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Surviving a Rabid Economy: The Current Cash Crisis and its Threat to Security and Governance in the Monetary Sector in Zimbabwe

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Abstract

Economic instability and the suffering of ordinary Zimbabweans is what prompted the writing of this article. To overcome the prevailing abject poverty, Zimbabweans have come up with all sorts of strategies to survive the ravages of the wobbly economic system characterised by the prevailing cash crisis. The aim of this article was to find out the different ways used by Zimbabweans to survive the harsh economic environment. Informal interviews were conducted with 10 selected ordinary citizens in Harare's Central Business District who have been hard hit by the current cash crisis and have devised ways of survival. The snowballing technique was used to identify the respondents in the study. Findings of the study revealed that Zimbabweans are engaging a myriad of strategies of surviving the current status quo. Of concern, in the findings was the magnitude of shady dealings involved as people try to get hold of the ever-elusive dollar. While most of the illicit dealings are done in informal settings, productivity levels in the formal sector appear to be suffering a knock, with productive time lost in search of hard cash. It is recommended that consultations with the general populace be done before introducing monetary reforms in any country; that the government should curb informal and illicit monetary exchanges which continue to be a threat to both governance and national security; and that stringent measures to outlaw corruption from all sections of society and open lines of communication be created that register the people's discontent with the current monetary policies and systems. The study may not be exhaustive but it gives an understanding of what the larger population is grappling with.

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Résumé

Une économie instable et les souffrances générales des Zimbabwéens ordinaires ont motivé la rédaction de cet article. Pour surmonter l'abjecte pauvreté qui prévaut, les Zimbabwéens ont mis au point toutes sortes de stratégies pour survivre aux ravages du système économique instable caractérisé par la crise monétaire actuelle. L'objectif de cet article était de découvrir les différents moyens utilisés par les Zimbabwéens pour survivre dans un environnement économique difficile. Des entretiens informels ont été menés, dans le quartier central des affaires de Harare, avec 10 citoyens ordinaires sélectionnés qui ont été durement touchés par la crise de liquidités et ont élaboré des moyens de survivre. La technique de la boule de neige a été utilisée pour identifier les répondants à l'étude. Celle-ci a révélé que les Zimbabwéens utilisent une multitude de stratégies pour survivre au statu quo actuel. L'ampleur des transactions illicites impliquées alors que les gens tentent de se procurer un insaisissable dollar était préoccupante. Alors qu'une grande partie des transactions illicites se font dans des contextes informels, les niveaux de productivité dans le secteur formel semblent en souffrir, avec beaucoup de temps de production perdu à la recherche de liquidités. Dans tout pays, il est recommandé de mener des consultations avec la population en général avant d'introduire des réformes monétaires, que le gouvernement mette fin aux échanges monétaires informels et illicites qui demeurent une menace à la fois pour la gouvernance et la sécurité nationale. Que soient développées des mesures strictes pour éradiquer la corruption dans toutes les couches de la société et que soient créées des lignes de communication ouvertes qui enregistrent le mécontentement de la population face aux politiques et aux systèmes monétaires actuels. L'étude n'est peut-être pas exhaustive, mais elle donne une idée des problèmes avec lesquels la population est aux prises.

Introduction

The Zimbabwean economy has been renowned the world over for its historic runaway economy, and the millions of Zimbabweans who have had to grapple with its ripple effects across all walks of life. Solutions to the economic challenges have been proffered from all sectors, from the devaluation of the Zimbabwean dollar, to the printing of bearer cheques and even adoption of the US dollar as a local currency. What has prevailed is the glaring fact that the monetary policies of Zimbabwe have largely been a failure. However, in spite of the widespread failure that the country is witnessing, the populace has had strategies of surviving the economic onslaught. Parallel markets, and the domination of the informal money market and other devices used to earn a living, have been the order of the day. It appears the ordinary person on the street has devised strategies of surviving the cash crisis and local/foreign currency dealers appear to be a step ahead of the economic quagmire the country finds itself in. Instead of money exchanged being governed by the Central Bank, illicit currency dealings predominate, resulting in the monetary activities spiralling out of control. The growing economic hardships do not seem to have any solutions in the near future. Should the prevailing conditions persist, Zimbabwe is likely to plunge into a crisis of governance which consequently becomes a threat to national and even regional security. Considering that the ordinary person on the street occupies the margins of society, this research validates how Zimbabweans have created survival strategies in times of economic crises that have come to occupy the centre of economic transactions in the country. It is also imperative to note that prudent financial management can promote peace and governance in a country, and failure in this results in insecurity and potential anarchy. It is essential to provide a brief explanation on the context of the Zimbabwean economy and the link between security, governance and money in any sound financial sector.

Contextualising the current cash crisis in Zimbabwe

Zimbabwe has gone through a rocky economic history since the late 1990s and, as a result, a significant percentage of Zimbabweans have been living below the poverty datum line. The country has degenerated from being the second most industrialised country in sub-Saharan Africa to being ranked amongst the poorest in the world, aptly named 'a nation of vendors' (Mlambo 2017: 100). Worsening corruption, lack of productivity as well as illicit foreign currency dealings have seen the country slipping into a crisis. Zimbabwe is amongst the countries with the highest inflationary figures in the world. The popular example which has been attributed to the current crisis is the unaccounted for disappearance of US$ 15 billion in 2015. To add to this, Zimbabwe is the only country in the world to date without its own currency and the only country which has adopted the US dollar as a mitigating measure against a wobbly economy. This means the ordinary Zimbabwean has been faring badly in such an economic environment.

The adoption of the US dollar came against a backdrop of the harsh economic climate and hyperinflationary environment that crippled the Zimbabwean economy from as far back as the late 1990s. The resultant rising discontent and chaos manifested in the student and labour protests had little effect in making amends in the waning economy (Cartage 2009). These experiences are the basis of the fear that currently engulfs the nation, as Zimbabweans have been wary of a repeat of the 1998–2008 decade that has been dubbed the "decade of crisis" by a number of critics and writers

(Raftopoulos and Mlambo 2008; Bland 2011). The similarities between the hyperinflationary bearer cheque and the Bond note eras are striking. Raftapoulos and Mlambo (2008: 210) have identified key features of the hyperinflationary economy as: 'steep declines in industrial and agricultural productivity, historic levels of hyperinflation, the informalisation of labour, dollarisation of economic transactions, displacements; critical erosion of livelihoods.' With unemployment and general economic hardships still predominant in Zimbabwe, and more companies closing down, the situation may be much worse than it was in 2008. To add to this, many feel that the majority of the key features of the hyperinflationary environment (highlighted above) are making a comeback with the introduction of the Bond note. After a brief reprieve in 2009–13, when the US dollar appeared to stabilise the struggling economy under the Government of National Unity (GNU), which according to Mlambo (2017: 107) 'arrested the free falling Zimbabwean economy temporarily', the introduction of the Bond note era appears to be doing more harm than good. It has been pointed out that the imbalance between imports and exports has resulted in the government introducing Bond notes (ZIMCODD 2017). The Zimbabwe Coalition on Debt and Development Report (*ibid*: 3) outlines the reasons for such drastic measures in the following extract:

> The Reserve Bank established a USD200 million foreign exchange and export incentive facility which is supported by the African Export-Import Bank (Afrexim Bank) to provide cushion on the high demand for foreign exchange and to provide an incentive facility of up to 5% on all foreign exchange receipts.
>
> In order to mitigate against possible abuses of this facility through capital flight, the facility shall be granted to qualifying foreign exchange earners in bond coins and notes which shall continue to operate alongside the currencies within the multi-currency system and at par with the USD. The Zimbabwe Bond notes of $2, $5, $10 and $20 denominations shall be introduced, as an extension of the current family of bond coins, for ease of portability in view of the size of the USD200 million backed facility. Withdrawal limits were also pegged at $1,000 per day but, in reality, banks are limiting to as low as $150 per day.
>
> There is also the promotion of the widespread use of electronic platforms for settling domestic transactions across all forms and sizes of businesses; that is, the use of point of-sale machines to conduct all transactions in USD, Euro and Rand.

With this background and the experiences Zimbabweans had to grapple with in the shaky socio-economic and political environment of 2008, there is apprehension as people have lost confidence in the formal money market.

In spite of the measures highlighted above that have been meant to settle economic imbalances, a re-play of the economic situation in Zimbabwe is most likely at hand. However, previously, people used various options to cushion themselves from the largely subversive decade. Although the economic hardships brought untold suffering to the population then, many professionals such as teachers, nurses and doctors took the exit option, that is emigrating, as a strategy for survival (Crush and Tevera 2010; Gaidzanwa 1999; Chetsanga and Muchenje 2003). From the beginning of the crisis in Zimbabwe, a large number of Zimbabweans emigrated to Europe, the US, Australia, South Africa, Botswana and many other parts of the world and, to date, an estimated five million Zimbabweans are in the diaspora (Mlambo 2017). While this saw fractured socio-economic relations, migrants were able to overcome the prevailing hardships by forging new identities for themselves in the diaspora (Pasura 2008). People were also cushioned from the 2008 hyperinflationary environment by the acquisition of the US dollar which, when juxtaposed against the weakened Zimbabwean dollar, provided a much needed reprieve. Currently, the US dollar is one of the multi-currencies in circulation and is very hard to come by. With the Bond note pegged officially at 1:1 with the US dollar, traditional ways used during the hyperinflationary environment are no longer viable. This therefore presents challenges to the majority of Zimbabweans who have to find more alternative ways of survival. It is therefore not surprising that the Bond note has received widespread condemnation. The *New York Amsterdam News* (2016: 1) cites Kupirwa who says concerning the Bond note, 'It's zombie money, made from nothing …. I pay my suppliers in dollars, but if my customers pay me in this stupid currency, how can I restock?' The Bond note has been derogatively referred to as 'bollars', 'bond paper' and 'fake note'. The Bond note and coin have been the butt of jokes on social media and likened to rat poison which is swift and ruthless: 'Bond notes *mushonga unouraya* economy *ipapo*!' (Bond notes – poison that kills the economy here and there). In spite of the pervasive disgruntlement over the Bond note, the government went on to introduce it, totally disregarding the outcry.

While a significant amount of research has tended to generalise post-independence Zimbabwe's problems and emphasise on the larger macro-economic effects and solutions, little has been said about the different ways of survival for the ordinary person. Yet, closer scrutiny reveals that the larger picture of Zimbabwe's challenges is manifested at lower levels, as reflected in the survival strategies proffered. The ordinary person on the street thus becomes a microcosm of the socio-political and macro-economic challenges. Studying the seemingly insignificant individual is likely to yield finer details that will prove useful to the larger society. This is supported by

Magure (2014: 2) who argues that:

> The myriad of people's responses to a dysfunctional economy must be situated and analysed in the context of macro-level processes of capitalist expansion and globalisation in the global South. As such, this … illustrates the complexity and contestations of how to make ends meet in a country with a collapsed economy due the implementation of neo-liberal economic policies.

However, the ordinary person on the street appears to have turned his/her back on formal structures and procedures regarding monetary issues. The questions which remain are: what are the effects of the informal money market? Combined with the formal banking sector, what effects does it have on security and governance issues?

The nexus between security, governance and money

The current cash crisis in Zimbabwe has brought to the fore issues of insecurity and lack of governance in the financial sector, and the country at large. The current cash crisis has forced the ordinary people in Zimbabwe to undermine the legal frameworks in the financial sector that govern money. The public has therefore shunned conventional ways of keeping money in the banks, as a result of previous experiences that the people of Zimbabwe have gone through in which their foreign currency savings were taken from their accounts and the local currency rendered useless by the monetary policies of that time. This bitter experience has resulted in Zimbabweans snubbing accepted forms of monetary governance that prevail in other countries, resulting in people hoarding cash or keeping it as hard currency in their homes instead of keeping it in the formal banking sector. The other section of the population has externalised the money through illicit financial flows. This further indicates that the Zimbabwean people have no faith in the formal banking sector as custodians of their money. The illicit financial flows which resulted in the externalisation of large sums of money in Zimbabwe, and the need for Zimbabweans to withdraw their money from the banks, have resulted in an artificial cash crisis; artificial in the sense that there is a substantial amount of money in circulation outside the formal banking sector through local/foreign currency dealers who have both the much sought-after US dollars and the Zimbabwe Bond notes in large quantities. This is a clear sign of lack of governance in the financial sector in Zimbabwe. The ordinary person on the street has therefore devised methods of surviving this rabid economy. With increasing discontent and protests against a strangling economy, any government resorts to using brute force to maintain order in the country resulting in a fractured governance and security system.

Statement of the problem

The biting effects of the economy on the ordinary Zimbabwean have left many wondering how ordinary Zimbabweans have been surviving the ravages of an unstable economy.

Research questions

The research was guided by the following questions:

1. How are ordinary Zimbabweans faring in the current economic climate?
2. What strategies of survival have the ordinary person on the street adopted to overcome the cash crisis?
3. What implications have the survival strategies had on governance and security in the country?

Conceptual framework

The research is informed by the critical social theory of empowerment which underscores mutual efforts to create social and political change within a given society (Gudhlanga and Chirimuuta 2014). According to Bronner and Kellner (1989: 44) critical social theory describes the complex set of interventions that interconnect consciousness and society, culture and economy, state and citizens. It explains social development in concrete historical contexts in which it is assumed. They further aver that:

> Interconnections exist in certain groups, historical eras, and geographical areas, economic systems of a given community and the totality of the systems that affects and produces the group thought systems and mechanisms (Bronner and Kellner 1989: 44).

This theoretical framework is pertinent to this research on the coping strategies of ordinary Zimbabweans in navigating the rabid economy in the current cash crisis. It enables researchers to explore the link between the current cash crisis and the different methods used by ordinary Zimbabweans to steer through the crisis. It is clear proof of the link between people's actions and the current cash crisis bedeviling their country. Such a framework prominently assists researchers in guiding their research towards disentangling the explanations behind the coping strategies exhibited by ordinary Zimbabweans in navigating the current cash crisis. Through this conceptual framework, the research endeavours to identify the relationship between the coping strategies used by ordinary citizens in navigating the current cash crisis, and demonstrate whether such actions promote security and governance in the financial sector in the country. After setting out the conceptual framework, it is imperative to briefly discuss the methodology that the research used.

Methodology

The investigation adopted a qualitative methodology and a case study design to generate data towards addressing the questions which guided the study. For collecting the data, interviews with selected ordinary citizens who have been hard hit by the current financial crisis, and have devised ways of survival in this rabid economy, were carried out. The snowballing sampling technique was used to identify would be respondents until the data gathered reached saturation point. Informal semi-structured interviews were used to solicit the required data. This kind of interview was chosen specifically for its potential to guide the interviewers while at the same time ensuring a flexibility that allowed the whole data collection process; that is, giving room for further probing and seeking clarification. A sample of 10 respondents in Harare's Central Business District was used. These respondents were found in different sectors of the economy, both formal and informal. What they presented is a microcosm of what the Zimbabwean populace is doing in order to survive the rabid economy. The collected data was analysed through the Critical Narrative Analysis (Barone 1992: 146) approach, after which trends that emerged were noted. This technique allowed the researchers to reconnoitre the different strategies that the ordinary citizen is using to navigate the current cash crisis in Zimbabwe. The different methods of survival used by selected respondents eventually aided the researchers to come up with a statement on whether these strategies promote or hinder security and governance in the financial sector in Zimbabwe.

After briefly discussing the methodology, the study focuses on the various forms of indiscipline in the financial sector that the ordinary citizen is employing to survive in this rabid economy. Subsequent sections discuss how this has consequently led to lack of governance in the financial sector and pervasive anarchy. The in-depth interviews with selected informants brought to the fore how Zimbabweans are surviving a rabid economy.

Findings and analysis

The tripartite pricing system

From our findings we learnt that the Zimbabwean populace has come up with a tripartite pricing system as a way of surviving the rabid economy. The Government of Zimbabwe through the Reserve Bank of Zimbabwe

(RBZ) has encouraged Zimbabweans to use electronic money, instead of hard currency, as a way of overcoming the cash crisis. 'To beat the problem, the financial sector is now encouraging cashless transactions. Ordinarily, that is not a bad idea. Nordic countries, for instance, have gained a good reputation as largely cashless societies. It brings convenience as one does not have to withstand long bank queues to withdraw large sums of money rendering them vulnerable to robbers the moment they step out of the bank' (Majoni 2017). The populace is, however, skeptical of the use of plastic money and has no faith in the financial sector to take charge of their hard-earned income.

According to official exchange rate, the Zimbabwe Bond note stands at 1:1 with the US dollar (Reserve Bank of Zimbabwe 2016). This is the official position but this is not what is prevailing on the parallel or informal black market. Since it is difficult to get cash, ordinary people who sell goods and services have devised a tripartite pricing system resulting in inflated prices for electronic payments and purchases. This is because there are money barons who charge them about 10–25 per cent in order to give them cash. This has resulted in the country having three prices for the same goods or services, especially in the informal sector. The lowest of the prices are in the US dollar hard currency cash price, then the Bond price which will be selling at 8 Bond more than the US dollar, and the most expensive price will be that of Eco-cash, the mobile money transfer offered by one of the biggest networks Econet Wireless as well as the electronic money transfer and the use Point of Sale (swipe) machines to pay for goods and services electronically. Thus, even though the RBZ sees no difference between the value of the US dollar and the Zimbabwe Bond, the general public sees this difference and therefore inflates the prices for electronic and Zimbabwe Bond note payments.

In an interview with an informal dealer who sells blankets at the Gulf Complex in Harare (the centre of all goods brought into the country through cross-boarder trading), one woman said:

> If one is buying using cash, United States dollars. I sell my two-in-one blankets for \$35. If one is buying using Bond notes. I charge \$5 more, such that the same blanket costs \$40 Bond note, and if one buys through electronic means, Eco-cash and Bank Card Swipe System I charge 15 % more, such that the same blanket costs \$48 through electronic payment. This is because where I go to get the hard currency I will be charged that 15 % in order to get the cash. I need cash because I use cash and not Zimbabwe Bond notes when I got to order goods for my shop in South Africa. Furthermore, I do not use Zimbabwe Bond notes to buy goods for my shop. So I have to watch out on what will make my business to survive. Otherwise, if I keep my money

> locked up in the formal banking or electronic system. I will lose out when I fail to get that money out. This is what we do here to survive (Interview, 26 June 2017).

This clearly reveals that there is a tripartite pricing system in Zimbabwe, especially in the informal sector. The informal sector has shunned the RBZ exchange rate of 1:1 between the US dollar and the Zimbabwe Bond note. It has also come up with different pricing systems for different modes of payment. What the woman quoted above brings out is the fact that there is no governance in the financial sector; prices are determined by ordinary people and not by the general principle of supply and demand. The money barons who sell hard cash to these traders determine the percentages they want from these people, thereby resulting in some kind of lawlessness and insecurity. Once these traders get their money in the form of a Bond note, they quickly change it into US dollars, and if it is paid into their Eco-cash account, they quickly dispose of it getting hard cash at a certain percentage from the money barons. This kind of behaviour, (where everyone is quick to withdraw money from the system and also to change it to US dollars on the informal market, as well as evading proper legal channels of safekeeping money) are sure signs of lawlessness. To add to this, the tripartite pricing structure also demonstrates lack of governance in the financial sector in which the same goods or services have three prices, depending on the mode of payment

Reduced productivity in the formal employment sector

Due to the need to access cash, which is now a rare commodity in Zimbabwe, bank account holders lose a significant amount of time in bank queues, especially those employed in the formal sector. Once they get their salaries, those who work in the formal sector join the winding bank queues to quickly withdraw their cash which normally takes about a week or more to clear from the bank. The ordinary Zimbabwean has devised methods of avoiding loss of valuable time in long bank queues but at the same time guaranteed of getting their cash. Once they join the queue, people exchange mobile phone numbers and use the WhatsApp messaging platform or even phoning to update and alert each other that their turn at the ATM was due as well as notifying each other of other branches where cash would be easily available. Such is the *camaraderie* that the Zimbabweans have developed in order to survive the hostile cash environment.

The same scenario occurs amongst people who have more than two bank accounts and have to withdraw from both accounts in order to maximise on the cash withdrawn from the bank. In an interview, one woman said she will only concentrate meaningfully at her workplace after she has withdrawn all her money from her bank account. This woman had this to say: 'I normally come to join the queue at 2 am and I never leave the queue until I get my share of the money for that particular day. I normally do not set my foot at the office until I get my money for the day. If it means not going to work on a particular day, so be it.' The actions of this woman translate into reduced productivity for the formal sector.

A thriving informal money market

Even though the banks have no cash, the parallel market, or the informal sector, has both the much sought-after US dollars and the Zimbabwe Bond notes in abundance. While the coffers of the official custodians of the national treasury run dry, the parallel market is awash with the hard currency which one can easily get, using the parallel market exchange rate. As early as at its inception, the Bond note, which has been valued at 1:1 with the US dollar by the RBZ, was being traded at $7 Bond for US$ 1 on parallel or illegal markets (Ndoro 2016: 59). With the continued disappearance of the Bond note, banks have resorted to issuing Bond coins instead. This has made the informal market flourish further, with people pursuing the Bond note. One young woman, who, after waiting for several hours in the bank queue to get a hundred dollars' worth of Bond coins jokingly said, 'Now is the time to get proper handbags not the cheap Chinese ones that rip easily. Who would want to lose this money after such a hard struggle getting it?'

In an interview, one foreign currency dealer revealed that business is thriving on the black market. He said, 'The government should just formalise the black market because that is where all the money is. We are connected to the big people in the banks. I personally deal with one or two. Where are you getting lost? We have strong relationships that date back to 2008. We keep the economy going and that is how I have been putting food on the table all along.' This underscores the lack of governance in the financial sector.

Various forms of corruption

Ever since the current cash crisis commenced in Zimbabwe, there has been a high level of corruption, as far as those who handle cash are concerned. Most of the people who handle cash on a daily basis do not bank it as is required. They would rather keep it under the pillow or sell it at a premium of 10–25 per cent to the desperate public. Petrol attendants and till operators sell the cash for a certain percentage. The ordinary person on the street therefore sees opportunity amidst the chaos. In an interview, one woman who got her July 2017 salary from a petrol attendant said,

> Blessed are the petrol attendants and till operators for they are making a killing out of selling cash. For the past three months I have been getting my salary through my husband's friend who is a petrol attendant. I have been getting cash from him at 15%. I have to pay him because he has to share the proceeds with his colleagues at the service station; they are a syndicate so I cannot get the money for free (Interview 27 June 2017).

This corruption has permeated all sectors of the economy. It is not the petrol attendant only who charges people a certain percentage in order for them to get cash. Even managers of large retail shops are also thriving on the current cash crisis. In an interview, a young man who is a till operator in one of the retail shops said,

> When we have 50 or 100 US dollar bills we surrender them to the manager who comes to check our tills. The manager takes the 100 and 50 dollar bills to the black market for exchange with the Zimbabwe Bond note and for every 1US, she gets $5. When the manager comes back from the black market she then deposits the Zimbabwe Bond equivalent into the retail shop account and not the US dollar bills. These managers are making a profit on these US dollar bills. It is difficult to prosecute them since officially the Zimbabwe Bond and the US dollar have the same value (Interview, 15 June 2017).

This confirms the degree of lawlessness that thrives in the country because of cash shortages. People who are supposed to safeguard company accounts are the ones defrauding their companies, as evidenced by what this till operator said.

Retail shop managers are not the only ones involved in corruption, but even some bank employees who have access to cash also give their friends or relatives at a certain fee. In an interview, one foreign currency dealer said that she gets her cash from bank employees. She was only doing it on their behalf for a commission. What this foreign currency dealer said was corroborated by the story of a Stanbic bank manager who was caught in the cash scandal and made headlines in one of the local daily papers. According to *The Herald* (6 July 2017):

> A Stanbic Bank Zimbabwe manager was caught red-handed in underhand currency trading at one of the bank's branches. Bank manager [name provided] was caught last week by security personnel of one of the bank's clients with an amount of US$30 000 which she had swapped for bond notes. Reports say that [she] instructed her colleagues at the branch to exchange her bond notes to US dollars that the branch had received from the bank's cash depot for tobacco farmers. Witnesses to the incident said that [she] claimed that the "loot" was from her husband … who was a currency dealer. Investigations by this paper showed that [she] had a syndicate of currency traders at "Roadport"

> whom she supplies with US dollars from Stanbic in exchange for bond notes. In a snap walkabout around Fifth Street in Harare yesterday, most of the currency traders there said they knew the couple but added that they use a certain firm called Beak Peck Enterprises to access US dollars from Stanbic through her. The traders also admitted to working with employees from most banks to access US dollars in exchange for bond notes, which are traded at a premium of between 10-25 percent.

This affirms lack of governance in the financial sector which is being precipitated by corrupt bank officials. These are the people who are supposed to safeguard the depositors' money but are taking advantage of the situation in order to survive. Instead of them being custodians of depositors' money, they are the ones at the forefront siphoning the US dollars from the bank.

Some bank managers are also facilitating the withdrawal of large sums of money for a certain fee. This corruption has pervaded society such that even security guards who work in banks are also benefiting from the cash crisis. Since bank queues have become the order of the day, the desperate public now pays security guards to allow them to jump queues and withdraw cash ahead of others. In an interview, one woman said,

> I rarely stand in the queue. I normally give the guard my ATM card and when he gets the money, he sends a WhatsApp message for me to come and collect the money and the card. Sometimes the guard just facilitates that I jump the queue and I give him $2 per day for these favours. What can I do? It is better than spending the whole day in a bank queue (Interview, 20 May 2017).

Facilitation of people to jump queues by security guards has also been supported by *The Standard*, one of the weekly newspapers:

> Security personnel at the banks have joined the fray too, enabling depositors to "jump queues" for a dollar or two. And because the clients are so desperate to get their $40, they will not hesitate to fork out the little amounts. The sad thing is that this kind of corruption is hardly seen as such. Ordinary people readily boast of how they don't stand in queues and are too quick to accuse the elite of corruption (*The Standard*, 6 July 2017).

This implies that there is lawlessness; there is no respect for order or first come first serve basis for those who would have joined the queue first. At times, this jumping of the queue ahead of those who would have come earlier degenerates into public outrage of those who would have stood in the queue for a long time. Instead of the security guard to maintain order in the bank queues, they are the ones facilitating and benefiting from lawlessness. This is a clear demonstration of the levels of corruption that have also cascaded down to the ordinary person on the street (Majoni 2017).

Abuse of Visa and Master Cards in neighbouring countries

The researchers also found that some people were abusing their Visa or Master Card facility as a method of obtaining hard currency by skipping the boarder to neighbouring countries to withdraw cash using their Visa or Master Cards. Through this, the populace has found a way of circumventing the pinching cash crisis in the country. Furthermore, they have also found other techniques of withdrawing cash from the untrusted local banking sector and keeping it as hard currency. While local withdrawals in the banks in Zimbabwe ranged from a minimum of US$ 20 to a maximum of US$ 60 per day depending on the bank, withdrawals by Visa or Master Card had no limit in neighbouring countries. In an interview, one man confided that:

> Before the cancellation of the Visa or Master Card I used to just cross the border into Mesina, South Africa where I would spend at most two days and withdraw all my money from my bank account in South African Rands. Upon coming back into the country I would convert it into USD at the parallel exchange rate. At least I know that I would have withdrawn all my salary and there was no risk of losing my money which was locked up in a bank. I am now skeptical of the banks taking care of my money considering the effects of 2008 when people literally lost all the money which was in their bank accounts. It is better for me to keep the money for myself in a stable currency like the USD rather than to let it vanish in the bank (Interview, 30 March 2017).

The young man's confession confirms his loss of faith in the formal banking sector and would not trust it to keep his salary safe once he got paid. Loss of faith in the banking sector and resorting to other means of getting cash has also been noted by Munangagwa (2009: 133) who argues that the ordinary Zimbabwean had to use alternative means of obtaining cash because the formal banking sector had failed to deliver its side of the bargain of providing cash to the citizenry when needed.

Another development in the monetary sector was when the ordinary citizen woke up to an unprecedented notice from local banks that they could no longer access cash using Master or Visa Cards outside the country without prior arrangement with the bank, only being allowed to withdraw very limited amounts whenever they were out of the country. Most Zimbabweans could not believe it when they saw the following notice of the cancellation of Visa or Master Card outside the country without prior warning:

To Our Valued Clients

> We regret to advise that we have cancelled the automatic use of your VISA debit card outside Zimbabwe with immediate effect. However, Clients who wish to use their cards outside Zimbabwe may still apply for **special consideration prior to travel. Please note, there are NO changes to the local functionalities of the VISA Debit Card.
>
> This decision has been taken to ensure best use of the increasingly scarce foreign currency resources which is disbursed in line with the Priority List issued by the Reserve Bank of Zimbabwe if and when available.
>
> Once again, we regret this move and apologise for any inconvenience that this may cause. We will continue to monitor the environment and should there be any other changes, you will be notified accordingly (*The Standard*, 2 February 2017).

The cancellation of Master or Visa Cards by reputable banks like Barclays and Standard Chartered Bank have locked that easy door of accessing cash by the ordinary citizen. Thus, even though there is this suspension, some of the people interviewed said that it was still better to get the little amount they could withdraw from outside the country, that now had a maximum withdrawal of US$ 100 per day, once they got the clearance from the bank. Not to be outdone, the Mobile Network Econet's Master Card has also reduced its monthly maximum withdrawal limit from US$ 5,000 to US$ 400 to curb the abuse of accounts outside the country. Furthermore, tourists coming into Zimbabwe no longer bring plastic money in the form of Visa cards but tend to bring hard currency which they will trade on the informal market. Thus, the ordinary Zimbabwean now exchanges money with tourists and provides some ready Bond cash and hard currency as a way of curbing the biting economic challenges that the country is currently facing.

Use of informal channels for diaspora remittances

As a result of the cash crisis and the uncertainties in the banking sector, remittances from those in the diaspora are now using informal channels, as they are easier and faster than the banking system. Long winding queues are enough discouragement for those sending and receiving money. One informant had this to say: 'With corrupt bank officials lurking in the shadows, I am not assured of the safety of my money, so I keep it next to my heart' (Interview, 31 May 2017). Rather than using the formal channels of sending cash home, many in the diaspora have resorted to informal and clandestine means of transporting cash into the country. Like never before, the ordinary Zimbabwean citizen has developed close human networks so as to overcome hindrances in importing cash into the country. Even the RBZ has noted that in 2015 alone, an estimated US$ 1 billion was remitted to Zimbabwe through informal channels (TechZim 2017). Furthermore, ZIMCODD has also noted the lack of confidence in the banking sector by ordinary Zimbabweans who are now resorting to the use of informal channels, when it avers,

> Zimbabweans are really scared of their history and justifiably so considering the experiences of the period 2007 to early 2009 when they lost their savings of years through the bearer's cheques, hyperinflation, and raids of people's money in foreign currency accounts by RBZ among other ugly historical developments in Zimbabwe (ZIMCODD 2017: 4).

This lack of trust in the financial sector has resulted in lack of security and governance in Zimbabwe. Money now easily flows and exchanges hands among individuals through informal channels, a sure sign of lack of financial governance in Zimbabwe.

Manipulation of DSTV payments

Currently, DSTV subscribers are being shortchanged. Owing to the cash shortages, particularly of the US dollar, many subscribers have been left on the receiving end. Without the US dollar, or alternatively the Rand, one cannot subscribe. This has seen a newer wave of illegal subscriptions proliferating. The move by DSTV may have been aimed at creating its own independent payment system that should get around payments in Bond notes and the lack of foreign currency in the country.

Responses from the interviews revealed that many are opting to register their decoders in South Africa; then subscriptions are done by friends and relatives from the South African side. This has been exacerbated by illegal cross-border activities, a fact supported by Duri (2010: 126) who writes, 'Many people had to resort to clandestine cross-border activities, largely because they could not afford the financial obligations for travel documents, visa fees, border taxes, work permits, as well as import and trade licences'. Those who have no relatives in South Africa are then paying local Zimbabweans who have Master or Visa Cards and can pay online on their behalf for a nominal fee. Instead of giving the person with the Master Card bank account the exact figure due to DSTV, they also give them 15 per cent more for the service in cash. Most people interviewed without Master or Visa Card accounts stated that they were paying 15 per cent more than the normal subscription fee as payment for the service to the Master Card account holder. However, banks such as Standard Chartered and Barclays, have only allowed account holders to pay for DSTV subscriptions for decoders that are registered in their names, to curb this problem of overcharging desperate Zimbabweans.

Barter trade

Another common practice that is proliferating is barter trade. Instead of money exchanging hands, goods presumed to be of equal value are transacted; a form of barter trade that has metamorphosed into a more refined form where trade is done with goods. One of the respondents admitted to buying some books from a vendor on the streets. Without Eco-cash, the more universal network used by the majority of the people, electronic mobile money transfers do not work. The vendor simply walked into the nearest supermarket and selected goods equivalent to the amount tendered and thus concluded the transaction. Alternatively, people wait in supermarkets to exchange with cash. Another informant admitted, 'I would rather give a fellow Zimba (sic) my US dollars or Bond notes rather give it to OK [supermarket]' (Interview 25 April 2017). Thus, those seeking cash, but in possession of electronic money, transact and exchange money and both have value for their money. This however has resulted in chaotic scenes at points of sale in supermarkets. Fraudsters have also taken advantage of the situation, with fake notes also exchanging hands. Consumers have also raised concerns over the efficiency of electronic transactions, with some claiming they are being charged more than they have paid. Corrupt activities and underhand dealings are also taking place, with some till operators hording cash to give only to relatives and friends and the customer who is willing to part with a sum in the form of kickbacks or bribes.

Conclusion

It is apparent that an unstable economy, lacking formal structures, is a cocktail for disaster. This has seen corruption growing to alarming levels, starting from the grassroots. Lack of governance in the financial sector has been necessitated by corrupt bank officials. Bank employees who have access to cash also take it and sell it to their friends or relatives at a certain fee. This has seen white collar corruption growing and spreading even to the grassroots. Unsanctioned informal trading is almost choking the life out of the city centre. All this has rocked the peace and stability that Zimbabwe has been known for. The growing discontent and disgruntlement have already shown signs of spiraling out of control. Protests and riots are not uncommon in the city centre, with ordinary Zimbabweans who are not gainfully employed, informal traders and foreign currency dealers having running battles with the police. The anxiety and tension amongst the people are a ticking time bomb, waiting to explode. In light of the potentially explosive situation, the government needs to put in place measures that can curb the various transgressions in the monetary sector.

Recommendations

In light of the findings in this study, we recommend that:

1. There is need for widespread consultations with the populace before introducing monetary reforms in the country. The introduction of the Bond note, an untrusted currency, has brought widespread scepticism and, subsequently, shortages of cash and destabilisation of the financial sector which had seemed to be stable during the Government of National Unity in Zimbabwe (2009–13).
2. The government should be able to step in to curb informal and illicit monetary exchanges which continue to be a threat to both governance and national security. Deterrent sentences for detractors could work towards bringing sanity to the banking and formal financial systems.
3. Stringent measures should be put in place to curb cases of corruptions from all sections of society.
4. Part of good governance and democracy involves giving voice to the people. Therefore, instead of descending heavily on protestors, the government should create open lines of communication that register the people's discontent with current monetary policies and systems.

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