

'Foreign aid will not bail out Zimbabwe'

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United States professor of economics Steve Hanke has said foreign aid will not bail out Zimbabwe from its current economic quagmire, adding the country's problems can be solved from within.

Speaking at an event organised by - Cato Institute, a think-tank based in America - Hanke said foreign aid has never bailed anyone out the world over.

Finance minister Mthuli Ncube also attended the event.

"Stop talking about foreign aid, foreign aid is not going to rescue Zimbabwe. Zimbabwe's situation is home grown; made at home, there is no question about it. Foreign aid is a killer. All the elites in Zimbabwe think the pot of gold is at the end of the rainbow as foreign aid," Hanke said.

He urged Zimbabwe to adopt the Singapore strategy, which includes creating a currency board, refusing foreign aid, minimising taxes and regulations, ensuring individual rights as well as creating minimalist, high quality, transparent government.

"In the case of Singapore, which by the way with all the ratings which I gave you ... they have come from nothing in 1965 to one of the richest countries in the world and in all this economic freedom ... they refused foreign aid," he said.

He said the issue of taxes and bureaucracy is a nightmare in Zimbabwe, as one has to move through offices to get a regulation approved or a stamper of 15 or 20 stamps.

Hanke, however, called for the removal of sanctions, which he said was being used by the government elite as an excuse not to deliver.

He said economic embargos do not work and are for losers, adding that the US and other European countries must lift sanctions and urge Zimbabwe to adopt the Singapore strategy. Zimbabwe is reeling from years of economic pain, which the ruling Zanu-PF party has attributed to sanctions imposed by western countries in the early 2000s.

However, it has been pushing to get foreign aid to kick-start the ailing economy, but nothing has been coming.

Recently, Botswana - which a few decades ago could not match a fraction of Zimbabwe's economic might gave the country a \$95 million credit line after the country extended a begging bowl to the fellow Southern African Development Community (Sadc) member.

The country, which is under pressure to pay international debts running into billions of dollars, is also in talks with South Africa for a bail-out.