

Zimbabwe Needs Radical Change from Capitalist System Not Just a Currency

News:

Zimbabwe's Central Bank has recently introduced the new gold coins from which it hopes to reduce demands for foreign currency. During the official launch of the newly introduced gold coins in Harare, John Mangudya, Head of the Reserve Bank of Zimbabwe confirmed that the coins are designed to reduce demand for U.S. dollars in the country.

Comment:

Zimbabwe is a colonized country which obtained her flag independence in 1980. Since the invasion and colonization of Africa by the bloodthirsty western capitalists by the end of 19th century, Zimbabwe has been under British influence to date, and this is her main problem that need to be solved, getting rid of neo-colonialism.

Zimbabwe implements evil capitalist economic system which is the source of all her economic disasters and hardship. Furthermore, capitalist economic policies lead her into recession with her economy contracting by 6.0% in 2019 and 10% by 2020.

According to African Development Bank, economic instability has made inflation part of Zimbabwe's economy, soared up to 226.9% in 2019 and 622.8% in 2020, budget deficit rose from 2.7% in 2019 to 2.9% in 2020. The exchange rate depreciated ZWL2.5 in February 2019 and stabilizing around ZWL82 to the US dollar in December 2020. Poverty stood at 70.5% in 2019 while unemployment remained high at over 21%.

As the result of shackles of international monetary institution like The International Monetary Fund (IMF), Zimbabwe's total public debt is \$11.1 billion (53.9% of GDP), of which 95.6% is external. Including \$6.4 billion in arrears to international financial institutions, bilateral and private creditors.

Under this situation, poverty has become part of Zimbabweans life as a result of the above said factors. Introduction of a new gold coins makes economists and ordinary Zimbabweans skeptical on its workability. Prosper Chitambara, a senior researcher and economist at the Labor and Economic Development Research Institute of Zimbabwe, said: "Even the demand for U.S. dollar as a store of value, it will also rise...most people may not have money to buy this since most citizens are literally living from hand to mouth." This is because the gold coins cost about \$1,800 each which means for a normal civil servant whose salary ranks from \$180 to \$200 will need ten months or a whole year salary to buy a single coin!

Gold currency is part of Islamic currency within its economic system, maintaining gold and silver standard was practical all over the time under the Khilafah (Caliphate) State and through it world economy was stable for 13 centuries. Islam also abolishes the parasitic economy, forbids interest (riba), interest based loans, fractional reserve banking and capital markets, including stock markets and derivatives markets, which collectively dwarf the real economy, in terms of volume of money.

In the context of Zimbabwe, it is very likely that the introduction of the new gold currency would not change anything, since it is only a single patchup while the whole economic and political system are still capitalistic and is the only ideology that runs people's affairs using the colonialism to exploit Zimbabwe's resources and impoverish people and the country. So, unless there is no radical ideological change the gold currency would not work and bear any meaningful fruits.

What Zimbabwe needs to understand is, in order for gold standard to work properly needs Islamic economic system which can not be properly implemented except when Islam is practiced as an ideology in all spheres of life under the global Islamic state (Khilafah).

We call upon the people of Zimbabwe and all developing nations that the time is up to abandon capitalist system that has brought unimaginable and catastrophic disasters to humankind. We also specific remind Zimbabwe that Islam has offered a great deal of civilization to it from 15th century, which was brought from East Africa and Mozambique through trade and intermarrying with Shona tribe, leading to prosperity of the great Mutapa kingdom and the rise of cities like Salisbury (Harare) having as long history and richness in gold extraction. It all ended in vain with the invasion of Portuguese and later British colonialism.

**Written for the Central Media Office of Hizb ut Tahrir by
Said Bitomwa**

Member of the Media Office of Hizb ut Tahrir in Tanzania