

## **An Analysis Of Corporate Governance Practices In State-Owned Enterprises And Parastatals In Post Independence Zimbabwe.**

**By**

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### **Abstract**

As springboards from whence political goods are distributed to various publics within a given nation, State-Owned Enterprises are the vanguard for the provision of public deliverables like transport, health, energy and power, education, regulatory services, consumable retailing among others. However, in post-independence Zimbabwe, these organizations have been hogged by a specter of corporate governance malpractices. This paper traces the genesis of corporate governance practices within State-Owned Enterprises in Zimbabwe locating it within the independence era and the various policies that were adopted by the new government. The main theses are that corporate governance is rooted in instrumental policies like the Africanisation drive, the acute dearth in qualified bureaucracy at independence, state dirigisme and welfarism owing to Marxist-Leninist philosophies, and a neo-patrimonial political culture among others. Using extant literature, the article takes a multi-disciplinary garb because it draws insights from public policy and administration, political science, and international relations.

**Keywords:** Corporate Governance, State-Owned Enterprises, Zimbabwe, Africanisation, Neo-Patrimonialism, Welfarism

### **Introduction**

Corporate governance is very important in the administration of State-Owned Enterprises or Parastatals that are mandated with the provision of public goods and services. Because Parastatals are funded from the public fiscus, corporate governance is very vital because it promotes accountability, transparency which promotes effective and efficient organizations. Despite the widely cited lack of corporate governance best practices<sup>1</sup>, State-Owned Enterprises (SOEs) or Parastatals continue to be the vanguard for governments to hedge political power, trump legitimacy and provide critical goods and services. In most

centrally planned economies, State-Owned Enterprises were and still remain the vehicles par-excellence for driving social, economic and political development. Despite their important role in the structural transformation of economies, State-Owned Enterprises in Zimbabwe continue to be incubators of various corporate governance practices which albatross their effectiveness. Classic examples of these practices include the awarding of hefty salaries and allowance, corruption, the flouting of tender regulations and procurement protocols, embezzlement of funds, untimely or non-reportage of financial statements, poor working conditions, and high human capital attrition rates among others.<sup>1</sup>

These drawbacks have resulted in increased calls for accountability, transparency, the need to flush out bureaucratic drags, political interference and most importantly to adopt private sector best practices. Alive to these bureaucratic and administrative challenges, the Government of Zimbabwe (GoZ) enacted the Public Entities Corporate Governance Act (PECG) Act Chapter 10:31 of 2018 which was designed to be the panacea to the rising profiles of scandals within State-Owned Enterprises. Another major milestone related to this development is that the Act of Parliament made corporate governance an offence that could be subjected to prosecution and judicial processes.

This article begins by defining State-Owned Enterprises noting that despite the various names that differ geographically in different countries there is scholarly consensus on what constitutes these organizations in terms of mandate, ownership, shareholding among others. In addition, the paper proceeds to provide an appreciation of what corporate governance entails noting that it relates to controls and processes governing the conduct of organizations. Furthermore, the argument proceeds by giving a brief synopsis of the state of corporate governance in State-Owned Enterprises or Parastatals in Zimbabwe. Most critically, the paper interrogates corporate governance practices in Zimbabwean State-Owned Enterprises or Parastatals tracing them from the various policies that were adopted by the post-colonial state at the attainment of independence in Zimbabwe. While most of these policies are generic across most African countries, they nevertheless display uniquely Zimbabwean characteristics. These include the Africanisation policy, the acute dearth in qualified personnel at independence, the adoption of state dirigisme and welfarism owing to Marxist-Leninist ideologies, neo-patrimonial political culture and its associated patron-client relations, nepotism and political interference. While corporate governance in State-Owned Enterprises can be traced from various ontological and epistemological foundations, the paper argues that the aforementioned factors provide an important background to the understanding of corporate governance practices in many State-Owned Enterprises in Zimbabwe.

## Literature Review

### *Defining State-Owned Enterprises and Corporate Governance*

The definition of State-Owned Enterprises has become an oxymoron, multifaceted and at times extensive in time and diverse in nature geographically<sup>2 3</sup>. The name State-Owned Enterprises is not universal, henceforth, in some countries they are known as Government Linked Companies, Public Enterprises, Government Corporations, Government Businesses,

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<sup>1</sup>Lin, K. J., Lu, X., Zhang, J., & Zheng, Y. (2020). State-owned enterprises in China: A review of 40 years of research and practice. *China Journal of Accounting Research*, **13**(1): 31-55.

<sup>2</sup>Willems, I. (2016). Disciplines on State-Owned Enterprises in international economic law: Are we moving in the right direction?. *Journal of International Economic Law*, **19**(3): 657-680

<sup>3</sup>International Public Sector Accounting Standards (IPSAS) September 2018. Retrieved from: <https://www.iasplus.com/en/publications/public-sector/ipsas-in-your-pocket-2018>

and Parastatals among various nomenclatures<sup>4 5</sup>. The definition of State-Owned Enterprises is conditioned by various factors. These include among others, full or majority ownership by government, listing on the stock exchange, having government shareholding through agents like pensions funds, asset management funds, restructuring corporations and or development lenders<sup>6 7</sup>. In addition, how the State-Owned Enterprises was founded, and its purpose or mandates are also important factors. It is critical to note that State-Owned Enterprises were created and endowed with the special privilege of monopolies in their respective mandates or areas of jurisdiction to correct market failures and other irregularities within a particular country's political economy.

Also, corporate governance denotes controls and processes governing the conduct of organizations<sup>8</sup>. It can also relate to the relationship between the governed and those who govern within an organization. In addition, corporate governance revolves around private and public institutions, laws and regulations included and accepted business practices that act as foundations or catalysts for organizational efficiency, effectiveness which undercuts business malpractices like nepotism, corruption and bureaucratic drags and so forth<sup>9</sup>. Besides, corporate governance refers to the processes that govern the control of management and the balancing of interests of all stakeholders<sup>10</sup>. From another angle, corporate governance denotes measures put in place by investors to protect their capital investments in any organization from misappropriation or any sort of financial mismanagement by internal management<sup>11</sup>.

### ***Brief Overview of Corporate Governance in State-Owned Enterprises in Zimbabwe***

Despite representing 14% of the country's Gross Domestic Product<sup>12</sup>, State-Owned Enterprises in Zimbabwe have remained the abode of ineffective monitoring and evaluation, poor financial and operational performance, corruption, corporate governance, brooders of unsustainable debt coupled with an insatiable reliance on state bailouts without any potential for capacity building. In addition, they have been affected by an acute human capital attrition rate owing to uneconomic salaries and wages, poor working conditions, diminishing salary values owing to the volatility of macro-economic fundamentals.

The Attorney General's Report (2016) cites corporate governance as the main catalyst of State-Owned Enterprises failure in Zimbabwe with classic examples being National Railways of Zimbabwe (NRZ), Cold Storage Company (CSC), Netone, Zisco Steel among others<sup>13</sup>. In addition, the Attorney General's Report (2018) noted that lack of due diligence in procurement of goods and services continues to severely undercut corporate governance practices in State-Owned Enterprises. A classic case relates to the Zimbabwe Electricity Transmission and Distribution Company (ZETDC) which has not taken delivery of transformers 9 years after making payment of USD 4.9 million<sup>14</sup>.

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<sup>4</sup> Brutton, G. D., Peng, M. W., Ahlstrom, D., Stan, C., & Xu, K. (2015). State-owned enterprises around the world as hybrid organizations. *Academy of Management perspectives*, **29**(1): 92-114.

<sup>5</sup> *Supra note 1*

<sup>6</sup> Mthombeni, A., Nyamudzodza, J., Sifile, O., Manuere, F. (2021). Corporate Governance Reform Strategies for State-Owned Enterprises (SoEs): An Intergrated Review of Literature. *Interdisciplinary Journal of Applied and Basic Subjects*. 1 (2), 38-47

<sup>7</sup> OECD (2015). OECD guidelines on corporate governance of state-owned enterprises. Paris: OECD Publishing.

<sup>8</sup> Butler, J. W. (2010). Preserving state corporate Governance Law in Chapter 11: maximizing value through traditional fiduciaries. *Am. Bankr. Inst. L. Rev.*, **18**: 337.

<sup>9</sup> Oman, C. P. (2001). Corporate governance and national development.

<sup>10</sup> *Supra note 2*

<sup>11</sup> Shleifer, A., & Vishny, R. W. (1997). A survey of corporate governance. *The journal of finance*, **52**(2): 737-783.

<sup>12</sup> *Supra note 3*

<sup>13</sup> Chigudu, D. (2020). Public sector corporate governance: Zimbabwe's challenges of strategic management in the wake of sustainable development. *Academy of Strategic Management Journal*, **19**(1): 1-13.

<sup>14</sup> *Supra note 4*

In addition, some of the most common types of scandals within the State-Owned Enterprises include the awarding of hefty salary, wages or allowance packages by Chief Executive Officers (CEOs), embezzlement of funds, flouting of tender regulations, improper recruitment procedures, and the enjoyment of lavish lifestyles, frivolous expenditure and an unfathomable penchant for SUVs<sup>15 16</sup>. All these point to a lack of transparency, accountability, fairness, responsibility and independence which are the hallmarks of corporate governance best practices. Also, another challenges within State-Owned Enterprises or Parastatals in Zimbabwe is political interference and board room squabbles. A classic example has been the awarding of the tender to Sakunda Holdings for the Dema Power Plant outside the normal tender processes. In addition, Sakunda Holdings subcontracted Aggreko, a company that was initially disqualified by the State Procurement Board for its exorbitant pricing and charges<sup>17</sup>.

### ***Independence Realities and the Rationale for State-Owned Enterprises***

Very scant literature is available on the state of State-Owned Enterprises in pre-independence Zimbabwe (the then Rhodesia). Suffice to state that, Zimbabwe inherited the bulk of its State-Owned Enterprises from the colonial government. It is generally agreed that the colonial government was inward looking, its economy was highly disarticulated and only catered mainly for the minority white settler population. For an economy that was suffering from economic isolation owing to the United backed economic sanctions, State-Owned Enterprises in Rhodesia became the vehicles for import substitution and sanctions busting. As a result, Rhodesia's economy and subsequently Zimbabwe's economy at independence and years after was industrially strong with a sophisticated Agro-Industrial complex. Though not entirely through Parastatals, the governments effectively provided public goods and services. These include the production of 7000 commodities ranging from food, clothing, fertilizers, lime, chemicals, metal products, energy and power, automobile assembly, armaments manufacturing, transport among others.

The attainment of independence in Africa in general and Zimbabwe in particular heralded a host of developmental challenges. The wars of liberation unraveled insurmountable challenges of demobilization and reintegration of former freedom fighters and the reconciliation and nation building projects. However, for the most part, there were challenges of an acute dearth of a professional Africanized bureaucracy to administer the civil service to deliver political and economic goods to the citizenry. Born out of colonial regimes characterized by racial binaries, the post-colonial government sought to redress the status quo through the provision of goods and survives to the formerly marginalized cohort. Indeed, these multiple policy challenges of the infant state presented vexing questions and priority complexities for the new government. These and other concerns perched State-Owned Enterprises as the vehicles for fast-tracking these policy demands across education, transport, energy and power, consumable retailing and so forth.

In post-colonial Zimbabwe pregnant with independence expectations of the 'great midday'<sup>18</sup>, State-Owned Enterprises are supposed to be actively owned and managed to reach

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<sup>15</sup> Kudakwashe Zvitambo and Ropafadzo Mhizha (2019). Governance Issues at State Owned-Enterprises in the Second Republic of Zimbabwe. *International Journal of Sciences: Basic and Applied Research (IJSBAR)*, **43(2)**: 137-141

<sup>16</sup> Chimbari, P. (2017). Public sector corporate governance in Zimbabwe: The nexus between the ZIMCODE and stateowned enterprises. *International Journal of Economics, Commerce and Management*, **5(7)**: 212-221

<sup>17</sup> *Supra* note 5.

<sup>18</sup> Cesaire, A. (2000). *Discourse on Colonialism*. NYU Press.

their aspired objectives in a manner that is efficient, effective and socially responsible. Cognizant of the multiple policy demands; State-Owned Enterprises were foundational on shifting sands which affected their performance and effectiveness in the long run. Owing to its Marxist-Leninist ideologies predicated on the Cold War politics, Zimbabwe's post-colonial government adopted a welfarist approach to development. This state welfarism was sensitive to the realities of a multiplicity of policy demands of the new state, the aspirations of the citizens' buoyed by the euphoria of independence in terms of the provision of political goods. In a sense, this welfarist approach heightened and stretched at the same time, the state's obligations to society through the subsidization of service delivery at the expense of sound economic decisions of investment, loss and or profit.

Through State-Owned Enterprises or Parastatals welfarism meant that the state "...was able to make necessary decisions on who is to get what and to determine the social compromises vital... not only to a market economy... but to the very production of public order"<sup>19</sup>. Therefore, from the onset, State-Owned Enterprises or Parastatals relied heavily on government funding, were conditioned by political exigencies to a larger extent rather than economic considerations which severely undermined the development of the tenets and standard good practices of corporate governance. Also, the need for political consolidation and legitimacy superseded any other consideration hence State-Owned Enterprises were destined to face myriad obstacles of a governance nature.

### ***The Neo-Patrimonial Theory, Africanisation Policy and the Seeds of Corporate governance in State-Owned Enterprises***

Independence was accompanied by an instrumental reasoning resulting in a deliberate Africanisation of the bureaucracy. This was designed to open access to the economy to the formerly marginalized black population and to synchronize the letter and spirit of liberation with the reality of independence. While the exigencies of the era called for such, it inadvertently created and opened the avenues for 'economies of affection'<sup>20</sup> in which nepotism, neo-patrimonialism and the associated patron-client systems based on blood, kinship, community, ethnicity and a host of other affinities flourished<sup>21</sup>.

The main import of this argument is that authority or governance in Africa in general is premised on the giving and granting of favors in endless dyadic exchanges that go from village level to the highest reaches of the establishment<sup>22 23</sup>. As a consequence, elites or public officials abuse offices by building clientelistic support networks for personal aggrandizement. Subsequently this subverts meritocracy in appointments and bureaucracy further undermining best standards of corporate governance. Therefore, on the one hand, bureaucracy remains personalized through clientelism and nepotism, on the other hand access to public institutions of the state becomes an avenue for personal aggrandizement<sup>24</sup>.

Therefore, cognizant of neo-patrimonialism, nepotism and the attendant patron-client

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<sup>19</sup>Mbembe, A. (2001). On the Post-colony. The University of California.

<sup>20</sup>Morris, L. (2003) Economies of Affection in Crisis: How the Weak 'State Transforms Informal Institutions in Africa, Paper presented at the annual meeting of the American Political Science Association, Philadelphia Marriott Hotel, Philadelphia, PA Online

<sup>21</sup>Hyden, G. (1983) No Shortcuts to Progress: African Development Management in Perspective, Berkeley, CA: University of California Press.

<sup>22</sup> Van de Walle, N. (2001). African economies and the politics of permanent crisis, 1979-1999, Cambridge: Cambridge University Press.

<sup>23</sup> Dube, L. M. (2020). Autocracy, Institutional Constraints and Land Expropriation. A Conceptual Analysis of Land Redistribution in Zimbabwe. *Journal of Public Administration and Governance*, 10 (2), 327-349.

<sup>24</sup>Chabal, P. (1992, 1994) Power in Africa: An essay in Political interpretation. New York: Macmillan.

affinities, the sanctity of corporate governance within State-Owned Enterprises or Parastatals was and remains compromised. The delivery of public goods and services is undercut and substituted by power considerations and survival politics. The end result is that corruption is incubated, institutional bureaucracy is subverted; the State-Owned Enterprises become white elephants that are lethargic and highly unpredictable. Their role as conduits for social, economic and political transformation to the various publics is eroded<sup>25</sup>.

## Discussion And Findings

### *The Effects of the Africanisation Policy*

In view of the foregoing, the Africanisation policy became a catalyst for corruption and clientelism notwithstanding the appointment of personnel not suited or not qualified for the jobs. The attainment of independence revealed the reality of an acute shortage in skilled manpower to administer the bureaucracy and other affiliated organizations like State-Owned Enterprises. Literature on state building in Africa in general and Zimbabwe in particular is replete with cases of poor state capacity and institutional quality<sup>26</sup>, or generally the apparent thinness of the technocratic element within the state<sup>27</sup>. As a result, this affected the efficiency of State-Owned Enterprises and their policy architecture to deliver their respective mandates buttressed by sound institutional support. Post-independence State-Owned Enterprises became rife with acute deficiencies of what<sup>28</sup> terms "capabilities" or what<sup>29</sup> refers to as "state strength"<sup>30</sup>.

### *The Impact of Neopatrimonialism*

Neo-patrimonialism festered the overbearing role of political interference in State-Owned Enterprises or Parastatals in Zimbabwe. In post-colonial states like Zimbabwe, the new elites employed a host of tactics in which the struggle for power was so absorbing that everything else including development was marginalized<sup>31</sup>. Driven by Nkrumahist philosophy of "seek ye first the political kingdom and everything else shall be granted unto you"<sup>32</sup>, the acquisition and preservation of power superseded everything else. The neo-patrimonial culture and the patron-client networks coalesce around a powerful figure or party. Such systems promote patronage and power centralization around a figure to whom all within the systems owe their position or an exchange relationship between unequals<sup>33 34</sup>. As a consequence, those appointed in public office owe their allegiance to the politics and much less to the legal-rational logic. From the bureaucracy to the State-Owned Enterprises or Parastatals management, a neo-patrimonial logic is pervasive wherein office holders engage in the appropriation of public resources for personal aggrandizement and where political authority is largely based on patron-client relations, various forms of rent-seeking

<sup>25</sup>Englebert, P. (2006). *The Reproduction of a Weak State*; In Fitzgerald, V, Stewart, F, Venugopal, R (Eds): *Globalisation, Violent Conflict and Self Determination*. Palgrave Macmillan. New York.

<sup>26</sup> Englebert, P. (2000). *Pre-Colonial Institutions, Post-Colonial States and Economic Development in Tropical Africa*. Political Research Quarterly: Vol, 53, Issue, 1.

<sup>27</sup> Brautigam, D (1996). *State Capacity and Effective Governance: Agenda for Africa's Economic Renewal*. New Brunswick, NJ: Transaction. 81-108

<sup>28</sup> Migdal, J. S. (1988): *Strong Societies and Weak States: State-society relations and state capabilities in the Third World*. Princeton: Princeton University Press.

<sup>29</sup>Wallerstein, I.M., 1980. *Mercantilism and the Consolidation of the European World-economy, 1600-1750* (Vol. 2). Emerald Group Publishing.

<sup>30</sup>Bratton, M. and van de Walle, N. (1997) *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*, Cambridge: Cambridge University Press

<sup>31</sup>Ake, C. (1996). *Is Africa Democratizing*. Malthouse Press.

<sup>32</sup>Dudley, B. J. (1984). *Decolonization and the Problems of Independence* (Eds). Cambridge University Press, pp 52-94 <https://doi.org/10.1017/CHOL9780521224093.004>

<sup>33</sup>Boas, M. (2001) *Liberia and Sierra-Leone: Dead Ringers? The Logic of Neopatrimonial Rule*, *Third World Quarterly*, Vol. 22, Issue 5, pp. 697 – 723.

<sup>34</sup>Thompson, A. (2004). *An Introduction to African Politics*, London: Routledge.

notwithstanding prebendalism. Hence it can be argued that one of the main challenges to State-Owned Enterprises management has been political interference.

In a nutshell, State-Owned Enterprises have become the conduits for opaque financing of political activities, appointment to Boards is done along political lines, meritocracy is dismissed, and the timely reporting of financial reports is seldom done. This is deliberately engineered to cover the "terrible dunghill under the gilding and the crimson"<sup>35</sup>. The top executives or 'Chefs' as they are affectionately named in Zimbabwe award themselves hefty allowances and salaries and are sometimes referred by the moniker "per diempreneurs" because of their insatiable appetite for workshops, foreign trips and seminars that bring travel and subsistence allowances but that have very little substance to the development of the organizations and service providers.

### ***State-Owned Enterprises and the Effects of Monopoly***

In addition, the monopoly that State-Owned Enterprises enjoy in their respective areas of jurisdiction has been their major setback. While monopoly is important considering the mandates of State-Owned Enterprises in correcting market failures and in delivering certain political and economic goods to the populace, the greatest undoing is that it breeds reluctance, lethargy and severely undercuts competition. The result is that without competition, State-Owned Enterprises have become redundant in terms of innovation and the drive to adopt or keep pace with standard best practices obtaining in the private sector. One of the standard best practices that the private sector embraced is corporate governance and the cutthroat competition pushed the private sector to rebrand their service delivery in ways that are unimaginable. However, while it can be argued that competition is good for organizational progress and innovation, it has to be born in mind that State-Owned Enterprises have a social and political conscience which is held sacred by governments especially those in the periphery.

### ***Corporate governance as Symptomatic of Weak Statehood***

The state of corporate governance in Zimbabwe is "microcosm of the macrocosm" in that it is emblematic of the general state weakness that has gradually developed in Zimbabwe since independence in 1980. These contradictions of state building which are sometimes referred to as the Zimbabwean crisis conspicuously reveals itself through a strong center and a weak periphery. While the main theses of this strand of argument is that state weakness and by extension corporate governance is a process not an event hence it developed over time. This state weakness and by inference weak corporate governance relates to the failure by the state through State-Owned Enterprises to supply medical and healthcare, descent educational infrastructure, railways and even a beneficent fiscal and institutional context within which citizens can pursue entrepreneurial goals<sup>36</sup>.

As the vanguard of the state in delivering political and public goods to the citizenry, State-Owned Enterprises are the state's administrative machinery in projecting infrastructural power. Therefore because of weak institutions, macro-economic volatility, sustained economic decay issues like corruption, embezzlement of funds, deteriorating working conditions and depreciating salary value have been incubated within State-Owned Enterprises in Zimbabwe.

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<sup>35</sup> Mbembe, A. (2017). Critique of Black reason (L. Dubois, Trans.). Duke University Press.

<sup>36</sup>Lemay-Hebert, N (2010). Trying to Make Sense of the Contemporary Debate on State-building: The Legitimacy and the Institutional Approaches on State, State Collapse and State-building. IPSA. [www.core.ac.uk/download/pdf/1631271.pdf](http://www.core.ac.uk/download/pdf/1631271.pdf)-- (last accessed 19 October 2020)

In addition, it is gospel truth that State-Owned Enterprises have been offering goods and services with a social and political conscience in mind. At this juncture, the article refers to rationale behind the formations or creation of State-Owned Enterprises at independence or for any government. These Parastatals were formed to deliver political and economic goods to the general citizenry. However, they were also created by the new post-colonial governments for them to preserve and consolidate power notwithstanding the strengthening of legitimacy. Henceforth, these organizations have been offering their goods and services at subsidized rates and at some time beyond the boundaries or limits of the legal-rational logic.

As Achille Mbembe opines in his classic, 'On the Post Colony', such a scenario, while allowing governments the multiple obligations, they not only strained the government fiscus resulting in budgetary constraints but they also created organizations with a heavy reliance on government funds. The underside is that such an arrangement created organizations that could not be weaned from government benevolence. Hence when the Zimbabwean economy went through drastic upheavals in the mid-1990s owing to the structural adjustment austerity, the performance and vitality of State-Owned Enterprises was subsequently affected. Therefore, it is imperative to hold that the state of corporate governance in Zimbabwe cannot be divorced from the general decline in the social, political and economic decline that the country underwent and continues to struggle to extricate itself.

## **Recommendations**

In view of the general decay in corporate governance that currently obtains in Zimbabwe, this article proposes a myriad of recommendations. These will not only go a long way in ameliorating this scenario but also in strengthening research. Firstly, despite their location on the boundaries between politics and governance where the differences or dichotomies are blurred, there is an urgent need for political interference to be limited. This will enable the adoption of such best practices as meritocracy in appointments. In addition, while they remain an appendage of the central government and may not be weaned from its tentacles, they need more autonomy in the way they are managed.

Besides, against the background of the adoption and the passing of the Public Entities Corporate Governance Act of 2018 by the Government of Zimbabwe, it is imperative that future research should be conducted on the adherence or acceptance rate by State-Owned Enterprises. This will go a long way in benchmarking the success and also challenges involved in the implementation of the Act in Zimbabwe's State-Owned Enterprises.

## **Conclusion**

In summation, this article grappled with the political economy of corporate governance practices within State-Owned Enterprises in Zimbabwe. While admitting that the development of corporate governance practices in post-colonial Zimbabwe is a process not an event, the paper argued that the seed for this malady lies in the various policies that were adopted at independence by the new government like the Africanisation policy, state dirigisme and welfarism, neo-patrimonial political culture and its multiple dimensions, the pursuit of power as an end in itself at the detriment of the legal-rational logic. Alive to the realities and policy demands of the new infant state in 1980, the research noted that these policies were the main catalysts for the growth of corporate governance in Zimbabwe. On the contrary, the paper also noted that the growth of corporate governance malpractices happened alongside the general state weakness that currently obtains in Zimbabwe. Alongside weak



state institutions and feeble infrastructural power by State-Owned Enterprises or Parastatals to penetrate society and deliver political and public goods, corporate governance also developed hence a process not an event.

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