Zimbabwe economy finally being 'rigged'

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Nelson Chamisa and his MDC-Alliance lost the election in the July 2018 elections of the post-Mugabe era.

Reacting to this loss, he cockily pronounced that it was of no consequence.

His agenda henceforth would be to ensure that the country is ungovernable through extra-parliamentary and extra-constitutional disruption.

"Mutakura wacho tichaudira jecha tigoona kuti achaudya ndiani?"

Here was a self-proclaimed man of God embracing the mutually assured destructive path of biblical strongman Samson of the Temple.

There was an assured confidence of a defiant loser.

On what nuclear option weapon was he standing upon?

For the answer, dial Biti, his vice president of revolving MDC doors and a darling of the intrusive Washington neo-liberal practitioners of regime change in Zimbabwe.

Boasting of his legalistic command of complex financial matters, he gloated, "Mnangagwa can rig elections, but he cannot rig the economy!"

Why such political prancing by the two ambitious MDC stalwarts?

They were relying on the permanency of the colonial corporate economic template installed by Cecil John Rhodes, the 19th Century British imperial marauder and predator.

His British South Africa Company (BSAC) raised the British flag in Salisbury as an agent and not a department of the Crown.

His company became the de facto governing authority of Southern Rhodesia.

Gold allure

Prior to this dark act, Zimbabwe had existed continuously as a successful trading entity for millennia, courtesy of its legendary gold endowments.

Through history, gold has distinguished itself as the global currency of supreme choice of all humanity.

If other nations worked hard to produce goods to trade, Zimbabwe possessed the ultimate money gold.

No wonder Indian monsoon winds had Arab dhows plying between the ports of the Munhumutapa and various trading centres along the littoral Indian Ocean.

Turkey, Arabia, Iran, Egypt, Somalia, Iran, India, Indo-Malay and even far-away China all conducted commerce first with Mapungubwe, later with Great Zimbabwe, Khami, Danamombe and others.

The BSAC corporate governing authority lost no time in displacing the freely interchangeable gold currency with fiat paper money.

The Rhodesian dollar was there primarily to cater for the growing white-settled minority community.

The indigenous majority were dispossessed of the precious historical gold mines by "blanket explorers", hence the enduring name of Blanket Mine.

These were white settlers who bought blankets on the Rand of South Africa.

They then used the blankets as compensation to the indigenous African owners of robbed gold mines.

The marauding new white owners went back to register their newly possessed mines with the mining commissioner at the BSAC headquarters in Johannesburg.

The brisk trade in blankets earned them the moniker "blanket explorers" of Rhodesia. The template of an economy built upon plunder could not entertain the free interplay of supply and demand in the colonial territory.

It naturally defaulted to allocation so as to engender the outflow of money from the black African majority to the company's coffers.

The unjust enrichment was then shipped out to London, New York and other European metropolises of global banking and finance.

It is noteworthy that the new colony lost no time in setting up a stock exchange in Mutare.

This was in proximity to the Manica headquarters of King Mtasa on the Mozambique side.

He superintended a thriving gold market or feira, which both imperial Lisbon and London envied.

Haemorrhage

This precursor to the Zimbabwe Stock Exchange had a lop-sided imperial design to transfer riches out of Africa to Europe.

Is it not remarkable that in the 140 years of the ZSE it only started trading in convertible hard currency as recently as 1993?

More sinister that a financial services company that started off as a department of finance of BSAC went on to slyly ask for selective and exclusive fungibility of its counter.

Sadly, the poverty in sound grasp of financial theory in the post-independent African majority rule government obliged.

Presto, the arrangement effectively converted the ZSE into a parallel and competing monetary authority challenging the central bank (Reserve Bank of Zimbabwe).

There would be near-fatal consequences to this financial and monetary skulduggery of selective fungibility.

It facilitated a capital flight of haemorrhage proportions worse than that of nations plunged into war.

The deceptive arguments for fungibility were exposed as capital-starved Harare began remitting hard currency to rich London, Johannesburg, New York et cetera.

The wholesale divestment would trigger stratospheric hyperinflation.

By 2008, the velocity of money circulating in the Zimbabwe national economy would eclipse even the fastest speed of light.

This physical impossibility could only have come from number-crunching by a dedicated numbers machine called a calculator.

This calculator was owned by the gamut of neo-liberal global finance figures, including George Soros.

They concocted a stock derivative called Old Mutual Implied Rate, an Exchange-Traded Fund (ETF) run from Boston Massachusetts.

Here is the paradox of paradoxes: How does the basket case economy of Zimbabwe afford to sustain an ETF that traded on the New York Stock Exchange (NYSE)?

Yes, that trillion-dollar global behemoth of raising investment capital.

For those who have read global finance beyond lawyer Biti, I dare you to check out BrightSphere Investment Group Inc (BSIG).

It was baptised out of Old Mutual Asset Management Company (OMAM).

This re-christening was necessitated by the political change in Zimbabwe as of November 2017.

BSIG Inc is the one that has historically derived obscene gains from the arbitrage opportunity offered by OMIR-ETF.

This ETF financial derivate stemmed from the multiple listing of the Old Mutual Plc share in London, Johannesburg, Nairobi and Windhoek.

Professor Steve Hanke of Johns Hopkins University and a fundi of the emerging markets at the neo-liberal Cato Institute had privileged knowledge of this ETF debauchery in global finance which was be-knighting Zimbabwe.

Hanke used to crow about his influence on a former Governor of the central bank in Harare. After the 2017 November Glorious Revolution, he changed tack.

He did not like Professor Mthuli Ncube.

It turned for good reason.

He had the economic and financial tools that pierced this veil of wayward conduct in global financial management by the Zimbabwe Government.

The OMIR-ETF brought Zimbabwe down to its economy knees through unbridled capital flight. Yet it could still not achieve the ZDERA sanctions goal of a 'screaming' economy delivering political regime change. Zimbabwe turned out not to be the Chile of Salvador Allende in the 1970s.

A strong State apparatus kept the populace insulated through the offsetting land restitution programme.

It offered the social safety vest of an informal economy.

The other saviour was the high human resource index of Zimbabwe, again owed to the same State apparatus begot of the 1970s national liberation war.

Mobile money woes

The national economic assault from the OMIR-ETF derivative acquired a new ally in the emergence of a dominant player in the new era of digital currency.

An absence of a requisite regulatory framework through both ignorant commission and wilful commission created a véritable Wild West in the banking and monetary domain.

The mobile money platform morphed into a den of thievery, extortion, money laundering and outright extortion.

The ensuing monetary malfeasance went on to strike at the heart of the consuming populace.

Undoubtedly, there was glee that the people could finally be divorced from their ZANU-PF party of the revolution.

That is why so much was banked into the success of the July 31, 2020 uprising.

People's anger was to be fed by a return to the 2008 hyperinflation.

This time the twin evils of OMIR-ETF derivative and wholesale abuse of the mobile money platform were slated to foment public outrage against the Government of His Excellency President Mnangagwa.

Both ZSE and EcoCash had diabolically usurped the statutory role of the RBZ as sole national monetary authority.

Little did the would-be nemesis of the Head of State realise that he had strategically arranged a phalanx of tools to counter their do-or-die onslaught.

As July 31, 2020 approached with its heralded mayhem, President Mnangagwa unleashed the first volley.

He allowed trading in the US dollar.

That took away the pressure of inflation from the Zim-dollar, which was under attack.

He also loosened US dollar retention by the central bank.

Suddenly small to medium gold producers, tobacco and cotton farmers had so much buying power in hard currency.

The other masterstroke was the publication of a statutory instrument that delivered blows on the ungodly twins of the OMIR-ETF derivative and the EcoCash mobile money agents.

The coup de grace was the launch of the Dutch auction on a new foreign exchange market.

Now going to the week 10, the RBZ auction has since been broadened to include small businesses.

Highway to success
The Zimbabwe economic management "Dream Team" of the His Excellency President Mnangagwa Professor Mthuli Ncube as the Minister of Finance and Dr John Mangudya as Governor of the Reserve Bank of Zimbabwe is en route to deliver a game-changing economic miracle.

Relieved and delighted top business moguls are gushing accolades on the President.

Rightfully so.

He has rendered a jab that is a shot in the arm to the juices of entrepreneurship.

Professor Hanke has since gone quiet.

No more gloating verbal salvos against Professor Mthuli Ncube.

Dr John Mangudya now has a new spring in his step.

The Zimbabwe nation has coalesced into genuine and stable price discovery.

Parity pricing now reigns between the Zambezi and the Limpopo, between the Kalahari Desert and Eastern Highlands.

After all, every central banker's cardinal goal is to maintain price stability.

Zimbabwe has joined the global ranks of a 'normal' economy for the first time.

It is being run on Adam Smith's laws of supply and demand.

Requiem to the corporate colonial template and its band of arbitrary allocation.

Eulogy to a free market economy that rewards hard work, reaps profit to business acumen and crowns risk with mouth-watering returns.

President Mnangagwa's mantra "Zimbabwe Is Open for Business" has acquired a potent and cogent expression.

Welcome to on-ramp onto the highway to the middle-income status Zimbabwe by 2030.

Sorry Chamisa, the dira jecharist. Zvakona! Mutakura wotonakisa.

Pity to Biti. EDM has gone so far as to rig the economy.

As for detractors and doomsayers, ZDERA sanctions now face a potent weapon in a normalised economic and financial landscape.

Crisis Coalition Zimbabwe, take heed, Naledi Pandor, the South African Minister of International Relations and Cooperation, never mentioned the C-word.

Your years of campaign to place Zimbabwe on Chapter 7 of the United Nations Security Council has dismally flopped.

SADC and the AU will not entertain the errant diplomatic nonsense.

Meanwhile, the Zimbabwe Revolution continues to strive and thrive.