zimbabwe were subsequently withheld to protest Zimbabwe's land reform programs, human rights abuses, and previous debt defaults. Despite the complexities of ideological and political arrangements, it is widely known that some parts of Africa, including Zimbabwe, face serious economic difficulties. Zimbabwe faced inflation, the bankruptcy of state-owned enterprises, and chaotic land reform, which led to economic collapse. Zimbabwe's economic trajectory is complicated by political decisions. international aid. It is determined by land reform efforts and economic mismanagement. These factors exacerbate major economic problems and destabilize the country.

### **3.2.1 EDUCATION AND HEALTH SYSTEMS**

Education is viewed as an effective means to improve a country's society by establishing a well-trained workforce that contributes to the country's economic output. The primary objective of education is to facilitate the acquisition of knowledge and skills by every member of society. In the aftermath of the war for independence, Zimbabwe has undergone substantial transformations in its educational framework. The nation has made noteworthy advancements in its endeavors to ensure universal access to education. Additionally, Zimbabwe has ratified the Universal Declaration of Human Rights (UDHR) and is dedicated to upholding its tenets, particularly Article 26, which emphasizes the right to education.

(1) Every individual has the fundamental right to receive an education. It is essential that education be provided free of charge, particularly in the primary and foundational stages of learning. ...

(2) The purpose of education should be focused on fostering the comprehensive growth of the human personality and promoting a profound sense of appreciation for human rights and fundamental freedoms. ...

In the first decade after independence, Zimbabwe made significant strides in meeting the requirements of the UDHR for "education for all". The impact of globalization becomes evident when countries in the global arena strive to provide the

same human rights for their citizens. In Zimbabwe, we can observe this through the government's dedication to offering education as a fundamental human entitlement, which is evident in ref [50]. The initiation of ESAP signifies the start of globalization's manifestation in Zimbabwe. ESAP can aid us in comprehending how education and globalization are interlinked within the country. ESAP had an impact on the area of education. Even though the policy was market-centered, changes in education came about as a reaction to global neoliberal policies. The focus of learning changed from being accessible to everyone and a tool for societal change, into an asset and advantage only for those who can afford it. Its costs and benefits were assessed using market principles. The state was restricted by policy instruments and couldn't fulfill its people's basic requirements. The government used to give support to the social service sector but due to meeting IMF lending conditions, it had to remove subsidies for some basic services and commodities such as education which caused disturbances in the education sector.

ESAP, the Economic Structural Adjustment Program, made the government cut expenses in social service areas such as education. This led to a decrease in budget allotment for education and training programs. Gomo, as referred by E Shizha and M Kariwo in the United Nations Development Program (UNDP), Zimbabwe Human Development Report showed a major decrease in the country's economic performance following ESAP initiation year 1990 (as cited in reference 53). The population had much suffering, with poverty spreading wide and becoming intense. Parents faced financial difficulty when they could not find enough money to pay for school tuition fees. This caused a rise in students leaving school, especially girls who are more likely to be affected by such situations. In numerous African societies, when there is a lack of monetary resources, a girl's education usually gets compromised because of cultural views that give importance to girls' fate for marriage. This is not good for the welfare of the girl child, as boys are getting more chances. The government faced obstacles because there were not enough funds to support the education sector. After these problems happened, the state government changed the Education Act to match with new ESAP displays and they started again charging school fees at the primary level. It turned education into a product, a good that could be bought by those interested in it. This caused schools to become commercialized. One can argue that globalization has turned education into a commercial commodity. As education became marketized, it also became privatized, resulting in the loss of government control. The government's grip on the sector weakened, and it struggled to regulate or control it. Consequently, the enduring repercussions of the Economic Structural Adjustment Program (ESAP) persistently affect the educational landscape in Zimbabwe, resulting in formidable challenges, including the significant impediment of limited access to schooling for a considerable number of children, and the exacerbation of socio-economic disparities. Furthermore, these policies have engendered disruptions in the trajectory of educational advancement.

In the case of Zimbabwe, it can be argued that globalization, rather than having a straightforward agenda to improve individuals' living standards, brings challenges. ESAP policies have exacerbated the continuous decline in budget allocations for education and training, leading to social suffering. As emphasized by Shizha and Kariwo (2021), the socioeconomic upheaval observed in the 1990s can be partly attributed to the implementation of the economic structural adjustment program. However, it is essential to recognize that the difficulties encountered in the 2000s arose from a lack of foresight and effective economic governance on the government's behalf, ultimately resulting in a severe socioeconomic crisis. Globalization has

exerted immense pressure on national governments, causing them to overlook the importance of respecting human rights. In 1980, Zimbabwe introduced universal and compulsory primary and secondary education, recognizing education as an essential right. The Education Act of 1987 explicitly delineated this right. Nevertheless, it is important to acknowledge that despite the initial intent for education to be entirely free in 1980, parents still had the obligation to pay sports fees for the procurement of equipment and materials. Furthermore, there were building fees for school development. Following the implementation of the Structural Adjustment program in 1992, all goods and services were priced based on market value, leading to the elimination of free education. Currently, rural primary schools in Zimbabwe impose fees of \$15 per term, while parents of urban primary school children pay an average of \$35. (Source: [higherlifefoundation.com/the-primary-and-secondary-education-system-in-zimbabwe/](https://higherlifefoundation.com/the-primary-and-secondary-education-system-in-zimbabwe/))

Key findings from the 2020 Education Sector Analysis Report include: According to the 2020 Primary and Secondary Education Strategic Plan, approximately 27 percent of school-aged children are unable to attend school due to financial constraints. Most educational expenses, in addition to salary, are borne by parents. This is approximately 96%. Like many other developing countries, funding for schooling in Zimbabwe is provided by the government. This is supported through tripartite partnerships involving school children and their families, and multilateral and bilateral development partners. Unlike most African countries, Zimbabwe schools still charge tuition fees. Due to the recent economic instability and recession, parents are forced to bear the burden of the operating costs of fee-paying schools. Despite increasing economic pressures, Zimbabwean families still donate half of the school's total income (excluding staff costs). Initially, the budget was significantly reduced from \$1.095 million in 2019 to \$425 million in 2020. As a result, families have greater responsibility than governments for school funding and operating costs. Common Tuition Fund. Family donations can take many forms, including school administration fees and sports fees. For Form 1 schools, the annual family contribution is approximately \$1,500 per student, which is a significant amount. This financial burden can contribute to high school dropout rates. In rural areas, tuition costs of \$300 to \$400 per student per year burden rural families. Globalization has significantly influenced the progress of health and education systems in developing countries. The education levels have risen a lot over recent years, possibly because globalization generates work chances that need more skills. So, the increased demand is giving people ways to get higher education. Economic growth is tied to the betterment of a nation's health and education, which are key objectives for its prosperity. As economies progress, living standards in developing countries will undoubtedly rise along with life expectancy. With increased resources at their disposal, poorer nations can offer their citizens improved healthcare services and sanitation facilities.

Also, governments from developing nations can help in lowering illiteracy rates by giving more money to health and education in poorer communities. We see this good change as shown by the recent fall of illiteracy in many countries that are still developing. It's clear that better standards of living and longer life spans in these developing nations are outcomes directly linked with the economic advantages presented because of globalization. A 2004 World Bank report shows that globalization has a big effect on the average life expectancy worldwide. Over 85% of people on our planet are now aged 60 or more, which is more than double their age from one hundred years ago (World Bank Group). Globalization also aids in

improving the medical research field. For humans, it helps medical professionals and scientists to detect and manage a range of illnesses that impact animals and birds. Diseases like swine influenza or avian influenza have garnered international focus, with effective preventative methods well-known (AIDS). Furthermore, the worldwide increase in global trade has led to the emergence of NGOs. World Health Organization (WHO) and United Nations Education. This has given birth to worldwide bodies like the Scientific and Cultural Organization (UNESCO). These groups unite in fighting against worldwide problems such as illiteracy and fatal diseases, safeguarding human lives globally. But, even if globalization has brought benefits for education and health in less developed countries, there are also some negative effects. One of these is making it easier to spread new diseases from one country to another through more travel and trade between nations. This includes illnesses like HIV/AIDS, swine flu, and bird flu as well as plant diseases passing across borders easily - all happening because of increased travel from developed countries into those still developing (Kaplinsky & Santos-Paulino, 2016).

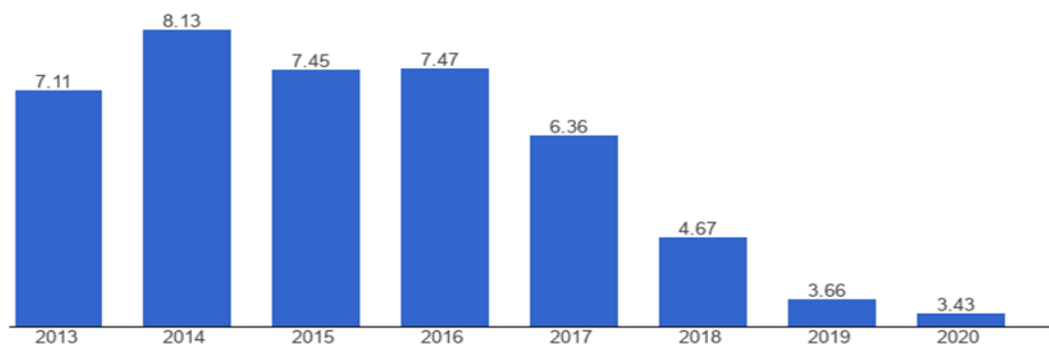
This greatly affects the standard of living and life span in these nations. An instance is given by the World Bank (2004), where the AIDS catastrophe considerably altered life expectancy in several parts of Africa, reducing it to below 33 years. Additionally, this crisis has slowed down the introduction of economic plans to handle these issues. Globalization has also brought about the problem of intensified global competition, causing many skilled workers such as scientists, doctors, engineers, and IT specialists to move towards developed countries for better wages and lifestyle prospects for themselves and their kids. This results in a decrease in skilled labor available in developing nations.

**TABLE 3.2** Health Spending as Percent Of GDP

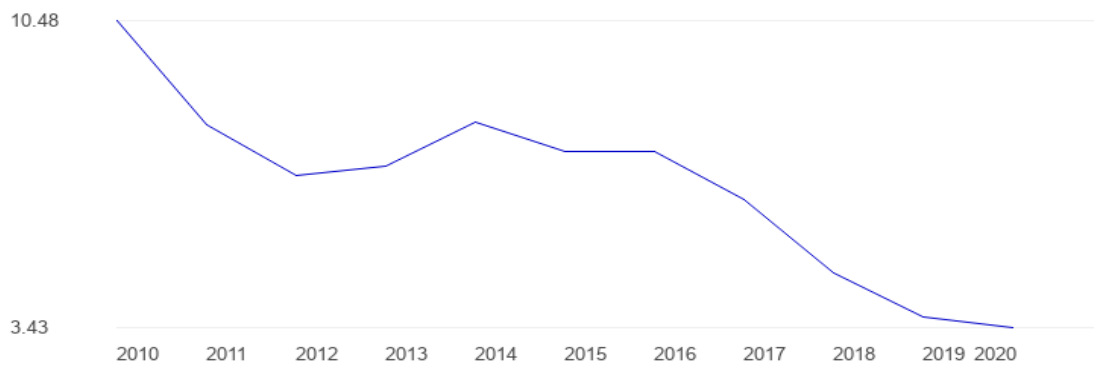
Zimbabwe	Health spending as a percent of GDP
Latest value	3.43
The year	2020
Measure	percent
Data availability	2010 - 2020
Average	6.71
Min - Max	3.43 - 10.48
Source	The World Bank

The average value of Zimbabwe for the duration from 2010 to 2020 is 6.71 percent. You should note that in the year 2020, there was a small value at a minimum level which equaled 3.43 percent, and a big value at the maximum level which reached up to 10.48 percent in the year 2010. The data point from the latest year, which is 2020, shows the value as being equal to a minimum or small amount of only three decimal four three percent (3.43%). To give a comparison perspective, the world average for 2020, which covers 179 countries, was at 7.04 percent.

**FIGURE 3.2** Recent Values Chart



**Historical Chart**



Health expenditure level, as measured by the percentage of GDP, refers to the number of financial resources allocated to healthcare. It encompasses the expenses incurred on healthcare goods and services within a given year. It is very important to note that this measure does not incorporate capital health expenditures, which include investments in infrastructure, equipment, information technology, and vaccine stockpiles for emergency situations or disease outbreaks.

**3.2.2 TRADE AND TOURISM**

Prior to the implementation of reforms in 1991, Zimbabwe had implemented stringent measures to regulate foreign trade, foreign currency flows, and also the exchange rate. The purpose of the economic reforms in the trade sector was to eliminate controls based on quantity, establish standardized tariffs and duties, phase out incentives for exports, gradually dismantle the system of licensing imports, liberalize foreign currency controls, reduce tariffs, and eliminate surtaxes. The trade policy aspect of the program was fully executed, as all imports, except for strategic items like fuels, were subjected to the Open General Import License. For the purpose of enhancing export-focused production and growth, a program named Export Processing Zone was initiated which included different incentives for exports. The policy also stressed regional incorporation and trade liberalization in WTO (World Trade Organization). It aimed to put into action a standard tariff structure. In October 1998, the government changed its policy by raising tariffs for finished goods that had local substitutes or were luxury items. This action, called "moderately-on-trade," had goals like stabilizing the foreign exchange market, reducing import pressure on the exchange rate, making money for the country, protecting local manufacturing, and improving how income is divided - all done in moderation.

A report lately suggested that Zimbabwe has shown good results in productive

integration but only average results for trade, free movement of people, infrastructure, and financial integration. According to Africa Regional Integration Index Report 2016, Zimbabwe got best position inside the Southern African Development Community (SADC) and it was placed at number 15 within the Common Market for Eastern and Southern Africa (COMESA) bloc with corresponding scores of 0.74 as well as 0.36 respectively from <https://www.newsday.co.zw/business/article/90826/zim-performing>. The report also showed that Zimbabwe gained the 21st place in Africa based on the merchandise trade complementarity index by United Nations Conference on Trade and Development. This index checks how much a country's trade matches with its trading buddies. This ranking indicates that Zimbabwe could have aimed for a certain degree of specialization via its trade links within the region. The report also pointed out that Zimbabwe held an important portion of intermediate goods in its business with the Southern African Development Community (SADC). The country, with an average share of 61% in total imports within the region (SADC and COMESA), ranked 13th among member countries. The Africa Regional Integration Index is a joint effort from the African Development Bank, African Union Commission, and Economic Commission for Africa to assess how much every country in Africa fulfills their obligations under pan-African integration structures like Agenda 2063 or Abuja Treaty. The index is broad, covering multiple dimensions such as the free movement of people, trade integration, productive integration, regional interconnections, and infrastructure development together with macroeconomic policy alignment.

In infrastructure integration, Zimbabwe ranked eighth among the SADC countries and ninth in COMESA. In the whole continent, it was placed 13th regarding infrastructure integration among all African nations. According to the report, Zimbabwe held position number 23 for having the highest internet bandwidth per person in Africa with an average of nearly 0.7 megabits per second available for every individual daily. The report pointed out the importance of internet bandwidth for international communication and its part in backing up trade in services. In June 2014, nearly 84% of worldwide flights to and from Zimbabwe were within the SADC region making it the eighth-ranked country in this bloc. Also, 46% of these flights were inside the COMESA area which positions Zimbabwe as the fifteenth among members within that group dealing with regional economics. Talking about the free movement of persons, Zimbabwe showed a moderate score. They permitted nationals from 27 other African countries to enter without a visa or get one upon arrival. Regarding trade integration, Zimbabwe showed moderate performance. It had an average applied tariff of 24% on imports from SADC. The country also imposed a high average applied tariff of 24% on goods coming in from SADC. However, it had an average applied tariff at zero-point one percent (0.1%) for products imported from COMESA (World Bank Group). In financial integration and macroeconomic policy convergence, Zimbabwe was ranked fifth among SADC countries with a score of 0.50 (African Development Bank Group). For this class, South Africa came out as the top country. The studies that investigate how much international trade (both what a country sends out and what it brings in) is related to economic growth have mostly concentrated on export-led growth theory. Many scholars have thoroughly explored this connection. For example, Myrdal (1957), Blumenthal (1972), Bhagwati and Srinivasan (1975), Balassa (1978), Ragin and Delacroix (1979), Feder (1982), Balassa again in 1985, Jaffee's work from 1985, Krueger also from 1985, the World Bank report of 1987 is there too. Feenstra's study published in 1990 can be seen along with Segerstrom et al. 's research paper released during the same year. In addition, we have Esfahani's article from 1991, followed by Jaleel and Kwan's work which was

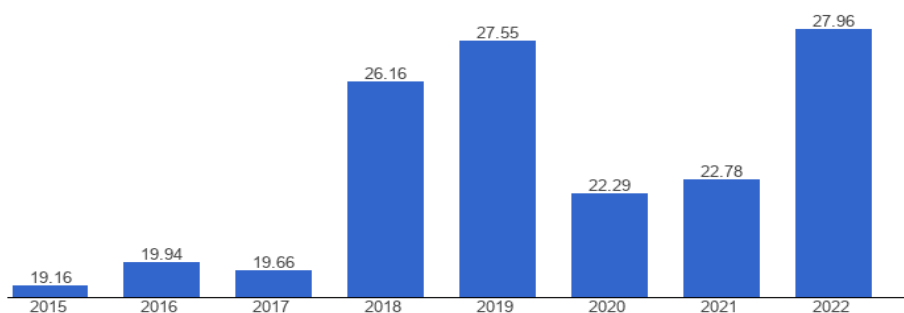
published later that same year. Luis et al., WB reports in 1991; one more from WB but now it is in the year of our Lord nineteen hundred ninety-three. Moving on to Baldwin and Forslid writing since nineteen ninety-six as well as Harrison who has been publishing studies also starting since this same year; Ben-David along with Loewy who are authors we find active from Nineteen Ninety-Eight onwards...Sentsho writes about her own experiences over two thousand three years while Stait composes his thoughts into a piece back to thousand five times when people used pens instead of typing on keyboards." Finally, there are works by Saaed & Hussain: they had written their respective articles twenty fifteen periods, Ali et al. 's publication is recent one which came out lastly but not lastly.". (2018) have also conducted studies related to this topic. But there has been less focus on the hypothesis of growth driven by imports (Pindiriri et al., 2014; Moyo and Mapfumo, 2015; Ali and Li, 2016). In Zimbabwe previous researchers like Mafusire (2001), Ogbokor (2005), Munoz (2006) and Chigusiwa et al. (2011), Tsaurai and Odhiambo (2012), Moyo and Mapfumo (2015), Bonga et al. (2015), Puruweti (2016) and Bonga (2018) are some of the researchers who have studied about export-led growth hypothesis. At the same time, Pindiriri et al. (2014) and Moyo with Mapfumo (2015), import-driven growth theory was backed by their findings, especially emphasizing the part played by capital goods imports to boost the economy's expansion.

In Zimbabwe, the conversation has been taken over by the export-led growth suggestion. This has unfortunately obscured the works of Pindiriri et al. (2014) and Moyo and Mapfumo (2018). However, this study now being done shows some key differences from other research that was previously conducted. The current study is different from normal talk about which is more important for economic growth, imports, or exports. It uses a new method by using Artificial Neural Networks (ANNs) to make models and forecasts on the direction of both exports and imports. The use of ANNs in analyzing Zimbabwe's trade situation is interestingly fresh, making this research the first attempt of its kind within the country. After getting freedom in 1980, Zimbabwe was known as the Jewel of Africa. But it has become a sick man of Southern Africa over time because the country's economic policies are bad for its health and there is always political unrest. It also struggles to get past problems that it makes itself (Bayai and Nyangara, 2019). The Zimbabwean economy, even with multiple changes in trade policy, has been confronted by substantial hurdles to secure continuous growth after obtaining independence (Bonga et al., 2021). In the year 1982, which was only two years later from becoming independent, it got its lower-middle-income status. The gross domestic product per person was US\$1205 and life expectancy went up to reach 61.3 years old (World Bank Data n.d.). However, the economy suffered a severe downturn; in the year 2016, it dropped back down again into being classified as a low-income country having a GDP per person of \$878.20 and a life span of just about 57 years old (World Bank Data n.d.). This fall in economic growth is due to many factors. These include bad handling of the macroeconomy, putting price controls everywhere which led to less availability of goods, and a time with hyperinflation that reached its highest point at 231000000% in 2008. Later, stability was regained by adopting a multicurrency system in 2009 but still economy has been dealing with serious economic issues like big fiscal deficit, increasing prices, lack of money supply, high public debt, big informal sector, and the overrated exchange rate that makes it less competitive (African Development Bank Group, 2018). From 2012 to 2017, Zimbabwe's total exports showed a constant drop in value and quantity compared to the situation during the 1990s. For instance, income from exports was reduced by 49%, declining from about US\$2.6 billion at its

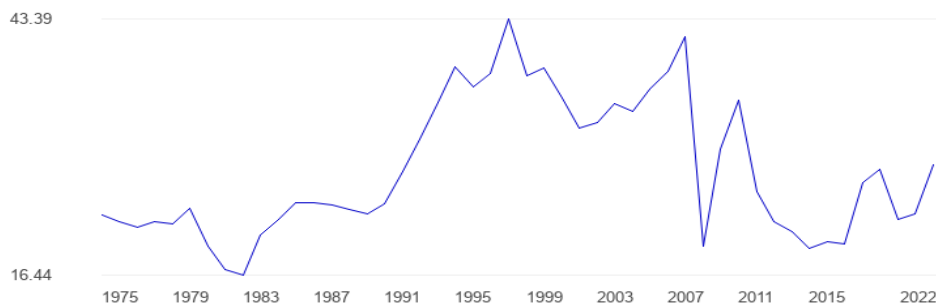
highest point in 1997 to roughly US\$1.3 billion around the year 2006 (World Bank, 2019).

At the same time, the cost of importing goods also grew. It went up from US\$2.2 billion in 1996 to nearly US\$2.7 billion by 2006 (Government of Zimbabwe, 2012). Starting in 2002, Zimbabwe has always had a negative trade balance (Government of Zimbabwe, 2012). In addition, the country experienced a drop in its exports from US 3.6 billion during the year 2011 down to approximately US \$ 2.8 billion recorded during the year 2016 with a yearly rate decline standing at minus five-point seven percent (%). As for the balance of trade in goods and services, it was negative in 2016 at US\$2.4 billion. This happened because imports were US\$5.2 billion while exports reached only US\$2.8 billion during that year (World Bank, 2018). Although there has been some improvement with the current account deficit reducing from 4.2% of GDP in 2016 to 4% last year because new schemes for export incentives were put into place, this value is expected to go down even more reaching about 3.8% of GDP by the end this year as per recent government policies on restricting controls over imports - Statutory Instrument (64). Zimbabwe still faces problems when it comes to its foreign exchange supply mainly because there have been too many finished goods being imported along with high amounts spent on fuel and electricity compared to what gets exported from within the country's borders which has caused a mismatch between how much money goes out versus coming back into the economy through sales made abroad or domestically alike (World Bank, 2018). This highlights the importance of the country's need to diversify its export portfolio. Amazingly, 85% of foreign exchange for Zimbabwe comes from only five commodities: tobacco, gold, platinum group metals such as gold and platinum, chrome ore or concentrate which includes chromium metal used in steel-making processes; rough diamonds/cut diamonds with or without industrial use (ADBG - African Development Bank Group, 2018). The below figure shows how much Zimbabwe exports and imports as part of its Gross Domestic Product (GDP) over time from 2011 until 2022:

**FIGURE 3.3** Exports and Imports in Zimbabwe Over the Period 2011 - 2022



Zimbabwe Imports and Exports, Percent Of GDP- Data, Chart [Theglobaleconomy.Com]





The table above provides empirical support for Zimbabwe's stable position as a stable net importer. From 2011 to 2022, China maintained a trade deficit. Moreover, the figure shows that the difference between exports and imports from 2012 to 2022 has gradually widened compared to the period from 1975 to 2001. In 1975, the percentage of gross domestic product (GDP) for exports was 22.76%, for imports it was 24.43%, and the trade deficit made up 1.67% of GDP. In 2016, this deficit rose to about 13.28%. Estimates about future exports and imports guide policymakers to comprehend how trade deficits may evolve and what policies are fitting for them. Zimbabwe is full of natural resources; it has good public infrastructure and a big group of skilled workers. These Zimbabwe-specific factors are also found in Africa as a whole, making the region an appealing choice for joining supply chains that are already established. The African Continental Free Trade Area (ADB, 2018) can provide unique and promising chances for Zimbabwe to become part of these supply chains. Zimbabwe's largest trading partner is South Africa. It buys 40% of Zimbabwe's exports and supplies 60% of its imports (GoZ, 2020). Previously, the European Union was the main place where Zimbabwe sold goods with nearly two-thirds share in total exports but now China has become the third biggest export market after South Africa and the EU taking up around 7 percent (GoZ, 2020). Robert Mugabe, the President of Zimbabwe, stepped down from his position in November 2017. Then, Dr. M.R. Mugabe who was leading the opposition and considered a national hero also resigned from his role in February 2018. From the time Tsvangirai passed away until now, Zimbabwe has been witnessing political and economic instability. The government in place, which is headed by President Mnangagwa, has a focus on improving economic structure to enhance macroeconomic stability and business setting.

This study, which has the objectives detailed below, will be of great assistance in achieving the long-awaited economic growth and development in Zimbabwe under the new dispensation. Governments usually implement trade liberalization programs to secure enduring benefits from competition as well as comparative advantage. Yet, these transformations are frequently delayed or resisted because they result in adjustment costs. Trade liberalization is very often a key part of the economic adjustment plans given to developing countries by respected groups like the International Monetary Fund (IMF) and the World Bank. The first goal of these measures is to reduce poverty. World Bank, for example, has taken on the important slogan "Working for a World Free of Poverty." In April 2001, there was a joint statement from the President of the World Bank and the Managing Director of IMF that poverty is urgent: "The greatest challenge facing the international community." This also showed how important these two groups are in fighting against this problem. This shows the worldwide attempt to fight poverty and make the world fairer. Zimbabwe is recognized in the region and globally for its vast mineral wealth which forms an essential part of its export revenue. In the time of Zimbabwe's highest diamond rush, it was one of the six biggest countries exporting diamonds worldwide. Today, this nation is a top producer of nickel and has an important part in making platinum group minerals (PGMs). Gold always has been big for giving foreign money to Zimbabwe. Miners who work on small scales gave two-thirds of the 35.1 tons that were produced and sent out in 2022's year-end data. But the starting months of 2023 experienced a difficult beginning with exports going down by 22% in comparison to the first five months of year 2022. Even after this fall, there is a goal set to make more money from the mining sector which will be raised to US\$12 billion; it takes advantage of the worldwide lithium hurry and commodities boom. In addition to

mining, Zimbabwe also earns significant revenue from its agriculture sector, particularly from the export of tobacco, known as the "golden leaf." In the first five months of 2023 alone, the country earned US\$345 million from unmanufactured tobacco exports, solidifying its position as one of the top tobacco exporters in the world.

However, there are arguments suggesting that by increasing value addition and transitioning from solely exporting unmanufactured tobacco to manufacturing cigarettes, the figure could experience a substantial increase. Nevertheless, the total value of tobacco exports in 2022 amounted to an astounding US\$1 billion. In the past, the local cotton market thrived and made significant contributions to both exports and livelihoods, particularly in areas such as Kadoma, Sanyati, and Gokwe. The Eastern Highlands are also a key producer of tea, which is a crucial agricultural export, generating an average of US\$1.5 million per month. Additionally, sugarcane exports significantly contribute to the agricultural sector. Surprisingly, electrical energy is also one of Zimbabwe's leading exports, particularly during the first five months of 2023. Despite the country experiencing inconsistent power supply and load shedding, electricity exports averaged US\$2.4 million per month in 2023 and ranked among the top 20 exports year-to-date. Although Zimbabwe is often seen as a manufacturing hub, it also plays an important role as an exporter of raw materials. This phenomenon may explain why domestic manufacturing activity has declined and the unemployment rate continues to rise. According to trade statistics, Zimbabwe's exports are expected to reach US\$6.6 billion in 2022, an increase of 10% year-on-year. Indeed, the country's exports have been steadily increasing in recent years, although they declined slightly in the first five months of 2023. Zimbabwe is an important net importer in its trade balance. Import duties on essential goods were removed earlier this year, leading to an increase in import bills. From June 2020, some of the products imported into Japan are procured through the foreign currency auction system, and the average auction amount is 20% of the total import amount. Zimbabwe imported \$4.2 billion worth of oil from January 2020 to May 2023, with an average monthly import value of \$102 million. This category accounts for the largest share of the import share and maintains its leading position. The government has been trying to ban the import of used cars for more than a decade, but the import bill reflects the domestic car manufacturing and assembly industry. Since the beginning of this year, total vehicle imports (including passenger cars and commercial vehicles) have reached USD 182 million. Zimbabwe, a major electricity exporter, imported US\$104 million in the first five months of this year. The income from electricity exports was only \$2.4 million, but the average monthly cost was equivalent to her \$21 million. Simultaneous input and output are due to power generation and transmission technology.

Additionally, construction and mining activities in our country have increased imports of mining machinery and equipment. Capital goods worth \$96 million were imported into the country in the first five months of 2023. These imports are expected to hurt the mining and construction industries. Zimbabwe's agriculture is dependent on imports, as well as mining and construction. This year, \$96 million worth of minerals or fertilizers were imported into our country. In the past few years, it has also imported large quantities of grains, especially corn and wheat. However, as the growth period in 2022/23 was above average, Myanmar's imports have decreased, although some imports will continue. Total imports were worth \$3.6 billion, and total exports were worth \$2.6 billion. As a result, the trade deficit was \$1 billion (39%). Additionally, Myanmar receives foreign currency from remittances and foreign aid. Foreign exchange earnings are expected to reach \$12 billion by 2022, surpassing that

figure this year. Zimbabwe launched the Economic Structural Adjustment Program (ESAP) in the early 1990s to liberalize trade. These reforms will be implemented in stages over time. But John and Tovic said the government chose trade liberalization over other developing countries. This decision was influenced by external pressure to join the global trend of liberal economic reform. The main source of this pressure was the Bretton Woods institutions, which demanded independence and promised increased funding. After decades of import substitution, Zimbabwe began reforms in 1991. As stated in the report of the World Trade Organization's Trade Policy Review Mechanism, the main objective of the reforms is to avoid economic stagnation and achieve faster and more balanced economic growth. Opening the international trading system is an important part of the economic reform agenda. The importance of this policy objective was demonstrated when raw materials and industrial products were listed under the Open General Import License (OGIL). The list also includes imported goods and controls exports. The aim is to cancel import permits and remove restrictions on the entry of foreign currency. Major industries such as cement, textiles, and mining have unrestricted access to imported products. Looking into the 21st century, it is doubtful whether Zimbabwe's economic reconstruction plan will achieve its goals. Supporters of liberalization argue that open economic exchange and less regulation contribute to peace and prosperity.

Furthermore, these policies have had unintended consequences for certain actors in the global political economy. One of these consequences is the emergence of an illicit economy, which has become a major source of conflict and cooperation between nation-states, state agents, non-state entities, and international organizations, according to Richard Friman and Peter Andreas. An illicit economy takes advantage of weak central governments and demonstrates the fluidity of state power concerning transnational economic forces. This illicit economy has negatively impacted many countries, undermining their state power. While globalization has facilitated the free movement of people, not all goods and people can move easily and cheaply. This has created opportunities for criminal organizations to expand into international markets. Smuggling, one of the oldest professions, is particularly common in developing states with high rates of unemployment. In Zimbabwe's Eastern highlands, there is a rich diamond deposit that has been mined for a long time.

The discovery of these diamonds initially raised hopes that they would improve the country's struggling economy. However, the funds from the diamond trade have not been seen in the country. Instead, the revenue has been shared among government officials, as mining companies did not declare their actual profits to the government. The diamonds were being exported to European countries, prompting the judicial parliament to summon the president and demand answers about the whereabouts of the diamond revenue. It was later discovered that the president was involved in a partnership with foreign investment companies, which resulted in the country losing about 15 billion US dollars. The mining company responsible for exposing this corruption was subsequently dismissed, and the military was appointed to oversee diamond mining. Unfortunately, allegations arose suggesting that the military was involved in looting the diamonds and smuggling them to neighboring countries. Both the military and the government were driven by self-interest, contributing to the weakening of the government due to these corrupt activities.

The top officials were opportunistically operating under unclear rules that allowed them to invent offenses and simply exorted funds from the country's revenue. They used the military to protect them as they continued to operate. More so the Zimbabwean courts could not also incriminate the foreign company together with the

president because according to liberalists, they call on the market's invisible hands however illicit economy is full of powerful manipulative hands. The local government is left helpless since it cannot deal with the issue.

It is beyond its capacity for the issues that it can handle. From Zimbabwe we can see that transnational organized crime threatens the political stability of local governments in developing states. Political leaders use powerful private actors to go after weak institutions and fruitful businesses. This breeds instability and sometimes violence since those benefitting from corruption struggle to remain in position. More so Zimbabwean officials use the military to protect their interests and to remain in power. The military cannot be trusted, as it has the potential to exploit its capacity for employing force against the government, thereby transforming itself into an instrument for the pursuit of illicit activities. Like what happened in Zimbabwe. The military ended up smuggling diamonds to the neighboring. Based on this, one can argue weakening of the government is not always constituted by external factors, the local government with the aid of its political leaders can weaken itself, through corruption. In the Herald Newspaper, the IMF was quoted declaring that Zimbabwe has the biggest informal economy with large contributions from agriculture and mining. They constitute a score of around 60%.<sup>65</sup> If mining has a major share in the economy, then it should seriously be regulated. Because lack of control results in only the rich getting rich and the poor remaining poor. Then the slogan of the World Bank is not fulfilled, rather it is just a continuation of capitalism from the colonial era.

Often governments embark on trade liberalization programs to increase the productivity of the economy and a shortage of investment sometimes may prevent efficiency in the growth of the economy. After trade liberalization, it is difficult to establish industries starting from the ground, it is time-consuming and expensive. Trade liberalization usually results in job creation, therefore strong investment is helpful since a lot of changes will occur during the implementation of the structural adjustments.

There could be a decrease in output and sometimes retrenchment, especially for industrialized companies. In this case, some industries such as textiles and cement in Zimbabwe were given free access to import inputs, therefore, it could affect domestic production. Investment could be the answer to these challenges, while on the other hand, if it is concentrated on imports, increased investments may contribute to some problems with the external accounts.

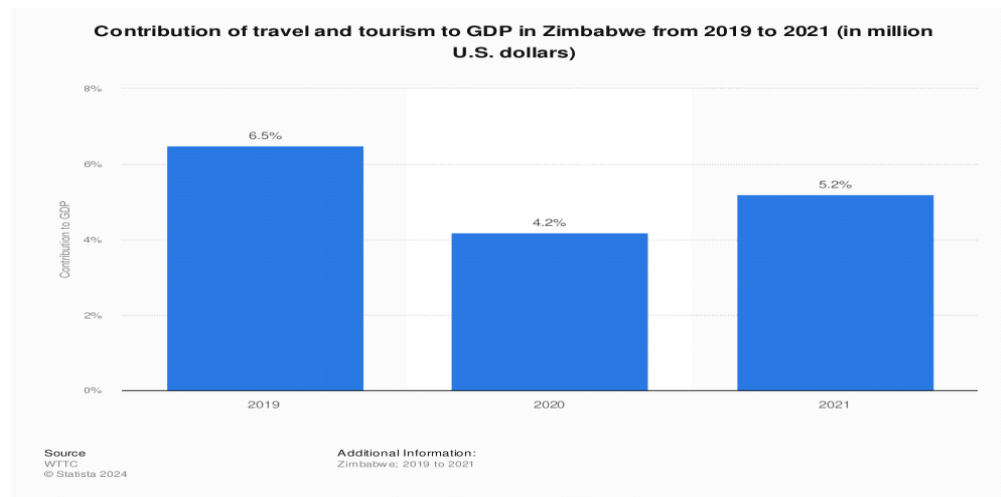
**TABLE 3.3** Results for Exports and Imports [65]

Variable	Mean	Median	Minimum	Maximum
Exports	28.596	25.680	16.440	43.390
Imports	35.204	35.910	19.470	68.050
Variable	Std. Dev.	C.V.	Skewness	Ex. kurtosis
Exports	7.3442	0.25683	0.31386	-1.1834
Imports	13.106	0.37227	0.68946	-0.15263
Variable	5% Perc.	95% Perc.	IQ range	Missing obs.
Exports	17.430	41.288	12.430	0
Imports	19.678	63.676	22.390	0

## TOURISM

Globalization is the process of interconnecting global economies with the aim of promoting societal welfare. It links people from different countries, and tourism is one of the best ways people can learn about different cultures. Globalization has made travel around the globe easier and more affordable, giving tourists a wide range of destinations to choose from. Tourism is progressively employed as a vehicle for regional development in Southern Africa and has emerged as a pivotal policy instrument for community advancement in Zimbabwe. Zimbabwe holds a prominent position as one of the foremost tourist destinations in Southern Africa, with tourism constituting a vital sector within the country. As a result of globalization, Zimbabwe has experienced substantial gains from this industry.

**FIGURE 3.4** Contribution of Travel and Tourism to GDP in Zimbabwe from 2019 To 2021



The country relies on revenue from international tourism. Despite the economic crisis, Zimbabwe continues to receive international tourists from around the world. According to Zibanai, Zimbabwe has strong ties with the East, which is the global leader in tourism demand. Receiving international tourists has significantly contributed to foreign currency cash inflows, promoting economic development as they spend their money in the country. The tourism industry has created jobs within Zimbabwe. According to Zibanai, one in every four people is employed directly or indirectly in the tourism sector. Various areas such as travel agencies, national tourism organizations, hotels, lodges, restaurants, national parks, publicity organizations, airlines, training institutions, and tour guides have generated employment for a large portion of the country's population. Globalization has also enhanced cultural exchanges through tourism.

Zimbabwe has many historical places, such as the Great Zimbabwe, which is famous in southern Africa and linked to the existence of certain ethnic groups in the country. Tourism creates spaces of consumption, allowing tourists to learn about historical places and purchase handicrafts and tools produced by local communities, thus improving their standard of living. Tourism contributes to infrastructure development even in underdeveloped areas. Tourism benefits include roads. This can be attributed to the construction of resorts and airports. Without globalization, some parts of Zimbabwe would not have developed. Zimbabwe's economic growth.

Recognizes the contribution of globalization to national development, modernization, cash flow, employment opportunities, and commodity markets. Globalization has had a positive impact on Zimbabwe. We can see that globalization has had a major impact on Zimbabwe. This fosters the exchange of ideas and motivates developing countries to participate on the world stage.

### **3.3 INVESTMENT**

Trade liberalization aims to revitalize a country's economy. The opposite is true in Zimbabwe. A country's economic indicators are influenced by factors such as political and socio-economic issues. Zimbabwe was facing severe economic difficulties. It is important to note that economic restructuring can only be successful if the host country implements a coherent development strategy. After Zimbabwe's independence in 1980, the government established strict regulations on foreign investment. Thinking about every proposal, for foreign investors to establish a new business in the country, they needed to get a license from the Foreign Investment Center. However, there was a change in the situation after Zimbabwe started the Economic Structural Adjustment Program (ESAP) in 1991 and began moving towards regional plus international economic integration. Trade barriers have been lessened across the globe because of globalization which has helped create powerful and successful economic expansion. On the other hand, problems with attracting foreign direct investment are nothing new for developing countries. In 1993, Zimbabwe's government declared restrictions on private investments and authorized the Zimbabwe Investment Center (ZIC) to carry out the required actions. The main goal of ZIC is gaining a "fiat" currency and license for investing in profit-making businesses.

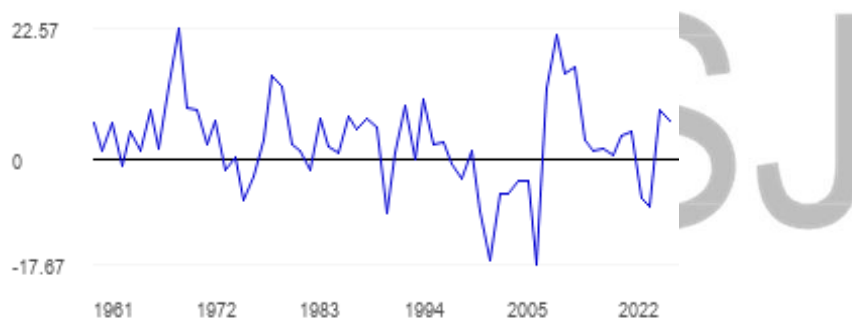
For arranging dividends and free return of capital. The main idea is to relax the past limitations and draw self-funded investment firms to boost supply response. Finally, ZIC has been changed into an investment promotion agency that carries out registration for all investment projects. The study of Gordon Sithole investigates foreign direct investment (FDI) effects on mines in Zimbabwe. The article named "Economic Structure" (2020) investigates the influence of direct investments made in the mining sector on a country's economy. Sithole's analysis spotlights policy reforms and structural adjustment programs within Zimbabwe's agricultural and trade areas. Number 36. His Africa Bureau you went to; 1996. The impact of globalization on investment in Zimbabwe has led to friendly investment rules for international investors. After some years, the International Monetary Fund and the World Bank declared that Zimbabwe's investment climate was becoming stricter, asking for a reorganization of the economy. This decrease in international investor trust is connected to weak structural changes. Matters within the country, such as corruption, also impact how long foreign investments last in Zimbabwe. Foreign investment can promote competition in domestic markets, as demonstrated by the presence of foreign steel companies in Zimbabwe. One such company, Africa Steel, gained popularity for its low-priced products, negatively impacting local manufacturing companies. ZISCO, a well-known local company, had to cease operations due to capital shortages and poor management, further highlighting the challenges faced by local businesses. While an Indian firm won the bid to take over ZISCO, it allegedly engaged in illegal exportation of raw materials, although no concrete evidence supports this claim. Other sources suggest that power and water shortages played a role in the company's closure, which coincided with a period of political instability in Zimbabwe. To attract foreign

investors, clear strategies and favorable policies must be implemented by the government, with local governments also playing a crucial role. The lack of advanced technology in Zimbabwe also hampers its ability to attract foreign investment. It is worth noting that developed countries tend to benefit more from foreign direct investment, which poses a challenge to Zimbabwe's economic growth within the framework of globalization. Overall, the success of globalization in Zimbabwe has been limited.

**TABLE 3.4** Foreign Direct Investment, Percent of GDP

<b>Zimbabwe</b>	<b>Foreign Direct Investment, percent of GDP</b>
<b>Latest value</b>	<b>1.25</b>
<b>Year</b>	<b>2022</b>
<b>Measure</b>	<b>percent</b>
<b>Data availability</b>	<b>1970 - 2022</b>
<b>Average</b>	<b>0.88</b>
<b>Min - Max</b>	<b>-0.45 - 6.94</b>
<b>Source</b>	<b>The World Bank</b>

**FIGURE 3.5** Production.Html> Accessed on March 20, 2021



**Policy Implementation:** The main influence of globalization in Zimbabwe can be examined by analyzing the implementation of two key policies: the ESAP and indigenization. Policy implementation refers to the process of achieving the goals set by the government and assessing how well these goals are realized. It is expected that once a policy is designed, its success will be evident either immediately or over time through the achievement of its objectives. However, Hlongwane and Mohamed argue that there are various factors that can hinder effective policy implementation, resulting in a gap between policy design and implementation, and even policy failure. These factors include poor policy knowledge, lack of motivation, insufficient resources, and lack of political will. In the case of Zimbabwe, were the adopted policies successful Several factors should be considered when it comes to local policy making. This puts a lot of pressure on national governments.

Globalization has deeply affected the African crisis. Governments are under pressure to prioritize economic agendas at the expense of social services for their citizens. They are the driving forces behind policymaking and globalization. We can see the power of politics here. The alleged nationalist and anti-imperialist approach to economic and social policy and development is grounded in power dynamics, lacking effective governance, compliance with the rule of law, and respect for human rights,

as noted by Shizha and Kariwo. To promote educational progress, social upliftment, economic well-being, and overall national advancement, it is crucial to embrace and uphold sound and consistent policies. Policymakers should involve everyone in policy drafting and proposals to overcome challenges brought by globalization.

Globalization brings opportunities, but in countries like Zimbabwe, it has given rise to what the International Monetary Fund calls a "shadow economy." gray economy. black economy. Scarcity economy. It can also be called the cash economy or the informal economy. Money Covers all business activities that are not disclosed to legal authorities for regulatory and organizational reasons. The financial factors pointed out by the IMF are tax evasion and unpaid social security payments. On the other hand, regulatory motives include avoiding government bureaucracy and avoiding regulatory obligations.

On the other hand, institutional factors include weak anti-corruption laws. It also includes the quality of political institutions and the rule of law. The informal sector is the largest employer and is difficult to regulate due to economic liberalization. Effective governance is essential to develop development strategies that meet national needs. This is one of the disadvantages faced by developing countries. There is no desire to empower all citizens. Elites make the most of the opportunities given to them. Economic development is hampered by high levels of corruption and weak rule of law. In this case, globalization can be seen as a continuation of colonial capitalism, where social classes and hierarchies still exist.

### **3.4 AGRICULTURE AND MINING**

Confirming what is already in the literature, it is true that Agriculture has special importance in Zimbabwe, which is usually called "the foundation of human life" and "the backbone of many developing economies". The researcher found out that 61 percent of people living in countryside areas of Zimbabwe get their main income from Agriculture. This happens more often within Zvimba District located in Mashonaland West Province (Moyo et al., 2017). As stated by most farmers in Zvimba District, Zimbabwe is working towards creating policies and institutional structures to boost agricultural production, attract investments, and promote the involvement of the private sector in farming activities along with agribusiness. This strategic plan highlights the importance of agricultural research as a key element for achieving these goals, especially through its related technological progressions.

Additionally, the technology used in agriculture has brought benefits to women in Zimbabwe. The understanding of gender power relations within African agricultural development is a crucial aspect that has been recognized. Women make up a large part of the agricultural labor force and they produce around 80 percent of basic food for use at home or selling in sub-Saharan Africa (FAO, 2006). Yet, only in recent times has their main function of being the producers and providers of food, along with their vital role in household food security been truly appreciated. Zimbabwe has seen that women make up 70-75 percent of work in agriculture which establishes them as the mainstay for production at home (Spring, 2017). Although they are primary producers of food, women face difficulties when it comes to accessing and managing productive resources. These include things like having secure land tenure, information availability about farming methods or marketing systems; obtaining credit facilities from banks or other financial institutions; also control over labor inputs required by a farm operation among other factors (Springer). The study



highlights that it is crucial to comprehend gender roles and duties as not being static but changing with circumstances, along with the varying availability of productive resources for men and women. This means making predictions about what could happen because interventions on certain groups can be complex (Doss, 2015; Ellis, 2015). The acceptance and effect of farming technology are complicated actions that rely on many interactions. Farm households in Africa are not uniform and show a range of complexities, therefore it is important to understand the dynamics within the household. Even if we focus on who benefits, those with more power and resource availability will have an advantage over those who possess less power or fewer resources when it comes to taking advantage of changing circumstances.

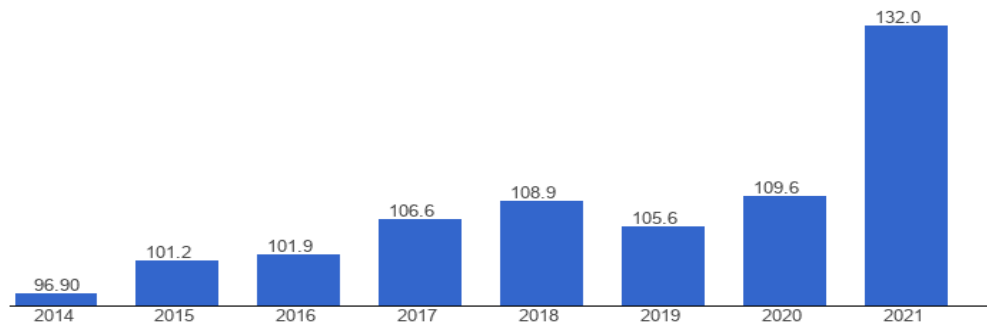
The money coming from men is usually kept for their use, and they control how it's spent. But with the introduction of new technology in Zimbabwe, this could change. As Chapter Two of the study shows, men are seen as having more power over a household's cash earnings in numerous developing countries (Agarwal, 2017). Hence, the researcher found that women participate in many roles which were traditionally done by men. However, the power to make decisions and handle finances still primarily belongs to males. The adoption of agricultural technologies and innovations in Zimbabwe has had substantial benefits for farmers and the general population. Specifically, over 51,000 Community-Based Vaccinators (CBVs) have been empowered with the necessary knowledge, skills, and resources to effectively contain disease outbreaks and prevent further spread through mass vaccinations and awareness campaigns. This approach has proven to be both sustainable and cost-effective. Most farmers in Zimbabwe have also adopted various irrigation technologies. The primary objective of irrigation development was to enhance crop yields by effectively applying and managing water in crop production. Consequently, the utilization of irrigation technology led to a substantial increase in output, with irrigating households achieving an average yield of 2.70 tons compared to non-irrigating households, whose average yield was only 0.76 tons. This finding was derived from a sample of farmers who were interviewed by the researcher.

**TABLE 3.5** Food Production Index

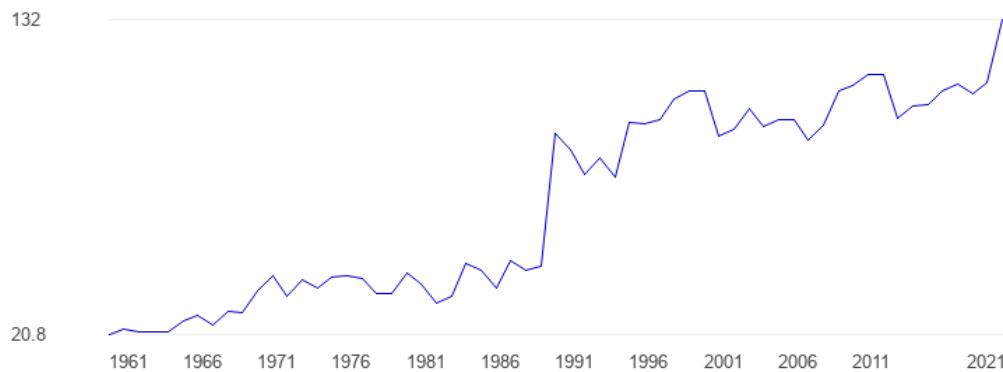
Zimbabwe	Food production index (2004-2006 = 100)
Latest value	132.0
Year	2021
Measure	index points
Data availability	1961 - 2021
Average	67.3
Min - Max	20.8 - 132.0
Source	FAO\

For this particular indicator, we have compiled data for Zimbabwe spanning the years 1961 to 2021. Over this time frame, Zimbabwe's average value for the indicator was recorded at 67.3 index points. The lowest value observed was 20.8 index points in 1961, while the highest value was 132 index points in 2021. The most recent data point available, reflecting the year 2021, indicates a value of 132 index points. To provide context, it is worth noting that the global average for the indicator in 2021, based on data collected from 188 countries, stood at 108.4 index points.

**FIGURE 3.6** Recent Values Chart



**Historical Chart**



The food production index includes edible food crops that have nutritional value. Coffee and tea are not part of this list even though they can be consumed because these items do not provide any nutrients to humans. The use of agricultural innovation has resulted in great advantages, particularly in the field of conservation agriculture. In simple words, conservation agriculture can be described as the kind of tillage sequence that aims to lessen or decrease the loss of soil and water. Non-governmental Organizations (NGOs) are pushing for certain parts of conservation farming in dry parts of southern Africa, particularly among smallholder farmers. These components consist of winter weeding; making small planting basins; applying crop residues; using manure and fertilizer inside planting basins; timely weeding and rotating crops. The purpose of promoting conservation agriculture in low rainfall areas is to improve crop production by preserving delicate soils and prolonging periods of water availability for crops. There was a big difference in the maize output per household between those who were using conservation agriculture methods versus those who were not.

Households that practiced conservation agriculture demonstrated significantly higher maize yields per household, while those who did not saw significantly lower crop output per household. The researcher consulted secondary sources such as textbooks and newspapers to gather relevant information for the study. It was discovered that the disappointing growth record in the first decade of Independence was primarily attributed to the inherited system of centralized controls. The presence of high transaction costs and import controls limited new investments and innovation in agriculture. Moreover, challenges to the existing situation were strongly discouraged by the prevailing institutions and attitudes. This was evident in the inflexibility of land ownership, which hindered the agricultural sector's ability to adapt to changing circumstances. In the 1980s, there were some significant investments made in human capital and infrastructure, with a particular focus on

education, health, and roads.

The access to foreign currency and the import control systems were creating obstacles to investment and growth in the agricultural sector. The increasing government budget deficits, high unemployment rates, and poor growth rates prompted the implementation of a structural adjustment program. This program brought about changes to the foreign exchange allocation system in 1989, followed by the formal acceptance of the Economic Structural Adjustment Program in 1991. Modifications were made to quantitative trade restrictions, tariffs, the centralized agricultural marketing system, interest rates, exchange rates, and the banking system. However, government spending continued to escalate. Efforts were made to enhance revenue generation by imposing certain restrictions on expenditure. These measures focused on sectors such as health, education, extension services, research, and other essential government services.

Unfortunately, military expenditures, politically motivated expenses, and losses incurred by state-owned enterprises increased during the 1990s. These outflows distorted the economy, undermined confidence in the government, and deterred both domestic and foreign investments. While various attempts were made to meet expenditure targets, this often came at the expense of social and productive sectors. As a result, the gains made in the education and health sectors were eroded, agricultural services for small-scale farmers remained inadequate, and infrastructure deteriorated. The recklessness and lack of commitment ultimately led to the failure of the structural adjustment program in the 1990s. The droughts of 1992 and 1995 posed significant challenges for the government in meeting its targets.

However, despite these obstacles, there was notable growth in the informal sector. Zimbabwe's informal sector experienced rapid development and became a major contributor to economic growth and employment. In the mid-1990s, farm workers began demanding better wages and working conditions, as they had alternative job opportunities in the informal sector. Nevertheless, the lack of flexibility in the economy hindered its ability to respond to economic indicators. Without the implementation of institutions that encourage new investments, innovative ideas, and resource mobility, the growth of the economy will remain limited. Between 1992 and 1998, the Gross Domestic Product (GDP) grew by 2.8%. Although national income declined after the droughts of 1992 and 1995, there was favorable growth in all other years until 1999.

More so, by the year 2000, the Zimbabwean economy had worsened compared to 1990, experiencing a decline. In 1999, national growth dropped by 1%, and the economic situation deteriorated further, with projected negative growth rates ranging from -5% to -15% from 2000 to 2003. Through documentary research, it was discovered that the Zimbabwean economy, particularly the agricultural sector, experienced a sharp decline in the early 2000s. The research findings also unveiled that the decline in output in 2001 and 2002 was a consequence of various factors in the smallholder sector, namely delayed payments, low prices, and marketing controls on maize. These factors, in conjunction with land disruptions and the 2002 drought, had a detrimental impact on planting, ultimately leading to decreased agricultural production during the specified years. The government is hopeful that with the stabilization of the political and economic situation, the recovery of the agricultural sector will play a crucial role in successful development, in addition to the implementation of new technologies in agribusiness.

41 The research also highlighted the positive contribution of technology to agricultural productivity in Zimbabwe. Additionally, President Emmerson Dambudzo

Mnangagwa has implemented new laws and policies to promote the adoption of new agricultural technologies.

Farming in Zimbabwe involved both commercial and subsistence types. Commercial farming covered crops like cotton, tobacco, coffee, peanuts, and different kinds of fruits. On the other hand, subsistence farming was focused on staple crops such as maize or wheat (Central Intelligence Agency). Before the year 2000, commercial farming was mainly controlled by the white minority group. But after that time a controversial land redistribution program started which involved taking away land from white farmers by force and giving it to black settlers (Central Intelligence Agency). President Mugabe provided a reason for this plan, explaining it was intended to fix the unfairness caused by colonialism. However, the lands taken by these settlers did not have correct land titles and this made it hard to get bank loans.

Additionally, small-scale farmers didn't have sufficient knowledge about big-scale agricultural methods because they were mostly focused on working with their own plots. The land redistribution policy created a situation where there was a considerable amount of land in Zimbabwe that could not be used to its full potential. A study done by the University of Zimbabwe found that agricultural production went down significantly, showing a drop of 51% from 2000 until 2007. The process of growing tobacco, which is the main crop Zimbabwe exports, shows a sharp decrease of 79% from 2000 to 2008. After this time and because there was the introduction of a contract system in agriculture as well as increasing demand from China for tobacco products; the industry had a resurgence starting from the year 2008 onwards. Famous international companies dealing with tobacco like British American Tobacco and China Tobacco gave great help to farmers through contract farming. They provided all necessary things for agriculture such as good seeds, fertilizers, or chemicals needed in the growing process; modern machinery for farm work along with money support when needed plus constant guidance throughout the cultivation procedure encouraging more people to get involved in this business sector (Tobacco industry in Zimbabwe: A success story).

Therefore, in 2018 tobacco production reached 258 million kilograms and became Zimbabwe's second-largest crop (BBC News, 2021). The change has been from big white farms that mainly sell to Europe and America to smaller black-owned farms that now export over half of all tobacco products to China. The tobacco industry was important in 2017, giving 11 percent to Zimbabwe's gross domestic product (GDP). It is of note that around 3 million people, most out of the country's total 16 million population, make their living by cultivating tobacco. This speech from Jackson shows his opinion on land reform which has support among Africans and some African American activists. In June 2006 when Jesse Jackson visited South Africa, he spoke about his views on the subject of land reform. He emphasized the need for land redistribution to be carried out with minimum adverse effects. Harnessing and promoting investor interests: "Land redistribution is always a noble goal, but the process must be carried out in a way that minimizes negative impacts. in the establishment of governance, because the lack of such governance has contributed significantly to the lack of democratic governance in Zimbabwe's economic decline."

In 2018, the agricultural sector in Zimbabwe achieved the following production quantities:

- The production of sugarcane amounts to 3.3 million tons.
- Maize production reaches 730 thousand tons.

- Cassava production stands at 256 thousand tons.
- Vegetable production amounts to 191 thousand tons.
- The production of tobacco totals 132 thousand tons.
- Bananas contribute to a total production of 106 thousand tons.
- Oranges yield a production of 96 thousand tons.
- Soy production amounts to 90 thousand tons.
- Sorghum production reaches 80 thousand tons.
- Potatoes contribute to a total production of 60 thousand tons.
- Barley production stands at 55 thousand tons.
- The production of peanuts totals 42 thousand tons.
- Cotton production amounts to 38 thousand tons.

### ***Year 2023***

- An impressive total of 2.8 million metric tons of maize were successfully cultivated.
- Additionally, a significant harvest of 120,000 metric tons of soya beans was achieved.
- The cultivation efforts resulted in a yield of 150,000 metric tons of sunflower.
- Notably, a substantial production of 350,000 metric tons of sorghum was attained.
- Moreover, an impressive quantity of 92,658 metric tons of pearl millet was successfully harvested.
- Lastly, a considerable amount of 270,000 metric tons of cotton was produced.

In the particular year of 2023, a record was set by Zimbabwe in wheat production with the total amount of wheat produced reaching 467,905 tons. This output level turned out to be the highest since 1966. But still, corn is the most important mainstay crop for Zimbabwe; it produced about 1.6 million metric tons during the current crop year which shows a decrease of 43% when compared to last year's harvest which gave us approximately 2.7 million metric tons (USDA Foreign Agricultural Service). Also, there is an expectation for a significant rise in the harvest of drought-resistant grains like sorghum and millet as per available data: it could be around 280,996 tons - this represents an increase of about forty-five percent from what was produced last season (USDA Foreign Agricultural Service).

In Zimbabwe's agriculture, many commercial crops like tobacco, cotton, soya beans, and horticultural products are grown successfully. The study shows that the government depends a lot on this sector for its development.

Farmers from the Zvimba District confirm the common belief that agriculture is crucial for a growing economy. They are showing their agreement with the proposed policies and institutions of Zimbabwe, which aim to increase output in farming, attract more money invested in it, and promote involvement from private sectors within both agricultural activities as well as agribusinesses. These goals depend on using research about agriculture along with new technologies developed by science. In Zimbabwe, agricultural technology has shown a positive effect, especially in helping women. The understanding that gender is important in African agriculture development is getting recognized. In sub-Saharan Africa, women have a crucial role as they produce 80% of all necessary food items for personal and business use. Nonetheless, the recognition of women as food producers and providers who secure household food has been a more recent development. This is in line with the statistics from FAO which show that around 43% of agricultural work in low-income countries is done by females (2021). Research conducted in Zimbabwe also supports this idea. It reveals that females contribute about 70-75 percent of total farming labor, known as the "backbone" of

household production (Spring 2023). Even so, their key role as growers doesn't mean they have easy access to necessary resources like secure land ownership rights or information on how best to farm; credit for buying the equipment needed for farming and having control over labor usage are among other things lacking for women (Doss, 2020; Ellis, 2022). Furthermore, the study highlights that it is crucial to understand gender roles and duties are not fixed but alter depending on circumstances. This makes it difficult to foresee the exact effects of certain actions on specific groups (Doss, 2020; Ellis, 2022).

The acceptance and effects of farming technology are affected by complex relationships, so it's important to understand many parts and diverse relationships in African farming households. No matter who the agricultural plan is made for, people with more power and resource access will probably get bigger advantages from changes compared to those having fewer resources and power. The research also shows how income distribution within households has been impacted by the arrival of new technology in Zimbabwe. When there are clear divisions in the farming work between men and women, changes in technology can influence these roles and change how money is made.

From the documentary research, we can see that there was a notable drop in the economy of Zimbabwe, especially during the early 2000s. In the smallholder sector specifically, farmers had to deal with late payments and were given low prices for their produce. Additionally, tight control on maize marketing further limited agricultural activities. All these elements, along with disturbances in land and a drought in 2002, caused less farming production in the years 2001 and 2002 (Makoni et al., 2021). Still, the government has positive hopes for agriculture's revival when politics and economy become stable. This is especially true because of emerging technologies that could possibly influence agribusiness growth. In accordance with this view, President Emmerson Dambudzo Mnangagwa has introduced new laws and tactics to promote using up-to-date farming technologies.

#### *MINING SECTOR;* Main article: Mining industry of Zimbabwe

Zimbabwe, like many other countries in southern Africa, has a good number of natural resources such as platinum, coal, iron ore, and gold. They have also found diamond deposits recently which are very valuable. Even though smaller quantities of copper, chromite, and nickel deposits have been identified too they still can be considered considerable. The discovery of Marange diamond fields in the year 2006 has gained significant fame for its richness worldwide. The government of Zimbabwe made a law in March 2011, stating that all mining enterprises should have local ownership. This is why the announcement led to drops in stock prices for mining companies working within Zimbabwe. A lot of non-governmental organizations (NGOs) have given detailed records about the widespread corruption in Zimbabwe's diamond sector. The report from an NGO called Reap What You Sow, which was published in November 2012, highlights a distinct absence of clarity regarding diamond revenues and states that the rich minority within this nation are gaining significant advantages from its diamonds.

As per the news, Thabo Mbeki who is a past President of South Africa cautioned about the dangerous connection between Zimbabwe's "predatory elite" and mining firms that work together to promote their own interests. In addition, according to Associated Press reports, about \$2 billion in diamonds were illegally removed from Zimbabwe's diamond fields found in its eastern part. Such secret actions not only financially benefited those ruling during Mugabe's time but also aided groups connected with gem trading along with criminal networks. The mineral exports of

Zimbabwe grew to a noteworthy sum of \$1.8 billion in January 2013. Then, the Metallon Corporation became the primary gold mining company in Zimbabwe by October 2014, under the control of its Chairman Mzi Khumalo. This was followed by notable advancements in the mining industry for Zimbabwe, which positioned it as the third main worldwide producer of platinum and the sixth largest producer concerning lithium production until 2019. When it comes to gold production, the country generated 23.9 tons in total for the year 2017.

**TABLE 3.6** Gold Production 2020 - 2023

<b>Gold production year</b>	<b>kg</b>
2020	25,100,000
2021	31,474,000
2023	30 metric tons

In 2020, Zimbabwe produced 25.1 million kilograms of gold. This figure increased to 31.4 million kilograms in December 2021. The year 2022 saw Zimbabwe's gold output reach an unprecedented high of 35.38 tons. This impressive increase can be attributed to new mining projects, incentives, and timely payments to miners. However, in 2023, Zimbabwe experienced a decline in gold production, with a decrease of 15% to 30 metric tons. This drop can be attributed to currency volatility and electricity cuts. In 2023, large producers delivered 11.4 tons of gold, the same amount as in 2021. On the other hand, small-scale producers delivered 18.6 tons, which marks a 23% drop from the previous year.

Gold is a significant source of foreign currency for Zimbabwe. Over the past few years, the country has seen a steady increase in its production of this precious metal. In 2021, Zimbabwe produced approximately 27 tons of gold, which is more than two tons higher than the previous year. According to Fidelity Gold Refineries, Zimbabwe's sole authorized gold buyer, the country's gold output in 2022 was 19.5% higher compared to the previous year. The company, which is wholly owned by the Reserve Bank of Zimbabwe, reported a total production of 35.38 tons in the gold sector. The state-owned company attributed this record-high output to the implementation of new mining projects, prompt payments, and incentives provided to large-scale gold producers.

In 2022, the Zimbabwean government extended an existing incentive to large-scale gold miners who have exceeded their average monthly production. This incentive allows them to be paid 80% in hard currency for the additional amounts, rather than the previous rate of 70%. Gold is one of Zimbabwe's major foreign currency earners, along with diamonds, tobacco leaf, platinum, and tourism. The country's production of precious metals has been steadily growing over the past few years. In 2021, Zimbabwe's national gold production was estimated to have increased to 27 tons, which is two tons higher than the previous year, 2020. Despite the growth in the gold sector, Zimbabwe has been facing inflation for many years. In June 2022, inflation reached 191%. To address the issue of escalating inflation and restore the value of the national currency, the Reserve Bank of Zimbabwe implemented a measure in late July. This measure involved the introduction of one-ounce, 22-carat gold coins adorned with an image of Victoria Falls into circulation. Economic System of Zimbabwe: The economic framework in this country has been greatly influenced by the implementation of tough one-sided restrictions for more than 20 years. These sanctions were initially enforced by the United States and European Union during the early 2000s in Zimbabwe due to political issues, human rights concerns, and land

redistribution policies pursued by its government at that time. A report from the Southern African Development Community (SADC) in year 2020 stated that Zimbabwe has suffered a big loss of money which is over \$42 billion because of these sanctions for the last 19 years. This situation has caused negative effects on different sectors within the economy and affected how good it is as an environment for investment.

#### *FOREIGN DIRECT INVESTMENT IN ZIMBABWE;*

Price control was the economic setting at that period. Zimbabwe, because of rules in the labor market and investment regulations (Labor and Economic Development Research Institute) (LEDRIZ, 2011), does not have a direct encouragement for foreign direct investment (FDI) into its economy. The Structural Adjustment Program (ESAP), funded by the International Monetary Fund (IMF), was made by the Zimbabwean government to encourage trade liberalization. Zimbabwe Investment Center (ZIC) appeared after the structural reforms; its purpose is to concentrate investments. This center encourages foreign investment and provides tax incentives and other rewards. It's a technique of production that needs lots of workers.

technology transfer: it also encourages the utilization of local raw materials and rural development (Zimbabwe Economic Policy Analysis and Research Center (ZEPARU), 2018). Foreign direct investment is still seen as a significant aspect of the growth efforts of the Zimbabwean government. Therefore, they introduced Zimbabwe Development Authority Act (AJER) in 2019 that provides guarantees and safeguards for foreign direct investments. Volume IX Issue 4, September 2021

C. Kudakwashe and S. introduced his Regret 150 (ZIDA)

The article "Regret 150 (ZIDA): A New Kind of Architectural Style for Zero-Intelligent Data Analytics" has been presented by C. Kudakwashe and S.

Summary:

The article brings forward the new architectural style called Regret 150 (ZIDA), which is designed for zero-intelligent data analytics systems. It explains that ZIDAs are complex software applications that utilize artificial intelligence algorithms to process big data and extract valuable insights from it without any human intervention needed. The key feature of ZIDAs is their ability to continuously learn from the data they analyze, enabling them to adapt and improve over time automatically. This characteristic makes them efficient tools for real-time decision-making in various sectors such as finance, healthcare, transportation, etc. However, the traditional architectural styles like SOA or layered architecture don't fit well with ZIDAs because of their dependency on human intelligence at some point in processing tasks; this limits scalability potential due to bottlenecks created by humans within these stages/processes (e.g., designing rules). To address these limitations inherent within traditional architectural styles like SOA or layered architecture when working with zero-intelligent data analytics systems known as ZIDAs due to their reliance on human intelligence during certain stages/processes such as designing rules; we propose a new kind called Regret 150(ZIDA). Also, Zimbabwe has put into action a variety of steps to increase the amount of foreign direct investment (FDI) coming in. These actions were part of its Transitional Stabilization Program (TSP) from 2018-2020 and the National Development Strategy from 2021-2025. As a result, FDI inflows have remarkably increased in Zimbabwe from US\$23.2 million to US\$280 million during the year 2019. In the year 2018, FDI inflows reached their peak with the total value being US \$744.6 million and the yearly average stood at around \$244.88 million per annum as reported by COMSTAT (COMSTAT, 2021). Moreover, during the period from 2010 to 2019, the stock of FDI as a fraction of the Gross

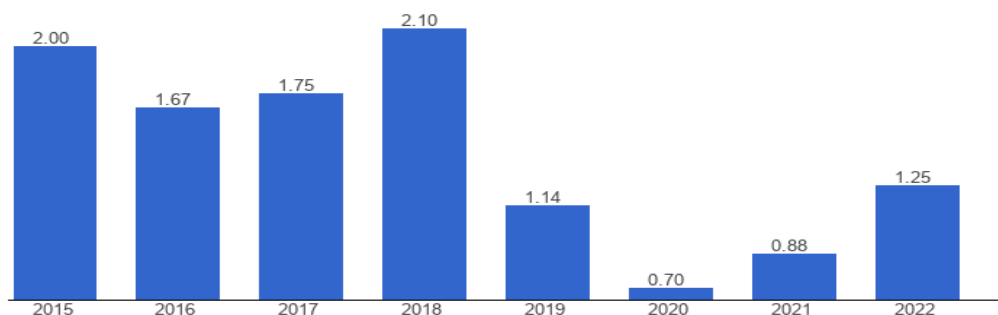


Domestic Product (GDP) in Zimbabwe was around 26.83% on average. Significantly, Zimbabwe's inflow of FDI has been similar to that seen by developed countries such as Italy (with an average rate of 17.94%), Germany (averaging around 25.59%), France with its mean score being roughly 26.69%, and the United States having a figure close enough to about 29.42% (UNCTAD,2019). Although foreign direct investment stock has reached record levels recently - demonstrating stability and attractiveness in business conditions - this does not change the fact that Zimbabwe still faces considerable economic difficulties being a developing nation. For instance, the typical FDI stock of China from 2009 to 2023 was 10.58% of its GDP which is less compared to that of Zimbabwe. However, China's economy is expanding quickly with an average yearly growth rate in Gross Domestic Product (GDP) around 10% (World Bank, 2019). As depicted by Figure 1, Zimbabwe demonstrated a positive progression in net FDI inflows as a proportion of GDP from the year 1990 to the projected end date in the year 2023. The connection between the increase in GDP and the rise of FDI inflows during this time is not consistent. It is intriguing that when net FDI went up from 2001 to 2008, the economy encountered its biggest drop in 2008 with a growth rate of -17.6%. This unusual link inspires the current research. Furthermore, we note that the impact of FDI may vary depending on its source.

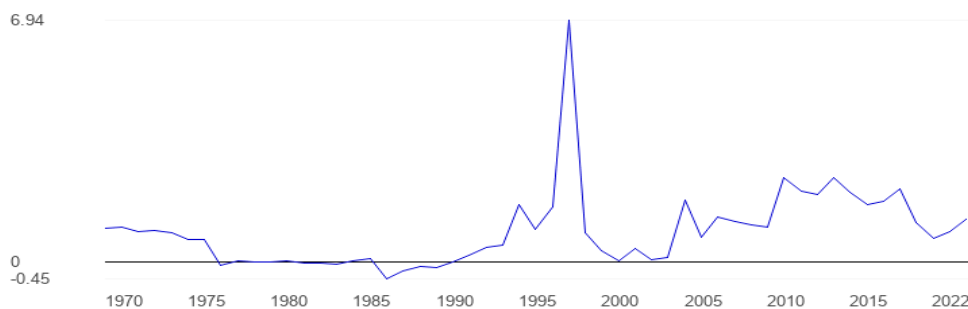
Zimbabwe has been able to pull in big amounts of foreign direct investment (FDI) from different nations across the globe. From 2000 to 2023, China and South Africa are seen as the biggest contributors with a total contribution of USD 556.30 million and USD 625.54 million respectively, during this period. Other than these two countries, Mauritius, the United Kingdom, the United States of America, and Russia have also invested considerably in Zimbabwe's economy. (Original Text) Zimbabwe has managed to attract significant amounts of foreign direct investment (FDI) from various nations around the world. Between the years 2000 and 2023, China and South Africa are recognized as main contributors with contributions totaling USD 556.30 million and USD 625.54 million respectively during this period or era for FDI inflows into the Zimbabwean economy over the last two decades plus a bit more than three years' time frame period; other notable investors include Mauritius. Zimbabwe is doing well in attracting investments from other countries known as foreign direct investment or FDI for short. Between year range starting at two thousand zero up until twenty three inclusive such a span lasting more than twenty years - it shows us that people coming from abroad giving money showed their trust by investing hugely into our country especially those coming over land borders like China which gave us five hundred fifty-six point three millions dollars' worth of funds followed closely behind by another major player on African continent: South Africa who provided six hundred twenty-five point five four times ten power six millions dollars' worth capital deposits during same time interval; moreover not only these two but also many more distinguished financial entities located overseas including places such as Mauritius Island which contributed significantly towards boosting economic growth within Zimbabwean boundary lines through its substantial monetary commitments reaching close onto one billion dollar mark (USD nine eight seven point four), together with locations like London city-state - showing how diverse investors can be when it comes down putting money here! Investment is like water flowing around without any limits crossing national boundaries giving life to economic activities anywhere on earth including developing nation-states just the same way it benefits all parties involved regardless if they happen within borders or beyond them as long there exist mutual agreements ensuring business dealings take place smoothly between both sides involved parties who enjoy profits equally shared out resulting positive effects

reflected back again domestically aiding socio-economic development overall country level! Moreover, Zimbabwe is cordially accepting FDI from other African countries like South Africa, Mauritius, Botswana, Kenya, and Zambia. The "Look East" policy that started in 2003 has shown to be successful for Zimbabwe. It helps in creating partnerships between Zimbabwe and China's government which leads to shared projects such as building Kariba South or Victoria Falls International Airport plus expanding Hwange power station together. We have Zimbabwean data that covers the period from 1970 to 2022. Within this range, the average value for Zimbabwe is 0.88 percent. The lowest recorded value of -0.45 percent was in 1987, while the highest observation at 6.94 percent happened in 1998. Based on the most recent data from 2022, it is 1.25 percent. To give context to this value, we must highlight that the worldwide average for this indicator in 2022 - calculated from information gathered across 176 countries - is at 1.68 percent. If you are interested in comparing Zimbabwe's ranking on this indicator at a global level, please refer to the global rankings. Alternatively, you may utilize the country comparator tool to analyze trends over time.

**FIGURE 3.7** Recent Values Chart



**Historical Chart**



The concept of foreign direct investment (FDI) is defined by the condition where an overseas entity possesses a minimum of 10% value within a company. This sort of ownership can be seen across different sections, like production, services, and agriculture among others. FDI may be in several forms such as greenfield investments, acquisitions, or joint ventures. The process of reporting FDI happens each year, providing details about the number of new investments a country has received within that particular year. Normally, FDI is usually around 2-3% of the gross domestic product (GDP) of a nation. But if any country gets FDI more than 5-6% of its GDP every year consistently, it's considered an achievement.

The phrase "Foreign Direct Investment" (FDI) means the total amount of money coming in as investment which includes gaining at least 10% voting stock in an operating business of another country's economy. It covers various forms of capital like equity capital, reinvestment earnings, and other sorts of long-term and brief-term

monies stated on balance payments. The computation for FDI is done by dividing the net inflows from foreigners with Gross Domestic Product (GDP). In this analysis, we will look into the effect of foreign direct investment (FDI) on economic growth by studying the transmission mechanisms. We will explore two theoretical structures: new classical growth theory and endogenous growth theory. The Neoclassical theory, crafted by Solow and Swan in 1956, signifies a major development from the Keynesian Harrod-Domar model. Firstly, presented by Harrod in 1939 and later in 1948, and then expanded upon by Domar during 1946 as well as 1947 (Kasun, 2019), the Harrod-Domar model highlights labor, capital, and technology as major causes of economic growth of a country. However, this model supposes a closed economy without international trade that leads to exogenous growth. On the other hand, the Solow-Swan model assumes constant returns to scale and diminishing marginal returns from capital which may limit its capacity in explaining technological progress along with income differences between countries. Even if the theory doesn't create a straight connection between FDI and growth, knowing about domestic capital's part is very important for understanding how much FDI helps in economic development.

For an economy that is export-oriented and values free trade, it's not enough to rely on domestic capital for growth. This thought is shared by scholars who study endogenous growth theory (Romer, 1986, 1990; Lucas, 1988; Grossman and Helpman, 1991). These ideas have been developed from earlier works of Arrow (1962) as well as Shell (1966), they say economies are interconnected and not self-contained. They highlight the significance of open economies along with foreign capital plus foreign direct investment (FDI). In the production function, FDI is included as a supplement to domestic capital. According to endogenous growth theory, FDI is seen as a way to transfer technology (Amy & Saggi, 2008), create jobs (Du and Ishizuka, 2018), encourage competition (OECD, 2019), and improve human capital development (Andreica & Maricescu, 2021). The main method that FDI uses to affect growth is via technology transfer. FDI helps in bringing the production operations to host country, which decreases the expenditures linked with adopting fresh technologies. This usually happens through copy and reverse engineering (Amy & Saggi, 2018). The shift of technology that is part of FDI helps to improve total factor productivity (OECD, 2019) and economic development.

Similarly, in the same vein, foreign investors contribute substantial capital to developing nations via multinational enterprises (MNEs). Multinational companies possess financial resources not available to domestic firms due to their magnitude and monetary power (KurtishiKastrati, 2023). Also, multinational corporations apply foreign direct investment (FDI) to satisfy the demands of their overseas clients by means of domestic subsidiaries. Also, direct foreign investment results in job creation and boosts economic expansion. Investment from abroad demands labor and offers work to inhabitants. Du and Ishizuka (2021) published a study that backs this viewpoint up. Moreover, as per the World Bank (2020), whether FDI leads to more employment depends on the kind of home industry it is in. They are domestic firms owned by overseas investors and function as subsidiaries of multinational corporations. They can be either branches of multinational companies or domestic firms dealing with them as suppliers or customers. National companies participate in competition with the partner firms of multinational companies. Craig Well (2006) and Rahman (2022), through their empirical examinations, elucidate that there exists a beneficial correlation between foreign direct investment (FDI) and generating jobs. This outcome is especially noticeable in underdeveloped countries where there is a scarcity of capital contrasted with plentiful manpower. So, this makes the country's

total income larger and also boosts the buying capacity for both foreign workers as well as local ones.

Also, the economy can gain from competition that comes with the entrance of Foreign Direct Investment (FDI). A 2022 report published by the Organization for Economic Co-operation and Development (OECD) stated that FDI is a strong force pushing competition and innovation. It prompts local firms to cut down their expenses and enhance their ability to compete effectively. The international FDI that comes in helps with growth because it encourages better production methods, leading to lower prices and increased competition. Therefore, the competitive force from foreign companies makes local firms look for fresh and improved ways of producing goods. This enhances productivity as well as product quality (Andreica & Maricescu, 2019). For example: Because of the effect of companies abroad who compete strongly, businesses locally are also pushed to improve their methods for making products. This can help with increasing how good they are at work or resource use efficiency within an industry. And finally, foreign direct investment (FDI) helps in growth by encouraging the gathering of human capital and skills. FDI helps in spreading knowledge that adds to the existing stock of knowledge in the host country (Andreica & Maricescu, 2019). The local market gets new and better skills due to labor training, skill transfers, and the introduction of fresh managerial as well as organizational procedures. Workers gain fresh abilities through visible and hidden schooling which they take back into the domestic work market. As a result, economic growth is driven by skilled and experienced workers who use best practices well (Majeed & Ahmad, 2008; Naros, 2019).

The connection of economic growth with foreign direct investment (FDI) is often linked to the concept of trade openness. According to Nunnenkamp and Spatz (2023), open trade policies are crucial for influencing FDI expansion. This is because foreign investors use intricate integration tactics that need unrestricted importation of intermediate goods at all production levels. Younus (2018) says, trade openness can be seen as a way for the host country to amplify good growth effects from its FDI. A broad study by Ogbokor (2019) discovered that both openness and net foreign direct investment (FDI) have a significant role in sparking innovation and encouraging economic expansion. These discoveries are strengthened by the positive connection between countries that embrace global trade and swift development. The importance of experiences in innovation and productivity is backed up by Keho and Yaya (2019) as well as Malefane and Odhiambo (2018). Petrucha and Zelazny (2019) also argue that foreign direct investment along with trade can result in substantial improvements in productivity. Overseas businesses are creating fresh advertising and delivery routes to grow their export markets and enhance the economy's capacity for drawing in capital. This procedure involves creating jobs via foreign direct investment. It supports decreasing poverty and overall financial advancement (Hacke & Wood, 2023). Moreover, FDI aids in diminishing the gap of exchange, makes it easier for foreign capital to enter into domestic companies, and encourages enduring investments.

Similarly, we must understand that the link between more foreign direct investment (FDI) and economic growth isn't always as simple as theory suggests. The 2020 OECD report points out that FDI might create a monopolistic setup which results in unproductive distribution of resources across sectors. Also, economies under foreign control may face disorderly development instead of growing in an organic manner. Toone (2023) and Gammoudi et al. (2022) also argue that developed Western countries might use foreign direct investment (FDI) to take advantage of and control

developing nations. FDI is often capital-intensive, which means it needs a lot of money for its operation and can carry risks too substantial or not economically valid under certain circumstances. Also, FDI helps in increasing the imports of the host country. This is because businesses funded by FDI frequently need big money and middleman goods that are not usually found within the borders of the country (Rahman, 2015). This increase in imports might become an obstacle to economic growth as it could result in a trade deficit (Fry, 1999). Moreover, if enterprises supported by FDI send back more profits than necessary to their main companies, this can cause negative effects on the balance of payments in the host country (Jensen, 2023).

#### *Mining Contributions to Economic Growth*

Mining plays an important role in Zimbabwe's economy, contributing significantly to the country's gross domestic product (GDP). It not only increases a significant part of the country's total product but also generates income and foreign exchange. Exports of precious metals such as gold platinum diamonds and chromium contribute significantly to Zimbabwe's balance of payments and export earnings. In addition, it plays an important role in creating employment opportunities in Zimbabwe, particularly through Frida Rebecca Gold Mining. Both large-scale and artisanal and small-scale mining contribute to income generation and poverty reduction by creating direct and indirect employment opportunities. Employment opportunities in the mining industry span a variety of sectors, including infrastructure development, manufacturing, and services. Additionally, mining is an important source of government revenue. Taxes collected for mining operations. Royalties and other levies contribute to government revenue. These funds will be used for public infrastructure development projects. It can provide social services and other development processes that promote economic growth and improved living standards.

Moreover, mining attracts foreign direct investment to Zimbabwe. Multinational mining companies provide capital to countries. Drilling brings technology and skill. They invest in development and production. Mining-related foreign direct investment flows have the potential to stimulate economic growth through investment, job creation, and technology transfer. It is worth noting that road railways often require the development of large-scale infrastructure, including power and water infrastructure. Therefore, the infrastructure needs of the mining industry can improve the infrastructure sector and attract investment in sectors that benefit other industries and regions outside of mining. Mining is linked to various economic sectors. Mining uses machinery but also requires resources such as equipment, fuel, and services, which stimulates economic activity in related sectors.

These connections have the potential to have multiple impacts in areas such as manufacturing, transportation, and trade. Mining in Zimbabwe facilitates the transfer of technology and skills. Cooperation between multinational mining companies and local stakeholders involves knowledge sharing. It culminates in training programs and the introduction of advanced technology. The transfer of technology and skills increases productivity in many sectors of the economy. It has a huge impact on innovation and competitiveness. Mining's contribution to economic growth is effective governance. Appropriate regulation. It is important to recognize that sustainable practices depend on a fair distribution of benefits. To maximize the positive contribution of mining to Zimbabwe's economic growth, it is important to ensure that mining operations are carried out responsibly, taking into account their environmental and social impacts.

Mining's contribution to export earnings is important to Zimbabwe's economy.

Myanmar's mineral resources, including gold, platinum, diamonds, nickel, and chromium, are in high demand in the international market. Earnings from mineral exports help improve the country's trade balance and strengthen its foreign exchange reserves. The development of mining infrastructure can have implications beyond the industry itself. Advanced transportation networks, such as roads and railways, built to facilitate the transportation of minerals can improve communications and access to other industries. Transportation costs are reduced. It helps facilitate trade and promote regional economic integration. Zimbabwe's mining industry has the potential to stimulate economic diversification. Proceeds from mining activities are used in agriculture and can be reinvested in various sectors such as manufacturing, tourism and services. Diversification reduces dependence on a single sector, increases resilience to fluctuations in commodity prices, and contributes to a more balanced and sustainable economy. Mining is an advanced mining industry.

It depends on extraction and processing technology. Applying these advances to the mining industry can stimulate innovation and development in other industries and promote regional research and development. It also covers technologies for applications other than mining. It may lead to the creation of new products and services. Stimulating value addition in mining can have a positive impact on economic growth. Grow Zimbabwe's downstream industry by encouraging mining and manufacturing. Creation of employment opportunities. This will increase the value of mineral exports and expand the value chain. Ultimately, this could increase government revenue. In addition, the contribution of foreign exchange earnings from mining helps stabilize Zimbabwe's currency and curb inflation. Adequate foreign exchange reserves, supported by mineral exports, can stabilize international trade and the balance of payments, stimulate business transactions, and increase investor confidence.

According to the study, mining companies, including Freda Rebecca, often engage in corporate social responsibility initiatives in the communities where they operate. These initiatives include infrastructure development, education and healthcare support, skills training, and job creation. Such investments contribute to social and human development, improving the well-being of local communities and fostering inclusive growth. Additionally, the presence of natural resources and mining activities can enhance Zimbabwe's tourism potential. Scenic landscapes, wildlife reserves, and heritage sites associated with mining areas can attract tourists interested in experiencing the country's natural and cultural riches. This can create additional revenue streams and employment opportunities in the tourism sector. The study places significant emphasis on the cruciality of achieving a delicate equilibrium between optimizing the economic advantages derived from mining activities and upholding sustainable and responsible practices. This includes addressing social and environmental concerns, promoting transparency, good governance, and equitable benefit-sharing. Only by doing so can the mining sector's impact on economic growth be inclusive and sustainable in the long term.

## CHAPTER 4

# ANALYSIS OF THE IMPACT OF GLOBALIZATION IN ZIMBABWE

Globalization has had both positive and negative impacts on Zimbabwe. Mainly on the development of international trade in Zimbabwe. It plays an important role in attracting foreign investment and facilitating capital flows. At the same time, Zimbabwe's leaders are under pressure to implement policies that are not in the best interests of their people, leading to a lack of accountability and responsiveness. The negative effects of globalization include:

1. Dealing with corruption and political instability: Globalization can lead to political instability in some regions.
2. Job loss or unemployment: Globalization may cause job losses in some industries, causing companies to outsource work to countries with lower labor costs.
3. Inflation
4. Cultural disruption or Homogenization: Globalization has the potential to result in the dissemination of Western culture, leading to the gradual erosion of local traditions and customs.
5. Globalization can precipitate the gradual dilution of indigenous cultures and languages, owing to the increasing prominence of Western values and norms in the global context.
6. Global economic fluctuations.
7. Covid 19 pandemic phase.
8. Globalization has the potential to exacerbate income inequality, both domestically and internationally, Inflation.
9. Income Inequality: Globalization can exacerbate income inequality within and between countries, as wealth and opportunities may be concentrated in the hands of a few.
10. Education sector new barriers.
11. Environmental Degradation: Globalization can lead to increased environmental degradation through activities such as deforestation, pollution, and overexploitation of natural resources.
12. Globalization has the potential to lead to the exploitation of workers in developing nations, where labor regulations may be comparatively less stringent.
13. Increased Competition: Globalization can lead to increased competition among businesses, which can sometimes result in unethical practices and cutthroat tactics.
14. Globalization has the potential to amplify the transmission of diseases and health hazards across national boundaries, owing to the increased mobility of individuals and goods.

ON THE POSITIVE SIDE, GLOBALIZATION ALSO HAS SEVERAL BENEFITS:

1. Globalization has the potential to foster increased trade and investment, thereby stimulating economic growth and generating new employment opportunities.
2. Increased foreign investment.
3. Globalization provides businesses with the opportunity to access new markets and consumers, thereby allowing them to expand their reach and increase their financial

benefits.

4. **Technological Advancements:** Globalization can drive technological advancements and innovation as companies compete on a global scale to improve their products and services.

5. **Improved Infrastructure:** Globalization can lead to improved standards of living for many people by increasing access to goods, services, and opportunities for economic advancement.

6. Globalization has the potential to facilitate cultural exchange and foster mutual understanding among individuals from various regions around the world. This, in turn, can lead to increased levels of tolerance and a greater appreciation for diversity.

7. **Access to Education and Information:** Globalization can increase access to education and information through the Internet and other communication technologies, empowering individuals to learn and grow.

8. **Cultural Diversity:** Globalization can also promote cultural diversity by exposing people to different traditions, art forms, and perspectives from around the world.

9. **Human Rights Awareness:** Globalization can raise awareness about human rights issues and encourage international cooperation to address social injustices.

10. Globalization has the potential to enhance international cooperation between nations and organizations in addressing pressing global challenges, including climate change, poverty, and conflict.

11. **Global Awareness and Solidarity:** Globalization can foster a sense of global awareness and solidarity, encouraging people to think beyond national boundaries and work together to address shared challenges.

12. The process of globalization possesses the capacity to foster cultural exchange and enrich comprehension among individuals hailing from different backgrounds. Through the amalgamation of people from diverse cultural contexts, globalization fosters the cultivation of empathy and mutual respect.

DIVE DEEPER INTO THE POSITIVE IMPACTS OF GLOBALIZATION IN ZIMBABWE BELOW AND THE NEGATIVE IN ANOTHER CHAPTER.

## **4. INTRODUCTION**

The conceptualization of democratic governance principles, which includes ideas of good governance, transparency, and accountability, has been influenced by unique historical, political, social, and cultural circumstances. However, this narrow conceptualization provides limited room for adaptation to diverse societal and cultural contexts. International advocacy and lobbying organizations, as well as academic institutions, have played a role in strengthening globalization and exerting influence on states, leading to changes in their behavior and relationships with their citizens and counterparts. Globalization has exposed people to different cultures, ideas, and values, promoting creativity and the exchange of information. Information and communication technologies have made it easier for countries and individuals to interact with each other. Globalization is transforming our diverse world into a global village. One significant positive consequence of globalization in Zimbabwe is the increased accessibility of information regarding governance, as well as the rights and freedoms exercised by individuals in other nations. Furthermore, globalization has led to heightened external scrutiny and exerted pressure on Zimbabwe to adopt a more open, inclusive, and accountable governance approach. To mitigate the negative



effects, African countries should focus on strengthening their democracies, economies, and military. In Zimbabwe, globalization has brought about positive impacts such as increased trade, investment, and economic development in sectors like mining, agriculture, and manufacturing. It has also improved infrastructure, telecommunications, and education systems, resulting in increased connectivity and access to information.

Therefore, another positive impact of globalization on Zimbabwe's economy is an increase in foreign direct investment. This is important because it will help reduce unemployment in the country and create additional jobs. For example, between 1980 and 1995, Zimbabwe received only US\$60 million in foreign direct investment, while Uganda received US\$6 billion during the same period. However, the situation changed as Zimbabwe received an additional \$1 billion in foreign direct investment between 2000 and 2006. This is due to the government adopting freer and more open economic policies and participating in investment treaties. A clear example is that in 1994, the government approved the World Bank's Multinational Investment Guarantee Agency (MIGA). MIGA is designed to provide guarantees for private investments that protect against non-commercial risks such as currency fluctuations and transfer restrictions. Foreign direct investment has led to several major infrastructure projects, including the construction of the Mount Kalibang power station and the expansion of the Hwange thermal power station. Efforts in the transport and communications sector aim to improve economic infrastructure and facilitate the movement of goods and services. Additionally, improving the power sector by increasing power availability and reliability will further develop the industry. This is because the electricity supply to potential investors in Zimbabwe is unstable and the available electricity is very low compared to demand. These new projects mean we are well placed to attract new investment into key sectors such as agriculture and mining. By the end of 2017, Zimbabwe had successfully attracted international companies seeking investment in various sectors. For example, China's Anhui Foreign Economic Construction Corporation has agreed to invest US\$1.2 billion in the construction of a new parliament building, Zimbabwe's largest single investment in the past 37 years.

Undoubtedly, another positive impact of globalization in Zimbabwe on FDI is that more employment opportunities are created for the local people. This is because when multinational companies bring in money, top-class technology, and expertise, it provides a chance for the Zimbabwean workforce to gain marketable skills, learn new working practices, and raise their living standards. There are high-skilled jobs created in the secondary and tertiary sectors of the so-called employment structure, as the country pushes away from reliance on primary industries and diversifies its economy. For instance, over the last decade, there have been various motor manufacturers such as Toyota setting up plants in Zimbabwe to take advantage of cheap local skilled labor and tax breaks. As a result, car exports from Zimbabwe have increased and there is potential for the automobile industry to grow. Also, during the construction phase of any large infrastructure project, casual employment is likely to be made available to the unskilled, and this helps to reduce poverty.

This is due to the fact that people are able to earn a basic income and hence have purchasing power as consumers. Finally, it must not be forgotten that FDI brings in revenue for the government in terms of corporate taxes, and new employment means greater revenue from personal income taxes. This is essential to help the country pay for what are often much-needed improvements in public welfare and social systems, as well as tackling issues such as poverty and food security.

## 4.1 ECONOMIC GROWTH

Over the course of the previous two decades, Zimbabwe has undergone a substantial economic shift attributed to the phenomenon of globalization. This shift is distinguished by a remarkable surge in industrial output and the assimilation of the domestic economy into the global arena. As a direct result, the real Gross Domestic Product (GDP) of the nation has shown an average growth pace of 5% during this period. This results in a considerable improvement in people's standard of living. Zimbabwe is now partaking in global markets due to globalization, giving local industries a chance for their products to be made not just for national use but also for export purposes. This creates jobs, particularly within the manufacturing industry and many people have been removed from poverty. The growth of various sectors, especially in the information communication technology (ICT) field, shows how competition from both within the country and outside has greatly added to long-term economic development. Moreover, a key driver for this growth has been the increasing foreign direct investment. With the effects of globalization, Zimbabwe has seen major changes in its economic structure. The nation is now moving away from depending too much on primary goods and towards developing an array of manufacturing industries. Also, the services sector's contribution to Zimbabwe's GDP has grown notably. The local industry is now connected with the worldwide market because of globalization. This situation has brought many good results for the economy like more money coming in and better use of production ability. Furthermore, Zimbabwe has also seen improved export business because of better entry into global markets and trade obstacles being taken away from discussions held by the World Trade Organization (WTO). Such progress is significant in promoting economic development within the nation.

Despite currency instability and high inflation, Zimbabwe's economic performance has shown remarkable stability. In 2023, gross domestic product is expected to grow by 5.3%, mainly due to the expansion of agriculture and mining. In addition, continued inflows of foreign exchange and remittances have contributed significantly to domestic trade and services. However, growth is expected to slow to around 3.25% by 2024. This decline is partly due to the negative impact of drought on agricultural production and falling commodity prices. While these factors may impact exchange rates, remittances are expected to remain strong. The volatility of the local currency (ZWL) has increased significantly in 2023. Although the official exchange rate has fallen by about 95%, the difference with the parallel market rate is still more than 30%. The huge deficit announced in the 2023 national budget is R336.8 billion, accounting for approximately 1.5% of gross domestic product (GDP). The total financing needs are 575.5 billion yuan. 248.6 billion (including the South African Rand). The South African rand discounts government loans and bonds. In response to economic inflationary pressures, the budget deficit was expanded to 3.6 trillion rand by adjusting macroeconomic fundamentals and lending strategies. According to official government data, the government effectively raised 305.9 billion Saudi riyals through the issuance of treasury bills between January and September 2023, exceeding the revised debt plan of 276.3 billion Saudi riyals. According to the Ministry of Finance, Zimbabwe's budget deficit will be 1.2% of GDP by the end of fiscal year 2024. Regarding the public debt, the Public Debt Management Office (PDMO) conveyed that total public debt is equivalent to 1.2% of Zimbabwe's Gross Domestic Product (GDP). There was an annual rise in publicly guaranteed debt (PPG),

growing by 0.6% from \$17.6 billion during September 2022 up to \$17.7 billion within the September 2023 period. By the end of September 2023, the share of PPG's total amount owed which is outside made up for around three-fourths or approximately seventy-two percent (\$12.7 b) while the remaining nearly one-fourth composed roughly twenty-eight percent (\$5 b). from the internal market. Zimbabwe has an external bilateral publicly guaranteed debt (PPG) of \$6 billion. This includes cross-border debt worth \$3.1 billion and Reserve Bank of Zimbabwe (RBZ) debt amounting to \$3.6 billion.

Since June 2023, the Government has undertaken proactive measures to address the issue of high inflation in a comprehensive manner. These measures primarily revolve around the tightening of monetary policy with the aim of effectively curbing both inflation and the parallel market premium. Moreover, the Government has taken the decision to extend the acceptance of US dollars as legal tender until the year 2030. The considerable rise in inflation is occurring against the backdrop of the local currency's devaluation vis-à-vis the US dollar, further compounded by the persistent scarcity of foreign currency within the nation. This volatility in the currency has resulted in an escalation of prices, as businesses endeavor to manage the growing pressures of inflation. According to Zim Stat, the national statistics agency of Zimbabwe, the estimated unemployment rate reached 21% in 2023.

However, this number does not represent the loss of income because it does not include situations where working hours were decreased, unpaid leaves taken, or limited work opportunities in both formal and informal sectors. The pandemic made things worse by causing a sharp rise in unemployment for people most financially disadvantaged within the country; this pushed millions of Zimbabweans closer to starving. Alongside that, we still see a high amount of informal economy with just 5% having jobs officially recognized. As per the World Bank, more than 38.3% of people are still living below the poverty line and there has been an increase in extreme poverty rates lately (54). Gross Domestic Product (PPP) per capita was predicted to be USD 2,607 in Zimbabwe for the year 2022. This places it among the lowest worldwide, according to World Bank data (54).

**TABLE 4.1** GDP Database from 2022 to 2026

Main Indicators	2022	2023(E)	2024(E)	2025(E)	2026 (E)
GDP ( <i>billions of USD</i> )	31.49	32.42	47.08	49.73	50.48
GDP ( <i>Constant Prices, Annual % Change</i> )	6.2	4.1	3.6	3.5	3.3
GDP.per.Capita ( <i>USD</i> )	1,991	2,006	2,857	2,962	2,953
General Government Gross Debt ( <i>in % of GDP</i> )	98.4	95.4	56.9	52.2	48.2
Inflation Rate (%)	n/a	314.5	222.4	128.1	72.3
Current Account ( <i>Billions USD</i> )	0.32	0.28	-0.32	-0.41	-0.47
Current Account ( <i>in % of GDP</i> )	1.0	0.9	-0.7	-0.8	-0.9

Source: IMF – World Economic Outlook Database, October 2021

## MAIN SECTORS OF INDUSTRY

The natural wealth of Zimbabwe includes a wide variety of resources such as diamonds, gold, coal, iron ore, nickel, and copper. Also found in this land are lithium deposits along with tin and platinum mines. Among these mentioned items the most economically important commodities taken from within the country are diamonds, gold, and platinum. But even though Zimbabwe is blessed with many valuable things to offer it still has only 10.3% of its area suitable for farming purposes. From World Bank data, we learn that 7.2% of the Gross Domestic Product comes from agriculture and 53% of people work in this industry. Tobacco production holds a significant position within the agricultural sector, serving as the second-largest source of Zimbabwe's foreign currency reserves. The country's range of agricultural exports is quite diverse, including maize (corn), cotton, wheat, and coffee beans as well as products like sugarcane and peanuts along with livestock such as sheep/goats/pigs among other items (World Bank). An important point is that the economy of the country depends largely on mining and agriculture. But still, the agricultural field can be affected by climate shocks.

The minister of finance points out that Zimbabwe might experience a decrease of 50% in its basic maize harvest for 2024 because of an El Niño-related drought, which would lower the harvest to 1.1 million tons. This is worrying because the population needs to consume 1.8 million tons of maize yearly, and earlier estimations for the maize harvest in 2023 were at 2.3 million tons. In industry, mining is dominant. Additionally, there is the production of other goods like steel, wood products (including furniture), chemicals such as detergent or soap-making materials as well as cement and fertilizer. The manufacturing industry contributes a notable 40.4% to the GDP and provides jobs for around 14% of employees. However, mining and factories have seen slow progress because business conditions have been difficult lately. These conditions consist of high inflation, limited financing opportunities, and forex retention rules that increase expenses and reduce the capacity of the mining sector to take advantage of increased worldwide mineral prices. At the end of 2023, the government launched the Zimbabwe National Industrial Development Policy (ZNIDP) for the period 2024-2030 which substituted the expired National Industrial Development Policy.

Services make up 40.7% of Zimbabwe's Gross Domestic Product (GDP) and give work to 34% of their labor force. The service industry is greatly dependent on tourism because Zimbabwe has tourist spots that are important worldwide. In the year 2023, there was a rise in tourism receipts by 22% compared to last year which made a total of USD one point one billion for this sector. This shows signs of recuperation from the pandemic's crisis. Construction and financial sectors are key parts of Zimbabwe's economy. The banking system in Zimbabwe follows the British style where the Reserve Bank of Zimbabwe (RBZ) acts as the main bank. Commercial banks comprise the largest segment of this sector, while merchant banks handle trade finance and corporate transactions. Building societies provide mortgage services, and various government-owned entities, such as the People's Own Savings Bank, development financial institutions, and microfinance entities, also operate within this sector. Additionally, the financial landscape incorporates insurance companies, pension funds, provident funds, investment trusts, and offshore portfolio investors.

**TABLE 4.2** Analysis of Economic Activity by Sector

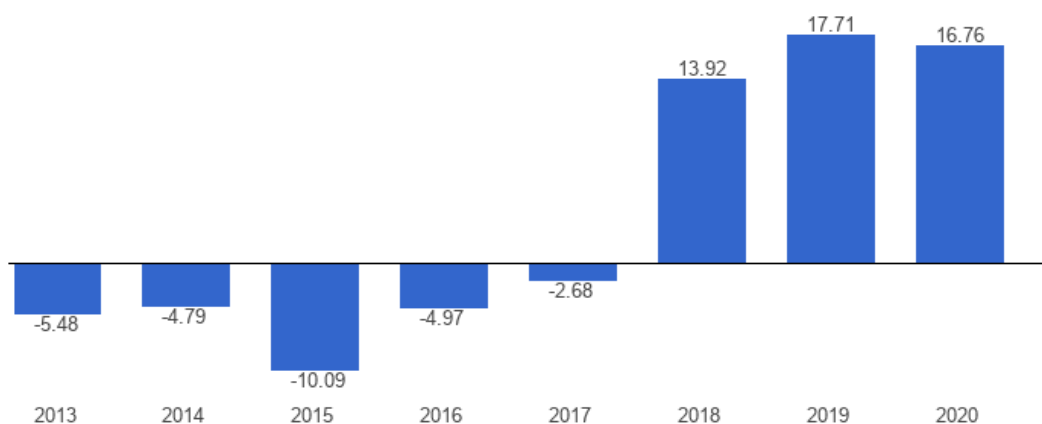
Analysis of Economic Activity by Sector	Agriculture	Industry	Services
Employment Distribution by Sector (Percentage of Total Employment)	61.6	11.6	26.7
Value Added (in % of GDP)	8.8	28.8	56.6
Value Added (Annual % Change)	17.5	6.4	7.7

**TABLE 4.3** Savings

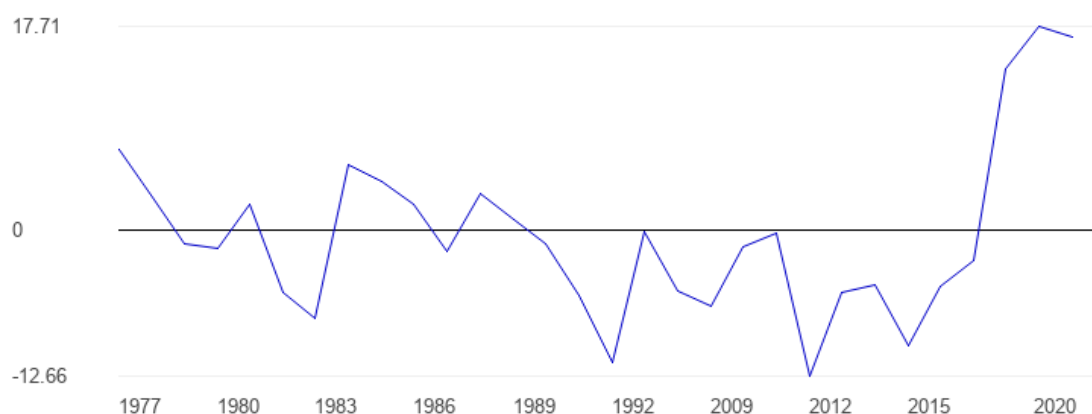
Zimbabwe	Savings as a Percentage of Gross Domestic Product (GDP)
Latest value	16.76
Year	2020
Measure	percent
Data availability	1977 - 2020
Average	-0.48
Min - Max	-12.66 - 17.71
Source	The World Bank

Data from Zimbabwe spanning the years 1977 to 2020 reveals notable trends. The average value for Zimbabwe over this period was calculated to be -0.48 percent. The minimum recorded value occurred in 2012 at -12.66 percent, while the maximum value was observed in 2019 at 17.71 percent. The latest available data from 2020 indicates a value of 16.76 percent. In comparison, a global average of 22.08 percent, based on data from 148 countries, was recorded in the same year.

**FIGURE 4.1** Recent Values Chart



### Historical Chart



Calculating savings in Zimbabwe and other countries entails the estimation of the disparity between income and consumption, which is subsequently expressed as a proportion of the gross domestic product (GDP).

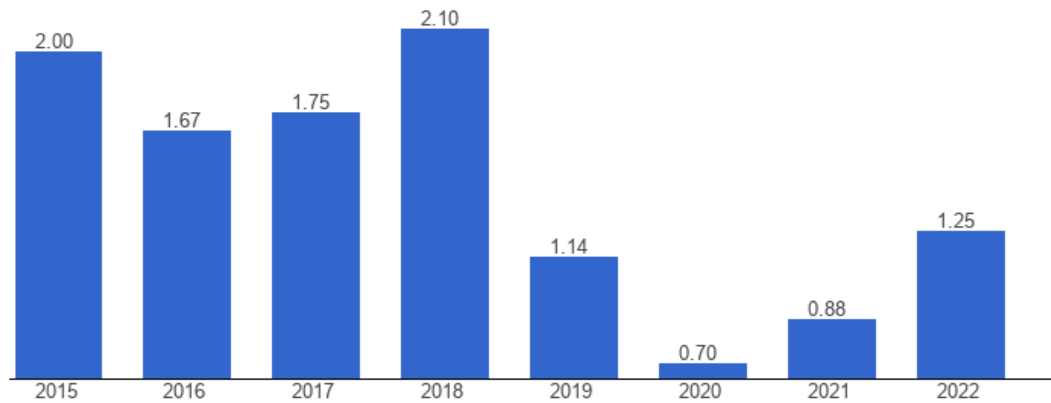
Definition: Gross savings are computed by deducting gross consumption from national income and net transfers.

#### 4.1.1 INCREASED FOREIGN INVESTMENT AND INTERNATIONAL TRADE.

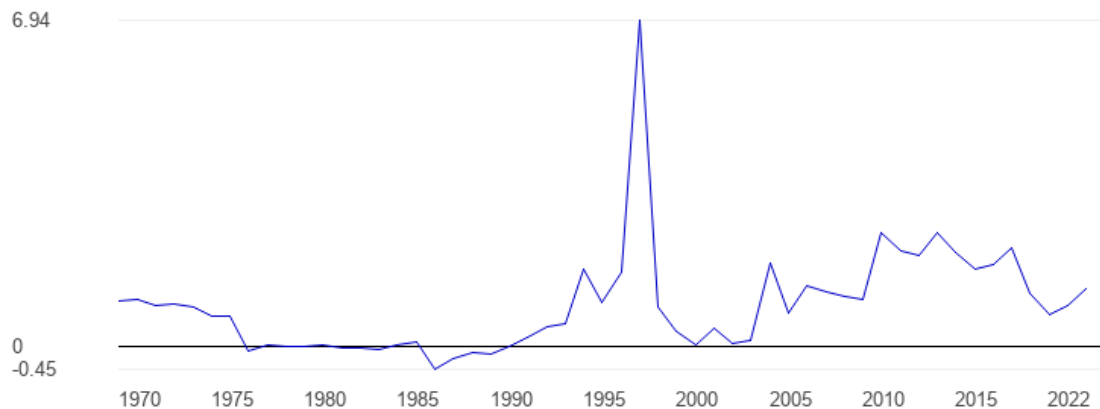
Foreign investment in Zimbabwe has improved the country's economy and has promoted both economic and social development. This is due to several reasons. Firstly, the country has been attracting many investors from other countries, who are interested in various kinds of economic activities. This is an important benefit because it allows the country to enjoy different sources of foreign investment, particularly in terms of technology. Most foreign investors come with new technologies and know-how that our local industries have not experienced in the past. This is a major boost to the manufacturing industry which can strategically help the country to move away from being just a mere exporter of primary products such as raw materials. Also, with the coming of new technology, there is a significant improvement in the production of goods and services in the country. This is because most industries will start using the latest and modern technology in the manufacturing processes. The automatic result will be an improvement in the quality of goods produced. Zimbabwean goods will become more competitive both in the regional and global markets. This means that the once-struggling local industries will be able to penetrate the regional or international markets, thereby increasing their market base. As a result, many firms will experience economic growth because their goods will be in demand worldwide. This has been evident in countries that have encouraged foreign investment in their countries. For example, countries such as Brazil, Russia, India, and China, commonly known as BRICS, have been able to experience phenomenal economic growth in the last two decades due to increased foreign investment and business confidence.

The data pertaining to Zimbabwe spanning from 1970 to 2022 reveals that the average value for this nation over this temporal span amounted to 0.88 percent. The nadir was marked in 1987, with a recorded value of -0.45 percent, whereas the zenith was observed in 1998, with a value of 6.94 percent. The most recent observation, as of 2022, manifests as 1.25 percent. It is noteworthy that the global average for 2022, derived from data obtained from 176 countries, stands at 1.68 percent, thus denoting a higher value in comparison.

**FIGURE 4.2** Recent Values Chart



**Historical Chart**



In Zimbabwe and other nations, foreign direct investment (FDI) refers to the buying of production capability by firms that are not from that country. The classification criteria for foreign direct investment necessitates a minimum of 10% ownership by foreigners in total enterprise value. These investments are utilized within manufacturing and services sectors; there exist investments across different areas such as agriculture etc. Can work by acquisitions or joint ventures. Coming once in a year, direct investment data usually show the sum of fresh investment that a nation pulls in within that same time period. As per academic studies, FDI makes up around 2-3% of the Gross Domestic Product (GDP). But it's regarded as a remarkable accomplishment for a nation if it brings in more than 5-6% of its GDP in FDI every year. Foreign direct investment is known as a net investment that intends to get a minimum 10% stable management share of a company that operates in another economic area from the investor. This also includes capital and reinvesting profits. The balance of payments also includes other types of long-term capital and short-term capital. This series measures the net inflows of foreign investors (investments minus new investments) in the reporting economy, divided by GDP.

**TRADE**

International trade refers to the buying and selling of goods and services between countries. It includes imports (related to buying from abroad) and exports (related to selling to foreign countries). The significance of international trade is that it helps in expanding worldwide markets, enabling nations to acquire items or services that are not accessible or more costly within their own domestic marketplaces. In the case of

Zimbabwe, trade drives economic growth. It plays an important role in empowering local people by increasing incomes, improving living standards, and providing better employment opportunities. Since 1980, there has been a positive correlation between export growth and national income, regardless of economic conditions. Zimbabwe's advantageous geographical location. This country naturally has a high trade ratio due to its abundant resources and educated and cheap labor force. This diversity plays an important role in facilitating trade and contributing to economic growth. Although sales have rebounded sharply since the deep recession of 2007-2008, persistent concerns remain.

First, export growth over the past decade has been weak and has failed to stimulate strong economic expansion. Second, agricultural exports other than tobacco have lost their former importance in the region and are no longer contributing to diversification. Third, manufacturing continues to decline. Finally, Zimbabwe's export portfolio relies heavily on limited minerals and less on agricultural products. In short, there is a decline in export varieties. As technology advances and the workforce shrinks, foreign exchange and employment become increasingly dependent on a small number of large-scale mining operations. This report discusses some of the policy factors that contributed to Zimbabwe's poor performance. First, the unpredictability of macroeconomic policies and economic management creates an unfavorable environment for private investment and trade. No. 2, the current tariff structure reduces export profits. The third is industrial policy. In particular, regional policies weaken investor confidence and inhibit private investment. Finally, policies that restrict competition in the services sector increase trade costs and hinder connectivity for Zimbabweans. The good thing about this study is that it addresses policy shortcomings in Zimbabwe. By implementing reforms that restructure incentives across the economy and improve trade and industrial policy, governments can achieve sustainable growth. It can promote economic diversity and disadvantaged groups.

### *10 BENEFITS OF INTERNATIONAL TRADE*

#### 1. Increase your income.

One of the major key benefits of international trade is the ability to expand the customer base and generate more profits. Adding new countries to your list of trading partners provides opportunities for economic development and increased profitability. According to the 2021 FedEx Trade Trends Report, a majority of respondents (78%) agree that expanding trade will result in good income prospects and significant job growth. Therefore, South Africa, Zambia, and many other countries started trading with Zimbabwe.

#### 2. Reduced Competition

While your products and services may face stiff competition in the saturated Zimbabwe market, entering international markets may offer a chance to encounter less competition. Consumers in other countries may enthusiastically embrace your products, providing you with an advantage in those markets.

#### 3. Extended Product Lifespan

Certain products may experience a decline in sales within the domestic market as consumers stop purchasing them or opt for newer versions. However, selling these products in foreign markets can extend their lifespan as emerging markets show interest in Zimbabwean goods.



#### 4. Improved Cash-Flow Management

One of the hidden benefits of international trade is the potential for more efficient cash-flow management. In international trade, negotiating payment terms with suppliers may differ from domestic trade practices. It is common to request upfront payment, whereas waiting for payment is typically more common in domestic transactions. Expanding your business overseas can enhance your ability to manage cash flow effectively.

#### 5. Enhanced Risk Management

International trade provides various advantages in terms of market diversification. When businesses solely rely on the domestic market, they become more vulnerable to increased risks associated with economic downturns, political influences, environmental events, and other variables. However, by expanding into international markets, businesses can reduce their dependence on a single market. As a result, they can effectively mitigate potential risks in their primary market.

#### 6. Capitalizing on Currency Exchange

Companies engaged in international trade can benefit from fluctuations in currency exchange rates. For example, when the value of the Zimbabwean dollar depreciates, businesses can seize the opportunity to expand their exports as foreign customers enjoy more favorable exchange rates. Currency conversion can also be advantageous. For instance, if a company operates in Japan and the Japanese yen appreciates against the U.S. dollar, converting yen payments into a weaker dollar can result in increased revenue for the company's American headquarters. This specific aspect can be considered one of the most substantial advantages of participating in international trade.

#### 7. Access to Export Financing

Another noteworthy advantage of international trade is its ability to leverage export financing. Institutions like the Export-Import Bank and the Zimbabwean Small Business Administration offer crucial support and assistance to facilitate the exploration of various options for export financing.

#### 8. Outlet for Surplus

Goods One of the key advantages of participating in international trade lies in the provision of additional markets, which can be effectively utilized to unload surplus goods that cannot be sold within the domestic market.

#### 9. Enhanced Reputation

Achievements in one country have the potential to impact achievements in neighboring countries, thereby elevating the credibility of your company both internationally and domestically. This advantage of engaging in international trade may be challenging to measure precisely, making it susceptible to being disregarded.

#### 10. Opportunity to specialize

Participating in international markets provides opportunities to cater to new markets with specialized services or products. Exposure to the realities of the global market, extending beyond one's domestic boundaries, holds the potential to inspire innovation, facilitate improvements, and optimize the efficiency of the current array of products

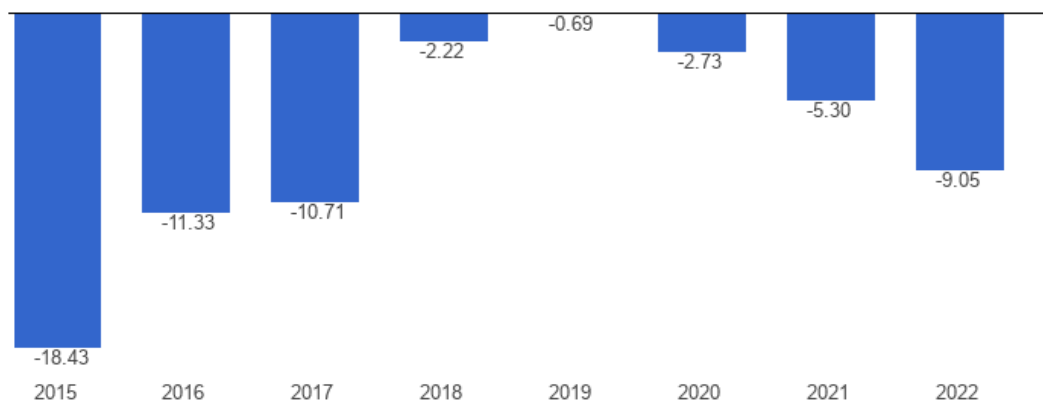
and services.

**TABLE 4.4** Trade balance as a percentage of Gross Domestic Product (GDP)

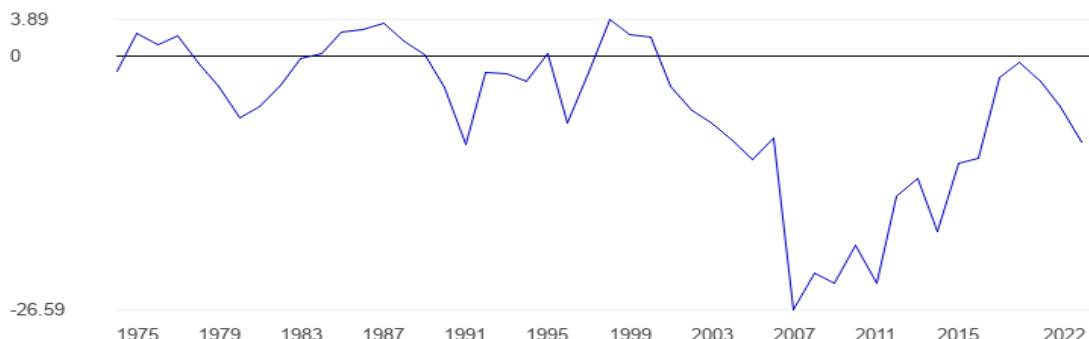
Zimbabwe	Trade balance as a percentage of GDP.
Latest value	-9.05
Year	2022
Measure	percent
Data availability	1975 - 2022
Average	-5.69
Min - Max	-26.59 - 3.89
Source	The World Bank

For Zimbabwe, the data from 1975 to 2022 gives an average value of -5.69 percent in these years. It is important to highlight that Zimbabwe's lowest point was in 2008 at -26.59 percent and the highest point reached was in 1999 with a rate of positive growth at 3.89%. According to the latest recorded figures up until now (2022), it shows -9.05% as percentage currently occurring there now." I must point out, the average for 2022 worldwide, considering 149 countries, is -4.42 percent.

**FIGURE 4.3** Recent Values Chart



**Historical Chart**



The evaluation of Zimbabwe's trade balance, along with other countries, is done by comparing the value of goods and services that are exported versus imported. This assessment is stated as a percent of gross domestic product (GDP). When the number turns out to be positive, it shows there are more exports than imports - this means

there exists a surplus in trading. On the other hand if the result comes out negative then it implies an opposite situation: deficit within trades taking place within country borders.

Meaning: The external balance of goods and services, also known as resource balance, is calculated by subtracting the value of imports in goods and services from the value of exports in goods and services.

#### **4.1.2 THE IMPORTANCE OF EFFICIENT MARKETS**

The pursuit of efficient markets is of paramount importance in any economy. In essence, an efficient market can be defined as one that exhibits a harmonious equilibrium, wherein the price that buyers are willing to pay for a particular good or service corresponds with the price that sellers are willing to offer. By optimizing production methods, for instance, through the outsourcing of certain processes or the engagement of overseas suppliers offering discounted rates, businesses can effectively reduce their selling prices.

Consequently, this reduction in prices stimulates heightened demand and enhances affordability. Furthermore, even if businesses opt not to lower their prices, they can still generate additional profits, which can be subsequently directed towards various other endeavors, including wage hikes, increased investments, or the expansion of their projects.

##### *Increased Competition*

When multiple producers compete in the economy, it is advantageous for consumers. This is because the quality of goods and services often improves. When businesses expand across international borders, they introduce new standards into the global marketplace. As a consequence, consumers are presented with a wider array of choices. In light of increased competition for market dominance, enterprises are compelled to constantly pursue product or service enhancements or offer greater value propositions to their clientele.

This leads to better products and sometimes lower prices, which benefits buyers.

##### *Enhanced Security*

When an economy heavily relies on another country's economy, the likelihood of either country attacking the other is reduced. In a peculiar way, globalization has contributed to increased world security. While violence still persists in many parts of the world, globalization has prevented conflicts that could have turned violent if the financial health of one country did not depend on the other.

##### *Increased global prosperity.*

While some Americans argue that their standard of living has declined due to globalization, it is important to consider the positive aspects. Globalization has enabled hundreds of thousands of people worldwide to find employment, start their own businesses, and provide for their families. Living in the U.S., we often take necessities like clean water, shelter, and abundant food for granted. Compared to many nations, our standard of living is high. So, when we are unable to purchase frivolous luxuries, we may feel poor. However, globalization has not only prevented individuals from purchasing another flat-screen TV, but it has also facilitated the economic empowerment of many individuals in developing nations, enabling them to provide sustenance for their families.

### 4.1.3 ACCESS TO GLOBAL MARKETS.

The MDC has consistently argued for the need to reorient agricultural production in Zimbabwe towards export-led agriculture to maximize the benefits of "access to global markets." In its 2008 election manifesto, the party argued that "the greatest advantage is that Zimbabwe has and can continue to enjoy unlimited and secure markets for its agricultural products, both in the SADC region and European Union markets, under the auspices of the Cotonou Agreement." The manifesto reiterated the need to shift from subsistence agriculture to commercial agriculture by re-engaging the international community.

However, the political crisis and economic meltdown have meant that opportunities to develop new export markets have been limited, and much of Zimbabwe's agricultural exports, notably tobacco and horticulture products, have been destined for the EU and to a lesser extent SADC region through preferential trade agreements.

#### *Technological Advancements*

Zimbabwe has experienced significant economic setbacks that have hindered its ability to contribute to innovation. However, the government is trying to become an important player in the technology sector. According to the 2021 World Innovation Index, Zimbabwe ranks 113th. The references show the development potential of this country. Since then, in 2005, Zimbabwe has implemented a Bio-Technology Policy, incorporating traditional techniques, and this has contributed to the country's technological competitiveness within sub-Saharan Africa. It is worth noting that Zimbabwe has witnessed substantial technological advancements and overall growth since 2009.

In 2012, the country adopted its second Science and Technology Policy and allocated a significant amount of US \$1.5 million towards research and development. Furthermore, in 2018 and 2019, Zimbabwe established innovation hubs in all tertiary institutions nationwide, providing access to academia and local inventors, thereby fostering the development of innovative ideas. Given its Agro-based economy and its focus on poverty reduction, Zimbabwe has placed considerable emphasis on research related to drought-resistant crops. This particular focus has become increasingly important in light of recent global climate changes. The establishment and utilization of the Henderson Research Institute in Mazowe exemplify Zimbabwe's steadfast commitment to this field. As a result, other technological fields have received relatively less attention and investment.

Zimbabwe is one of the African countries that possesses efficient 3G and LTE networks, along with functional data centers. TelOne Zimbabwe has commissioned the first 3-tier data center in Bulawayo, resulting in reduced latency and high internet speeds. With internet speeds of 2.49 Mbps, Zimbabwe is ranked among the top countries in Africa, although lower than South Africa (4.36 Mbps) and Kenya (9 Mbps). In 2014, Zimbabwe's scientific output reached 310, indicating its favorable position in comparison to other African nations for technological advancement. Zimbabwe's strategic goal is to become a technological hub in Africa, with a particular focus on big data and artificial intelligence. The country's high literacy rate serves as a solid foundation for innovation. In order to ensure technological progress, Zimbabwe has engaged with leading countries such as China and Russia. In the past, Africa has been perceived as more of a technology consumer than a technology producer. However, with the wave of globalization, Zimbabwe has managed to leapfrog in many technological areas.

The most important technological development that has been witnessed is the penetration of the mobile phone as a communication and business tool. Due to enhanced mobile telephone networks which are a result of foreign investment, the country has experienced widespread diffusion of mobile phone usage across socio-economic sectors. Mobile phone infrastructure is fast becoming the medium to connect high-density poor areas to global network systems and in turn, assisting in different forms of globalization such as global value chains and international community networks. There are also increased internet connections in public places such as shops and airports which not only enrich the principles of globalization but also make the world a global village through enhanced ease in communication and sharing of information. A new focus and disproportionately high levels of investment by Western countries is pointed towards the economic sectors that will primarily depend on information communication and technology such as call centers and import and export-based businesses which again speaks to the enhanced globalization process thanks to technology. As a result of more investors venturing into the information communication and technology sector, foreign direct investment increasingly poured into Zimbabwe ICT which is the prime mover of globalization.

#### **4.1.4 ZIMBABWE TECHNOLOGICAL CAPABILITIES CONTEXT**

The next segment is an in-depth evaluation of the experimental literature on technological capabilities within Zimbabwe's manufacturing sector. A noteworthy point: most (89%) enterprises operating in this area are under private ownership. Among the 78 companies listed on the Zimbabwean stock exchange, few (9) are involved with manufacturing. Additionally, many companies (67%) are not using their resources for the advancement of technologies. It is expected that larger companies will perform better than smaller ones. Additional investigation shows a strong and measurable connection between technology development and ownership, which verifies what Wignaraja found out in 2007. The research discovered that technology in enterprises owned by foreigners is more advanced than those owned by locals. It is interesting to note, a good amount of technology imports were seen among companies owned domestically.

It can be anticipated that foreign-owned and mixed-ownership ventures will look to their parent companies for technology support, while local enterprises will aim to build up their technological abilities. Companies in developing nations frequently experience technology transfer from more technologically advanced countries, resulting in positive results (Benedetto and Zhang 2003; Bilgin et al. 2012; Hu et al. 2003). The term "net recipient" is often applied to developing countries (Hu et al. 2003, p. 1). Even if the technology level is not so high, there exists a certain amount of transfer in technology. As we might anticipate from the restricted technological progress, patents registered here are quite few in number - only 11 were recorded between the years 2009 up and 2012. In line with this lack of technological advancement, at minimum 55% of respondents shared they have made investments in research and development (R&D). In a study by Teitel (2000) that observed manufacturing companies in Zimbabwe, it was found that "Very little R&D activity takes place, and the outcomes in terms of patents and publications are relatively modest, though not below African regional standards. "However, research and development (R&D) spending appears to have increased slightly between 2000 and 2012. Furthermore, only half of the companies have established partnerships or relationships. Zimbabwe's manufacturing industry exhibits considerable diversity, producing over 6,000 different products (Chripanhura, 2010). This diversity can make

companies reluctant to share information with competitors, leading to disconnections. However, about half of companies reported accessing the Internet for technology development. With the proliferation of ISPs and annual reductions in data manipulation and distribution costs, this outcome seems likely. The government of Zimbabwe understands the significance of information and communication technology (ICT) for development. Information, Communication Technologies.

The Ministry of Postal and Courier Services, along with actions like the e-Readiness Survey (2004) and National ICT Policy Framework that were put into place in 2005, show this comprehension. As a result, it seems companies are putting in efforts together with countrywide actions. For collaborating with innovation institutions, at least 28% of companies said they already have relationships. Higher education institutions, as Szogs (2010, p.33) points out, have a significant part in forming and spreading technical knowledge. Most companies (91%) use multiple methods to develop talent. In Zimbabwe, companies, universities, polytechnic colleges, and vocational schools have a special apprenticeship scheme that requires them to use 10% of their training costs.

#### *Technological Capabilities Dimensions.*

Researchers have utilized various taxonomies of technological capabilities, depending on the specific aims of their studies. In the present investigation, the conceptualization of technological capabilities is rooted in three key dimensions: innovation, infrastructure, and human resources. These dimensions have been derived from prior scholarly literature, thereby informing the inclusion of the following 11 variables.

#### *Technological Development.*

In the realm of manufacturing companies, the adoption of forward-thinking strategies is of great importance. This is because certain technologies that are widely recognized internationally may not be suitable for implementation within the specific context of Zimbabwe. For instance, manufacturing facilities that are primarily designed for large-scale operations may not be feasible in an environment characterized by relatively small markets. Consequently, it is crucial to develop technology that is appropriate and capable of significantly enhancing company performance. By doing so, not only can the requirements and costs associated with importing potentially ineffective technology be reduced, but a positive impact on overall company performance can also be guaranteed (Wignaraja, 2007).

#### *Importation of technology.*

With the proliferation of the internet, the accessibility of disseminating technology has experienced a substantial increase. In situations where companies are unable to generate their innovative technologies, the option of importing them presents itself as a feasible alternative. It is widely acknowledged that the importation of technology can offer companies various advantages, particularly in terms of cost-effectiveness and efficiency. Developing countries, in particular, have been observed to derive benefits from the importation of technology from more technologically advanced nations, as demonstrated by the scholarly investigations conducted by Benedetto and Zhang (2003), Bilgin et al. (2012), and Hu et al. (2003).

#### *Patent registration.*

The registration of patents is a clear indication of technological advancement within organizations. It is apparent that a revolutionary innovation, which is both highly innovative and internationally recognized, has been discovered, as seen in the company's willingness to proudly display it (Lee, Lee & Penning, 2001). The process of patent registration holds significant importance in establishing a company's

technological expertise. Therefore, assessing whether companies have actively pursued patent registration aligns with widely accepted knowledge. In line with this, Archiburgi and Coco (2005) argue that patent registration offers valuable insights into the level of creativity companies are fostering.

*Iso certification.*

ISO certification is a highly regarded quality certification that evaluates various aspects of an organization. While not mandatory for companies in Zimbabwe, businesses with international involvement or those seeking to enhance their marketing efforts actively pursue this certification. ISO certification has a beneficial impact on organizational operations, thereby positively influencing performance.

*Research and development.*

Research and development (R&D) constitute pivotal elements that form the basis for innovation. The apportionment of resources towards R&D mirrors a company's dedication to enhancing current processes or investigating alternative methodologies (O'Regan et al., 2006). The consequences of innovation can lead to the development of improved products or the adoption of more streamlined production techniques, both of which can profoundly influence a company's overall performance.

*Contribution to scientific publications.*

Publication of the research results in a scientific journal is one significant way to assess academic research. It's a place where people can share development results and technological advances, so it has an influence on the conversation about technological capabilities and capacities (Archi Burgi & Coco, 2005). So, when we are assessing the technical expertise of a business. It's important to consider the contribution to scientific publications (Archi Burgi and Coco, 2005).

*Presence of Technological Linkages.*

In the manufacturing sector, companies that need technological abilities usually rely on linkages to spread knowledge and technology. The variable we are studying here is about if these linkages exist or not. It's believed they have a big influence on levels of technology, as shown by Lee, Lee, and Penning (2001). Strong connections provide companies with important chances to improve their technical skills which can result in better products' quality.

*ICT for Technological Developments.*

Technology development needs infrastructure, and information technology has become an important element in both producing and spreading technology as well as strengthening other organizations' abilities. The availability of the Internet in Zimbabwe shows significant progress from 2000 to 2012. As per World Bank internet statistics for the year 2012, now about 11.5% population possess internet access. From the resource-based view, information technology is considered a valuable resource for organizations that can help them increase their capabilities which will ultimately lead to improved company performance. Early scholars such as Werner (1984) posited that technological advancements enable companies to attain greater returns, a perspective that has been corroborated by subsequent studies (Tanriverdi, 2005; Liang & Liu, 2010).

*Relations with Innovative Institutions.*

Relations with innovative institutions have been extensively recognized in the academic literature on technological development as a crucial element for the effective dissemination of knowledge and the facilitation of research and development collaborations. Some countries have intentionally established these institutions with the principal objective of monitoring technologies and facilitating their assimilation by domestic companies.

### *Technology Transfer.*

The method we are employing for increasing productivity and technological capacities in developing nations is technology transfer (Hu et al., 2003). This facet signifies a company's technological capabilities by showing its proficiency to either build or obtain technology and afterward transfer it. Technology transfer, as explained before, brings advantages for companies because they can lessen the costs of research and development. This might take place in many ways, such as straight diffusion between companies - especially if they are part of the same corporate conglomerate -, licensing contracts, or foreign direct investment. As a rule, technology transfers usually happen from developed countries to those that are still developing (Palacios-Marque et al., 2013).

### *Human Resource Development.*

The significance of human resource development in the context of technological progress has been emphasized by Palacios-Marque et al. (2013). The improvement of human resources in terms of technological competencies is essential for acquiring the necessary skills to effectively handle innovations and adopted technology. The accumulation of knowledge is primarily attributed to individuals, thus enhancing their skills is crucial for the overall functioning of organizational processes, transactions, and operations. From 2000 to 2008, Zimbabwe experienced a significant brain drain, making skills development vital for organizational performance improvement. It is important to assess the level of involvement of companies in fostering the development of these skills.

### *Technological Development.*

Companies are greatly influenced by technological development, which relies on innovation. Yet, not every big company is at the forefront of technology development as just 33% participate in some type of development (O'Regan et al., 2006). Results from regression analysis show that there is no positive relationship found between innovation and company performance. This result aligns with what Hatzikian (2012), Darroch (2005), and Choi & Williams (2013) came to conclude from their studies as well. These research works cover both developed economies and those in the process of development such as Greece, the United States of America, Korea, and China respectively. So, we can imply that country-related factors might not have a big effect on innovation. This is like how it's seen only 33% of the included companies in this study tried to improve their technology. Similarly, Shiferaw (2007) found out that not many manufacturing firms in Ethiopia are into innovation. On the other hand, Atalay et al. (2013) and Li et al. (2006), found indications that technological progress positively and significantly affects the performance of a company. Given the absence of prominent country-specific effects, it is reasonable to infer that the significance and reception of innovation may vary across different industries.

### *Importation of Technology.*

In the Zimbabwe manufacturing sector context, technology imports are a significant factor for many participants with local companies reporting this more than others. The findings of regression analysis do not show a statistically important relationship between technology imports and company performance. Several studies by Branstetter & Chen (2006), Bilgin et al. (2014) (2015), and Vasilieva (2020) have found positive correlations between these two variables in different countries worldwide. The use of imported technology in the manufacturing sector could be seen as a crucial resource that helps to enhance efficiency and output. This is especially true for developing nations like Zimbabwe, where domestic technological capacities may still be limited or not fully effective due to various reasons such as cost barriers,



scarcity of resources, and lack of skills or expertise among others. In addition to being an instrument for improving productivity within the industry itself, importing advanced technologies also has potential spill-over effects on other sectors related to it like the services sector or even non-manufacturing areas which may benefit from increased demand generated by improved manufacturing activities. However, it is important to note that in Zimbabwe's specific situation where foreign currency shortages are common due to economic challenges faced by the country over past years - imported technologies might create additional pressure on available currency resources because these transactions often require payments made abroad using foreign currencies thus affecting local exchange rates negatively at times when demand for such goods/services increases significantly within domestic markets leading towards overall inflationary pressures within nation's economy itself." (2012), as well as Hu et al. (2003), have displayed a favorable and significant effect of technology imports on company performance. We should keep in mind that these investigations were carried out in the Far East region, where the importation of technology contributed to their impressive progress within the international trade arena.

## **4.2 IMPROVED INFRASTRUCTURE**

After the economy of Zimbabwe started to open, there has been a strong increase in construction and engineering areas. The infrastructure like roads, railways as well as telecommunications systems required enhancement for bettering economic activities and drawing investors who seek effectiveness and dependability in operations. This led to major growth in the sectors of construction and engineering. Companies partnered with international firms and experts, giving chances for skills and knowledge to be transferred to local professionals. The need for machinery and equipment also rose. The country has made significant progress in developing infrastructure. For instance, Victoria Falls airport was improved quite recently plus a fresh airport at Beitbridge is now being built. This area of construction is located on the border between Zimbabwe and South Africa; it's anticipated that this new airport will be the biggest and most advanced one in all Zimbabwe, acting as a central point for regional air transport. Also, a new road is being built linking the airport to Victoria Falls City.

This project has important economic, social, and environmental benefits. Not only will it enhance the mobility of goods and individuals, but it will also alleviate traffic congestion within the municipality and decrease travel duration between the city center and the airport. Moreover, modern technology like the use of drones, which is a product of globalization, has made the planning and design of such projects easy and more accurate. Drones have the capacity to collect geographical information and create detailed maps that help engineers and planners make informed decisions and monitor progress on a construction site. This not only lowers the cost of projects but also ensures that resources are efficiently used. So clearly, globalization in the form of technological progress has greatly improved productivity and efficiency in the infrastructure sector. Growth in this sector has also created employment opportunities for local people. For example, the World Bank-funded Emergency Power Infrastructure Rehabilitation Project created over 6000 jobs for the duration of the project from 2010 to 2016. Such developments and projects that aim to improve the infrastructure are essential in making the country more competitive on the global

stage. However, globalization has also exposed Zimbabwe to economic vulnerabilities, cultural erosion, and income inequality. It is of utmost importance for the nation to efficiently manage these impacts and ensure that the benefits are equitably distributed among its population. Below are strategies that, when implemented, can bring about the desired benefits.

In dealing with problems like the creation of harmful chemicals, global warming, loss of natural resources, damage to organic agriculture, and disposal of nuclear waste, most African countries are not well-equipped. The growth and expansion of international actors in industrial, agricultural, mining; forest exploitation; as well as fishing sectors have created increasing difficulties for public administration in Zimbabwe. The regulatory capacity of the country is already affected by various factors and now it is hitting its limits (World Bank Group 2020). The government is in a difficult position. They must balance the need for fast development through industrialization, modernizing agriculture, and using natural resources, with pressure from environmental groups - both local and worldwide. The stress on governments needs to shift towards supporting their capacities instead of forcing them into tasks that go beyond what they can handle. Numerous African governments face a paradox where they must deal with predetermined policies or decisions that restrict their capability to act independently. World Bank, IMF, United Nations, and World Trade Organization are international groups that have significant power to make decisions. They can put obligations on African countries which are like rules they must follow or meet. This thing can be seen as a slow reduction of the state's control and sovereignty; it is not just happening in Zimbabwe alone. We must remember, when a country has more poverty the possibility for its power to erode also goes up accordingly. A solution to this problem is making sure African countries have more representation and power in worldwide organizations. Also, strengthening regional groups from Africa (as long as they are represented at the same time in global groups) could help with the issue.

Zimbabwe is currently facing challenges in its ongoing quest for democratization. Many African nations have been making concerted efforts to democratize their governments, political systems, and societies. However, their global counterparts often lack democratic practices in this increasingly interconnected world. The process of democratization requires the active involvement of citizens in decision-making and policy development that directly impacts their lives. Unfortunately, Zimbabwe is dealing with decisions that come from worldwide establishments like the World Bank, IMF, and World Trade Organization. In Africa, it's common to put into action policies for liberalization and privatization. As a result of this situation, people can get doubtful of their leaders' democratic talk when they find out about planned results beforehand. The divergence in decision-making processes employed by these institutions poses a significant obstacle. It is impossible to be considered democratic if the governed are excluded and uninformed in the formulation of decisions and policies that affect them. This presents a predicament for African leaders. Improving capacity to fight transnational and cybercrime: African countries and their law enforcement agencies have traditionally focused on combating "traditional crime." At the same time, there is an urgent need to expand its scope to effectively address issues of international and computer crime. However, in the process of globalization, petty crimes such as drug trafficking, pornography, and international corruption have increased in the past. law enforcement agencies are ill-equipped to effectively respond to these new forms of crime. The transnational nature of these crimes reduces the ability of police to act and makes them appear weak and incompetent. Therefore,

public trust in the state declines, and so does the state's legitimacy. The complex challenges of professional criminals create an atmosphere of insecurity and mistrust among the population, discouraging domestic and foreign investment. Improving law enforcement's ability to detect and respond to complex crimes is particularly important. Failure to do so will provide a haven for Africa's sophisticated criminals and pose a serious security threat to the entire world. As international stakeholders exert pressure on African governments to further open up their economies and attract foreign investments and capital inflows, The government's capacity to mitigate the severe poverty that impacts individuals of varying socioeconomic status within and across nations is steadily declining. It is crucial to encourage African states to prioritize the well-being of their impoverished populations over the interests of global actors. The latter have sufficient resources to advocate for themselves, but the question remains: who will champion the cause of the poor? The substantial debt burden encountered by African countries is extensively recognized within academic spheres. The accrual of this debt over time can be ascribed not solely to the borrowers' constrained ability to repay but also to the lenders' readiness to furnish financial resources to these nations. This phenomenon has been facilitated by the process of globalization. Interestingly, governments obtain loans under the guise of poverty alleviation, yet their social expenditures aimed at addressing poverty consistently suffer from inadequate allocation. Similarly, affluent lending nations rarely channel their financing towards social objectives. Consequently, it is imperative for both domestic governments and external partners to prioritize sustainable human development by appropriately reallocating their expenditures.

The phenomenon of globalization has contributed to the increased cross-border movement of labor and the liberalization of international borders. However, African nations are particularly affected by the issue of brain drain, which has long been a concern. While remittances from African citizens working abroad provide financial support to many African countries, it remains uncertain whether the contribution of highly skilled individuals to their countries' development is commensurate with the remittances received. It is important to recognize that this problem is complex and cannot be viewed in simplistic terms. In certain instances, the emigration of highly skilled Africans can be attributed to oppressive actions taken by their governments. Consequently, these individuals are often motivated to leave their home countries by factors such as political repression rather than being solely enticed by the forces of globalization. Addressing this issue effectively necessitates African leaders prioritizing the enhancement of their own governance and institutional frameworks. The interaction between local socio-political and economic dynamics and global actors has generated new imperatives within African societies. Consequently, the public administration system is experiencing increasing pressure to adapt in various domains, including transparency, accountability, democratization, environmental sustainability, gender equality, human rights, poverty eradication, competent leadership, efficient service delivery, and the adoption of New Public Management approaches.

It is crucial for public administration systems and practices to undergo continuous adjustments. However, these demands are frequently raised by entities from the private sector and civil society without sufficient consideration of the associated costs. This places a burden on African states, as there may be a misalignment between global demands and the realities faced in Africa. The process of globalization presents challenges to African public administration systems and strains their limited capabilities. To address the impact of globalization on

marginalized groups, a shift in attitudes and leadership is imperative. African leaders must possess a vision, knowledge, skills, and wisdom. The United Nations should provide technical assistance and support to enhance Africa's capacity in public administration. African nations often adopt development strategies imposed by external actors, which primarily serve the interests of these actors rather than the African population. To establish a new approach to economic development in Africa, it is crucial to focus on resource-related issues such as ownership, management, allocation, utilization, and distribution.

The citizenry constitutes the most invaluable resource of any nation. Consequently, African leaders should accord utmost importance to initiatives centered on the education and empowerment of their populace. This endeavor necessitates raising awareness and imparting knowledge pertaining to civic, social, economic, and cultural rights and obligations. By giving people the necessary knowledge and abilities, African countries can increase their power to fight for what they deserve and like. At the same time, this helps in growing each country as a whole. To achieve these goals, it is important that African nations make big investments in crucial structures like health care and education systems. Furthermore, these investments should be directed towards meeting the needs of the general population rather than solely benefiting privileged elites. Only by nurturing and developing their human capital can African countries effectively engage with the global community. The subsequent section delineates Africa's proposed approach to globalization.

1. Adopt a mindset that is open to uncertainty, vagueness, and alteration, and try to develop and improve public administration systems that show flexibility towards change.
2. Transparency and responsibility are very important, especially for the African people. This shows a dedication to democracy and listening to the worries of local groups.
3. Be anticipatory and intentional in dealing with the globalization phenomenon, preparing for problems that may arise and utilizing its possible advantages. The real-world facts of globalization demand proactive adjustments.
4. The full human capacity covers a range of requirements such as skills, knowledge, attitudes, networks, and information technology.
5. Talking about the needs of institutional capability includes creating and developing institutions that focus on transformative projects, take a worldwide view, and have the ability to interact well with global participants. These establishments should cover various aspects of governance and public administration while being made to encourage cooperation with private businesses, non-government organizations as well as the world community at large.
6. Use flexible methods and administrative ways instead of strict enforcement of rules and inward-looking bureaucracies.
7. Try to increase the importance of African governments in worldwide groups, like the United Nations, so as to balance out the impact of global players at a local level. The power to make decisions from worldwide entities is slowly eroding the self-governance of each state.
8. Participatory Governance: Encourage and use participatory governance, where all important groups are included such as governments, private firms, and civil society from inside a nation and across the world (transnational), along with global organizations.
9. Welcoming information technology's applications in public administration,

particularly e-government:

The third phase, which started in 1997 and carries on today, is characterized by the complete utilization of information technology in the field of public administration. The term e-Government was invented at this time to signify the progress made thanks to IT advancements. This period marks a significant turning point for public administration as it fully adopts and incorporates information technology into its operations. With the emergence of "e-government," a new era has begun where electronic means are extensively utilized to enhance societal processes and interactions. In the third stage beginning from 1997 until now, there is full use of IT applications in public administration. In this phase it was called "e-Government" showing that progress came about due to advancements in Information Technology (IT). This period represents an important shift for Public Administration as it started using and including Information Technology completely inside its activities. A fresh time starts when electronic methods become greatly used for improving societal procedures and communications (Sæbø et al., 2008).

The effect of these stages on public administration is profound and can be seen through various aspects:

#### 4.2 Effect on Public Administration

The effect these phases have had on Public Administration can be observed from different sides:

10. Emphasize the improvement of social capital, especially by supporting education and health areas. This would create a habit of self-examination and evaluation for dealing with present problems in these sectors.

### 4.3 CULTURE EFFECTS

Cultural globalization is a well-known phenomenon that can be seen in the standardization of cultural expressions around the world. This process is influenced by the circulation of goods and ideas that shape individuals' everyday experiences. Globalization has led to the widespread use of wireless communication. Growth of e-commerce. Globalization is driven by factors such as the popularity of pop culture and the ease of international travel. It is therefore argued that globalization will lead to a convergence of cultural experiences and ultimately to a universal experience of humanity. However, this opinion may be an exaggeration since it is not enough to establish a single universal culture. globalization has brought about major changes in the culture of many countries. They tend to imitate the culture of Europe and other countries. Before globalization, learning about other countries and their cultures was almost impossible.

However, with the advent of important media such as television, wireless satellite, and the Internet, knowledge about events and trends in the United States, Japan, and Australia is now easily accessible. As a result, globalization has brought people from different countries of the world closer to each other, including Zimbabweans. For example, Hollywood celebrities promote cultural practices that differ from American society. In addition, the effects of globalization are particularly pronounced for young people living in economically underdeveloped countries. For teenagers, wear Nike T-shirts and Adidas shoes. listening to hip-hop music. Language seems to be the only differentiating factor. Same values. Desire Alternatively, some scholars argue that global culture develops among individuals who share a common way of life. This

process transcends geographical boundaries and leads to the formation of exclusive groups of collective ideas.

#### *"Davos" Culture*

According to the political scientist Samuel Huntington in his seminal work "The Clash of Civilizations" (1998), there exists a discernible group referred to as the "Davos" cadre. Comprising primarily of highly educated individuals, this group operates within the exclusive spheres of international finance, media, and diplomacy. The moniker "Davos" originates from the Swiss town that has served as the venue for the annual gatherings of the World Economic Forum since 1971.

The members of this Davos elite share a common set of beliefs centered around individualism, democracy, and market economics. They are renowned for embracing a distinctive lifestyle that holds global recognition and often feel more at ease in the company of their equally refined peers than in the presence of their less cultivated compatriots.

#### *The International "Faculty Club"*

The globalization of cultural subgroups extends beyond the boundaries of society's upper echelons. Sociologist Peter L. Berger expands on the Davos concept of culture and argues that the globalization of academic programs and lifestyles in Europe and the United States has led to a global "teacher association" of values, views, and individuals. It turns out that a group has formed. View.

International Network for Action. Although they may not have access to the same wealth and privileges as the Davos attendees. Members of this global teachers' association have great influence through their connections with educational institutions around the world. Berger cites the anti-tobacco movement as a prominent example. This concern, which began in North America in the 1970s, spread to other parts of the world in the form of global education networks.

#### *Nongovernmental organizations*

(NGOs) play a significant part in advocating for the preservation of cultural traditions in the developing world. These organizations align with a subgroup known as "cosmopolitans," who possess a profound appreciation for local cultures. Anthropologist Ulf Hanner emphasizes that this group rejects the idea of replicating uniformity on a global scale, instead prioritizing the organization and celebration of diversity.

In the early 21st century, NGOs like Cultural Survival emerged as global institutions, drawing attention to indigenous groups worldwide. These organizations advocate for indigenous communities to self-identify as "first peoples," a novel global classification that highlights the shared experiences of exploitation endured by indigenous inhabitants across different territories. By nurturing these identities, non-governmental organizations have expanded the international endeavor to safeguard indigenous world cultures.

#### *Transnational Workers*

One demographic emerges from the phenomenon of a transnational labor force. Arjun Appadurai, an anthropologist of Indian origin, has conducted research on highly skilled professionals who come from South Asia but reside and work in different locations.

These individuals navigate a social landscape with multiple points of origin and have established connections with a distinct network of people and opportunities. To exemplify this phenomenon, a significant number of software engineers and internet entrepreneurs, primarily situated in Silicon Valley, California, uphold residences in Indian states such as Maharashtra and Punjab, while concurrently maintaining robust

social connections with these regions.

*The enduring nature of local culture*

The concept of culture is not clearly defined by different views of globalization. In the 20th century, anthropologists believed that cultures have common beliefs, which are seen as ideas that unite individuals within a group that can be identified as a set of habits or ideas. However, scholars from various fields have questioned the idea of cultural homogeneity, especially when members of a close group have different views about the social world. Today, culture is not a complex of knowledge inherited from our ancestors, but a philosophy that develops with changing circumstances. They are understood as a set of characteristics and expectations. The collapse of barriers imposed by Soviet communism and the rise of electronic commerce led social scientists to believe that social change was accelerating globally. The term "Indigenous culture" is often used to describe the everyday experiences of local people. That includes people's preferences. These include comfort level and modesty, which determine an individual's tastes and preferences.

There is no disputing that there is a global culture permeated by local cultural forces. Few people are accustomed to a global network that is not connected to each region, but the number is not sufficient to maintain a coherent cultural system. So where do these world-famous actors maintain their families? It is more important to know what type of kinship network (if any) they have and whether their lifestyle is temporary or permanent. For many people, location and location are very important. The transnational workers that Appadurai discusses are also rooted in local communities and share a common vision of a decent and fulfilling lifestyle.

*Standardization of Time and Space*

Cultural globalization has played a significant function in the development of standardized systems for measuring time and space. In previous eras, different cultures relied on diverse calendars that were influenced by various factors, including solar or lunar cycles. Consequently, the perception and measurement of time varied across different societies. However, thanks to cultural globalization, today we adhere to uniform time norms and calendars. Similarly, in the past, various units were employed to measure distance, mass, volume, and other quantities. Presently, the majority of the world adheres to the Gregorian calendar and its months, along with the universal adoption of the metric system for spatial measurements. This development has facilitated not only seamless communication but also significant advancements in scientific endeavors. It has alleviated the burden of continually converting between different measurement systems, thereby liberating human resources for other productive pursuits. A British geographer, David Harvey, gave a fitting name to this occurrence: "compression of time-space" (Harvey, 1989). It is a remarkable feature of the postmodern times. Cultural globalization has an important part in promoting good social change because it helps spread democratic beliefs more widely. This happens with the help of mass communication a lot and people moving physically across national boundaries. Also, the process is impacted by the mutual sharing of ideas between diasporas and their countries of origin. This has led to a worldwide spread of concepts like freedom, democracy, secularism, and feminism - stirring up political movements in different parts advocating for rights and liberties for their own people. It's important to mention that important revolutions in the 21st century such as the Arab Spring or Orange Revolution were inspired by these ideas born within a globalized cultural context. Consequently, liberal values have gained broader dissemination and acceptance within societies that were traditionally governed by autocratic political structures. Nevertheless, it is essential to acknowledge that the

penetration of these ideas into different cultures has been uneven, resulting in discernible cultural lag. Recent developments, including the resurgence of nationalism and China's resistance to democratic ideals, raise doubts regarding the actual realization of this purported positive impact.

#### *Economic Growth*

Cultural globalization brings more chances to gain wealth by making it easier for business and personal movement around different parts of the world. This can be seen in how the English language and American company culture are accepted worldwide, making business expansion possible in almost any place without big language or cultural difficulties. Also, gaining fluency in the English language allows people from financially less fortunate countries like India, Pakistan, Bangladesh, Nigeria, Egypt and more to move into wealthier Anglo-Saxon nations such as the United States of America (USA), Canada (CA), Australia (AU), New Zealand (NZ) etc., thereby improving their standard of living.

#### *Expanding the Human Perspective*

Cultural globalization promotes an understanding of the variety of human experiences worldwide. For instance, in many areas, there are American cultural elements that can be found. This gives a chance for Chinese and Japanese people to comprehend America's style of living. Likewise, the fact that Chinese food and Latin music are widely available in America allows Americans to deeply experience other cultures and ways of life. These interactions help you understand better when dealing with people from different cultural backgrounds. Cultural evolution can be seen as a process where one or more cultures change from simpler to more complex forms.

In the 18th to 19th centuries, it is said that a linear trajectory can explain the general evolution of human behavior. But as one culture, a multiple linear process is believed to describe how a society, or its interior parts evolve. The concept of unilinear cultural evolution had an influential part in early anthropology's growth from the 18th century up till the 19th century. But, back in the early 20th century, it was not given attention. In the 1930s, there started an endorsement from scientists to a multilinear theory of cultural evolution that is rooted in physical anthropology and archaeology. The field of anthropology, which concentrates on the study of change over time, still greatly impacts much research.

#### *Unilinear theory*

During the 15th and 16th centuries, known as the Age of Discovery, direct contact between Europeans and other cultures was considered "ancient" at the time. This encounter sparked the interest of European intellectuals, who attempted to explain the astonishing differences in the human condition. Thomas Hobbes was a 17th-century English philosopher and reclusive man. He is poor and cruel, but artistic. In illiterate and antisocial countries, minorities are wrongly portrayed as isolated people. The description of him reflects the idea of barbarism that prevailed in that historical period. Hobbes and other scholars ignored several facts, including the fact that, as a result of the development of civilization and slow migration from the lowlands, many indigenous peoples had a higher standard of living than European farmers. A relatively developed country. Even Enlightenment thinkers, including Voltaire, believed that human development was an essential part of the natural order. The concept of "natural order" has its origins in ancient Greek philosophers who imagined the world as a vast chain of existence. From this perspective, the world deserves to be analyzed exhaustively and systematically.

So, scientific research during the Enlightenment paid significant attention to classification. This resulted in the creation of several typologies that indicate fixed



stages of cultural evolution, with most typologies concentrating on three major levels and other types providing more than one category. For instance, in the book *Esquisse dun tableau Histories des progresses de l'esprit humaine* (1795; Sketch of a historical view of the development of the human spirit) by Marquis Condorcet, the 10th stage of "cultural evolution" is explained. Here, it says that Christian Jurgensen Thomson from Denmark was recognized as the first scientist who developed the printing system, and he started promoting universal human rights and human development beginning in the latter half of the French Revolution. This was mentioned in his book *Libertad tile Nordisk Oldkyndighed* (1836; Guide to Northern Antiquities). He penned Charles Darwin's Stone Age during the last part of the 19th century. In this book, he split history into two parts: Bronze Age and Iron Age. Charles Darwin's book *The Origin of Species* (1859), was a turning point when people started accepting biological evolutionary theory widely. This led to an important change in how culture evolved too; social scientists applied the suggested biological evolutionary foundation on issues related to where social behavior comes from and how it progresses over time (Watts, 2010). The idea of society as a changing organism transformed into a biological model that was accepted by numerous anthropologists and sociologists. In a few groups, this understanding carried on to the 20th century.

#### *Multilinear Theory*

In the late 19th century, a significant reaction against sweeping cultural generalizations began to take shape in the United States, followed by Europe. Theories and narratives that posited a linear progression of societal evolution, including unilinear evolution, were met with strong criticism due to their racist connotations. Instead of perpetuating the idea that certain societies are more advanced than others, a new paradigm emerged that focused on the unique characteristics of each culture within its specific historical and geographical context. This intellectual shift, known as cultural particularism, was advocated by Franz Boas, a German-born anthropologist who lived in the United States.

#### *Transnationalism*

Transnationalism is a wide idea, it includes many different economic, political, and cultural processes that go beyond national boundaries. This shows the nation-state has less power over its borders, people, and land. Advanced nations have become multicultural due to increasing worldwide economic progress which led to immigration from other places. In these societies, immigrants have a higher tendency to keep connections with their original culture and are less likely to fully blend in. This could result in divided loyalty towards the nation-state as well as their culture or religion. The continuous growth of worldwide mobility and immediate communication technology has made political borders less clear, reducing the importance of traditional territorial controls that nation-states used to enforce.

On the other hand, ideas about citizenship and nationality that are defined by states along with rules controlling political involvement could become more significant among transnational groups. Globalization is an idea that means the deepening of economic, cultural, and political activities around the world during the beginning years of the 21st century. The internet has allowed not only big companies but also small ones and people themselves to quickly connect with a global communication network. Global processes are linked with transnationalism as they usually cross and transcend specific national boundaries. However, transnational processes are grounded in one or more nation-states but often expand past them. The effects of group migration that is transnational, while unique, should always be viewed within a globalization framework. These phenomena mutually reinforce each other, leading to

significant transformations.

#### *Processes of Transnationalism*

The process of transnationalism is shaped by many factors, such as the economic activities of multinational companies and cooperative arrangements between governments. These processes create fresh possibilities in trade and industry among private businesses as well as governing bodies. Frequently, countries that are more economically advanced draw in migrants from less developed nations because they have work opportunities available. Additionally, improvements in transport and communication tools like the Internet have made it easier for people to form virtual connections that cross national boundaries. For example, the creation of the European Union has led to a reevaluation of relationships with transnational communities like Turkish and Kurdish groups.

#### **4.4.4 EDUCATION AND HEALTH SYSTEMS**

Globalization, especially in education, has greatly influenced how health and education systems develop within developing nations. The need for jobs that require more skills has caused a sudden increase in educational achievement. This results in more chances for people to get higher education now. Health and education are important goals for the betterment of a nation. There is a close connection between economic growth and how well these systems' function. When developing nations experience economic growth, it leads to better living standards and increased life expectancy. With greater resources, economically disadvantaged nations can provide essential healthcare services and sanitation to their populations more effectively. More to add, governments in developing countries can allocate more funds to improve health and education for marginalized groups, thereby reducing illiteracy rates. This positive trend is evident in numerous developing countries, where there has been a recent decrease in illiteracy rates. The economic advantages of globalization have played a significant role in enhancing living standards and life expectancy in these nations. As stated by the World Bank (2004), "The emergence of globalization has resulted in a projected rise in the average lifespan of individuals worldwide to sixty years, indicating a twofold increase compared to the average life expectancy observed a century ago." Globalization has facilitated the efforts of medical professionals and scientists in identifying and addressing various diseases that are transmitted among humans, animals, and birds. Consequently, effective medications have been developed to combat these fatal diseases. For instance, illnesses such as HIV/AIDS, swine flu, and bird flu are now widely acknowledged, and preventive measures have been implemented.

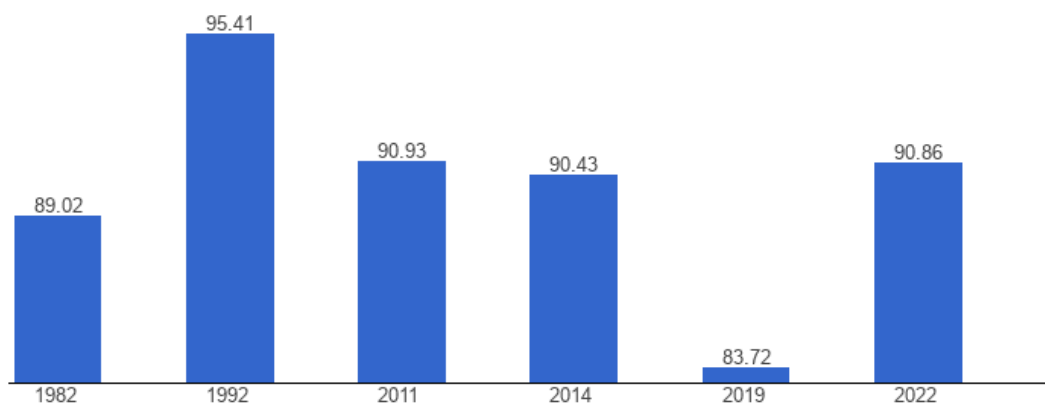
Furthermore, globalization has led to the creation of non-governmental organizations like WHO and UNESCO in the mission to eradicate illiteracy. Motivated by a goal to combat deadly diseases for global welfare. Even though globalization positively affects education and health in developing countries, it also brings with it some negative results. HIV/AIDS and swine Flu Plants like bird flu, Avian influenza, and diseases that affect plants can spread very easily from developed countries to developing countries. This greatly affects the quality and life expectancy in those places. As per a report by the World Bank in the year 2004, the AIDS crisis had led to a significant decrease in the average lifespan for individuals residing within certain parts of Africa - with their age falling below 33 years across some regions. The report also pointed out that not responding with fitting and prompt actions made the issues created by the economic situation worse. Moreover, because of growing worldwide competition, more highly skilled workers like scientists, doctors, engineers,

and IT experts are moving to developed countries for better pay and chances for their own progress as well as their families. This is resulting in a brain drain. This immigration leads to a decline in skilled labor in developing countries.

**TABLE 4.5** Youth Literacy Rate, Ages 15-24

Zimbabwe	Youth literacy rate, ages 15-24
Latest recorded value	90.86
Year of observation	2022
Unit of measurement	percent
Data availability	1982 - 2022
Average literacy rate	90.06
Min - Max	83.72 - 95.41
Source of information	UNESCO

**FIGURE 4.4** Recent Values Chart



Data spanning from 1982 to 2022 concerning Zimbabwe reveals an average value of 90.06 percent for the country during this period. It is significant to note that the minimum recorded value occurred in 2019, measuring 83.72 percent, while the highest value was observed in 1992 at 95.41 percent. Based on the latest available data from 2022, the value currently stands at 90.86 percent. It is worth noting the comparison of this value to the global average in 2022, which is calculated from data collected from 44 countries and amounts to 88.00 percent.

## CHAPTER 5

### NEGATIVE IMPACT OF GLOBALIZATION IN ZIMBABWE

Globalization On the other hand, it has put pressure on Zimbabwean leaders to adopt policies that may not align with the wishes of their people, leading to a lack of accountability and responsiveness. Some negative effects of globalization include:

1. Dealing with corruption and Political Instability: Globalization can contribute to political instability in some regions, as economic interdependence and competition for resources may fuel conflicts and tensions.
2. Unemployment or Job Loss: Globalization can lead to job losses in certain industries as companies outsource work to countries with lower labor costs.
3. Inflation
4. Globalization has the potential to engender the dissemination of Western culture, resulting in the potential erosion of indigenous traditions and customs.
5. Globalization is widely recognized as a phenomenon that has the potential to lead to the erosion of indigenous cultures and languages, as Western ideals and standards increasingly dominate the global landscape.
6. Global economic fluctuations
7. Covid 19 pandemic phase
8. Globalization has the potential to exacerbate socioeconomic disparities, both at the national and international levels.
9. Income Inequality: Globalization can exacerbate income inequality within and between countries, as wealth and opportunities may be concentrated in the hands of a few.
10. Education sector new barriers
11. Globalization has the potential to contribute to heightened levels of environmental degradation due to various activities, including deforestation, pollution, and the excessive exploitation of natural resources.
12. Globalization has the potential to result in the exploitation of laborers in developing nations, where labor regulations may be comparatively weaker.
13. Globalization can result in intensified competition among businesses, which can occasionally give rise to unethical practices and cutthroat strategies.
14. Health Risks: Globalization can facilitate the spread of diseases and health hazards across borders, as individuals and goods become more mobile.

#### 5. ECONOMIC CHALLENGES

When Emmerson Mnangagwa arrived in Zimbabwe to take office as president, he had the daunting task of rebuilding the country's economy. During Robert Mugabe's nearly 40 years in power, Zimbabwe went from a period of relative prosperity to a state of economic decline. Inflation was so severe that central banks were unable to print trillions of dollars in banknotes, rendering them worthless. Over

the past 37 years, Zimbabwe's economy has fallen from once ranking 10th in sub-Saharan Africa to 20th. Moreover, the country's share of the region's net production has plummeted to less than 1%. After the 2008 elections, a coalition government was formed with some success, but progress has since stalled. The economic problems facing Zimbabwe because of globalization can be broadly divided into three main areas.

Income inequality and the decline of domestic industry. According to the World Bank, the country's "official" unemployment rate in 2019 was estimated at around 4%, with up to 95% of the workforce not fully employed. The problem with rising unemployment is that the number of people contributing to the country's production decreases, hindering the country's development. Additionally, globalization has widened income inequality, creating other economic problems. Such large differences lead to political and social instability and impede trade and investment. Over the past three decades, Zimbabwe's industrial sector has continued to decline, with value added to GDP falling from 19% in 1990 to 11% in 2022. Much of this decline can be attributed to foreign competition brought about by globalization, as domestic companies strive to match efficiency and productivity with their peers. For example, the number of registered apparel companies in Zimbabwe has declined from 106 in 1990 to more than half by 2023. Notably, textile imports increased from approximately US\$120 million in 1994 to approximately US\$200 million in 2000, with Zimbabwe's imports decreasing by 10 percent. Industry's contribution to national income declined from 1990 to 2000. Apparel and textile imports from Asia continue to rise and are expected to reach nearly \$350 million by 2023. Part of the reason for this increase is the termination in 2005 of multilateral agreements under the World Trade Organization on protections for imports from countries such as China. Zimbabwean companies were allowed to export textile products to Europe and the United States, but increased competition from cheaper Asian products further hindered the growth of the domestic industry.

Hyperinflation in Zimbabwe is believed to have hit an unbelievable high of 89.7 sextillion percent, which can also be expressed as 89,700,000,000,000,000,000,000% during the year 2008. This led the country to stop using its own money and choose foreign currencies like South African rand (ZAR), US dollar (USD), euro (EUR), or British pound sterling (GBP). But there has been a different problem for Zimbabwe lately. A time of deflation that lasted for 2.5 years has been followed by increasing prices since February, mainly due to money scarcity and growing food expenses. Because of this, even though feelings are excited after Mugabe's stepping down from power, those who analyze things have become more careful. Gary van Staeden, who works as an analyst for NKC African Economics in Paarl -located in South Africa-, advises not to accept the generally positive view in Zimbabwe regarding the possibilities of the post-Mugabe period without careful consideration. We must understand that this subsequent time might not necessarily result in substantial advancements. He says that "Between 2022 and 2023, Zimbabwe went through a phase of hyperinflation with inflation rates rising from 96.4% in April 2022 to 131.7% by May that year before further increasing up until reaching an all-time high at 175% come June." Many things led to this rise in inflation, such as the COVID-19 disease and a drought that happened during 2019. Also, the Zimbabwean dollar was less valuable compared to the US dollar. The main parts pushing up inflation are food and services, housing with electricity and gas as well as domestic money becoming worth less (depreciation).

The fiscal deficit will likely come down to 0.2% of GDP in year 2023. The cause for this reduction is better income gathering and strong execution of budget plans. Moreso, there is a forecasted surplus in the current account of 0.8% of GDP in 2023 and 0.5% in 2024. This positive trend is attributed to favorable commodity export prices and an increase in remittances. Although the Zimbabwean Minister of Finance stated in 2015 that they would not attempt to reintroduce a national currency, a new regime in 2019 made an announcement regarding a new Zimbabwean currency. However, this decision has resulted in a resurgence of hyperinflation, with the inflation rate reaching a staggering 417.25% in October 2020.

## 5.1 DEALING WITH CORRUPTION

Transparency International tells us that Zimbabwe loses no less than \$1 billion each year due to corruption. On the Corruption Perceptions Index by Transparency International, Myanmar is ranked among 176 countries in terms of police. Local councils and driving license authorities are ranked 154th most corrupt within the country. The country's critics say it is copying their chief, referring to his wife (Gucci Grace) and her extravagant way of life. Additionally, Mr. Mnangagwa also carries a significant debt load. Zimbabwe's external debt decreased during the coalition government but has risen sharply since the power-sharing agreement ended in 2013 and 2015 with the International Monetary Fund Plus African Development Bank respectively. Bloomberg Economics analyst Mark Bolender said he hoped Mnangagwa's return would help mend relations between Zimbabwe and the International Monetary Fund. At the same time, he noted that although Myanmar has adopted traditional economic policies, the path to foreign aid and debt relief remains difficult. Bolender said bilateral and multilateral development partnerships could facilitate a smooth transition of power and lead to new elections. However, it is important to recognize that financial aid alone is not sufficient to significantly boost economic growth. The process of globalization has had a major impact on political instability in Zimbabwe. Globalization is a world economy that brings benefits and challenges to countries around the world. It is characterized by the fusion of culture and society.

### *Political Instability*

In Zimbabwe, the effects of globalization are particularly pronounced, and political instability is increasing. Economic pressures brought about by globalization are the main cause of political instability in Zimbabwe. Globalization has increased competition in world markets and put pressure on Zimbabwe's economy. The country is highly dependent on agriculture and natural resources, making it susceptible to global commodity price fluctuations, leading to economic instability and high unemployment rates. As a result, dissatisfied people took to the streets to protest the government's economic policies, leading to political instability. Furthermore, globalization has exacerbated social inequalities in Zimbabwe. The country's integration into the world economy has created a small elite that benefits from globalization while excluding most of the population. The widening gap between rich and poor is creating tension in Zimbabwean society, leading to social unrest and political instability. It can also be argued that globalization has a major impact on political instability in Zimbabwe. As a result, the newfound power of citizens led to a dramatic increase in political activity and protests, leading to vocal condemnation of government corruption and human rights abuses. In response to these demands, the

government has moved to suppress dissent, further escalating the current political instability. The conclusion is that: Globalization has a significant impact on political instability in Zimbabwe. Economic pressure. social inequality. The spread of information and ideas plays a crucial role in increasing the country's current political instability. Failure to do so may increase political instability and social discontent.

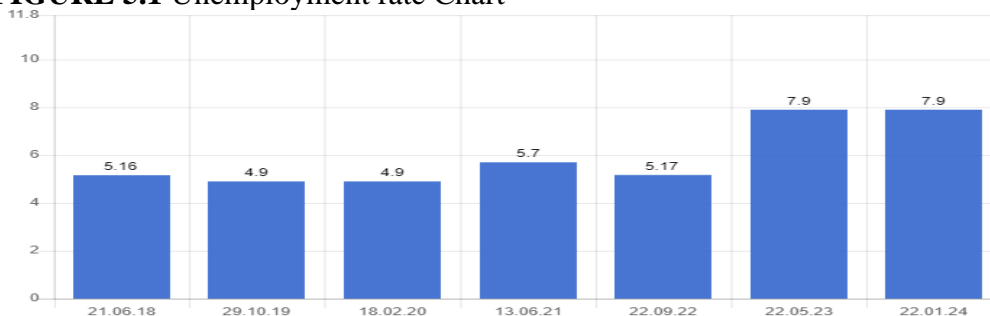
*Unemployment*

Unemployment, or joblessness, is a major issue in Zimbabwe, particularly among the youth and skilled workers. In 2014, the Zimbabwe National Statistics Office estimated the national unemployment rate to be 11.3%, while other unofficial estimates suggest that it could be as high as 80%. In 2023, Zimbabwe's unemployment rate was 9.116%, as reported by the World Bank's collection of development indicators. The unemployment rate has been steadily rising since 2004 when it stood at 4.4%, with an average annual growth rate of 4.12%. After economic challenges began in the late 1990s, companies had to close or downsize due to operational challenges, and this had a knock-on effect on unemployment.

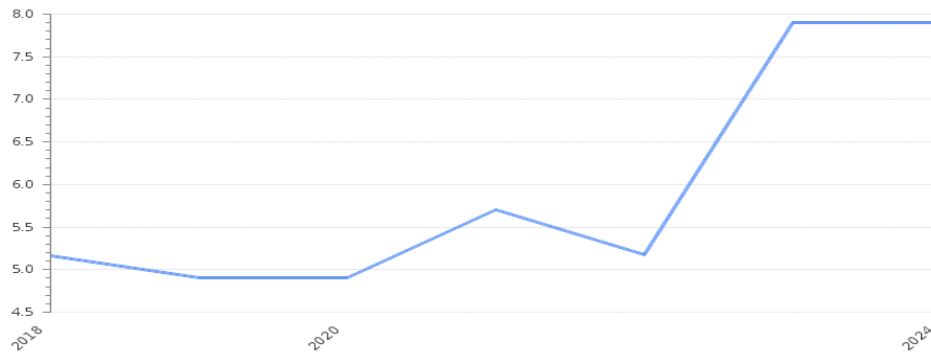
When companies retrenched or closed, thousands of workers lost their jobs. With the land reform program in the early 2000s, a lot of capital flight occurred in the country. This resulted in a sharp decline in investment in commercial farms and in the manufacturing industry which depended on agriculture. The manufacturing industry's capacity utilization dropped to around 30% as most companies failed to access local and foreign markets. As a result of this, many companies closed down, which resulted in around 60,000 people losing their jobs in total. Furthermore, many Zimbabweans became unemployed in neighboring South Africa in 2008 after the outbreak of xenophobic violence. It is estimated that over 2000 homes were destroyed, leaving 15,000 people displaced. Many people were killed and at least 100,000 people were forced to leave South Africa. This had a significant impact on elevating the unemployment rate in the country.

High unemployment rates are damaging to the economy because they lead to lower incomes and lower tax revenues for the government. On an individual level, joblessness can lead to homelessness, illness, poverty, and social tensions. The government sees unemployment as a major challenge too because it is one of the leading causes of crime for people. High unemployment has increased pressure on public services, as unemployment has led to poverty and greater reliance on things like free healthcare and housing. Given that Zimbabwe already has economic challenges and a struggling healthcare system, unemployment really does not help. The youth unemployment rate in Zimbabwe in 2023 was 14.57%, which is lower than in previous years. However, certain activists argue that this figure does not provide an accurate representation of the number of young individuals in need of employment. The official rate of youth unemployment pertains to the proportion of individuals aged 15-24 who are actively seeking employment within the labor force.

**FIGURE 5.1** Unemployment rate Chart



### Historical Chart



The unemployment rate in Zimbabwe decreased to 7.9% in 2020. The highest rate reached 10.8%, while the lowest was 4.17%. According to Statista, Zimbabwe's unemployment rate is projected to be 4.94% in 2024.

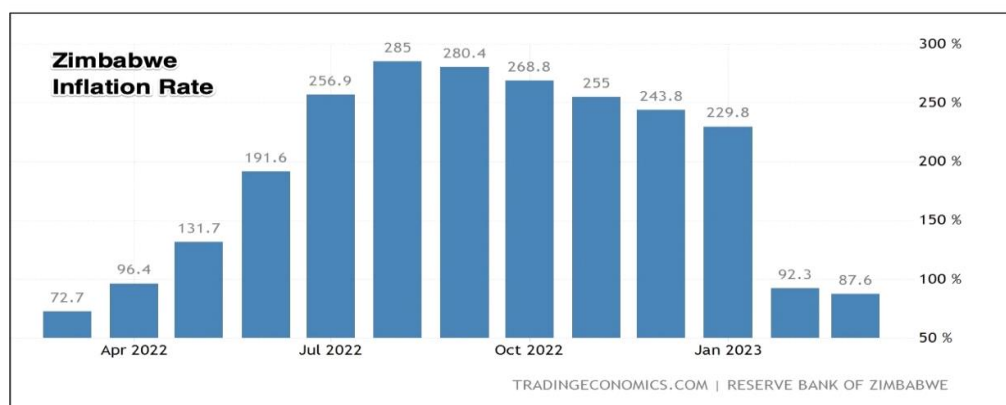
**Income Inequality ;** On one hand, you have a situation characterized by unequal and not even distribution of wealth which depends on the geographic area within the country, and on the other hand, you have selective prosperity which is essentially benefiting a small but well-educated portion of the population. If the current trend is anything to go by, with Zimbabwe policymakers and government that are not taking the necessary steps to invest in knowledge and the necessary changes that are required in overhauling the education system and aligning policies to suit the ever-changing dynamics of globalization, the stark contrast between the haves and have-nots is continuing to grow as the country opens its markets and enhances trade. As much as globalization is being embraced, the concept and the practical business outcomes have resulted in the growth of income inequalities. If the observations of David Ricardo in the 19th century that "where trade unions are not allowed, notwithstanding any endowment is labor, wages are still mainly determined by the productiveness of labor," the situation is becoming more complex and dire as the world moves towards higher economic and eventually greater globalization. This is the very reason why globalization has been defined as a process that can have and has had instabilities, role challenges, and opportunities that are both realized and overall potential. The cases of either or both income and wealth inequalities are for Zimbabwe just but some of the realities surface when globalization is mentioned.

Moreso, in a country like Zimbabwe, the disparity between the affluent and the disadvantaged is rapidly widening because of the phenomenon of globalization. This trend is evident in the formation of a concentrated demographic that holds a higher level of education and enjoys superior compensation, predominantly benefiting from significant investments in knowledge. In contrast, the workforce that is less educated and has fewer individual skills gets relatively little benefits from globalization. A major driving force behind globalization has been the sustained increase in some key areas of social development such as life expectancy and education. As it is currently, overall levels of income and life expectancy are on the increase, and illiteracy is on the decrease. This exemplifies the twofold impact of the global dissemination of knowledge and information. Firstly, it serves as a determinant of productivity, exerting influence on economic activity and the generation of wealth. Secondly, it constitutes an indispensable element of human development, influencing individuals' capacity to lead lives that are long, healthy, and marked by innovation. Given the detrimental effect of globalization on the quality of life in Zimbabwe, primarily attributable to economic hardships, policymakers must prioritize increased allocation



of resources to education, healthcare, and infrastructure. This course of action is imperative due to the emergence of a knowledge-based economy brought about by globalization. Consequently, the economies that will thrive in the future are those that intelligently invest in human capital. By ensuring that the necessary measures are in place to provide accessible education and competitive levels of investment in knowledge today, we will be affording the country the ability to benefit from additional income and employment leading to sustained economic growth tomorrow.

**FIGURE 5.2 Zimbabwe Inflation Rate**



Zimbabwe's inflation rate in 2021 decreased significantly to 458.66% compared to the previous year. The inflation rate in 2020 was 557.20%, a significant increase of 301.9% compared to 2019. In particular, the inflation rate reached 131.7% in May, compared to 96.4% in April. It should be noted that since the Russian-Ukrainian conflict began, Zimbabwe's inflation rate has increased significantly, from 66 percent to 130 percent in May 2022. Zimbabwe has experienced high inflation for decades, largely due to poor monetary policy. As a result of this process, the price of goods increases. The incentive to save is reduced, and so is trust in government. Consumer prices, measured by the ZIMSTAT inflation basket, rose by 6.6% in January 2024, compared to a 4.7% rise in the previous month. ZIMSTAT On a 12-month basis, he went from 26.5 percent in December 2023 to 34.8 percent in January 2024.

According to Smith (2016), the Demand-Pull Theory says that when total demand surpasses total supply, there is inflation because of excess demand pressures. This idea suggests that increased consumer spending, investment, and government expenditures can all lead to an economy becoming too heated causing prices to go up. The theory emphasizes how factors on the demand side effect inflation patterns and provides an understanding of consumption as well as investment dynamics in an economy. On the other hand, Gordon (1985) presents the Cost-Push Theory that connects inflation with a rise in production costs. When there are changes like more pay for workers or increased prices of raw materials, it might cause a series of effects impacting businesses along the supply chain. As costs for production go up, businesses could require hiking their prices to keep making profits and this can lead to inflationary influences. This theory highlights the significance of supply-side movements and stresses the contribution of production elements in forming the general price level within an economy.

## 5.2 ECONOMIC THEORY OF INFLATION

This chapter explores the economic theory of inflation in a more academic manner, moving systematically from basic concepts to complex mathematical models. This study is grounded in relevant economic theory and empirical evidence through a thorough study of the causes and consequences of inflation. Key findings include demand-pull; Describe the multifaceted nature of inflation, including theories such as cost push and the Phillips curve. Additionally, in academic discussions, it is noteworthy that mathematical models, particularly the Fisher equation and flexible expectations models, can provide statistical insight into the complex dynamics of inflation and expectations.

This economic theory, practical analysis, and policy thinking together give a thorough understanding of inflation's economic theory. This is crucial for those making policies to handle the complexities in today's economies. When we do a detailed study about what causes inflation, different theories come up. Steady personal consumption. This theory points out that both investment and government spending together can make the economy too hot, leading to increased prices. It emphasizes how demand-related factors affect inflation patterns and gives an understanding of the workings of consumption and investment within the economy. Alternatively, the Cost-Push Theory explained by Gordon (1985) links inflation to a rise in production costs. Elements like an increase in wages or raw material prices could start a sequence of events, affecting businesses throughout the supply chain. If it becomes more costly to produce goods and services, companies might have to enhance their prices so they can keep making profits. This action contributes towards pushing inflation up. This theory gives importance to supply-side elements, emphasizing how much effect production factors have in forming the general price level within an economy. Blanchard (2019) presents another influential viewpoint on inflation through the Phillips Curve as  $\pi = \pi_e - \beta(\mu - \mu^*)$ .

This model indicates a reverse connection between inflation ( $\pi$ ) and unemployment ( $\mu$ ), meaning that if we try to lessen unemployment it might cause an increase in inflation and the other way around. The planned rate of inflation ( $\pi_e$ ) and slope of the Phillips Curve ( $\beta$ ) together contribute to our comprehension of trade-offs faced by people making policies. This theory points out the careful equilibrium policymakers need to manage when devising economic policies, stressing conflicts between keeping prices steady and having everyone employed fully. These different theories together improve our comprehension of the complicated elements that cause inflation. They give a subtle view that includes both sides, demand, and supply, along with the complex relationship between inflation and joblessness in economic systems.

### *Inflation Control Strategies*

Understanding the difficulties that come with inflation, central banks use different plans to keep prices stable and boost economic progress. The Taylor Rule, as explained by Taylor (2016), is a basic system for monetary policy. It suggests changing nominal interest rates ( $i$ ) according to how much inflation ( $\pi$ ) and output ( $g$ ) differ from their expected levels ( $\pi^*$  and  $g^*$ ). The rule shows a careful equilibrium, understanding that responding to changes from the target inflation rate and output is necessary, yet also considering possible effects on economic growth. This has been influential in shaping worldwide central bank policies by providing an organized method for handling inflation. Not just monetary methods but fiscal steps also have a crucial part in controlling inflation. Fiscal policies are equations governing

government expenditure ( $G$ ) and taxation ( $T$ ), forming a part of the overall strategy for managing inflation. The effect of fiscal policies on inflation is intricate; it comprises aggregate demand, patterns in consumption, and decisions regarding investment. It's important for policymakers to find correct harmony between these policies because they manage the related aims of keeping economic growth stable while reducing problems with inflation. In total, the effects of inflation on economies are strong and complex. This includes people's ability to buy things decreasing, as well as the difficult choices that those who make policies must balance between stability in the economy and prices. A mixture of money-based methods with government spending plans is used, guided by models like the Taylor Rule for finding an equilibrium between growth and stability in costs.

**Loss of Local Industries** As per statistics from Global Edge - a non-profit organization focusing on crucial trade executive tools along with market research - Zimbabwe has been experiencing trade deficits for quite some time now which is a macroeconomic issue for the country. A study by M. Mhlanga, appearing in the African Development Review of 2020, shows that the utilization rate for the manufacturing sector was just 45.1% in 2019. This decrease can be linked to reasons like lessened production and an increase in low-cost imports from the East to Southern Africa area (Mhlanga, 2020). This implies that Zimbabwean products are gradually losing appeal even in the local market since consumers now have a wide range of imported products to choose from. With the continued shrinking of local industry and the dominance of imported goods on the market, the country's balance of payment may further deteriorate. The pernicious consequences of loss of local industry are not only confined to job losses and decrease in government revenues. The full impact of the loss of local industries is underscored by the knock-on effect on other dependent sectors such as the manufacturing sector, agriculture, and mining. These sectors relied heavily on the industrial sector for goods and services. For example, the agricultural sector used to get inputs such as fertilizers and chemicals from companies such as Chemplex. However, with the closure of these companies, the agricultural sector has been crippled. This is compounded by the insurgency of cheap and substandard imports such as fertilizer from Asia and South Africa. According to a study conducted by S.I. Moyo which was published in the Southern Business Review in 2019, the country has lost about 711 companies since the year 2000 due to inadequate working capital, lack of competitiveness, high cost of production, and cheap imports due to globalization. Without a doubt, the end of the industrial sector has spread a feeling of sadness across the Zimbabwean economy. Many companies closed or reduced their size, causing losses for thousands of workers who did not have jobs and ways to earn money anymore. A large number of people leaving formal employment for informal work has led to less income tax being paid thus reducing government income. Also, the crime rate has soared as most of those who lost their jobs have turned to crime as a means of survival. Indisputably, the loss of the local industrial sector is one of the prevailing economic issues stemming from globalization. Before the advent of globalization, Zimbabwe boasted a robust industrial sector that served as the cornerstone of the nation's economy. The industrial sector was dominated by both heavy and sophisticated manufacturers. However, with the tidal wave of globalization, many of these industries are now no longer operational.

### 5.3 GLOBAL ECONOMIC FLUCTUATIONS

One of the major challenges faced by Zimbabwe is its susceptibility to global economic fluctuations. The nation heavily relies on exports, particularly in the agricultural sector, making it vulnerable to changes in global commodity prices. As a result, economic instability, and difficulties in managing inflation and currency fluctuations can arise. Furthermore, globalization has contributed to the erosion of traditional cultures and values in Zimbabwe. Globalization, with its Western influence, has affected the traditions, languages, and customs of the area. This has raised worries about losing cultural identity and keeping native knowledge safe. Globalization has also worsened the problem of income inequality within Zimbabwe by creating chances for economic growth but not distributing benefits fairly. Consequently, the gap between the wealthy and the impoverished has widened, and a significant portion of the population still lives in poverty. Tendon (1998) argues that the Cold War, which was a direct consequence of the globalization process, had significant repercussions on Africa, including Zimbabwe. During the 1960s and 1970s, the Cold War witnessed the emergence of various authoritarian regimes, including single-party systems and military dictatorships. This phenomenon was primarily attributed to the support lent by the two blocs, with the aim of retaining African nations within their respective spheres of influence. Consequently, Zimbabwe's prowess in international negotiations and its ability to navigate the global arena has been markedly diminished. In essence, the Cold War and its subsequent wane have presented impediments to the establishment of democracy and the advancement of economic prosperity in Africa as a collective entity.

In the political area, Oyejide (1998) mentions that globalization's effect on Zimbabwe is diminishing sovereignty, especially in economic and financial affairs. This comes about from the forced implementation of development models, strategies, and policies by international institutions like the International Monetary Fund (IMF), the World Bank as well as World Trade Organization (WTO) in Zimbabwe. Additionally, globalization doesn't significantly aid in setting up proper economic situations for real democracy to flourish alongside good leadership. Economically, globalization mostly strengthens the fact that Zimbabwe's economy is pushed to a side and relies on few primary goods. The demand and prices for these items are decided outside of the country. As a result, poverty along with economic inequality increase while many Africans get excluded from meaningful involvement in their home countries' social and political life. At present times, there is a quick loss happening in the cultural identity of African nations as well as their capacity for interacting with other cultures on an equal or unbiased level. This wearing away is mainly due to cultural dominance which comes with worldwide integration. As a result, these countries only take on parts of other cultures that match their particular requirements and demands.

Moreover, the scientific and technological progress from globalization has caused indigenous technological development to vanish. It also disturbs production patterns in Africa. In general, globalization doesn't help with the growth and strengthening of democratic governance in African nations. One example is that it lessens the ability of governments to decide what will happen and control events inside their countries. As a result, their skill to respond and take responsibility for the people they represent has been weakened. Additionally, the decision-making processes, institutions and contexts in these nations are not truly democratic.

Globalization, through its characteristic of disregarding or pushing away the importance of the state in development attempts, can have a harmful effect on development. Development strategies and policies are usually encouraged by outside donors to focus more on stabilization and privatization instead of growth, development, and ending poverty. This can make poverty and inequality worse, as well as weaken how people can effectively take part in their country's political and social processes. Different welfare programs and efforts aiming to fulfill the basic requirements of a large part of society are moved away from being managed by government authorities towards non-governmental organizations. This process causes erosion in both the authority and legitimacy of governments.

Additionally, the economic specialization that is forced upon African countries, driven by needs and interests of outside forces, becomes an obstacle for democracy to thrive because it relies on tolerance and compromise. This kind of specialization turns African economies into slave systems that are linked to the outside world but without internal connections (Rodrik 1994). Also, according to Mule (2000), the imposed economic specialization in African nations obstructs their ability to achieve sustainable growth and development. Controversies on how to share the limited gains from globalization get sharper and more politically focused. The struggle among sensitive groups, for instance, women, young people, and rural dwellers becomes severe as they are hit badly by this competition and also face prejudice. This situation damages the national spirit of unity and mutual exchange - these factors are crucial for democracies to work well. Globalization, by insisting that African countries open their economies to foreign goods and entrepreneurs, restricts the African governments' ability to promote the growth of an indigenous entrepreneurial class (Mowlana, 1998). Also, globalization has boosted illegal trades like drugs, prostitution, and pornography as well as human smuggling and dangerous waste dumping. Moreover, it has also led to depletion in the environment due to some entrepreneurs who are not sincere.

Furthermore, globalization has allowed labor to move freely across borders, resulting in a brain drain phenomenon in developing countries. This further diminishes their human capacity. Globalization has had negative consequences for Zimbabwe. One major issue it presents is the country's vulnerability to global economic fluctuations. Zimbabwe relies heavily on exports, particularly in agriculture, so changes in global commodity prices can lead to economic instability and difficulties in managing inflation and currency fluctuations. In addition, globalization has affected the traditional cultures and values of Zimbabwe. The introduction of Western cultural influences due to globalization has resulted in an alteration of local traditions, languages, and customs. This brings up worries about losing one's cultural identity as well as keeping indigenous knowledge intact. Furthermore, globalization has played a role in the income inequality of Zimbabwe. It has allowed for chances to grow economically but these gains are not being spread out evenly. The distance between those who have much and those who have little has increased, with many still living in poverty. According to Tendon (1998), the Cold War, which resulted from globalization, has had significant consequences for Africa, including Zimbabwe. From the 1960s to the 1970s, authoritarian regimes emerged as a result of support from the opposing blocs, aiming to align African countries with their respective sides. This has lessened Zimbabwe's capability for international negotiation and its strength to steer through the global system. To sum up, the Cold War and its aftereffects have hampered democracy as well as economic progression throughout Africa. In addition, Oyejide (1998) explains that globalization has corroded sovereignty in Africa, especially regarding economics and financial matters. This comes from how

worldwide groups like International Monetary Fund, World Bank, and World Trade Organization place development models, strategies as well as policies. But globalization doesn't greatly assist in creating the needed economic circumstances where authentic democracy and good governance can prosper. Economically, it strengthens the sidelining of African economies along with their reliance on a handful of main goods whose requests and values are determined externally.

In the end, poverty, unequal economic situations, and many Africans being left out from having a say in social and political matters of their countries are getting highlighted more. The quick loss of cultural identity among African nations is an issue they now deal with due to globalization. This also makes it harder for them to interact with other cultures fairly and freely. Instead, they pick cultural parts from other societies that suit their needs and likes. The impact of globalization, particularly in terms of scientific and technological advancements, has contributed to the decline of indigenous technological development and disrupted production patterns across Africa. In general, globalization has a negative impact on the development and strengthening of democratic governance in these countries. Decision-making process. Organizations and environments are often undemocratic. Globalization works against development by alienating some countries and making them irrelevant to development efforts. External donors are developing. Emphasize development strategies and policies that concentrate on stabilization and privatization, not so much focusing on development and wiping out poverty. This has led to a rise in poverty rates along with inequality; at the same time, it has also reduced the chances for people to participate effectively in the political or social life of the country. The shift of social security services and other programs that target fulfilling basic needs from government bodies to non-governmental organizations is diminishing the limited power and rightfulness of government.

This imposition of specialization transforms African economies into systems that are subjugated, as they become dependent on the outside world without the necessary internal linkages (Rodrik, 1994). Mule, in the year 2000, believes that this forced economic specialization impedes quick and lasting progress and growth within African nations (Mule, 2000). Disputes related to the sharing of narrow benefits from globalization become more intense and political. The competition between marginalized groups like women, young people, or those living in rural areas becomes even harsher with increased discrimination experienced by these groups. Therefore, the values of solidarity and reciprocity that are needed for democracies to work well at the national level are also being weakened. Globalization is making African countries open their economies to foreign goods and businesspeople which limits how much African governments can encourage the growth of a local entrepreneurial class (Mowlana, 1998). Globalization has increased illegal trades like drugs, prostitution, pornographic materials, smuggling of humans, or dumping dangerous waste. Additionally, unscrupulous entrepreneurs have exploited the environment, leading to its depletion. Furthermore, due to globalization, labor can now freely migrate across borders, leading to a brain drain in developing nations. Consequently, this worsens the shortage of skilled workers in these countries.

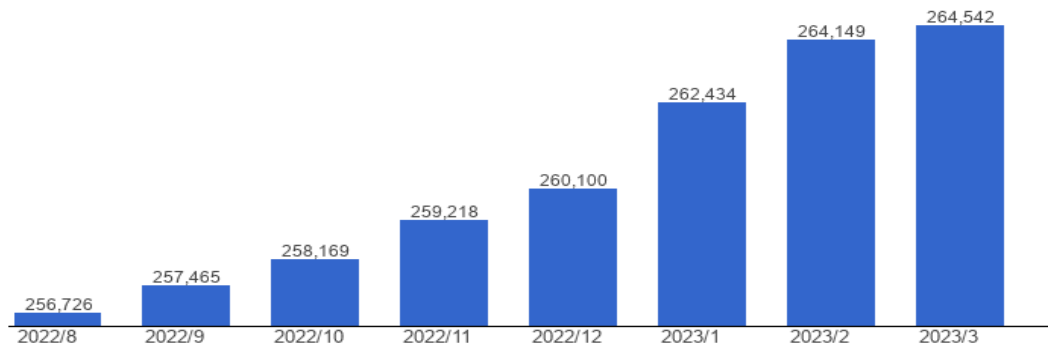
### 5.3.1 THE COVID-19 PANDEMIC PHASE

**TABLE 5.1** Total Covid Cases, End of Month

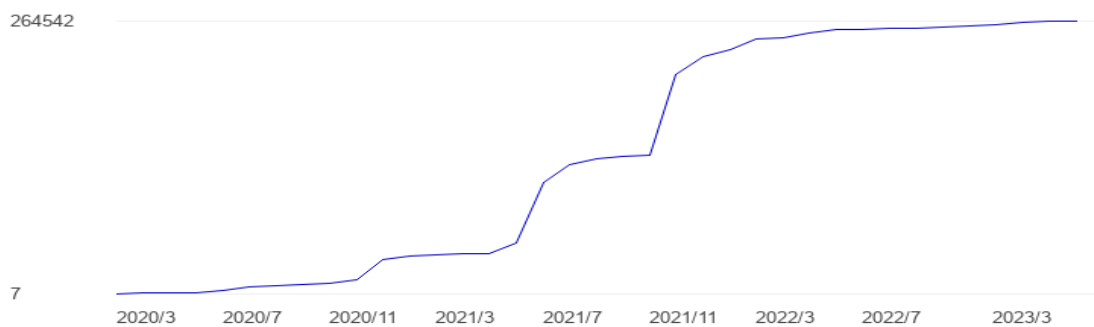
Zimbabwe	Total Covid cases
Latest value	264542
Reference	March 2023
Measurement	total Covid cases.
Availability of data	March 2020 - March 2023
Average	133245
Min - Max	7 - 264542
Source	Our World in Data

Data from March 2020 to March 2023 in Zimbabwe indicate that the country recorded an average of 133,245 total Covid cases during this period. In March 2020, the lowest number of COVID-19 cases was reported, with only 7 cases recorded. Conversely, the highest number of cases, totaling 264,542, was documented in March 2023. For a comprehensive dataset displaying the cumulative COVID cases at the end of each month worldwide, please consult the provided resource.

**FIGURE 5.4** Recent Values Chart



#### Historical Chart



Measure: total COVID cases

Source: Our World in Data

The economic and social situations became more complex and worsened. At the beginning of 2020, the start of the COVID-19 outbreak made worse problems that the country already had to deal with, stretching out the recovery time. The pandemic was a big danger for healthcare systems that were already weak, causing health results to get worse and lowering life standards. In response, the government quickly put in

place a range of actions to protect people's lives, slow down the virus transmission, and manage its impacts. These actions consist of a month strict lockdown period, closing borders, making sure rules for social distancing are followed, and starting a program against COVID-19 which gave priority to healthcare services plus social help as well as economic support towards private industry. The lockdowns and containment steps were effective in lowering virus spread during the first wave which led to fewer cases and deaths by December 2020. However, these actions unavoidably caused interruptions in economic activities, jobs, and the supply of needed services. Although the easing up on lockdowns aided in enhancing business conditions for sectors like manufacturing, mining, and domestic tourism, when a second wave of the virus appeared towards the end of December 2020 followed by the possible occurrence of yet another third wave during 2021; this might negatively affect country's economic growth over next year.

In 2020, there was a long-lasting economic downfall in Zimbabwe because of the initial burst of COVID-19 along with macroeconomic instability. Even though prices somewhat settled down during the last part of the year, coronavirus disturbed how people moved and affected trade as well as capital movements; this caused an 8% shrinkage to occur in Zimbabwe's Gross Domestic Product (GDP) for that whole year. COVID-19 combined with expansive monetary policies resulted in monthly price rises that were two digits high during the first half of 2020. Even though later attempts to control fiscal and monetary aspects lessened the inflation to single-digit monthly growth, in 2020 the average yearly inflation rate was at a high of 557%, more than two times that of 2019. This further weakened local demand. The manufacturing sector, non-mineral exports; as well as hospitality/trade/transport industries all faced negative effects at the start of the year due to supply chain disturbance and operation limitations from the early pandemic situation (World Bank, n.d.). Supply-side shocks were reduced later in the year with ease of mobility restrictions, but demand-side shocks continued.

Difficulties from continuing drought, price changes, and export holding rules made the business environment in Zimbabwe worse in 2020. On the other hand, there was a rise in formal remittances that improved the current account balance and provided some relief to poor people during the pandemic. In 2020, there was a big change in ways of making money for many Zimbabweans. Especially those living in cities were affected and this pushed up extreme poverty numbers by 1.3 million more individuals from previous estimates to reach an estimated total of 7.9 million countrywide or nearly half (49%) population share (World Bank Group, "Zimbabwe Economic Update: Living Conditions," July 2021). Surveys made in 2020 showed that about half a million homes in Zimbabwe had one or more people without jobs, which improved poverty rates and worsened living situations for those already poor. The city wage earners suffered more from the pandemic, dealing with either pay cuts or losing their income entirely. In contrast, rural households that depend less on wage jobs and have a bigger focus on farming faced comparatively fewer negative results.

### **5.3.2 POVERTY DEVELOPMENTS**

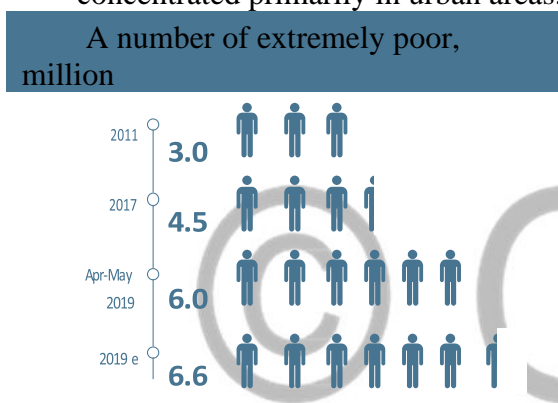
Alongside the crisis starting in 2019, poverty saw a marked rise. Economic and climate shocks led to a serious increase in poverty rates, with extreme poverty reaching 42% by 2019. The number of people living below the \$29.80 poverty line increased from 3 million in 2011 to 6.6 million in year Figure5\_5). Prices of grain and bread increased by 4%. The continuous increase in food prices greatly affects the urban poor. There has been a notable decrease in income for Zimbabweans who are



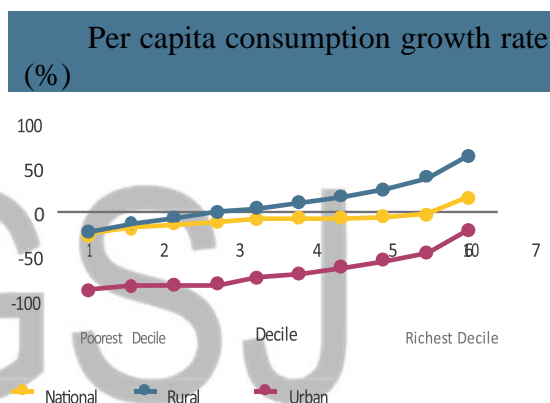
socio-economically disadvantaged, especially those living in cities, which is causing a rise in inequality. From 2017 to April-May 2019, the bottom ten percent of the population had around 25 percent reduction in consumption expenditure and the highest ten percent experienced an upsurge by about 17 percent (Figure 5.6).

In cities, the drop in consumption expenditure for everyone made the inequality worse. It went down by 60 percent or more among the seven most poor groups (shown by the grey line in Figure 5.6). People living in rural areas experienced smaller reductions but still, it seemed like they were not as much affected by an economic decrease (as shown with the blue line from Figure 5.6), maybe because of their dependency on subsistence farming. In this period, Zimbabwe's inequality was one of the highest levels in Sub-Saharan Africa and its Gini Index score went up from 45 to 50 between the year 2017 and April-May month of the year 2019 (see Figure 5.6). The uppermost ten percent of Zimbabweans eat 20 times what the lowest ten percent do.

**FIGURE 5.5** Individuals in extreme poverty reached most among the poorest, historic high concentrated primarily in urban areas.

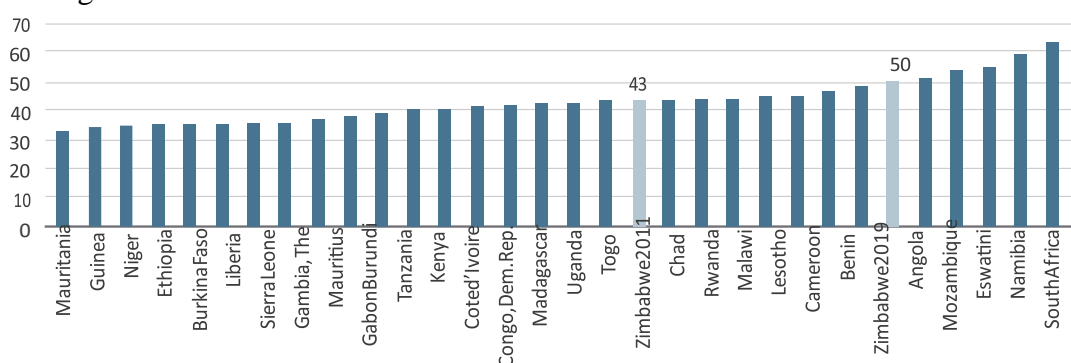


**FIGURE 5.6** Welfare dropped historical peak



The data used in this study is sourced from ZIMSTAT and the World Bank and is based on the PICES reports for the years 2011/12, 2017, and mini-PICES 2019.

**FIGURE 5.7** Inequality has experienced a sharp increase and currently exceeds the average levels documented in Sub-Saharan Africa.



World Bank's World Development Indicators (WDI).

Note: The Gini index should be recognized as a measure of inequality, with higher values indicating greater inequality. The statistics shown in the figure cover the 32 sub-Saharan countries for which data are available.

### *Income Inequality*

Globalization has had a major impact on income inequality in Zimbabwe. The concept of globalization is characterized by worldwide economic and social integration and brings many opportunities and challenges to the countries of the world. In the case of Zimbabwe, the effects of globalization are particularly pronounced, with income inequality widening. One of the main causes of income inequality in Zimbabwe due to globalization is economic pressure. Globalization has increased competition in world markets and put pressure on Zimbabwe's economy. These economic challenges are widening the income gap and disproportionately impacting the poor.

Furthermore, globalization has exacerbated social inequalities in Zimbabwe. The country's integration into the world economy has created a privileged few who benefit from globalization, leaving large parts of the population behind. This privileged class cannot access resources. Access to things like education leads to social inequality, which widens income inequality. Another way in which globalization has affected income inequality in Zimbabwe is through economic restructuring. Small-scale farmers and entrepreneurs are therefore marginalized and income inequality within the country is widening. Globalization has had a major impact on income inequality in Zimbabwe's economic pressure. Social inequality and economic restructuring have widened the income gap between the rich and the poor. Failure to do so could increase domestic social and economic instability.

Globalization has exerted a substantial influence on income inequality in Zimbabwe by reshaping labor markets. The nation's integration into the global economy has prompted the migration of employment opportunities to countries with reduced labor expenses, thereby engendering detrimentally affected job rates and unprogressive wage levels for numerous Zimbabwean employees. Consequently, this has exacerbated income inequality, as individuals who secure high-skilled, well-paying positions in sectors such as finance, technology, and services benefit from globalization, while those in low-skilled industries struggle to make ends meet. Furthermore, globalization has also influenced wealth distribution in Zimbabwe through foreign investment and capital flows. Although foreign investment can foster economic growth and development, it can also lead to the concentration of wealth among a select few elite individuals or multinational corporations. Moreover, globalization has impacted access to education and healthcare in Zimbabwe. The privatization of education and healthcare services, coupled with rising costs, has made it challenging for individuals with low incomes to access quality education and healthcare.

### **5.3.3 CULTURAL DISRUPTION.**

The cultural disruption that has arisen because of increased interaction with the global community. As Western ideas and values are increasingly promoted and adopted in Zimbabwe, there has been a dilution of traditional cultural practices and beliefs. This has led to a loss of identity and a sense of disconnection from their roots for many Zimbabweans, particularly the younger generation who are more exposed to external influences. Cultural disruption in Zimbabwe due to globalization has manifested in various ways, impacting different aspects of traditional practices, beliefs, and social structures. One significant aspect of cultural disruption is the changing dynamics within family structures. Traditional family values and roles have been challenged as Western ideas of individualism and gender equality are increasingly influencing Zimbabwean society. This shift has led to tensions between

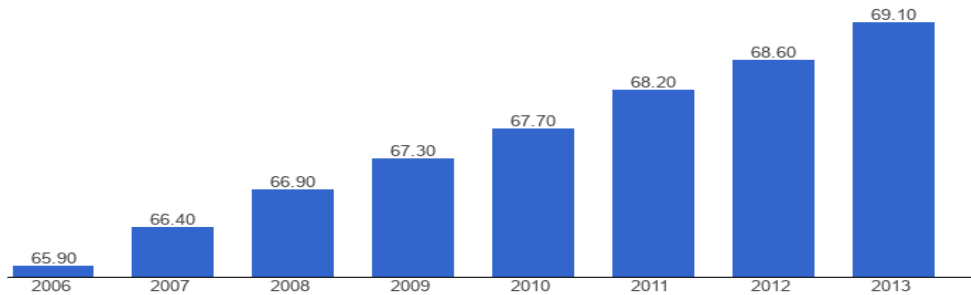
generations, as younger individuals may embrace more modern values that conflict with traditional expectations.

**TABLE 5.2** Christians as percent of the total population

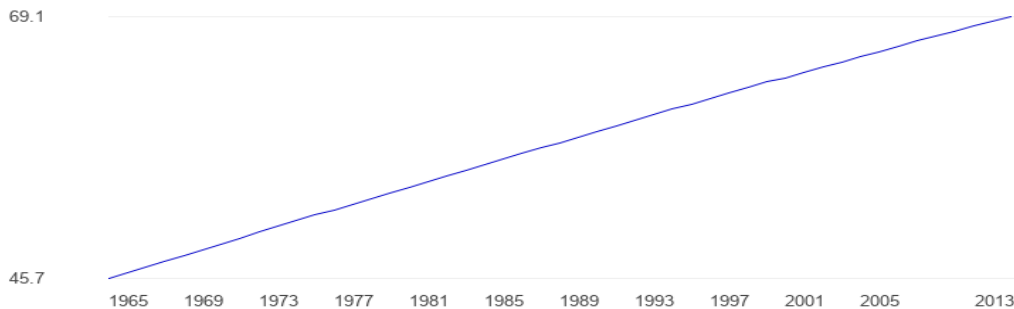
Zimbabwe	Christians as a percent of the total population
Latest value	69.1
Year	2013
Measure	percent
Data availability	1965 - 2013
Average	57.7
Min - Max	45.7 - 69.1
Source	The Cline Center for Democracy

The data collected for Zimbabwe from 1965 to 2013 indicates that the average value during this time frame was 57.7 percent. The lowest recorded value, 45.7 percent, was observed in 1965, while the highest recorded value, 69.1 percent, was observed in 2013. It is noteworthy that the most recent recorded value in 2013 stands at 69.1 percent. To offer a comparative analysis, it is important to highlight that the global average for 2013, based on data from 145 countries, was 51.1 percent.

**FIGURE 4.3** Recent Values Chart



**Historical Chart**



The percentage of Christians within the overall population.

Furthermore, the influence of Western media and popular culture has also caused cultural confusion in Zimbabwe. Western. Extensive exposure to music and fashion has led to the tastes and preferences of Zimbabwean youth often changing from a local cultural perspective. As a result, traditional art forms, which are an important part of Zimbabwe's heritage, lose their appreciation for music and storytelling. Additionally, Zimbabwe's education system has also been affected by globalization, leading to changes in values and priorities.

Traditional forms of knowledge transfer, such as word of mouth and apprenticeships, have been sidelined by Western-style education and an emphasis on skills. As a result, there is a disconnect between younger generations and their cultural heritage, and traditional knowledge and practices are no longer transmitted as effectively as before. Furthermore, the rise of global consumerism is also contributing to Zimbabwe's cultural decline. Traditional markets and local businesses face increased competition as multinational companies move into the country. This reduced the consumption of domestically produced goods and increased the preference for imported goods, further undermining Zimbabwe's cultural identity and economic independence. traditional cultural practices. Protecting and promoting values and knowledge is critical to maintaining Zimbabwe's unique identity and heritage in the face of growing global influence.

#### *Westernization Of Traditions*

Westernization has also had a negative impact on Zimbabwean culture. Western norms and values have replaced traditions and customs passed down from generation to generation, homogenizing cultures around the world. It not only destroys Zimbabwe's unique cultural heritage but also reduces the diversity that makes the world a rich and vibrant place. Cultural destruction, Westernization, and globalization have wiped out Zimbabwe's indigenous languages. English is business. As they become the dominant language of education and communication, many local languages are marginalized and at risk of extinction. Loss of linguistic diversity not only impedes communication between communities but also causes a loss of cultural knowledge and traditions embedded in those languages.

Finally, the decline of Zimbabwe's traditional crafts is also a negative effect of globalization. As mass-produced goods from other countries dominate the market, it becomes increasingly difficult for traditional artisans and artisans to compete. As a result, traditional crafts such as pottery, textiles, and carvings are in decline, and they not only preserve culture but also support the lives of many Zimbabweans. Although globalization has brought many positive changes to Zimbabwe, including improved access to information and technology, this has had a negative impact on the country's cultural heritage. From cultural erosion and the erosion of Western traditions to the decline of local languages and traditional crafts, there is a need to reduce these impacts and preserve Zimbabwe's rich cultural heritage for future generations. One thing is clear.

#### *Erosion Of Local Cultures*

Cultural globalization has the potential to improve human interaction, but it does not have the potential to improve local culture. It threatens the survival of language and tradition and eventually can be replaced by world culture. For example, the widespread use of English increases business opportunities in developing countries. But the mother tongue is also under threat. English's use as a medium of instruction in educational institutions has caused regional languages to be quickly replaced by English, resulting in the decline and erosion of these languages (Meganowski, 2018). Another instance is how local culture is being destroyed through the gradual vanishing of ancient traditions following technological advancements influenced by globalization. For example, camels once lived in South Asia. It had a significant part in the culture of dry areas such as Western Asia, India, Pakistan, Iran, and Saudi Arabia. Along with being a mode of transportation, camels were also used for milking and crafting articles like garments or musical tools. However, modern transportation has made camels largely old-fashioned in current life even in dry areas. Hunting with them for sport is not as significant compared to horses which hold a crucial role

during ceremonies and events. Hence, this alteration caused a major reduction in camel numbers and vanished cultures and communities related to camels (Sunder, 2021).

*The Widening of Inequalities*

Cultural globalization is promoting economic growth by creating many opportunities to make money. However, some people worry that this trend could increase inequality more because it might cause a few rich individuals or groups to get even richer while leaving others behind and not benefiting. In the field of cultural globalization, businesses give better chances to people from developing countries who can speak English well. (Clearly, the cultural aspect has a significant impact on the economic aspects of globalization.) However, these opportunities are often restricted to individuals who possess the financial means to invest in acquiring costly language proficiency. Furthermore, in many developing nations, the possibility of legally immigrating to a developed country is primarily accessible to those who are relatively affluent, as the expenses associated with obtaining visas and meeting entry requirements established by destination countries pose significant barriers.

*Clash Of Civilizations*

The Clash of Civilizations is a concept that Samuel P. Huntington, who was an American historian and political scientist from 1927 to 2008, brought into the academic realm with his influential works. Huntington proposed that cultural globalization can create both opportunities for worldwide harmony and conflicts as various cultures strive to preserve their unique identities. These conflicts could potentially escalate into clashes over values and sometimes even result in violent actions (Huntington, 1996).

*Ecological Impact*

Cultural globalization possesses the capacity to exert a deleterious influence on the natural environment. The adoption of cultural practices from one region to another often takes place without due consideration for their compatibility with the local ecosystem. This effect can be seen in how the worldwide food consumption patterns have changed. Earlier, different places used organic and locally found containers like tree leaves, wood, or bamboo-made ones. On the other hand, with the fast-food culture and the use of packaging materials growing due to cultural globalization, plastics are being widely used. Furthermore, another example showing harmful environmental effects is the introduction of feral camels into Australia's continent by British colonialists from Asia. Camels in South and West Asia are on the brink of extinction which puts at risk old cultural traditions; however, their population has thrived in Australia resulting in substantial environmental deterioration (Trail, 2017).

<b>Positives of Cultural Globalization</b>	<b>Negatives of Cultural Globalization</b>
1. Standardization of time and space	1. Erosion of Local Cultures
2. Catalyst for Positive <a href="#">Social Change</a>	2. Widening of Inequalities
3. Economic Growth	3. Clash of Civilizations
4. Broadening the Human Perspective	4. Ecological Impact

## ***Examples Of Cultural Globalization***

### ***McDonaldization and Spread of Evangelical Protestantism***

George Ritzer, a prominent sociologist from America, has introduced the concept of McDonaldization which talks about how culture is becoming more similar. Just like how all McDonald's stores around the world serve the same hamburger in places that look alike and are run by workers wearing matching uniforms, many examples of cultural globalization show traits such as being uniform, efficient, and predictable - features Max Weber termed as rationalization of the modern world (Ritzer 1993). Examples of McDonaldization

Peter L. Berger, in his analysis of cultural globalization, marked evangelical Protestantism as a significant form - especially when compared to the Islamic resurgence that mostly happened within the Muslim world or among Muslim diasporas. Unlike this, evangelical Protestantism brought with it the Protestant work ethic to places where it had not been common earlier such as sub-Saharan Africa and Latin America. Coming from an American culture setting, evangelical Protestantism injects its unique culture shaped by American Protestant values into societies impacted by it. For instance, Berger (1997) notes that Mayan evangelicals in Mexico and Guatemala are very fond of singing American gospel songs.

### ***The Dissemination of Culinary Traditions***

Certainly, our predecessors can remember a time when their gastronomic experiences were restricted to a small selection of local dishes. But now, in modern diverse societies, the world's culinary variety has broken free from boundaries. The mixing of international recipes and exotic spices is now frequent; people can enjoy Chinese, Indian, Japanese, or American foods etcetera at many different eating places across global cities all over the planet. Yet, it's important to understand that food is only one aspect of a culture. The real parts of any cultural group include a wider range of values and beliefs that form its unique identity.

### ***Spread of Fashion***

In many lands, the youth is taking up popular culture and quick fashion that comes from foreign places. So, you could go to a country such as Morocco where traditional clothes are not as common anymore due to young people being more attracted to Westernized styles of fashion. Also remarkable is how rapidly French fashion has spread around the globe over time; this can be linked back to top-notch fashion designers in Paris who have played an important role in shaping what we know now about worldwide trends related to high-end clothing items like haute couture or ready-to-wear garments.

### ***Spread of Political Ideologies and Davos Culture***

Globalization of culture influences different ideologies and belief systems like capitalism and democracy. Movements can achieve their goals or face repression from authoritarian governments, similar to what happened in the late 2010s. In the same way, the early 2020s witnessed a surge of authoritarianism in the United States and Eastern Europe. Maybe it's because technology becoming more global, but these cultural patterns are impacting one another. The phrase "Davos culture" represents Switzerland. It is a symbol of the economic and political elite who gather at the World Economic Forum held in Davos. The term "Davos Man" was first used by Samuel P. Huntington, an American political scientist (Zanin, 2009). It describes a perspective that focuses on the advantages of global interaction. In this worldview, markets are open. trade barriers. competing values. Acknowledgment of the significance of global finance, etc. The culture within Davos is not similar to that of the nation. Various religious, linguistic, and ethnic groups are politically, politically, and culturally

embracing globalization; they gather to express their shared understanding of economic as well as social matters. This common vision emerges from integration into a globalized culture.

**Economics in Globalization:** This involves many linked elements of the political and cultural areas. Exchanges of culture have been happening since the past, but this kind of globalization has sped up the spreading of cultural norms at a rate that has never been seen before. The main reasons for this are technological advances like the Internet along with inexpensive air travel which makes it easier to transport people and goods across borders (Nakata, 2018). Globalization is a force that brings together economies from all around the world. Economic globalization involves advancements in technology and communication which have led to increased trade among different countries, more international investments as well and an interconnection between financial markets worldwide. The mixing of cultures due to globalization can sometimes be viewed negatively by people who are concerned about preserving their heritage or fear losing national identity traits they hold dear (Grosfoguel & Rodríguez-Montoya, 2015). But it's important to understand how culture is not something fixed - rather it changes over time through interactions with other cultures; therefore, views towards what constitutes one's unique culture vary greatly depending on the perspective taken. Cultural exchange has always been part of human history but recently it has become easier due to technological progress like internet availability everywhere and low-cost air travel among other factors creating possibilities for economic growth along with positive social alteration (Rodriguez & Worrell, 2020). However, this can have negative effects such as cultural decline and widening income inequality.

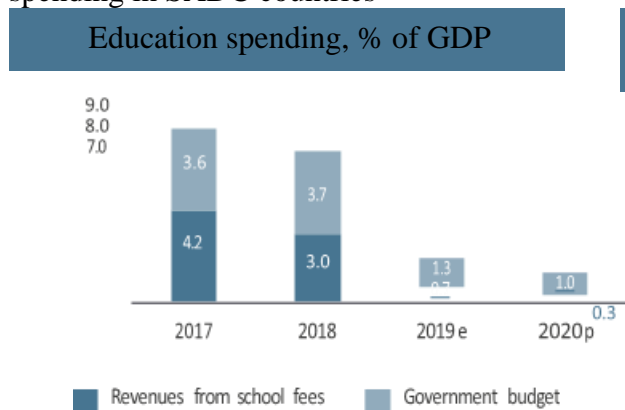
## **5.4 THE EDUCATION SECTOR FACES NEW BARRIERS**

The quality of education in public schools and disparities in educational opportunities saw an uptick in 2019, which was caused by economic difficulties. The effect of inflation resulted in less public funds for education, with a large part of the budget going towards paying teachers' salaries (Figure 5.8). This decrease in buying power made it so there was not much motivation for some teachers; they chose to teach just two days each week while also providing private lessons at a cost. So, students who were already disadvantaged were left even further behind. Additionally, the contributions from parents in terms of school fees and levies saw a significant drop. Many parents couldn't manage the increased fees, and this led to unpaid revenues going up as high as 80 percent in some schools. Consequently, these schools missed out on vital resources. Also, the coverage of the Basic Education Assistance Module (BEAM) has been consistently low. Moreover, the domestic school feeding program is underfunded with an annual budget of only US\$0.40 per student.

This amount is much less than the recommended value of US\$48 suggested by the United Nations. The decrease in money for education may make current problems worse, like only having enough textbooks for 15 percent of students or not having writing materials for 1.2 million primary and secondary school students, along with no syllabi available to 15 percent of teachers. Compared to other similar nations (as shown in Figure 5.9), Zimbabwe's government spending on education as part of GDP has become notably low now. The decrease in the education budget, considering real terms, in 2019 has probably led to poor educational results. This can be seen with the drop in the Grade 7 pass rate from 52.1 percent to 46.9 percent between the years

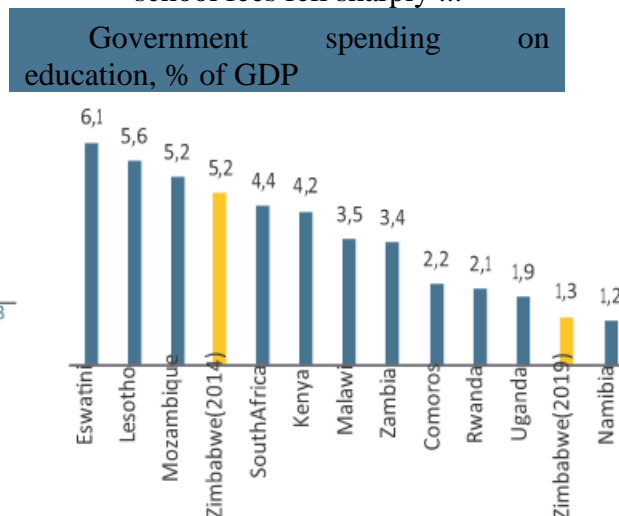
2018 and 2019.

**FIGURE 5.8.** Government financing and revenues from spending in SADC countries



Source: Ministry of Primary and Secondary Education, World Bank  
\*Data on spending excludes spending on tertiary education.

**FIGURE 5.9** Well below school fees fell sharply ...



The shutting down of schools because of COVID-19 is very bad for education, hurting it most with children who have special needs and those from families that earn less money. As per the World Bank, worldwide disruptions in schooling might lead to a decline in education quality by 0.6 years and reduce the effective years of basic education from 7.9 to 7.3 years on average (World Bank, n.d.). New ways of learning like radio courses backed up by the Ministry of Education were started but they are not very effective because there are not enough radio stations all over the country to cover everyone (World Bank, n.d.). The September 2020 Rapid PICES telephone survey found that only 17% of students participated in reading aloud in July 2020, a slight decrease (Figure 5.9).

There is a shortage of distance learning tools and textbooks in both rural areas and densely populated cities. since schools closed, only 40% of Zimbabwean children are actively participating in education and learning. Additionally, children living in extreme poverty and rural areas have little access to mobile learning applications. The COVID-19 pandemic has further exacerbated barriers for institutions to provide critical support services, with nearly 1.2 million students in need of urgent and specialized educational support by 2020. There is. The lack of school lunch programs not only affects children's academic success but also their physical and mental well-being. It also affects social and psychological health. These constraints pose significant obstacles to human capital development in Zimbabwe.

*Environmental Degradation*

Deforestation is an environmental issue that has been greatly affected by globalization. Information taken from sources and journal papers shows how globalization is seen as one of the main causes of deforestation happening around the world. The need for more natural resources because of increasing global demands and population growth causing harm to ecosystems are linked together in creating serious environmental effects. Deforestation, a problem that exists all over the world, is mainly growing from the logging industry's focus on making things we can use once and throw away. The result of this expansion and increased need has been a big loss in a variety of living things worldwide (Francesob, 2020). Zimbabwe also faces negative impacts from deforestation. The rainforest of the country is getting smaller



fast, mostly because of trade with other nations. Kalbessa (2017: 103) notices that in international law's present structure, companies that operate across borders have the liberty to follow their objectives worldwide. Consequently, they keep setting up industries in different nations and this adds to the harm happening to natural forests as well as hurting small-scale farmers. Many plants and animals are disappearing due to this loss of forest homes.

Deforestation, as well as its connection with the reduction of the ozone layer, can also be seen in its effects on the water cycle. Trees draw up groundwater and then let it go into the air by transpiration. But when we cut down trees everything changes - there's less water being released from plants, so this leads to a big drop off in how humid it feels locally. Additionally, by cutting down trees we also lose the water present in soil, groundwater, and atmospheric moisture. Moreover, deforestation makes soil lose its stickiness which causes erosion along with floods and landslides because it stops holding everything together (Stanford University, 2021). Globalization has brought new types of environmental pollution into our world. This pollution can happen by natural means, through industrial and human actions, or from the interaction of both (Otukong, 2021: 3). The mining and molding industries are causing significant environmental worry because of their operations. The actions linked with the minerals sector like exploring, producing, refining as well as transporting have led to big social and ecological disruptions. These disturbances involve different problems, such as explosions caused by seismic surveys and pollution from pipeline leaks, blowouts, flaring, drilling floods, and refinery effluents. The construction of mining-related industrial infrastructure and installations has also led to land alienation as well as disturbance in natural terrain.

Most affected by these activities are the areas of Rivers, Delta, and Cross Rivers. As per the World Bank, flaring in Zimbabwe had added more greenhouse gases into Earth's atmosphere by 2002 than all other sources within sub-Saharan Africa combined - even though this gas isn't used as fuel (World Bank). A report from NNPC in May 2010 stated that out of the total amount produced for a period lasting three years at 192 billion standard cubic feet (BSCF), about 145 BSCF were just burnt off without any usage; this has negative consequences environmentally too according to them. Gas flaring has a notable impact on climate change, which is seen as one of the biggest worldwide problems. This action also causes many other issues like food insecurity, diseases like skin cancer, and high costs due to harm from extreme weather events. People who live in places where gas gets burned are often affected by these difficulties more than others. The flares hold toxins such as benzene that mix with the air and cause pollution making it hard for people to breathe leading to respiratory conditions like asthma or bronchitis.

#### **5.4.1 DATA ANALYSIS AND INTERPRETATION.**

In this chapter, we aim to conduct a comprehensive examination of the accumulated data through the use of presentation, analysis, and interpretation. It is widely acknowledged that research endeavors to uncover new truths, validate existing knowledge, and gather additional information on specific aspects in order to address inherent problems or enhance valuable characteristics. The purpose of this study is to assess the impact of globalization on the economy of Zimbabwe. Therefore, an analysis of real data will be presented, highlighting important issues related to the relationship between globalization, international business, and economic progress. The explanatory factors in this model include gross domestic product (GDP) as an indicator of economic growth, as well as net exports, exchange rates, foreign direct

investment, and trade openness, among other variables. The study aims to evaluate how globalization has influenced the economy of Zimbabwe. The empirical analysis results are presented for discussion, revealing various important issues regarding the link between globalization, international trade, and economic growth. The explanatory factors in this model include gross domestic product (GDP) as an indicator of economic growth, along with net exports, exchange rates, foreign direct investment, and trade openness. These variables are among the many that have been examined.

The aim of this study is to assess how globalization impacts the economy in Zimbabwe. We show you what came out from our look at real data, and it highlights some key problems about the relationship between globalization, and international business with its impact on economic progress. Gross Domestic Product or GDP - a measure for gauging the size/magnitude of a country's overall output - acts as one explanatory variable here representing economic growth alongside net exports; exchange rate changes over time mainly because they're set by central banks controlling money supply within nations themselves rather than under global control systems like those seen at IMF/Bank World Board Meetings); foreign direct investments made into different countries around the world. This research intends to analyze the effect of globalization on Zimbabwe's economy. Consequently, findings from empirical analysis will be brought up for conversation which brings out many significant problems about connection among worldwide development-aided progress through international business dealings (such as imports/exports), also showing its effects locally towards improving or worsening employment opportunities within distinct regions/countries etcetera). Gross Domestic Product serves as an indicator used here: it demonstrates size/magnitude changes occurring within a given country over a period considered under scrutiny while net exportation represents monetary value sent abroad by firms located domestically minus what gets returned home after-sales transactions conclude abroad via importation activities into their own nation-state.) Exchange Rates reflect relative worthiness globally against other currencies simultaneously impacting both export/import competitiveness along consumer purchasing capacity; Foreign Direct Investments show money invested across national borders either creating new businesses/jobs directly OR acquiring existing ones overseas leading to subsequent expansion employing local labor force). The time sequence information used includes 21 years, which started in 1994 and ended in 2015.

*Descriptive concise overview of the dataset.*

Various descriptive statistics were utilized in the course of the present study. The gathered data was thoroughly scrutinized, yielding valuable insights into the statistical sample. These insights encompass measures such as the mean, median, minimum, and other pertinent statistical indicators.

**TABLE 5.3** Descriptive Statistics of The Data

	<b>GDP</b>	<b>EXCH</b>	<b>FDI</b>	<b>NX</b>	<b>OPEN</b>
Mean	3.96E + 13	4.485316	-3.31E + 09	<b>4.78E + 12</b>	8.33E + 09
Median	3.85E + 13	4.845933	-1.98E + 09	3.75E + 12	.25E + 09
Maximum	6.98E + 13	5.259787	-1.00E + 09	1.13E + 13	2.44E + 10
Minimum	2.02E + 13	3.085775	-8.02E + 09	5.68E + 11	-2.34E + 10
Std.Dev	1.75E + 13	0.792551	2.28E + 09	3.07E + 12	1.16E + 10
Skewness	0.359474	-1.159336	-0.669797	0.885442	-0.593499
Kurtosis	1.652620	2.550848	2.079294	2.692859	3.625680
Jarque- Bera	2.137959	5.113150	2.422029	2.961168	1.650404

Probability	0.343359	0.077570	0.297894	0.227505	0.438146
Sum	8.71E + 14	98.67695	-7.29E + 10	1.05E + 14	1.83E + 11
Sum Sq. Dev.	6.40E + 27	13.19087	1.09E + 20	1.98E + 26	2.82E + 21
Observations	22	22	22	22	22

Table 5.4.1 presents a visual representation of the consistent patterns observed in the series. A significant portion of the mean and median values fall within the minimum and maximum values of the series, demonstrating a notable degree of consistency. Additionally, a majority of the data points show low standard deviation, indicating minimal deviation from the mean value. The statistics of Skewness and Kurtosis give information about how data is spread in terms of symmetry and dispersion. Also, the Jarque-Bera statistics can be used to check if these series are normal or asymptotic, showing that the data follows a normal distribution.

### DATA PRESENTATION

**TABLE 5.4 DATA**

YEAR	GDP	EXCH	NX	FDI	OPEN
2000	2.02E+13	21.996	3.55E+12	-2E+09	3.12E+08
2001	2.02E+13	21.89526	3.29E+12	-1.1E+09	-5E+08
2002	2.12E+13	21.88443	2.17E+12	-1.6E+09	5.58E+09
2003	2.18E+13	21.88605	3.46E+12	-1.5E+09	1.78E+09
2004	2.24E+13	21.886	3.75E+12	-1.1E+09	-3.5E+09
2005	2.25E+13	92.3381	3.9E+12	-1E+09	1.79E+09
2006	2.37E+13	101.6973	4.43E+12	-1.1E+09	8.95E+09
2007	2.47E+13	111.2313	1.87E+12	-1.2E+09	3.91E+09
2008	2.56E+13	120.5782	2.23E+12	-1.9E+09	2.34E+09
2009	2.83E+13	129.2224	2.26E+12	-2E+09	5.58E+09
2010	3.79E+13	132.888	3.76E+12	-1.9E+09	1.71E+10
2011	3.92E+13	131.2743	3.55E+12	-5E+09	2.44E+10
2012	4.24E+13	128.6517	7.77E+12	-4.5E+09	2.33E+10
2013	4.53E+13	125.8081	1.59E+12	-5.2E+09	2.08E+10
2014	4.81E+13	118.546	5.51E+12	-7.1E+09	2.38E+10
2015	5.14E+13	148.9017	5.68E+11	-7E+09	8.91E+09
2016	5.55E+13	150.298	4.37E+12	-5.1E+09	1.18E+10
2017	5.82E+13	153.8616	8.74E+12	-8E+09	1.16E+10
2018	6.07E+13	157.4994	1.1E+13	-5.5E+09	1.76E+10
2019	6.39E+13	157.3112	6.61E+12	-4.3E+09	2.28E+10
2020	6.8E+13	158.5526	9.41E+12	-3.1E+09	-1.8E+09
2021	6.98E+13	192.4405	1.13E+13	-1.7E+09	-2.3E+10

This computation was conducted by the authors using the World Bank Database.

### REGRESSION ANALYSIS

This chapter is about analyzing the data, understanding the findings, and then discussing them. The main goal of this analysis section is to find out what econometric effects various explanatory variables have on economic growth in Zimbabwe, especially related to GDP, exchange rate, net exports FDI, and openness. Within this section, a comprehensive elucidation of the regression analysis is provided, along with the implementation of an ordinary least squares (OLS) test. A range of

statistical tests, including standard error, T-test, adjusted R-squared, Durbin-Watson, and F-statistics, were employed to evaluate the reliability of the obtained results.

GDP Methodology: Least Squares

Date: February 10, 2017

Time: 16:11

Sample Period: 2000-2021

Included Observations: 22

**TABLE 5.5** Result of Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.76E+12	3.60E+12	1.321704	0.2038
EXCH	1.57E+11	3.69E+10	4.247248	0.0005
FDI	-3075.696	980.3740	-3.137267	0.0060
NX	1.973126	0.588915	3.350445	0.0038
OPEN	-244.8028	172.9291	-1.415625	0.1749
R-squared	0.875488	Mean dependent var		3.96E+13
Adjusted R-squared	0.846191	S.D. dependent var		1.75E+13
S.E. of regression	6.85E+12	Akaike info criterion		62.14450
Sum squared resid	7.97E+26	Schwarz criterion		62.39246
Log-likelihood	-678.5895	Hannan-Quinn critter.		62.20291
F-statistic	29.88334	Durbin-Watson stat		1.529219
Prob(F-statistic)	0.000000			

$$GDP = 4.7600 + 1.5700(EXCH) - 3075.696(FDI) + 1.973126(NX) - 244.8028(OPEN)$$

Standard errors (SE) for the coefficients are as follows:

$$SE = (3.6000) (3.6900) (980.3740) (0.588915) (172.9291)$$

The t-statistics (T) for the coefficients are:

$$T = (1.321704) (4.247248) (-3.137267) (3.350445) (-1.415625)$$

The coefficient of determination ( $R^2$ ) is 0.875488, which implies that approximately 87.55% of the variation in GDP can be explained by the independent variables in the model.

The adjusted  $R^2$  value (Adjusted  $R^2$ ) is 0.846191, which considers the number of predictors in the model and adjusts the  $R^2$  value accordingly.

The F-statistic (F-Statistic) is 29.88334, which is used to test the overall significance of the model.

The Durbin-Watson statistic (Durbin-Watson) is 1.529219, which measures the presence of autocorrelation in the residuals of the model.

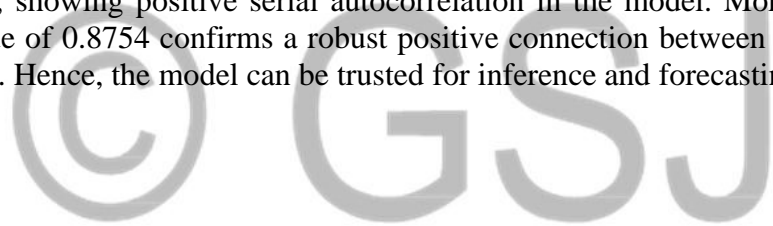
### INTERPRETATION OF RESULTS

Table 5.4.4 presents the regression results for the model. The coefficient of determination, which is often called R-squared, gives an idea about how many changes in the things used to explain something (explanatory variables) explain the ups and downs seen in another thing that depends on them (dependent variable). A careful study of the table shows that the model explains 87.54% variation present in the dependent variable, making it a strong coefficient of determination. Having an R-squared result at 0.87 suggests this model can clarify around 87% of total variation if we compare it with GDP; however, the remaining part not explained might relate to elements not considered within our given model for analysis.

To evaluate the significance of the model, we use F-statistic. When the calculated

F-value is higher than the critical F-value, it means the null hypothesis (H<sub>0</sub>) gets rejected and shows that the variable under investigation has statistical importance in explaining the dependent variable. Now, we can see the table with an F-statistic of 29.88334 and a probability (Prob) value of 0.00000. Therefore, we can reject the null hypothesis and accept the alternative hypothesis. This indicates that at a 5% level of significance, there is statistical significance shown by our model. The regression results show a positive relationship between the constant variable and GDP which confirms its importance. Moreover, there is a positive connection between the exchange rate and net exports to GDP. As per the regression analysis, if net exports rise by 1 percent, it is linked with a 1.97 percent hike in GDP while an upturn of 1 percent in exchange rate results in a corresponding increase of 1.57 percent for GDP (Zimbabwe Gross Domestic Product - The Relationship Between Exchange Rate and Net Exports, 2022). These variables are deemed significant which points to how crucial net exports and exchange rates are when it comes to calculating Zimbabwe's Gross Domestic Product.

However, we must also remember that there exists a large reverse relationship between Foreign Direct Investment (FDI) Direct Official Investment (DOP), and Gross Domestic Product (GDP). This goes against our first belief that FDI and DOP will help in increasing GDP growth. The difference seen in Zimbabwe from 1994 to 2015 might be because of corrupt activities at the borders like illegal smuggling. This result says that FDI and DOP are not enough variables to know the GDP in Zimbabwe. The Durbin-Watson statistic which checks if there is serial autocorrelation came out as 1.529219, showing positive serial autocorrelation in the model. Moreover, an R-squared value of 0.8754 confirms a robust positive connection between GDP and the other factors. Hence, the model can be trusted for inference and forecasting intentions.



## CHAPTER 6

### IN CONCLUSION

The economy of Zimbabwe now has poverty, inequality, informality, and frequent economic halt in it. Poor organizational environment. Economic crisis; rampant corruption. instability in politics, small savings, and investment. high interest rate. It is dealing with several difficult issues such as increasing interest rates. costs of production, low competitiveness, and Aggregate demand is low. poor infrastructure and high unemployment (Nyoni and Bonga, 2017). These obstacles greatly affect Zimbabwe's export performance. This study has the objective to model Zimbabwe's imports and exports from 1975 until 2017 with the help of neural networks (ANN). By assessing predictive statistics, it is shown that the chosen neural network architecture is suitable and predictive. Out-of-sample estimates for the period 2018-2027 indicate that imports are likely to exceed exports, indicating that Zimbabwe will continue to suffer from a persistent current account deficit over this period. The economics of globalization. A thorough analysis of social and cultural impacts reveals that globalization is both a catalyst for growth and development and a source of disruption and problems for emerging markets.

Globalization has increased interconnectivity and opportunities for emerging markets to participate in the global economy. Promotion of economic growth. technological advances and access to new markets; However, this can create economic instability, hinder sustainable development, and threaten regional identity. They are also exposed to weaknesses such as cultural homogeneity and social inequality. Promote inclusive growth. Promoting cultural diversity and strengthening local institutions.

Emerging markets like Zimbabwe can take advantage of globalization to protect their identity and resilience in the face of global forces. The advocates of globalization will undoubtedly highlight its benefits and positive impact on global economic growth and development. There is a clear connection between globalization, development, and democracy, and it is evident that many African countries may not reap the benefits of globalization. In fact, globalization may undermine human rights, hinder development, and pose a threat to democracy in these nations. Additionally, in the face of unique challenges that African countries face, it is likely that while the Western world continues to thrive in the pursuit of globalization's advantages, most African countries will continue to be left behind as losers. The ongoing and complex debate surrounding the advantages and disadvantages of globalization highlights a range of perspectives. Globalization has brought forth new opportunities for economic growth and intercultural interaction, but it has also given rise to challenges such as inequality, environmental degradation, and cultural homogeneity.

The impact of globalization is both intricate and multifaceted, as evidenced by the various arguments and counterarguments put forth. Consequently, it is crucial for policymakers, corporations, and individuals to collaborate in order to address the negative consequences of globalization while promoting its positive aspects. By doing

so, a more equitable and sustainable global framework can be established, benefiting individuals from all walks of life and geographical locations. To tackle the complex challenges posed by globalization effectively, it is essential to recognize the importance of diverse perspectives and actively engage in open dialogue.

For this, it is suggested to shift spending away from subsidies that are not effective and distort markets towards specific actions. These actions should concentrate on lessening the coronavirus effects, setting up social protection systems, and food security with a special emphasis on preventing an education crisis that might hinder future growth and productivity. Also, it's very important to keep watch over how economic stimuli given to businesses are used or managed so as to reduce waste while at the same time maximizing the potential of the private sector. To achieve the aim of making Zimbabwe a middle-income nation by 2030, it is crucial for authorities to strengthen governance. This will result in more transparency and responsibility, which will lead to better public financing and investments in essential sectors. You can find additional detailed information in Table 9 which gives a summary of crucial policy choices that should be considered thoughtfully. Policies should consider the country's limited fiscal room and the big need for finance to stop social services from worsening further (World Bank, 2021). Zimbabwe can't get concessional external financing or loosen fiscal and monetary policies to boost recovery. If they relax, it means increasing the amount of money available which will lead to inflation. This would work against goals like maintaining macroeconomic stability, encouraging economic growth, and decreasing poverty levels. So, Zimbabwe should concentrate on improving revenue, moving around inside resources to give more importance to basic requirements, getting humanitarian help to avoid extra weakness, and finding chances for private sector involvement. Recovering service distribution to what usually needs big money.

The goal could not be reached if an out-of-the-ordinary method is not taken, because the financial difference for 2020 - after considering government and humanitarian help - stands at about US\$1.4 billion. Zimbabwe must set up a firm base to handle its needs and push economic expansion through plans related to economic steadiness, ongoing growth that secures lives plus improves means of making a living. While acknowledging the presence of both positive and negative impacts of globalization on the world, including Zimbabwe, it is important to emphasize the significant negative effects. Thus, it is imperative to promptly and effectively address the challenges stemming from globalization. It is crucial to recognize that globalization is an irreversible process that adheres to natural laws. Though it is undeniable that certain aspects of globalization cause distress, the central question revolves around the possibility of mitigating the adverse consequences and enhancing the positive ones. Since globalization is a permanent fixture in the modern world, Zimbabweans must explore ways to preserve their cultural heritage. It is concerning to note that many Zimbabwean children of the current generation are unable to speak their mother tongue or comprehend their cultural heritage. Consequently, Websites can be created to educate young people about proverbs and the fundamental aspects of their culture. Therefore, it is necessary to reassess Zimbabwe's performance during the era of globalization. In the context of a globalizing world, science offers benefits that Zimbabwe can and should embrace.

The era of computers, the telecommunications revolution, and the Internet is an undeniable phenomenon that our country must confront. However, it is crucial to harness the positive aspects of these advancements to effectively benefit from globalization. Instead of homogenizing our culture and values, certain aspects of

globalization continue to erode the unique qualities that define our region. The adoption and imitation of Western values come at the expense of our nation's essence. Therefore, Nigeria needs to carefully consider how to avoid being engulfed by globalization. Instead of solely relying on what the West has to offer, our country should promote local production and industry. Zimbabwe should proudly showcase its indigenous technical knowledge and skills, rather than passively submitting to globalization without truly being globalized. Our country needs to take pride in its heritage and way of life, rather than becoming subsumed by Western influences.

Furthermore, the country's overdependence on oil, which is also a driver of globalization, may potentially lead to disastrous consequences. By revitalizing agriculture as the backbone of our economy, Zimbabwe can reduce its reliance on the Western world. The current government policies and regulations regarding the management and control of e-waste in Zimbabwe are inadequate and insufficient. It is imperative for the government to enact laws that restrict and regulate the flow of hazardous substances and discarded electronics into the country. Only electronics manufactured by companies that adhere to non-toxic component requirements and provide detailed information about the chemicals used should be allowed into Zimbabwe. The lack or shortage of data regarding the volume of e-waste imported into the country and that which has been generated domestically poses a significant challenge to regulators.

#### POSSIBLE MACRO-ECONOMIC SOLUTIONS

Different people have proposed several solutions, and one of them is an American economist called Steve Hanke. Hanke provides a blueprint for how the country could make an economic comeback in his paper 'Zimbabwe: From Hyperinflation to Growth. He wants the economy to be dollarized, with Zimbabwe using US dollars or rands locally as happened in 2009 when median inflation was at 0.05% against -4 meaning that prices could not change centrally but currency changed hands without too much of a problem between individuals; this would cause "massive disruptions", while also letting people keep foreign investments (they've converted into US\$ anyway). Zimbabwe partially dollarized since September 2008 to allow exporters to be licensed and allowed to sell their production for foreign currency upon permission from the Reserve Bank (ZSE, 2022). But local economists have poured cold water on such gambits, suggesting that while dollarization is successful in very small economies with limited diversification—such as Lesotho which employs the currency of the South African rand (ZSE 2022. By contrast, Zimbabwe is a mixed economy and in the 1970s was living up to middle income country grading as it was doing business with USA and Europe (Avery Chikwati et al., 2021). Most people (especially millennials) are surprised to hear that the UK was at one point ranked 4th largest economy in the world.

It is seen as a move in the right direction by some other people, especially the elimination of several exchange rate(s). Hanke also endorses the introduction of a currency board as well as free banking, which is promising. This would allow banks to independently issue banknotes and reduce the dependence on Reserve Bank. The reason for this perspective is that with the government's involvement in banknote issuance, competition cannot exist, and service will be capped off, hence no level to which it can reach, handicapping such process. If too many banknotes are made, it might create problems for the public to make use of them. In my study, I saw that many economists from Zimbabwe agreed with Hanke's ideas but thought they were



not possible in their country because there is no political economy part. They suggested a detailed macroeconomic reform strategy that talks about price matters, government spending, the one-sided court system, and rebuilding confidence among people to lower inflation expectations. Nevertheless, the precise methods for executing these alterations are not yet defined. In Zimbabwe, politics and economics are deeply linked. According to my investigation results, solving the issues of Zimbabwe is fundamentally a political matter. But, until then, there are many immediate actions that can be taken to deal with the present crisis.

- *Short term solutions*

One problem in Zimbabwe is that the accurate measure of the value of good is distorted by people's inflation expectations; therefore, each retailer sells goods higher than the genuine worth of the good, to escape from losses caused by a lower selling price.

hyperinflationary pressures.

In the short term, the government may choose to use a store of value that is appreciating in value as the official medium of exchange. A good example of this could be fuel coupons. However, given the current financial crisis, and the lack of access to credit, demand for gas has decreased sharply, causing oil prices per barrel to drop significantly since July 2008. Regardless of this fact, once the global economy recovers from the worst of the recession period, oil prices will begin to stabilize. Another way to curb the unprecedented increase in prices and restore consumer confidence is to re-introduce price controls on goods charged in foreign currency. Since the government has recently moved to allow partial dollarization of the economy by letting licensed retailers sell their goods in foreign currency, they should impose price caps on the prices of basic goods because retailers are still inflating prices even though their revenue is in the form of stable foreign currencies. These simple solutions may not produce significant results. in the production sector of Zimbabwe. The intractable problem of output can only be solved by restoration of investor confidence, and a monetary boost from bodies such as the IMF. Policy recommendations that examine the economic decline and hyperinflation as solely an economic problem underrepresent the severity of the crisis. Short-term solutions exist but are ultimately inadequate.

- *Long term solutions*

In the long term, once the political impasse has been resolved, the government can put in place a comprehensive macroeconomic stabilization policy that encompasses all sectors of the economy. According to the IMF, there are 5 key elements necessary to ensure that Zimbabwe achieves reasonable stabilization:

1. Transparent transfer of quasi-fiscal activities to the government budget, as announced by the 2007 budget. 33 No entity outside the budget should undertake any activity of a fiscal nature (including interest payments, subsidized credits etc) without offsetting transfers transparently provided for in the budget. Although this would not reduce inflation, it would allow for increased transparency and accountability and the rigor with which fiscal actions are reviewed would also be applied to these measures.
2. Substantial fiscal tightening, including the newly absorbed QFAs of the RBZ or any other entity.<sup>34</sup>For example, to lower inflation by about 800 percentage points, it was found that a minor adjustment of at least 10 percentage points of GDP would be necessary, based on 2006 figures. This must be complemented by government reduction of the government wage bill, and reduction of capital expenditure which more than doubled in 2006.
3. Liberalizing the exchange regime by unifying the exchange rate and removing

restrictions on current international payments and transfers. This would involve the devaluation of the interbank exchange rate, pegging it closer and closer to the parallel market rate. Only one exchange rate must be in operation.

4. Deregulating prices and imposing a hard budget constraint on public enterprises.<sup>36</sup> (Enterprises need a hard budget constraint that requires them to cut costs and operate at present levels of budget subsidies and agreed pricing formulas. Deregulating prices and allowing public enterprises to introduce cost-recovery pricing would be an essential element of a plan to move the operation of these enterprises to a commercial footing. Price deregulation would likely lead to a one-off spike in prices, but strong fiscal adjustment would ultimately reduce inflation pressures.)

5. Establishing a strong money anchor to reduce inflation and inflation expectations. From many cases of inflation that have been studied, it has been concluded that output levels can be restored quickly, within the first two years of stabilization. In the case of Zimbabwe, maintaining the output growth will depend on addressing a few factors including public enterprise and civil service reform, central bank reform, public expenditure, and tax reform to sustain the fiscal adjustment and stimulate output growth.

## 6.1 PUBLIC POLICY IMPLICATION

The emerging markets in Zimbabwe have been greatly influenced by globalization. It brings benefits and barriers for the nation's economy and society, making public policy implications crucial to deciding how Zimbabwe reacts to these changes.

The first result of globalization in emerging markets in Zimbabwe is increased competition. Now, there are fewer trade obstacles and better technology makes it so that companies from Zimbabwe must compete with both local and global firms. This has caused businesses within the country to improve their efficiency and innovation to keep up in the worldwide market. Zimbabwean companies, like many others around the world, are facing a business environment that is rapidly changing due to globalization and digital transformation. This new reality can be seen in the increasing competition from international firms, evolving customer demands driven by global trends, and technological advancements such as artificial intelligence (AI) or big data analytics (BDA). The growth of internet usage has made online shopping more common for Zimbabweans. Public policies that promote entrepreneurship innovation along with skill development are crucial for local companies to adapt well with these changes happening globally. Additionally, globalization has altered Zimbabwe's labor market in several ways: there's greater availability of remote work opportunities from other countries; locals have increased access to global job markets via online platforms; and multinationals now seek diverse skills across international borders. A business environment that is quickly shifting due to globalization and digital transformation signifies a new reality for many companies in Zimbabwe as it does elsewhere around the globe. This change can be observed through heightened rivalry coming from worldwide firms, shifts in client requests propelled by universal fashions or technological progressions like AI (Artificial Intelligence) and BDA (Big Data Analytics). More people use the internet now which makes shopping on the web increasingly popular among those living here too! Policies made by public authorities supporting entrepreneurship innovation coupled with skill development become very important tools helping local businesses adjust effectively towards these changes

occurring worldwide. Also, we see how globalization has affected Zimbabwe's employment market: there is more availability of jobs done remotely by workers located outside borders; residents have better chances accessing global job markets through internet platforms; multinational corporations look for diverse abilities across different countries' boundaries. The rising trend of outsourcing work online marks this new state as well - it shows us how much our economy relies on connections with other nations while also giving local citizens a chance at finding employment opportunities beyond their country's limits.

The coming in of foreign investment and multinational corporations has led to fresh work chances, but it's also caused a rise in informal employment and job uncertainty for numerous Zimbabweans. Public policies that concentrate on improving education and skills training, together with setting up social security systems for at-risk groups can help lessen the bad impacts of worldwide integration on the labor market. Also, another result of globalization on markets that are new in Zimbabwe is how it affects the environment. The rise in trade and economy has caused more pollution and resource use within our nation. Public policies supporting sustainable development, renewable energy sources as well as safeguarding of the environment become very important for making sure that Zimbabwe can enjoy advantages from worldwide effects without risking the health of its people or natural surroundings. Globalization has also influenced the social aspects of Zimbabwe, including changing cultural standards and values. The rise in foreign products and media has made it easier for Western culture to spread across the country, resulting in good and bad impacts on Zimbabwean society. Public policies that encourage cultural variety, protect local industries and back traditional knowledge and actions are crucial for maintaining Zimbabwe's cultural uniqueness against globalization. One of the good results of globalization on Zimbabwe is seen through its economy with more foreign direct investment (FDI). This situation has brought about fresh methods to draw investment from multinational companies, causing economic expansion, jobs and infrastructure enhancement. To make sure that FDI is attracted and stays in the country, it's important to put into effect public policies which promote a good investment environment. This includes things like tax benefits for investors, easy rules and regulations, as well as stability in politics.

Globalization has also expanded market opportunities for Zimbabwean products. The elimination of trade barriers and advancements in transportation and communication technology have facilitated the export of Zimbabwean goods and services to international markets. Public policies that support trade liberalization, market diversification, and export promotion are essential for Zimbabwean businesses to capitalize on these new opportunities and effectively compete on a global scale. Nevertheless, globalization has also brought forth challenges for Zimbabwe, including heightened competition and economic volatility. The influx of foreign goods and services has placed a strain on local industries, resulting in job losses and market imbalances. Public policies that prioritize the support of local industries, value addition, and enhancing competitiveness are crucial in assisting Zimbabwean businesses in navigating the challenges of globalization and thriving within the global marketplace.

Moreover, globalization has had social consequences in Zimbabwe, including shifts in cultural norms and values. The dissemination of Western culture and consumerism through media and technology has prompted changes in societal attitudes and behaviors. Public policies that encourage cultural preservation, social cohesion, and

inclusive development are vital in enabling Zimbabweans to preserve their cultural identities and address the social impacts of globalization.

Globalization's impact on the financial sector in Zimbabwe must not be overlooked. While it has facilitated access to international capital and investment opportunities, it has also exposed the country to financial risks and vulnerabilities. It is imperative for public policies to prioritize the strengthening of financial regulation, the promotion of financial inclusion, and the enhancement of risk management. By doing so, the stability and resilience of Zimbabwe's financial system can be secured in the face of globalization. Zimbabwe's agricultural sector has felt the effects of globalization. The liberalization of trade and the expansion of global markets have brought about opportunities for farmers to export their products but have also left them susceptible to price volatility and competition from foreign producers. Help the agricultural sector adapt to the challenges and opportunities presented by globalization. To support smallholder farmers, public policies must be implemented to promote and market sustainable agricultural practices. Zimbabwe's governance and institutions are not immune to the effects of globalization. The interconnectivity of global markets and the free flow of information across borders requires good governance. To participate effectively in the global economy and attract investment, government policies need to strengthen institutions. Promoting good governance practices and combating corruption must be prioritized.

The scholarly investigation into the impact of globalization on education and the cultivation of human capital in Zimbabwe holds great significance. As the global economy progressively intertwines, there arises a heightened demand for a proficient workforce that can competently engage in international competition. Consequently, public policies should prioritize the augmentation of educational opportunities, the refinement of skills training programs, and the promotion of lifelong learning. These measures will equip Zimbabweans with the vital knowledge and competencies required to flourish within an increasingly globalized economic terrain. Furthermore, it is worth acknowledging that globalization has exerted a notable influence on the healthcare industry in Zimbabwe. The integration of global health systems and advancements in medical technology have presented opportunities for improving healthcare delivery and granting access to medical innovations. To leverage the advantages of globalization and enhance the health and well-being of its citizens, it is crucial for Zimbabwe to focus on public policies that strengthen healthcare infrastructure, foster research, and development, and improve healthcare financing.

In addition, globalization has implications for social protection and poverty reduction in Zimbabwe. The growing interconnectedness of global markets has created both prospects for economic growth and challenges for vulnerable populations. It is imperative for public policies in Zimbabwe to concentrate on social protection programs, initiatives to alleviate poverty, and strategies for inclusive development. The integration of global markets has had significant implications for gender equality and empowerment in Zimbabwe. While globalization has provided women with opportunities to participate in the workforce and access new economic prospects, it has also exposed them to gender-based discrimination and inequalities. To fully harness the potential of Zimbabwe's female population in the global economy, it is crucial for public policies to promote gender equality, support women's entrepreneurship, and improve access to education and healthcare for women.

The many public policy implications of globalization in the emerging market of Zimbabwe require a holistic and comprehensive approach. Education Health Social Protection Poverty Alleviation: Zimbabwe can respond precisely to the multifaceted

challenges and opportunities of globalization by implementing policies that prioritize gender equality and human capital development. Therefore, it provides stability and sexual development for all people. National Economy It is important for policymakers to collaborate with stakeholders across sectors to address the complex and interconnected effects of globalization on society and the environment. The impact of globalization on Zimbabwe's emerging market is complex and multifaceted. Public policy plays a key role in determining how countries respond to these challenges and opportunities. Entrepreneurship; Innovation, Capacity Development; By implementing policies that protect the environment and support cultural diversity, Zimbabwe can successfully navigate the complexities of globalization and ensure that its economy and society thrive in global markets. You can do it like this. Globalization has had a major impact on emerging markets such as Zimbabwe, leading to increased foreign investment.

It brought about changes such as access to new markets and technological advances. These changes are having a positive impact on the country's economy and society. The policy implications of globalization for Zimbabwe's emerging markets are wide-ranging and require a comprehensive and collaborative approach. Investment, Trade Innovation and Environmental Sustainability. Financial stability: Zimbabwe can better respond to the challenges and opportunities presented by globalization by developing policies that support agricultural development and good governance. Policymakers need to develop and implement policies that comprehensively address the multifaceted impacts of globalization on national economies and societies. Private organizations It is important to actively engage with overseas partners.

## 6.2 ULTIMATE CONCLUSION

This article recognizes the potentially devastating risks of globalization in emerging markets and highlights its importance in a balanced and informed approach to managing the impact of globalization on emerging markets using Zimbabwe as the point of view. Important discussion. Through informed decisions and actions to protect cultural heritage and promote sustainable development, emerging markets can navigate the complexities of globalization and chart a path to a more inclusive and sustainable future. can. Drought, storms, and epidemics pose major challenges and impacts to the Zimbabwean economy. But these difficult times also present an opportunity to decisively address lives and livelihoods while supporting the country's long-term recovery. Zimbabwe needs to develop domestic policies that promote price stability and also efficient management use of public resources. This is especially important because there are significant financial needs to protect against human capital decline.

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