



Assessing Political Economy Factors Affecting Zimbabwe's Capacity to Meet AfCFTA Obligations

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Abstract

This article assesses the political economy factors shaping Zimbabwe's capacity to meet its obligations under the African Continental Free Trade Area (AfCFTA). It examines how structural conditions, formal and informal institutions, national incentives, actors, agency, governance, and decision-making processes shape Zimbabwe's readiness for deeper continental integration. The analysis focuses on tariffs and non-tariff measures as political-economy instruments that reflect revenue dependence, the protection of domestic constituencies, and regulatory discretion. It further considers institutional coordination, bureaucratic incentives, fiscal reliance on trade taxes, and political protection of key industries as factors influencing implementation capacity. The article shows that Zimbabwe has strong incentives to participate in the AfCFTA, including access to a single continental market, export expansion, manufacturing growth, value chain participation, services sector development, and employment creation in the digital economy. However, these opportunities are constrained by a weak industrial base, limited export diversification, macroeconomic instability, exchange-rate volatility, inadequate infrastructure, policy inconsistency, and weak implementation capacity. The discussion also highlights Zimbabwe's long history of ambitious development policies, whose outcomes have been undermined by poor sequencing, weak institutional coordination, limited stakeholder engagement, and inconsistent political backing. The article therefore situates Zimbabwe's AfCFTA prospects within a broader political economy context, arguing that effective participation requires more than tariff liberalisation. It depends on credible macroeconomic stabilisation, industrial upgrading, regulatory predictability, trade facilitation, private-sector engagement, and strengthened institutional governance.

Subject Areas

Sociology

Keywords

AfCFTA, Political Economy Factor, Development

1. Introduction

The AfCFTA offers Zimbabwe an opportunity to deepen continental trade integration, expand market access, promote export growth, and participate more effectively in African value chains. However, the country's ability to fulfil its AfCFTA obligations is shaped by broader political economy factors, including structural conditions, institutional capacity, governance arrangements, macroeconomic stability, and the interests of state and non-state actors. Tariffs and non-tariff measures are therefore not only technical trade instruments but also political economy tools that reflect revenue dependence, the protection of domestic constituencies, and regulatory discretion [1] [2].

Digital transformation has the potential to support Zimbabwe's regional integration. The national ICT policy promotes the development of a strong and competitive Zimbabwean economy through enhanced trade and commerce platforms, alignment of regional regulatory and policy frameworks, and the use of regional initiatives to drive ICT growth. Zimbabwe's participation in the AfCFTA must be understood against the backdrop of its structural economic conditions. Key factors affecting integration include the ICT Development Index, Gross Domestic Product, macroeconomic convergence, Manufacturing Value Added per capita, Export Diversification Index, employment, Gross Private Domestic Investment, intra-SADC investment, Foreign Direct Investment, and macroeconomic stability. Geographical factors, access to sea transport, participation in regional groupings, and shared public goods, such as security, also influence state behaviour in the AfCFTA. Zimbabwe's digital economy has grown, particularly in digital financial services, with digital payment platforms leading transactions nationwide [3]. However, the country continues to face challenges in digital skills, ICT infrastructure, digital financial services, entrepreneurship, and e-government platforms [3]. Persistent structural constraints, including inadequate coordination, infrastructure weaknesses, and frequent power outages, continue to undermine reliable digital service delivery [4].

Industrial capacity is also central to Zimbabwe's ability to benefit from the AfCFTA. Manufacturing Value Added (MVA) per capita remains weak. In Zimbabwe, MVA per capita, measured in constant 2015 US dollars, declined from US\$129.10 in 2000 to US\$110.40 in 2024, indicating persistent challenges in the country's industrial development [5]. UNIDO also reports Zimbabwe's MVA per capita at around 112 constant 2015 US dollars in 2022, placing the country among

lower-income industrial nations in Africa [6]. These figures suggest that Zimbabwe's manufacturing base has not grown sufficiently to support structural transformation. This weakness limits the country's ability to compete under continental liberalisation unless industrial policy, value addition, beneficiation, and productive capacity are strengthened.

Export diversification remains a key challenge. Africa is among the least diversified regions globally, with many countries reliant on commodities for most merchandise exports [7]. Zimbabwe's export basket has become increasingly concentrated in minerals and agricultural products, while manufacturing exports have declined in sophistication and labour intensity [8]. This narrow export structure limits Zimbabwe's ability to capitalise on AfCFTA preferences, particularly in contexts where regional value chains require higher levels of innovation, technological upgrading, and sectoral diversification.

Macroeconomic stability is crucial for successful AfCFTA integration, as it reduces volatility, supports investment, strengthens competitiveness, and creates a predictable environment for trade-related reforms [9] [10]. Zimbabwe's macroeconomic performance has been characterised by high inflation, exchange-rate volatility, low private investment, limited structural transformation, and weak competitiveness. These challenges have constrained the country's capacity to specialise, attract investment, and expand exports. Unless inflation, fiscal deficits, interest rates, and exchange-rate instability are addressed, deeper integration through the AfCFTA is unlikely to deliver broad-based welfare gains.

Zimbabwe's history of regional integration and economic reform shapes its path within the AfCFTA. Since independence, the country has launched numerous development and reform initiatives, including Growth with Equity, the Transitional National Development Plan, the he First Five-Year National Development Plan; Economic Structural Adjustment Programme (ESAP); Zimbabwe Programme for Economic and Social Transformation (ZIMPREST); Zimbabwe Vision 2020; Millennium Economic Recovery Programme (MERP); National Economic Revival Programme (NERP); Short-Term Economic Recovery Programme (STERP); and Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET), the Transitional Stabilisation Programme, and the National Development Strategy 1 [11] [12]. These initiatives aimed to promote redistribution, industrialisation, export-led growth, macroeconomic stability, value addition, and private-sector development [11] [13]. Nonetheless, their success was often constrained by challenges such as poor implementation, poor sequencing, limited stakeholder participation, fiscal pressures, macroeconomic instability, inconsistent policies, and governance issues [12] [13].

The AfCFTA offers Zimbabwe several potential benefits, including access to a single continental market, greater price competition, growth in the manufacturing sector, expanded exports, participation in continental value chains, reduced dependence on extra-African imports, development of the services sector, and employment opportunities in the digital economy [10] [14]-[16]. Yet these gains are not automatic. They depend on addressing long-standing constraints, such as lim-

ited industrial competitiveness, high production costs, infrastructure bottlenecks, non-tariff barriers, weak export finance, and unstable exchange-rate and payment systems. Without these reforms, market liberalisation may increase import penetration rather than strengthen domestic production.

Actors, agency, governance, and decision-making processes are also central to Zimbabwe's AfCFTA implementation. The state remains the primary actor in entering into trade agreements, enacting trade policies, and regulating political and economic transactions. However, non-state actors, including the private sector, multinational corporations, civil society, and academia, are also important in policy formulation, implementation, and research-based trade solutions. Zimbabwe has several formal platforms for private-sector engagement, including the Zimbabwe Investment and Development Agency (ZIDA), National Economic Consultative Forum (NECF), Tripartite Negotiating Forum (TNF), and National Competitiveness Commission (NCC) the Monetary Policy Committee, and university councils. However, these institutions often remain more representative than effective, and private-sector influence over economic governance is limited [17].

This article therefore examines the political economy factors that continue to shape Zimbabwe's capacity to comply with and benefit from the AfCFTA. It focuses on structural factors, formal and informal institutions, national incentives, and the role of actors and governance in decision-making. The central concern is whether Zimbabwe can move beyond ambitious policy design and address the implementation failures that have historically constrained trade competitiveness, industrial transformation, and regional integration.

2. Theoretical Framework

This study uses a modified version of the five-lens political economy framework from Byiers *et al.* [18]. The original framework examines structural factors, formal and informal institutions, actors, interests, agency, sectoral characteristics, governance, and external influences. In this study, four main categories are retained: structural factors; institutions (both formal and informal); actors, incentives, and agency; and sectoral governance. External factors are treated as a cross-cutting context rather than a separate category. This decision aligns with the study's scope and the available empirical evidence, which did not include an in-depth analysis of global geopolitical issues, donor actions, commodity shocks, or other external influences. Nonetheless, factors such as foreign investments, commodity markets, sanctions and support from development partners are acknowledged when they affect domestic structures, institutions, actor behaviour, or sector-level implementation. The framework remains aligned with Byiers *et al.* [18], with a primary focus on categories central to the research questions and data. It examines four key dimensions: structural factors; formal and informal institutions; incentives, actors, and agency; and sector governance. These interconnected elements demonstrate how economic and political interests are shaped, negotiated through institutions, influence policy outcomes, and shape national responses to regional com-

mitments.

The framework is well suited to analysing Zimbabwe's implementation of the African Continental Free Trade Area (AfCFTA) because regional integration involves more than simply lowering tariffs. It is shaped by domestic economic structures, institutional capacity, political motivations, diverse actors' interests, and sector-specific governance systems. As a result, the framework enables evaluation of Zimbabwe's adherence to AfCFTA obligations across the seven key areas of the Boosting Intra-African Trade initiative, linking domestic policies to regional commitments.

The initial perspective assesses the structural factors that affect Zimbabwe's ability to engage effectively in continental trade. These include the size and composition of the economy, productive capabilities, industrial growth, employment levels, economic diversification, infrastructure, geography, historical development, and membership in regional organisations. Zimbabwe faces ongoing structural challenges when joining the AfCFTA, such as a limited industrial base, reliance on primary commodities, high costs for production and transportation, weak export sophistication, infrastructure gaps, and limited integration into regional value chains [10] [19]-[21]. These factors determine whether greater market access boosts local production and exports or leads to increased import competition from more industrialised African nations.

The second lens examines the formal and informal institutions governing regional integration. Formal institutions include trade and industrial policies, laws, tariffs, customs procedures, regulatory systems, investment rules, enforcement mechanisms, and administrative arrangements. Informal institutions comprise political practices, administrative norms, established networks, and unwritten rules that shape policy development and implementation. Zimbabwe's experience shows that formal policy adoption often fails to translate into effective implementation. Programmes such as the Economic Structural Adjustment Programme, ZIMPREST, Vision 2020, and other national strategies have been hindered by poor sequencing, weak institutional coordination, inconsistent enforcement, limited stakeholder participation, and insufficient monitoring [22]-[26]. The institutional lens thus assesses whether Zimbabwe's laws, policies, and implementation structures are coherent and credible enough to support its AfCFTA commitments.

The third lens examines incentives, actors, and agency. States pursue regional integration to access larger markets, enhance bargaining power, attract investment, secure export opportunities, obtain infrastructure financing, participate in value chains, create employment, and achieve broader welfare gains [27]-[31]. Conversely, governments and domestic groups may resist integration due to concerns about industrial vulnerability, revenue losses, import competition, and the unequal distribution of benefits [30] [32] [33].

Zimbabwe's AfCFTA incentives include export diversification, manufacturing growth, price convergence, service-sector expansion, digital job creation, and integration into regional value chains. However, realising these benefits depends on

the actions and interests of both government and non-government stakeholders. The government remains the key player, handling international negotiations, formulating domestic policies, controlling trade, and overseeing implementation. While political leaders may endorse regional initiatives for economic, diplomatic, ideological, or legitimacy reasons, formal commitments do not always translate into effective domestic implementation [34].

Government ministries, regulatory authorities, customs agencies, investment bodies, and monetary and fiscal institutions influence the implementation of the AfCFTA [18] [34]. Non-state actors, including firms, business associations, labour organisations, civil society, and academic institutions, may support regional integration when it creates new market opportunities but resist it when increased competition threatens established interests [34] [35]. In Zimbabwe, despite the existence of formal consultative platforms, fragmented business representation and weak public-private dialogue have constrained the private sector's sustained influence on economic policymaking [17]. This analytical lens therefore examines how competing interests are articulated, aggregated, and incorporated into national trade strategies [18].

The fourth lens focuses on sector governance, covering the rules, institutions, coordination mechanisms, and relationships that underpin the implementation of AfCFTA obligations within specific sectors. Opportunities vary across agriculture, manufacturing, mining, transport, finance, tourism, information technology, and digital services. Zimbabwe shows promise in agro-processing, mineral beneficiation, pharmaceuticals, light manufacturing, tourism, and digital trade. However, success in these sectors depends on coordinated industrial policies, adherence to standards, reliable energy and transport infrastructure, trade finance, regulatory harmonisation, stable exchange rates, and strong regional cooperation [10] [21] [36].

Sector governance also covers tariff management, non-tariff barriers, competition regulation, export incentives, safeguards, and the socio-economic impacts of liberalisation. Zimbabwe faces challenges, including limited direct export finance, weak policy credibility, and underfunded sector support programmes, which hinder industrial growth and export competitiveness [10] [37]. Consequently, the framework assesses whether the institutions overseeing the seven BIAT clusters have sufficient authority, resources, coordination tools, and accountability measures.

The four lenses are mutually reinforcing. Structural conditions shape actors' interests and implementation capacity; institutions determine how those interests are negotiated; incentives influence support for or resistance to integration; and sector-governance arrangements determine how commitments are implemented. Together, the framework explains why Zimbabwe may formally endorse the AfCFTA while struggling to fulfil its obligations and secure broad-based benefits. It therefore provides the analytical basis for assessing Zimbabwe's preparedness, policy compliance, implementation capacity, and prospects for effective participation in continental integration.

3. Methodology

The study utilised a pragmatic mixed-methods case study approach, guided by the IPE framework [18]. This framework enabled an examination of the structural, institutional, incentive-based, actor-focused, and governance-related factors influencing regional integration. A sequential exploratory method was employed, beginning with a review of secondary data on Zimbabwe's AfCFTA involvement, structural conditions, trade trends, and macroeconomic indicators. The analysis focused on tariffs and non-tariff measures as political economy tools signalling revenue dependence, protection of domestic interests, and regulatory discretion [1] [2]. Indicators such as non-tariff coverage ratios, ad valorem equivalents, licensing requirements, and trade facilitation indicators were used to assess how administrative practices, customs cooperation, transit systems, and border harmonisation could delay or complicate compliance with AfCFTA commitments [38] [39]. Key structural factors examined included ICT development, manufacturing capacity, export diversity, investment levels, macroeconomic stability, exchange rate policies, energy supply, logistics, regulatory consistency, and the quality of the skills base.

Primary data were collected through a firm-level survey and semi-structured key informant interviews within a pragmatic mixed-methods framework, enabling the integration of quantitative and qualitative evidence during analysis [40]. Purposive sampling targeted information-rich institutions and export-oriented firms directly involved in Zimbabwe's AfCFTA implementation [41]. Key informants were drawn from 12 institutions responsible for trade policy, customs, investment, export promotion, monetary policy, and industrial development, with 15 of the 24 targeted informants participating. The firm sampling frame comprised 100 export-oriented companies identified from CZI, ZNCC, and ZimTrade listings. Firms were distributed as evenly as possible across these sectors. The firm-level sampling frame purposively focused on export-oriented companies, as these directly reflect whether AfCFTA commitments result in increased trade. Only firms listed in the selected sources and engaged in export activities pertinent to the study were included in the sample. This process resulted in 100 firms spanning eight sectors: agro-processing, manufacturing, services, construction, chemicals, textiles, pharmaceuticals, and engineering. Efforts were made to distribute firms evenly across all sectors to ensure broad representation and to prevent overrepresentation of sectors with more listings.

The finite-population formula suggested a target of approximately 80 firms, based on a 95% confidence level, a 5% margin of error, and a 50% population proportion [42]. These parameters informed fieldwork planning but did not imply probability-based sampling. The questionnaire was administered to 81 firms, of which 62 complete responses were retained for the core analysis, yielding a response rate of 76.5%. The number of valid responses ranged from 62 to 65 across analyses because of item-level missing data, which were transparently reported and addressed [43]. Consequently, the findings primarily apply to the surveyed

firms and institutions and should not be statistically generalised to all Zimbabwean exporters.

The survey constructs were operationalised using four IPE analytical lenses adapted from the five-lenses framework developed by Byiers *et al.* [18]: structural factors, formal and informal institutions, actors and incentives, and sector governance and policy processes. These lenses were applied across the seven clusters of the African Union's Boosting Intra-African Trade (BIAT) Action Plan [19]: trade policy, trade facilitation, productive capacity, trade-related infrastructure, trade finance, trade information, and factor market integration. The BIAT clusters defined the substantive policy areas to be assessed, while the IPE lenses provided the political-economy perspectives through which conditions within each domain were examined. Trade policy was operationalised through indicators of policy coherence, regulatory alignment, and implementation; trade facilitation through customs procedures, border administration, and institutional coordination; productive capacity through firms' production capabilities and constraints; trade-related infrastructure through transport, logistics, energy, and supporting systems; trade finance through access to financial resources and risk-mitigation mechanisms; trade information through access to AfCFTA knowledge, market intelligence, and institutional communication; and factor market integration through conditions affecting the movement of capital, labour, and other productive resources. Questionnaire items within these domains were designed to identify structural constraints, assess the effectiveness of institutional arrangements, examine the incentives shaping actors' behaviour, and evaluate governance and implementation processes. The four IPE lenses therefore constituted the analytical framework, while the seven BIAT clusters provided the empirical dimensions for assessing Zimbabwe's institutional readiness, implementation gaps, and capacity for effective AfCFTA integration.

The questionnaire consequently assessed market access, trade barriers, regulatory requirements, export competitiveness, customs procedures, border delays, trade finance, market intelligence, and firms' readiness to leverage AfCFTA preferences. A seven-point Likert scale was used to capture variations in firms' perceptions [44]. Semi-structured interviews complemented the survey by examining tariff liberalisation, tariff-offer implementation, non-tariff barriers, rules of origin, customs harmonisation, trade infrastructure, trade finance, information systems, institutional coordination, and factor mobility.

Firm category was operationalised as a nominal variable comprising three mutually exclusive groups: large corporations, small and medium enterprises (SMEs), and informal-sector enterprises. Respondents selected the category that best described the enterprise they represented. The classification was informed by Zimbabwe's Small and Medium Enterprises Act (Chapter 24: 12), [45] which differentiates micro, small, and medium enterprises using criteria such as employment, annual turnover, and asset value, with sector-specific thresholds. Firms falling outside these MSME thresholds were operationally classified as large corporations, while enterprises operating outside formal regulatory frameworks were cat-

egorised as informal-sector enterprises. Although informal enterprises may also possess characteristics of micro or small firms, they were treated separately because informality relates primarily to formalisation and regulatory status rather than firm size. Numerical codes such as 1 = large corporation, 2 = SME, and 3 = informal sector were used only as identifiers and did not imply any ranking. Following data cleaning, only large corporations and SMEs were retained for the core firm-level analysis because the study focused on exporting firms participating, or potentially participating, in formal AfCFTA trade. Informal-sector responses were excluded where they did not meet the analytical criteria or lacked sufficient valid data.

The comparison between large corporations and SMEs was based on the premise that firm size may influence access to finance, market information, compliance systems, productive capacity, and export readiness, although firm size alone was not assumed to determine regional trade participation. To examine this relationship, chi-square analysis was used to test whether an association existed between firm category and participation in regional African trade. Trade participation was operationalised separately from firm category to capture firms' different market orientations. Firms that exported outside Africa but did not participate in regional African trade were classified as non-participants in regional trade and exporters outside Africa, while firms participating in both regional African trade and extra-African exports were classified as participants in both markets. This distinction recognised that exporting outside Africa does not necessarily imply participation in African regional trade. Including non-participating firms was important for assessing AfCFTA readiness because their experiences provided evidence of barriers such as limited awareness, inadequate market intelligence, financial constraints, capacity limitations, and weak institutional support. The analysis therefore considered both participating and non-participating firms to explain variations in readiness and engagement with African regional markets.

Quantitative data were analysed using IBM SPSS Statistics version 22 [46], while qualitative data were analysed using NVivo version 14 [47]. Thematic analysis followed Braun and Clarke's inductive approach, allowing themes to emerge from the interview data while remaining aligned with the study's theoretical framework [18]. NVivo-assisted automated coding initially identified recurring concepts and patterns. This was then manually reviewed and validated against the original transcripts to ensure accurate, relevant, and consistent theme assignment. The coding process was iterative, focusing on institutional dynamics, actor incentives, governance constraints, coordination gaps, and implementation challenges. NVivo tools, including cluster analysis and matrix coding queries, were used to explore relationships and patterns across institutions and stakeholder groups. The reported thematic frequencies are derived from NVivo coding outputs that were manually validated, not from automated counts. Qualitative findings were triangulated with survey results and documentary evidence and interpreted through four IPE analytical lenses. Reliability, credibility, and validity were enhanced by using the interview guide consistently, validating coded data systematically, trian-

gulating data sources, and aligning research objectives, data collection methods, operational indicators, and the analytical framework [48]. Potential response and interpretive biases were mitigated through rapport-building, active listening, and iterative validation. Ethical safeguards included voluntary participation, informed consent, confidentiality, anonymity, the right to withdraw, separate consent for audio recordings, and secure, password-protected data storage.

4. Findings

The study targeted 80 firm-level survey responses and received 81, of which 62 were retained for the core quantitative analysis; analysis-specific valid samples ranged from 62 to 65 because usable partial responses were included where appropriate. Available-case analysis was conducted using IBM SPSS Statistics version 22, with each statistical test based on firms providing usable data for the variables analysed [46]. Thus, a valid N of 62 indicated that 19 responses were missing or unusable for that analysis (23.5%), whereas an N of 65 indicated 16 missing or unusable responses (19.8%). Analysis-specific sample sizes were reported alongside the results; no missing values were imputed, and blank or absent responses were treated as missing, while substantive categories such as “no comment/never tried” were retained as valid. The treatment of missing data was guided by the TARMOS framework through reporting the extent of missingness, valid sample sizes, analytical procedures, and implications for interpretation [49]. However, missingness patterns and mechanisms were not formally examined, and no sensitivity analyses were conducted. Although systematic non-response could not be tested empirically, its potential influence was addressed through transparent analysis-specific reporting, the retention of all usable observations without imputation, and triangulation with interview and documentary evidence. Moreover, the narrow range of valid sample sizes across analyses suggests that missingness within the retained dataset was concentrated in particular items rather than distributed widely across variables, although this does not establish that the data were missing at random. Expected-cell checks, Fisher’s exact tests where appropriate, and effect-size measures strengthened group comparisons but did not address the underlying missing-data mechanism. The qualitative sample was also smaller than planned, comprising 15 respondents from 10 of the 12 selected institutions rather than the targeted 24 respondents. Given the purposive and exploratory design, the quantitative findings were interpreted as indicative patterns within the surveyed sample rather than nationally representative estimates or causally conclusive results and were integrated with interview and documentary evidence to strengthen contextual interpretation [40] [48].

Qualitative interview data were analysed using NVivo Version 14, generating the thematic word cloud presented in **Figure 1**. Quantitative data were analysed in IBM SPSS Statistics Version 22, using frequency distributions, percentages, cross-tabulations, and Chi-square (χ^2) tests. These Chi-square tests served as preliminary exploratory tools to investigate potential associations between selected categorical variables. They were appropriate, as variables such as firm size and

participation in intra-African trade are categorical. Nevertheless, the tests did not aim to establish causality, predict outcomes, or generalise findings statistically. Rather, they facilitated the identification of potential patterns of association in the survey data, which were interpreted alongside qualitative findings.



Figure 1. Thematic word cloud on Zimbabwe's political economy of integration into the AfCFTA.

The word cloud in **Figure 1** highlights key ideas and recurring themes from respondents' narratives on the structural, institutional, and macroeconomic factors shaping Zimbabwe's participation in continental trade. Notable terms such as macroeconomics, currency, taxation, cost, and stability indicate that respondents regard macroeconomic instability and economic costs as significant obstacles to greater integration. Likewise, the frequent use of terms such as infrastructure, logistics, policy, coordination, compliance, and implementation underscores ongoing concerns about institutional cooperation, trade support, regulatory efficiency, and implementation capacity.

This section begins by assessing how structural factors, including export patterns, limited industrial growth, constraints on transport and communications infrastructure, power outages, logistical hurdles, corridor disruptions, and police roadblocks, affect the rollout of AfCFTA commitments. Next, it shows how formal and informal institutions shape the domestication and enforcement of AfCFTA responsibilities, with particular focus on Zimbabwe's cautious stance towards liberalisation, fragmented policy initiatives, and persistent administrative and regulatory obstacles.

Third, this section reports on the incentive environment that shapes firm and institutional behaviour, covering access to foreign currency, trade finance, technology transfer, industrial support systems, and export incentives. Fourth, it explores sector governance issues, including institutional capacity, policy coherence, availability of skilled labour, partnerships with academic and research institutions, non-tariff measures, customs harmonisation, sector competitiveness, value-chain integration, and capital flows within regional markets.

Overall, the findings suggest that the political economy factors shaping Zimba-

bwe's integration into the AfCFTA are complex and interconnected. These include structural economic constraints, institutional weaknesses, limited incentives, and fragmented sectoral governance, all of which affect the country's ability to engage effectively in regional integration.

4.1. Political Economy Factors Influencing Zimbabwe's Integration into the AfCFTA

The findings indicate that Zimbabwe's integration into the AfCFTA is shaped by a complex interplay of structural constraints, formal and informal institutions, actor incentives, and sector governance dynamics. Zimbabwe has shown formal commitment to continental integration by ratifying and depositing the AfCFTA Agreement in 2019 [50]. However, survey and interview results from this study reveal that, at the time of data collection, Zimbabwe's ability to realise the benefits of the AfCFTA was limited by macroeconomic instability, low industrial capacity, high transaction costs, fragmented institutional coordination, weak incentives, and uneven implementation. These perceptions and experiences, reported during data collection, should be distinguished from subsequent developments. Later evidence indicates that implementation continued to evolve after the main data collection. For example, in 2024, Zimbabwe submitted its Provisional Schedule of Tariff Concessions to the AfCFTA Secretariat, which was technically approved, though additional steps were needed for full operationalisation [51]. More recent reports from ZIMRA in July 2026 document ongoing customs modernisation and regional trade facilitation efforts, such as digitalisation, data exchange, and coordinated customs procedures aimed at supporting AfCFTA implementation [52]. These updates are considered documentary revisions rather than survey or interview findings. While they show sustained institutional efforts, they do not invalidate the initial findings; instead, they indicate that the implementation environment has continued to develop since respondents identified constraints.

The NVivo analysis in **Figures 2-6** supports this view, identifying the Economic Constraints Cluster as the primary theme, followed by Systems and Infrastructure, Production and Industry, Governance and Policy, and Trade and Markets. These clusters suggest that Zimbabwe's AfCFTA challenge extends beyond trade policy to a broader political economy issue, involving interactions among state capacity, firm behaviour, macroeconomic conditions, infrastructure, finance, and institutional coordination.

4.2. Qualitative Data Analysis and Thematic Clustering

Figures 1-6 align with existing research indicating that the benefits of the AfCFTA depend on more than tariff reductions alone. The World Bank [20] suggests that the greatest advantages are achieved when tariff cuts are paired with reduced non-tariff barriers, improved trade facilitation, and regulatory reforms. Similarly, UNCTAD [53] highlights that African nations can only fully benefit from the AfCFTA if they focus on building productive capacities, diversifying exports, and engaging more in regional value chains. This study builds on that by illustrat-

ing how these continental limitations manifest in Zimbabwe's unique political economy, where issues such as weak implementation, high production costs, foreign-currency instability, import dependence, and unequal access to policy platforms hinder the effective use of the AfCFTA.

4.3. Structural Factors

Structural conditions emerged as the dominant constraint on Zimbabwe's integration into the AfCFTA. Zimbabwe's exports are heavily concentrated on primary commodities and low-value industrial products, such as minerals, raw agricultural materials, and minimally processed goods. Key exports include gold, nickel, iron and steel, chromium, platinum, diamonds, raw tobacco, hides and

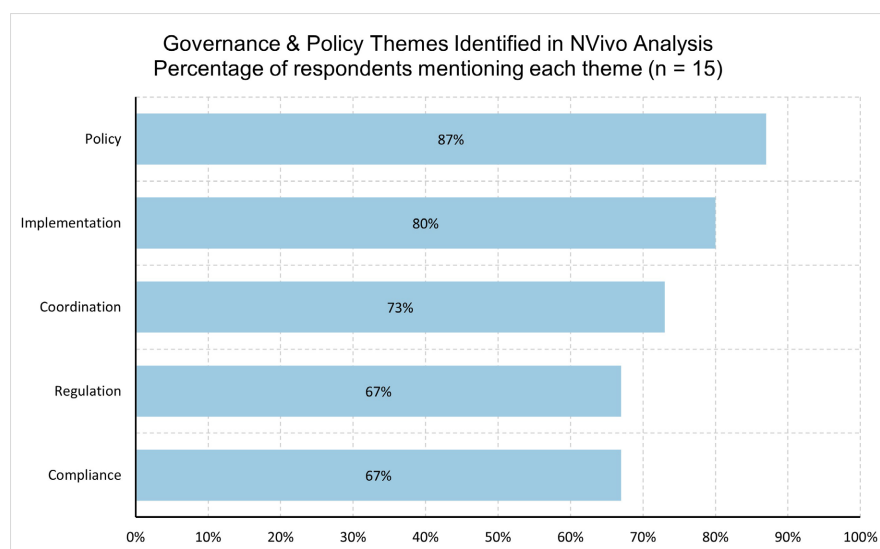


Figure 2. Governance and policy. Source: Author's NVivo analysis (May to October 2024).

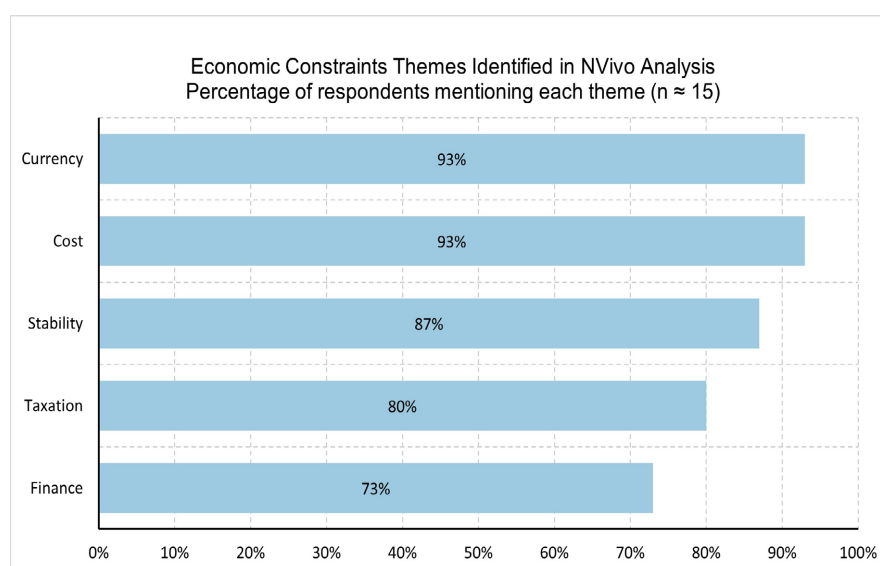


Figure 3. Economic constraints. Source: Author's NVivo analysis (May to October 2024).

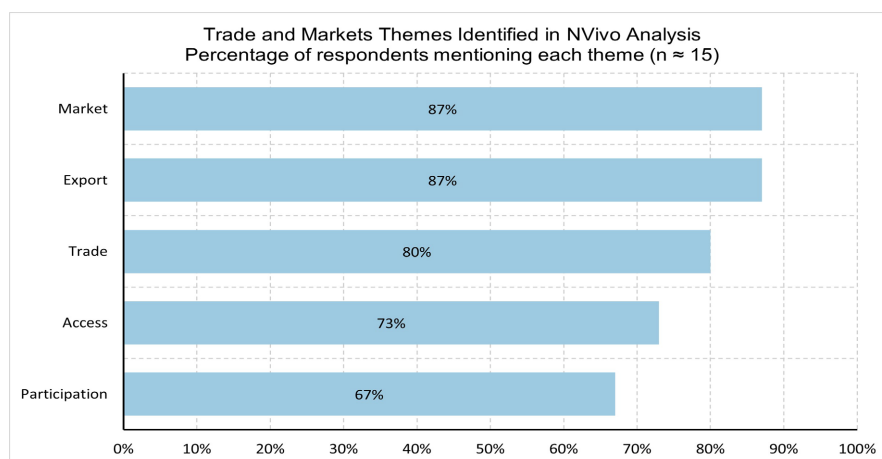


Figure 4. Trade and markets. Source: Author's NVivo analysis (May to October 2024).

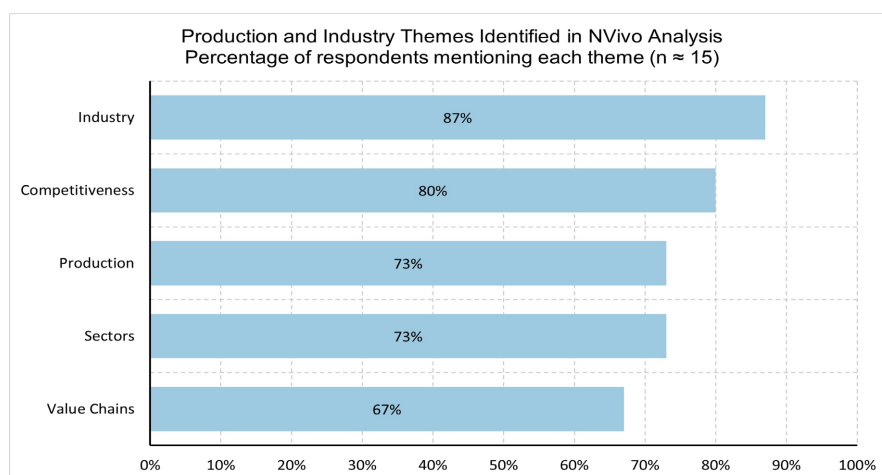


Figure 5. Production and industry. Source: Author's NVivo analysis (May to October 2024).

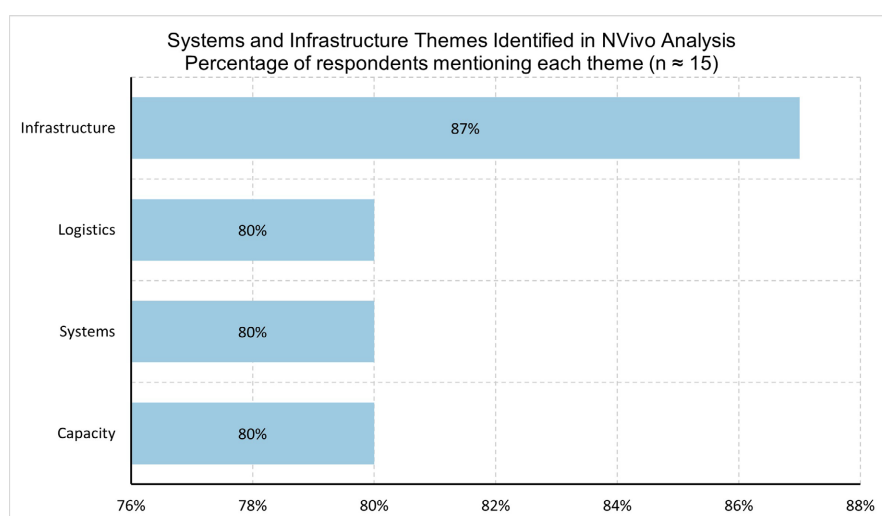


Figure 6. Systems and Infrastructure. Source: Author's NVivo Analysis (May to October 2024).

skins, cotton, sugar, tea, ores, slag, ash, cement, sulphur, plaster, lime, mineral fuels, and related items. While these exports serve as inputs for industries such as automotive assembly, construction, steel production, electronics, pharmaceuticals, and chemicals, they constrain Zimbabwe's integration into higher-value production chains across the continent.

The NVivo Production and Industry Cluster reinforces this finding, with high coding levels for industry (87%), competitiveness (80%), production (73%), and value chains (67%). These themes reflect widespread agreement among respondents that industrial upgrading, value addition, and export diversification are key to Zimbabwe's effective engagement with the AfCFTA. Participants highlighted opportunities across sectors including agro-processing, pharmaceuticals, textiles, packaging, processed tobacco, food processing, agricultural products, and services. Nevertheless, the data indicate that the industrial infrastructure required to turn these opportunities into competitive exports remains underdeveloped. This aligns with African trade studies that emphasise the importance of industrial diversification and value addition for successful AfCFTA participation [21] [53].

A key finding is that Zimbabwe's Rules of Origin challenges stem more from production shortcomings than from customs procedures alone. While AfCFTA research highlights Rules of Origin as essential for determining product eligibility for preferential trade [14] [30], this study reveals that Zimbabwe's compliance problems stem primarily from deindustrialisation, reliance on imports, weak local supplier networks, and limited production of intermediate goods. P9 stated that "Zimbabwe's deindustrialisation and limited value addition restrict its ability to compete within the AfCFTA." Similarly, P11 noted that "there is limited AfCFTA readiness among SMEs," reflecting broader operational and compliance issues that hinder firms from fully leveraging AfCFTA benefits. P10 also highlighted that "their association is still developing a pilot SME startup as an example for other SMEs to benefit from the AfCFTA RoOs," indicating that current efforts are limited and lagging behind full AfCFTA implementation.

Economic instability remains a significant structural obstacle. The NVivo Economic Constraints Cluster identified key constraints, including currency (93%), cost pressures (93%), stability (87%), taxation (80%), and financing (73%), that affect readiness for integration. Participants consistently linked exchange-rate volatility, inflation, foreign-currency shortages, perceptions of sovereign risk, and low institutional trust to Zimbabwe's limited competitiveness. P14 noted that "Zimbabwe has been in transition for some time, relying on a basket of currencies with varying weightings to protect the economy against devaluation, stabilise inflation, and reduce exchange-rate risks." While the Zimbabwe gold backed currency the ZiG was seen as a move to restore confidence, P9 cautioned that "the exchange rate needs to remain stable for at least six months to rebuild market confidence." Respondents contended that ongoing depreciation, foreign-currency shortages, and a lack of trust in monetary management hinder export planning and deter long-term investment.

The results indicate that exchange-rate volatility directly impacts firm competitiveness. Many companies import raw materials and intermediate goods in US dollars but sell some products in a domestic currency that is weaker or unstable, leading to balance-sheet risks and pricing uncertainty. This situation hampers export growth and diminishes involvement in regional value chains. P9 also stated that “we cannot have a situation where the central bank is implementing a tight monetary policy while the government pursues a loose fiscal policy. It will counteract the efforts.” This emphasises the need for coordinated policies between fiscal and monetary authorities to foster a stable environment for Zimbabwe’s participation in the AfCFTA. The results show that exchange-rate volatility harms firm competitiveness by increasing uncertainty regarding input costs, pricing, profit margins, and investment choices. Many firms rely on imported raw materials and intermediate inputs bought in US dollars, while earning part of their domestic income in a weaker or unstable local currency. This creates currency mismatches, balance-sheet risks, and uncertainty in export pricing. Such conditions can increase the costs of managing exchange-rate risks and make firms more cautious about investing in export production and market growth. Empirical studies indicate that real exchange-rate uncertainty can negatively impact export performance in developing countries [54] [55], and firm-level data suggest that exchange-rate volatility can reduce both export likelihood and value, especially for financially constrained firms [56]. Research from Sub-Saharan Africa shows that real exchange-rate instability can hinder investment [57], and broader evidence for developing countries links exchange-rate uncertainty with lower private investment [58]. In Zimbabwe, these issues can limit investment in productive capacity, restrict export expansion, and weaken firms’ roles in regional value chains. P9 also noted that “we cannot have a situation where the central bank is implementing a tight monetary policy while the government pursues a loose fiscal policy. It will counteract the efforts.” This emphasises the need for coordinated fiscal and monetary policies to reduce macroeconomic uncertainty and foster a stable environment for firms engaging in the AfCFTA. High regulatory and compliance costs serve as significant structural barriers to integration. Respondents indicated that firms are required to secure multiple permits, certificates, licences, and approvals from overlapping agencies. One industry representative estimated that about 17.9% of overhead expenses are allocated to compliance. Typically, firms take about 10 days to process approximately 10 certificates from various institutions, but this can take over 50 days depending on the sector. P10 provided an example of a company with annual compliance costs of roughly US\$9000, compared to profits of only US\$18,000, concluding that “the product that this company is going to produce will be costly, and it will not be able to compete regionally.” These findings imply that Zimbabwe’s compliance environment acts as a para-tariff, increasing the real cost of exporting even when formal tariffs are lowered.

Weaknesses in infrastructure and logistics compound these challenges. The

NVivo Systems and Infrastructure Cluster identified key issues across infrastructure (87%), logistics (80%), systems (80%), and capacity (80%) that affect integration. As a landlocked nation, Zimbabwe relies heavily on regional transport corridors and neighbouring ports. However, respondents reported that the rail system is largely dysfunctional, leading to reliance on expensive road transport. Delays at corridors, poor road conditions, border inefficiencies, and police road-blocks continue to disrupt trade. About 65% of firms reported that police checkpoints and government agency actions hinder the movement of goods into and out of Zimbabwe. This affected 61% of large firms and 68% of SMEs. Among those involved in regional trade, roughly 71% experienced corridor disruptions, with 29% affected about half the time and 25% more than half the time.

These findings indicate that corridor disruptions have become a chronic feature of Zimbabwe's trade landscape. They increase lead-time variability, raise transport and insurance costs, and drive more informal payments, while reducing the predictability essential for regional supply-chain participation. Such disruptions act as non-tariff barriers, diminishing the benefits of AfCFTA market access. Similar issues are highlighted in African trade and infrastructure reports, which identify transport inefficiencies and corridor bottlenecks as key challenges to intra-African trade [20] [21] [59].

Power outages pose a significant structural challenge. Around 87% of surveyed firms experienced disruptions due to outages. The impact was especially severe for SMEs, with about 97% reporting power-related issues, compared with 75% of large firms. Over half of all companies reported that outages disrupted their operations at least 50% of the time. Firms involved in African regional trade were notably affected, with approximately 92% experiencing power disruptions, compared with 71% of non-participants. P15 mentioned that "the quality of electricity supplied is affecting machinery, and its availability is not good enough," emphasising the need to allocate dedicated power lines for industry.

These results highlight that energy reliability is more than a utility concern; it is crucial to export capacity and regional competitiveness. Power outages cause production delays, damage machinery, increase costs, reduce quality, and lead to missed deliveries. For export-focused firms, such disruptions can hinder compliance with standards, contract fulfilment, and participation in regional value chains. Overall, the evidence suggests that Zimbabwe's gains from the AfCFTA will be limited unless comprehensive reforms are made to macroeconomic stability, industrial upgrading, infrastructure, energy reliability, logistics, and regulatory processes.

Beyond macroeconomic instability, Zimbabwe's prospects under the AfCFTA are shaped not only by challenges such as limited industrial capacity, high compliance costs, infrastructure gaps, and energy security issues, but also by factors including digital readiness, industrial sophistication, and untapped export opportunities. Digital transformation could play a key role in continental integration, particularly through digital payments, ICT-based trade platforms, e-commerce,

and cross-border services. However, Zimbabwe faces ongoing barriers, including insufficient digital skills, inadequate ICT infrastructure, limited digital financial services, entrepreneurial hurdles, and underdeveloped e-government platforms [3]. Persistent power outages and fragile infrastructure further hinder reliable digital service delivery [4].

Industrial sophistication remains a significant structural challenge. Zimbabwe's MVA per capita figures, support survey and interview insights indicating that Zimbabwe's manufacturing sector remains too weak to drive widespread structural transformation amid continental liberalisation [5]. Additionally, the country's export profile has become more reliant on minerals and agricultural products, with manufacturing exports losing their sophistication and labour intensity [8]. This limited export diversity hampers Zimbabwe's ability to leverage AfCFTA preferences for higher-value regional value chains.

However, the results indicate significant unmet export potential. Data from the International Trade Centre Trade Map, shown in **Figure 7** above, estimate an untapped export opportunity of around US\$529 million. Respondents also highlighted prospects in bottle packaging, corrugated cartons and boxes, iron and steel household items, agricultural ploughs, processed paper products, tea, coffee, sugar, beverages, processed agricultural goods, and certain manufactured items. Similarly, UNCTAD [53] recognises AfCFTA trade opportunities in sectors such as sugar, soaps, lubricants, coffee, tea, fruits, nuts, paper, cement, apparel, plastics, disinfectants, medical equipment, beverages, and automotive products. These findings imply that Zimbabwe has inherent production and export capacity, but realising these opportunities requires industrial upgrading, improved value chain coordination, adherence to standards, and enhanced export support.

Industrial modernisation also emerged as a critical structural requirement. Respondents argued that Zimbabwe risks being outcompeted by countries with more advanced machinery, stronger quality systems, and better production technologies. P14 stated that "Zimbabwe must benchmark and innovate, or risk being dominated by other countries in the continental market," adding that "sometimes you look at the equipment, technology, materials, and styles used by local companies producing apparel compared to Türkiye, and they are unable to compete." This underscores the need for technological upgrading, productivity growth, and international benchmarking if Zimbabwean firms are to compete effectively in AfCFTA markets.

The results suggest that Zimbabwe's digital economy provides informal employment for many young people, primarily through airtime and gadget sales, but it lacks significant value creation. Respondents recognised digital services as a source of employment; however, most activities remain low-value informal retail, such as selling imported ICT gadgets, airtime, mobile-money services, and informal educational platforms. P2 identified opportunities in areas such as "cross-border digital payments, artificial intelligence, and high-tech manufacturing". Nonetheless, respondents highlighted that Zimbabwe has yet to build the institu-

tional, infrastructural, and innovation ecosystems needed to turn digital labour into scalable, export-ready services. As a result, the digital economy presents both opportunities and structural hurdles for Zimbabwe's AfCFTA integration strategy.

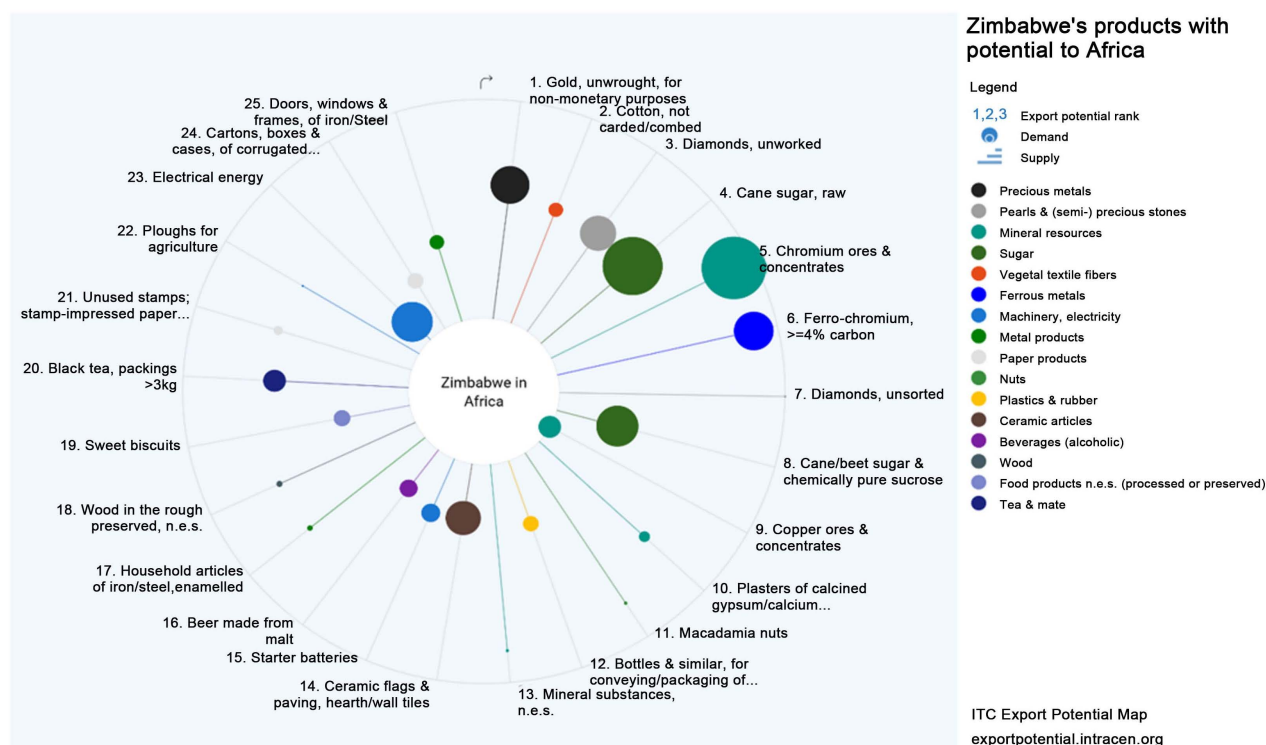


Figure 7. Products with potential in Africa.

4.4. Formal and Informal Institutions

Zimbabwe's implementation of the AfCFTA is strongly shaped by formal and informal institutions. Although the country has ratified the agreement, this has not yet led to full operational readiness. According to the NVivo Governance and Policy Cluster, key institutional themes include policy (87%), implementation (80%), coordination (73%), regulation (67%), and compliance (67%). Respondents emphasised that Zimbabwe's ability to participate effectively in the AfCFTA depends not only on incorporating continental commitments into national law but also on building institutional credibility, ensuring effective coordination, establishing predictable regulations, and enforcing rules consistently.

The domestication and operationalisation of AfCFTA commitments in Zimbabwe remain incomplete. Under Section 327(2) of the Constitution of Zimbabwe, an international treaty does not bind Zimbabwe until approved by Parliament, and it does not form part of domestic law unless incorporated by an Act of Parliament [60]. Zimbabwe's ratification and deposit of the AfCFTA Agreement are documented in the African Union treaty status list [50]. However, ratification and deposit do not, by themselves, make every AfCFTA provision directly enforceable by traders under domestic law [60]. The documentary evidence also highlights

specific outstanding implementation steps rather than merely a general sense of incomplete domestication. Zimbabwe's Provisional Schedule of Tariff Concessions was submitted to and approved by the AfCFTA Secretariat in 2024 [51]. As of June 2026, Zimbabwe was still working towards gazetting its tariff offer, so the domestic process required for applying the preferential schedule had not yet been completed [61]. Gazetting and integrating the applicable preferential tariff schedule into the domestic customs system are essential for enabling customs authorities to apply the AfCFTA's preferential tariffs in practice [61]. Additionally, Zimbabwe's current customs framework requires that claims for preferential tariffs be supported by prescribed proof of origin under the Customs and Excise (General) Regulations, S.I. 154 of 2001 [62]. The remaining domestic implementation steps mainly involve gazetting and integrating the AfCFTA tariff schedule into the customs system and establishing the administrative processes needed to enforce the AfCFTA's rules of origin and preferential tariffs [61] [62].

Respondents highlighted how the lack of full domestication and operational measures impacts traders in practice, despite the documented legal and administrative stance. P5 noted that "treatment is only given in terms of the trade and customs agreements that are legally domesticated; therefore, legally, without domestication of the agreement, there are no grounds for legitimate expectations by traders." This reflects the respondent's view of the real-world effects of the current legal framework rather than independent legal proof of incomplete domestication. The distinction is crucial: documentary and legal evidence detail the formal requirements for domestic implementation and identify pending measures [60]-[62], while interview insights reveal how institutional actors perceive and experience these gaps' impacts. This aligns with institutional theory, which suggests that formal rules and commitments may have limited practical effect when they are not supported by corresponding institutional structures, administrative procedures, and implementation mechanisms [63] [64].

The findings highlight some progress in implementation, such as national consultations, developing and validating the National AfCFTA Implementation Strategy, border and stakeholder training, capacity-building on Rules of Origin, SME outreach, provisional approval of the tariff concession schedule in November 2024, and collaboration among ZIMRA, UNDP, and the World Customs Organisation. Nevertheless, respondents frequently noted that these efforts are still fragmented and lack proper coordination within a unified implementation framework. This creates a gap between official commitments and actual institutional capacity.

Policy inconsistency further undermines institutional credibility. Zimbabwe's liberalisation efforts are cautious and sometimes contradictory. Respondents described the country's liberalisation as moving "one step forward and several steps back," highlighting the tension between regional integration and domestic industrial protection. P2 noted that "local policy announcements often address immediate market needs rather than AfCFTA goals, as seen in the temporary liberali-

sation of basic commodities importation.” P3 added that “the agreement expects countries to harmonise policies with other member states to collaborate and participate collectively.” These points indicate that short-term domestic policies often hinder long-term regional integration efforts.

The ongoing reliance on protectionist instruments, such as Statutory Instrument 122 of 2017 (SI 122/2017), sends mixed signals. While Zimbabwe officially endorses liberalisation and regional integration, it still depends on protective legal measures to shield local industries. P1 noted that “protecting domestic industries remains a dominant narrative, but such protection often lacks sunset clauses, perpetuating inefficiencies and undermining competitiveness.” P3 also stated that “protectionist policies must be gradually phased out to align with the AfCFTA’s liberalisation goals while safeguarding vulnerable industries.” These observations align with political economy studies showing that firms competing with imports often push for protection, whereas export-focused companies generally favour trade liberalisation [65]-[68].

Survey results highlight this contradiction. About 66% of firms surveyed favour full tariff liberalisation under the AfCFTA, with larger companies (72%) showing more support than SMEs (61%). Among those already engaged in African regional trade, support increases to roughly 74%, including 81% of large firms and 68% of active SMEs. Conversely, only 44% of non-participating firms favour full liberalisation. Additionally, less than a quarter of firms know when they might no longer need protection under SI 122/2017 and related measures. This reveals an attitudinal inconsistency: firms support liberalisation but also want to maintain protection from competition. This behaviour reflects the broader political economy of risk, where firms seek export opportunities but fear increased domestic competition from regional rivals.

Administrative fragmentation continues to be a key institutional challenge. Although multiple ministries and agencies participate in AfCFTA activities, respondents highlighted issues with weak coordination and a lack of institutionalisation. P3 noted that “it appears their activities are not deliberately coordinated to target sector-by-sector support; it appears all the training and awareness going on about the provisions of the agreement is on a need-to-know basis.” This indicates that awareness campaigns and training are reactive rather than part of a cohesive national implementation strategy. Additionally, respondents noted that collaboration among institutions is stronger during negotiations than during implementation, leaving firms without clear operational guidance.

Non-tariff measures highlight the institutional challenges firms face. Survey data indicate that the most frequently cited NTMs negatively impacting firms included pre-shipment controls (26%), quotas and quantitative restrictions (24%), and non-automatic licensing and permits (23%). These issues are especially significant for firms involved in regional trade, indicating that active exporters are more exposed to administrative and border-related regulatory burdens. Respondents recognised that some NTMs, such as Sanitary and Phytosanitary standards,

serve legitimate health and safety functions. Nonetheless, overly strict regulations, duplication, discretionary licensing, and unpredictable rules can act as hidden trade barriers. These insights are consistent with trade-facilitation research, which shows that poorly designed NTMs increase transaction costs and hinder competitiveness [21] [59].

The findings indicate that Zimbabwe's institutional gap encompasses both formal and informal aspects. The formal gap consists of incomplete domestication, weak legal alignment, fragmented customs provisions, and slow implementation of regulations. The informal gap includes policy uncertainty, discretionary enforcement, inadequate stakeholder consultation, delayed feedback, and limited trust in the process. Collectively, these weaknesses explain why political commitment has not yet resulted in full AfCFTA operational readiness.

Additional institutional findings indicate that Zimbabwe's regulatory transition remains incomplete, particularly in customs modernisation, tariff implementation, and regulatory harmonisation. Respondents noted that Zimbabwe has begun developing an integrated electronic tariff book with WTO support. However, as of January 2025, the E-Tariff system remained under development, underscoring the slow progress towards operationalising it. P14, P3, and P4 emphasised that, once final approval is obtained, the Zimbabwean government should promptly gazette a statutory instrument specific to the AfCFTA to activate preferential trading arrangements under Annexure A, which covers about 90% of traded goods. This underscores the broader issue that Zimbabwe's challenge with the AfCFTA is not merely ratification but the transformation of commitments into effective, enforceable domestic systems.

Domestic firms still show limited preparedness. Industry associations indicated that under 50% of their member companies are ready for continental competition. This is mainly because many firms have not fully grasped AfCFTA operational requirements, obligations, Rules of Origin, or market opportunities. This aligns with previous findings on the low export readiness and poor dissemination of trade information within institutions. Additionally, it indicates that official policies have not yet led to practical preparedness at the firm level.

The study also examined firms' perceptions of their readiness for heightened competition arising from AfCFTA tariff liberalisation. About 57% of firms feel prepared to compete if import tariffs are eliminated. Larger firms are slightly more confident (62%) than SMEs (53%), and firms already engaged in African regional trade are more confident than non-traders. Among regional traders, roughly 61% express readiness to face more competition, compared with only 44% of non-traders. Nonetheless, around 43% of firms foresee risks such as lower profit margins, reduced competitiveness, or withdrawal from regional markets unless significant upgrades are made. These results indicate that perceptions of readiness vary and may not accurately reflect actual competitiveness, especially given ongoing issues with power supply, finance, industrial capacity, and import dependence.

Harmonisation of regulations also became a key institutional focus. Survey data

showed that 50% of firms regarded aligning customs procedures as the most significant reform to improve business operations under the AfCFTA. Next came harmonisation of competition rules (24%), investment regulations (23%), and intellectual property rights (16%). Firms already engaged in African regional trade showed stronger support for harmonisation, likely due to greater exposure to border inefficiencies, inconsistent customs practices, and administrative barriers. These results suggest that firms value predictable and compatible regional governance systems, which reduce uncertainty, cut transaction costs, and facilitate market access.

The findings indicate that, although firms currently place less immediate importance on harmonising intellectual property rights, this will become more crucial as Zimbabwe transitions toward higher-value production, innovation, digital services, and technology-driven exports. The lower focus on intellectual property rights reflects Zimbabwe's existing industrial landscape, which primarily produces primary goods and low-value manufactured goods. Nevertheless, as the country aims to add more value and foster digital innovation, having a robust intellectual property system will be essential for maintaining competitiveness under the AfCFTA.

4.5. Actors, Incentives and Agency

The results indicate that Zimbabwe's incentive system remains only partially aligned with the requirements for effective AfCFTA participation. While the AfCFTA offers incentives such as market access, export growth, manufacturing development, value chain involvement, investment, technology transfer, and job creation, firms still face significant barriers to accessing the resources needed to capitalise on these opportunities. The NVivo clusters, Production and Industry, Trade and Markets, and Economic Constraints, highlight that competitiveness, financing, costs, production, exports, and value chains are central to shaping actor behaviour.

Manufacturing incentives remain weak and fragmented. Respondents noted that the temporary boost in local product supply in 2021 and 2022 was partly attributable to SI 122/2017, which permitted duty-free imports of machinery and industrial equipment. A CZI survey estimated that manufacturers invested about US\$1.1 million in machinery through bank loans to expand production capacity [69]. However, respondents argued that these improvements were only short-term and did not lead to lasting industrial transformation. P10 expressed concern that "although these policies claim to prioritise the manufacturing sector, in practice, none of these policies is actually implemented or given priority." This underscores the gap between industrial-policy rhetoric and actual implementation.

The findings reveal that value-chain development remains only weakly institutionalised. Industry associations continue to conduct exploratory value-chain mapping to identify products Zimbabwe can produce competitively for regional markets. This suggests there is no deliberate, coordinated strategy to shift the economy away from commodity dependence towards higher-value manufactured

exports. While the AfCFTA could unlock substantial export opportunities, Zimbabwe's ability to benefit hinges on whether incentives are tied to genuine productive upgrading, supplier development, and compliance with Rules of Origin [29] [53].

Foreign-currency availability and management emerged as a major determinant of firm behaviour. Survey results show that approximately 58% of firms accessed foreign currency through the weekly foreign-exchange auction market, with higher access among large corporations (68%) than among SMEs (50%). However, attitudes towards the auction system were divided. About one-quarter of firms were satisfied, while a similar share were dissatisfied. Firms already participating in regional trade were more dissatisfied, particularly SMEs, suggesting that active exporters faced greater exposure to delays and inefficiencies in formal foreign-currency allocation.

Respondents criticised the abandoned foreign-currency auction system for failing to produce a credible, market-determined exchange rate and for creating arbitrage opportunities. They also expressed concern about the adopted willing-buyer, willing-seller interbank market and the 20% foreign-currency surrender requirement. P9 acknowledged efforts to improve access to foreign currency but raised concerns that "existing mechanisms do not meet firms' needs to import sufficient raw materials for export expansion". P14 noted that "although Zimbabwe generates over US\$5 billion annually, much of this foreign currency circulates outside formal banking channels because of low confidence in the economy". These findings show that foreign-currency governance is not simply a financial issue; it directly shapes export incentives, investment behaviour, and AfCFTA readiness.

Access to trade finance and export guarantees remains limited. Only about 19% of firms had previously used trade finance or export guarantees from banks or other institutions to improve productivity and compete in intra-African trade. Access was slightly higher among large corporations (21%) than among SMEs (17%), but no firms not engaged in African regional trade had accessed trade finance or export guarantees. Among firms already involved in regional trade, access rose to about 25%. These findings indicate that access to trade finance is linked to existing market participation, creating a self-reinforcing cycle in which firms already exporting are more likely to access finance, while non-exporters remain excluded.

P2 clearly identified the financing challenges, noting that "interest rates typically range from 14% to 18% over a three-month period and that funds are often unavailable". Respondents highlighted a mismatch between the available financing options and the actual needs of firms. While some international and regional loans range from €10 million to €100 million, many Zimbabwean businesses require much smaller amounts, such as US\$50,000, for purposes such as machinery upgrades, working capital, certification, packaging, or export activities. This results in a bankability trap: firms need financing to start exporting, but lenders de-

mand collateral, export history, and steady cash flows before providing loans [70] [71].

Cross-border investment finance faces similar constraints. Only about 32% of firms secured financing from Zimbabwean banks for cross-border projects. Larger firms had slightly better access at 38%, compared with 28% for SMEs, and none of the non-participating SMEs had secured such finance. These results indicate that financing challenges are not exclusive to SMEs but also stem from broader issues within Zimbabwe's banking and project-finance sectors. Without affordable cross-border funding, firms struggle to engage in regional value chains, build joint production systems, or benefit from corridor-based opportunities under the AfCFTA.

Technology transfer offers a significant yet uneven incentive. Approximately 52% of firms have benefited from technology transfer from other African countries, with large corporations (64%) more likely to do so than SMEs (41%). Among firms engaged in African regional trade, about 71% of large firms benefited from regional technology transfer, compared with roughly 41% of SMEs. Only around 3% of firms reported exporting technology to other African nations, indicating that Zimbabwe remains mainly a technology recipient rather than a regional exporter. These results suggest that AfCFTA integration should be viewed not only as a market-access opportunity but also as a platform for technology dissemination, industrial learning, and capability development.

Overall, Zimbabwe's incentive system remains uneven. Larger, regionally active firms have better access to finance, foreign currency, policy information, trade platforms, and technology transfer, whereas SMEs face higher costs, weaker advocacy, and limited institutional support. The study highlights that AfCFTA outcomes depend not only on the incentives available but also on who can access them, how they are coordinated, and whether they address real firm-level challenges.

Further insight into actors and incentives shows that Zimbabwe's industrial-support system remains disjointed and inconsistently applied. The findings indicate that the rise in finished-goods imports in 2022 was attributable to SI 98 of 2022, which eased import restrictions amid claims that local manufacturers were overcharging consumers. P2 noted that "manufacturers then resorted to charging higher prices in US dollars to offset the exchange-rate premium on the black market, making goods expensive in the formal market." This highlights the strong link between exchange-rate distortions, industrial pricing, and import competition. Although manufacturing capacity utilisation reportedly rose from 47% in 2020 to 58% in 2021, respondents argued that this recovery was not driven by genuine industrial upgrading. Instead, some activity involved importing finished and semi-finished goods, mainly from South Africa, and repackaging them locally. The manufacturing sector's share of GDP decreased from around 15.5% in 2017 to approximately 9% in 2023 [72], confirming ongoing deindustrialisation.

Special Economic Zones (SEZs) and Export Processing Zones (EPZs) have been

underutilised as incentives. P6 noted that “most local companies do not meet the EPZ requirement of exporting 100 per cent of their production,” while respondents highlighted that ZIDA has been slow to align EPZs with SEZ frameworks and broader industrial policies. Industry representatives expressed concerns about unclear regulations, inconsistent fiscal incentives, confusion between EPZs and SEZs, and weak value-chain linkages. These findings suggest that zones alone cannot significantly improve AfCFTA readiness. Success depends on infrastructure, transparent incentives, supplier connections, Rules of Origin compliance, and integration into regional production systems.

The study examined incentives including the duty-drawback system for imported raw materials, the reinstatement of the Export Credit Insurance Fund, and Zimbabwe’s participation in the COMESA African Trade Insurance Agency. These initiatives aimed to improve access to trade finance, provide investment insurance, and mitigate political risks. However, industry associations reported limited awareness of the current effectiveness and accessibility of these incentives, except for the duty-drawback system and certain credit-guarantee programmes. This points to ongoing issues with incentive visibility and weak institutional communication.

Cross-border investment financing remains a significant barrier. Only about 32% of companies reported securing funding from Zimbabwean banks for international projects. Larger firms had a slightly higher success rate (38%) than SMEs (28%), but the difference was not statistically significant. None of the non-participating SMEs had obtained cross-border finance, whereas about 38% of non-participating large firms had accessed such funding. These results suggest that financing difficulties are not limited to SMEs and reveal broader issues within Zimbabwe’s banking and project-finance sector.

Respondents also highlighted missed opportunities in regional corridors and cross-border industrial projects. P14 expressed disappointment at the “lack of effort and inadequate funding to develop regional corridors,” emphasising the strategic importance of the Kazungula Bridge, which connects Botswana, Namibia, Zambia, and Zimbabwe. Industry associations noted ongoing efforts to identify value chain opportunities that meet the AfCFTA Rules of Origin. P10 stated that “we are currently creating a start-up hub to curate value chain opportunities. The idea is to utilise all the locally produced raw materials to enable the start-up hub to qualify for the AfCFTA Rules of Origin.” Additionally, respondents identified the Zimbabwe-Zambia Agro-Industrial Park, supported by organisations such as UNECA and UNIDO, as a potentially significant platform for agro-processing value chains and regional productive integration.

Technology transfer remains uneven across firms. Around 52% of firms reported receiving technology from other African countries, with larger companies (64%) more likely to benefit than SMEs (41%). Among firms engaged in regional African trade, about 71% of large firms benefited from regional technology transfer, compared with roughly 41% of SMEs. Additionally, 24% of firms reported

benefiting from non-African technology transfer, while only about 3% export technology to other African nations. These data indicate that Zimbabwe is mostly a technology recipient rather than an exporter. Although regional trade creates some technology spillovers, these advantages are inconsistent and lack strong institutional support, especially for SMEs.

4.6. Sector Governance

Sector governance emerged as a key factor in the realisation of AfCFTA benefits. Although government agencies, industry associations, and trade-support institutions participate in various committees and consultative platforms, their efforts remain fragmented and inconsistent. The NVivo Governance and Policy Cluster, which focuses on policy, implementation, coordination, regulation, and compliance, indicates that the primary governance challenge is not a lack of institutions but weak coordination among them.

Respondents reported mixed perceptions of policy coordination. P8 and P9 noted improvements through a “whole-of-government approach,” while P7 argued that “this approach unites diverse expertise to ensure that negotiation and implementation efforts align with national and regional priorities.” However, industry associations expressed dissatisfaction with their limited inclusion in effective coordination mechanisms. They highlighted the absence of a formal AfCFTA Hub to bring together government ministries, trade agencies, the private sector, financial institutions, and regulators to address strategic trade and industrial challenges. P14 observed that although formal engagement forums exist, “there is no deliberate effort to ensure their success, especially in implementing private-sector-led growth policies.”

The study examined how firms perceive the impact of Zimbabwe’s private-sector-led growth policy on their ability to engage more in intra-African trade. According to results from surveyed firms, 46.8% of respondents viewed the policy as beneficial, while 22.6% disagreed and 30.6% were neutral. Perceptions varied by company size. Among large firms, 57.1% felt the policy was helping them boost intra-African trade, compared with 38.2% of SMEs. Neutral responses were more frequent among SMEs, at 44.1%, than among large firms, at 14.3%. Meanwhile, 28.6% of large firms disagreed with the statement, versus 17.6% of SMEs.

A Pearson chi-square test revealed a statistically significant link between company type and perceptions of the private-sector-led growth policy, $\chi^2 (2, N = 62) = 6.444$, $p = 0.040$, Cramér’s $V = 0.322$. All expected cell counts were above five, with the smallest being 6.32, confirming the test assumptions were met. The moderate effect size suggests that company category meaningfully influenced respondents’ views of the policy. Among firms involved in African regional trade, 61.9% of large corporations viewed the policy as beneficial, compared to 40.7% of SMEs. However, this subgroup’s association was not statistically significant, $\chi^2 (2, N = 48) = 4.825$, $p = 0.090$, Cramér’s $V = 0.317$. Therefore, the overall significant finding indicates an association between company type and policy perceptions across

the entire sample, not necessarily within each regional-trade subgroup.

The findings indicate that large corporations generally view Zimbabwe's private-sector-led growth policy more favorably than SMEs. However, since the survey assessed perceptions rather than objectively verified policy benefits, it does not prove that the policy directly led to better outcomes for large firms. Instead, it suggests that larger firms are more likely to see the policy as beneficial for their intra-African trade activities. A possible reason is that established firms are better equipped to leverage opportunities from market-oriented policies due to their greater financial resources, institutional capacity, production capabilities, market information, and experience with regulatory compliance. SMEs often face significant challenges in securing trade finance, meeting collateral requirements, complying with product and certification standards, and covering the costs of cross-border trade. These interpretations align with the NVivo analysis of the Economic Constraints and Production and Industry clusters, especially the themes related to finance, costs, competitiveness, production capacity, and institutional support.

The findings highlight the necessity of making private-sector-led growth policies accessible to firms of all sizes. Support measures for SMEs might involve affordable trade finance, export-credit guarantees, supplier development programs, assistance with standards and certification, better market information, and help entering regional value chains. These actions could enhance both the perceived and real benefits of Zimbabwe's private-sector development approach under the AfCFTA.

Border governance remains inconsistent. About 53% of firms view Zimbabwe's one-stop cross-border transactions as transparent and predictable, whereas 32% face frequent new border requirements. Additionally, roughly 15% find the system neither transparent nor predictable. Among regional traders, only around 52% trust the predictability of border processes, while one-third still encounter changing requirements. These results indicate that Zimbabwe's border-management systems work for some firms but are still hindered by procedural uncertainties and administrative inconsistencies. For SMEs and first-time exporters, such uncertainties raise compliance costs, disrupt shipment planning, and discourage market entry.

Taxation also emerged as a challenge for sector governance. Respondents noted that multiple taxes, levies, transaction fees, and quasi-fiscal costs increase business costs and erode the competitiveness gains from tariff liberalisation. P7 admitted that "the multitude of taxes still acts as a barrier for businesses." Respondents cautioned that as tariff revenues decline under the AfCFTA, replacing lost income with additional domestic charges could create hidden trade barriers and limit the use of preferences. These observations align with trade-policy research indicating that complex tax systems and quasi-border charges can serve as indirect obstacles to trade and investment competitiveness [21] [59].

The study explored firms' awareness of the institutional mechanisms designed to identify, categorise, report, and help eliminate non-tariff barriers. The results

reveal that only 43.5% of surveyed firms knew about the National Focal Point (NFP) structure, indicating limited awareness within the sample. Awareness varied significantly by company type, with about 67.9% of large firms aware of the NFP, compared with just 23.5% of SMEs. A Pearson chi-square test revealed a significant association between company category and NFP awareness, $\chi^2 (1, N = 62) = 12.273$, $p < 0.001$, $\phi = 0.445$. All expected cell counts were above five, confirming the test's assumptions. The sizable effect suggests a moderately strong association, with large corporations much more likely to be aware of the NFP than SMEs.

The difference remained statistically significant among firms involved in African regional trade. In this group, 66.7% of large corporations knew about the NFP structure, compared to 25.9% of SMEs. The link between company type and awareness was statistically significant, $\chi^2 (1, N = 48) = 7.967$, $p = 0.005$, $\phi = 0.407$. This indicates a meaningful difference in institutional awareness between large firms and SMEs in regional trade. For firms not engaged in African regional trade, awareness was reported by 71.4% of large corporations and 14.3% of SMEs. However, since this subgroup only included 14 firms and two cell counts were below five, Fisher's exact test was used instead of the Pearson chi-square. The test showed no significant difference, Fisher's exact $p = 0.103$, two-sided, $\phi = 0.577$. Despite the substantial observed difference and effect size, these results should be viewed with caution due to the small subgroup size.

The results reveal a notable difference in awareness of the NFP structure based on firm size, especially among companies already involved in regional trade. Many SMEs have limited understanding, which may hinder their ability to report non-tariff barriers, access institutional support, and participate in formal efforts to identify and address trade obstacles within Africa. Consequently, there is a clear need for targeted communication, training, and outreach to ensure SMEs are better informed about the NFP's role and the reporting procedures for non-tariff barriers.

The study analysed how firms engage in discussion forums about complying with the AfCFTA Rules of Origin. These forums serve as sources of information on product-origin rules, documentation processes, regional value-chain opportunities, and applying preferential trade agreements. Respondents also mentioned committees created under SADC, which could offer an institutional basis for implementing AfCFTA requirements, following the principle of the *acquis*.

The results indicate that 51.6% of surveyed firms participated in discussion forums on AfCFTA Rules of Origin, while 48.4% did not. Participation varied notably by company size, with approximately 75.0% of large corporations involved compared to 32.4% of SMEs. A Pearson chi-square test showed a significant link between company size and forum participation, $\chi^2 (1, N = 62) = 11.182$, $p = 0.001$, $\phi = 0.425$, with all expected cell counts above five, confirming test assumptions. The effect size suggests a moderately strong relationship between company type and participation in Rules of Origin forums. Among firms already engaged in Af-

frican regional trade, 60.4% had participated in these forums. Participation was reported by 85.7% of large firms versus 40.7% of SMEs, a significant difference, χ^2 (1, N = 48) = 9.990, $p = 0.002$, $\phi = 0.456$. The effect size indicates a notable disparity in participation based on firm size among firms active in regional markets.

Participation was significantly lower among firms not engaged in African regional trade, with only 21.4% having participated in a Rules of Origin forum. In contrast, 42.9% of large companies and none of the SMEs reported participation. Given the small subgroup size of 14 firms and some cells with expected counts below five, Fisher's exact test was used instead of the Pearson chi-square test. This test showed no statistically significant difference ($p = 0.192$, two-sided, $\phi = 0.522$). Although the observed difference and effect size appeared meaningful, caution is warranted due to the limited sample size and zero-frequency cells. A separate analysis revealed that firms involved in African regional trade participated in Rules of Origin forums at a rate of 60.4%, compared to 21.4% among non-participating firms. This difference was statistically significant (χ^2 (1, N = 62) = 6.597, $p = 0.010$, $\phi = 0.326$), indicating a moderate association between regional-trade involvement and forum participation.

These findings indicate that knowledge about Rules of Origin is mainly held by large firms and companies already engaged in regional trade. Those with experience in SADC procedures are likely better equipped to understand and meet AfCFTA requirements. However, the evidence does not prove that previous regional integration directly leads to greater institutional knowledge or increased forum participation. The low engagement of SMEs and firms outside regional markets might limit their understanding of origin rules, their ability to identify regional value chains, and their capacity to benefit from AfCFTA preferences. Zimbabwe could enhance practical training on Rules of Origin, conduct product-mapping activities, offer sector-specific guidance, and implement targeted programs for SMEs and first-time exporters. Expanding institutional knowledge beyond established regional traders could help reduce information gaps and increase participation in the AfCFTA markets.

Participation in forums on tariff removal was higher, with about 57% of firms involved, and rates were similar across large companies and SMEs. By contrast, firms not engaged in regional trade had lower participation at 21%. Forums discussing NTMs on imported raw materials recorded lower overall participation at around 44%, with large corporations participating more (54%) than SMEs (35%). This suggests that technical discussions, such as inspections, permits, standards, and documentation, are more likely to exclude firms with limited administrative capacity. Trade-facilitation awareness forums followed a similar pattern, with roughly 53% of firms participating overall. Participation was higher among regional traders (63%) than among non-traders (21%).

These findings indicate that sector governance is inherently distributive. How implementation is organised determines not only the availability of AfCFTA benefits but also which firms can access them. Larger, regionally active firms are more

likely to obtain information, influence policy discussions, participate in technical forums, and receive institutional support. In contrast, SMEs, especially non-traders and first-time exporters, tend to be less informed, underrepresented, and less prepared. This disparity increases the risk that AfCFTA benefits could be monopolised by well-established firms unless targeted efforts are made to expand institutional access.

Overall, the sector governance findings suggest that Zimbabwe's AfCFTA readiness is constrained more by uneven institutional capacity, fragmented implementation, and unequal participation than by a lack of political will. Effective integration depends on coordinated implementation structures, greater SME inclusion, practical support for Rules of Origin, reliable border systems, efficient NTM reporting mechanisms, and policy platforms that link technical assistance to measurable export outcomes.

Additional sector governance findings indicate that Zimbabwe's AfCFTA readiness is also shaped by skills development, university-industry partnerships, import dependence, customs-system interoperability, taxation, and the cost of doing business. Unlike many other constraints in the study, skilled labour shortages were not widely perceived as a dominant immediate barrier.

The availability of skilled labour is an important determinant of industrial competitiveness, productivity upgrading, and firms' export readiness under the AfCFTA. The study therefore examined whether shortages of skilled labour were affecting firms' capacity to participate in intra-African trade. In contrast to several other structural constraints identified in the study, skilled-labour shortages were not commonly reported as an immediate challenge. This finding relates to the NVivo Production and Industry Cluster and the Systems and Infrastructure Cluster, particularly the themes concerning capacity building, competitiveness, and production systems.

The results show that 14.3% of large corporations and 14.7% of SMEs reported being affected by skilled-labour shortages. Because one expected cell count was slightly below five, Fisher's exact test was used instead of relying solely on the Pearson chi-square approximation. The result showed no statistically significant association between company category and the reported impact of skilled-labour shortages, Fisher's exact $p = 1.000$, $\phi = 0.006$. The negligible effect size confirms that the proportions were virtually identical across the two company categories. Overall, only 14.5% of the surveyed firms reported being affected by skilled-labour shortages. Within this sample, skills shortages therefore appeared to be less frequently reported than constraints such as foreign-currency instability, electricity shortages, taxation, infrastructure deficiencies, and limited access to trade finance. However, the low proportion should not be interpreted as evidence that Zimbabwe has a fully adequate skills ecosystem. The findings indicate only that most respondents did not identify skilled-labour shortages as a current constraint affecting their firms.

The study also explored collaborations between firms and academic institutions

to enhance skills development and industrial capacity. Results revealed that 4.19, or 38.7% of surveyed firms, reported working with academic institutions to address skilled labor shortages. Among respondents who confirmed or denied clearly, this figure was slightly higher at 40.0%. Partnership rates were fairly consistent across different company types, with about 35.7% of large corporations and 41.2% of SMEs indicating such collaborations. A Pearson chi-square test, excluding blank responses, showed no significant link between company type and partnership formation, $\chi^2(1, N = 60) = 0.045$, $p = 0.832$, $\phi = 0.027$, with all expected cell counts above five. The minimal effect size suggests that company category had little to no influence on the likelihood of forming partnerships.

Differences in descriptive data were more evident when companies were categorized by their participation in African regional trade. About 43.8% of firms involved in regional trade reported collaborating with academic institutions, compared to 21.4% of those not involved. When excluding blank responses, the valid data showed rates of 44.7% and 23.1%, respectively. Nonetheless, this link between regional trade involvement and academic partnerships was not statistically significant, $\chi^2(1, N = 60) = 1.980$, $p = 0.159$, $\phi = 0.182$, indicating a small effect.

These findings indicate that partnerships with academic institutions were more frequently observed among firms operating in regional markets. However, the evidence does not definitively demonstrate that engaging in regional trade is systematically linked to such partnerships. Firms involved in regional trade might have increased exposure to skills, technology, innovation, certification, and productivity standards. Despite this, the cross-sectional data does not confirm that participation in regional trade promotes academic collaboration, nor that academic partnerships enhance firms' chances of engaging in regional trade.

Overall, partnerships between firms and academic institutions remained limited throughout the sample. Enhancing collaboration among businesses, universities, technical colleges, and vocational-training centers could boost curriculum alignment, workplace training, R&D, technology transfer, and the cultivation of skills related to regional value chains.

Reliance on imports that exceed AfCFTA Rules of Origin thresholds poses significant governance and production challenges. Industry associations reported that nearly all manufacturing companies source at least one major raw material or intermediate good from abroad. In many sectors, over 60% of the value of non-originating inputs is imported, which can disqualify domestically produced goods from AfCFTA preferences. According to a 2024 CZI manufacturing survey, the average import share of raw materials was around 52% across sectors. The pharmaceutical industry imported approximately 87% of its raw materials, the paper and paper-products sector about 62%, and the beverages sector around 44%. Even smaller industries, such as food processing and wood products, rely heavily on imported inputs, with some importing about 25% of their raw materials and chemicals.

Respondents highlighted the paper and packaging industry as an underutilised

sector with potential. Despite Zimbabwe being a significant cotton producer, the country still imports almost all its kraft paper. This indicates weak upstream industrial ecosystems and limited development of intermediate-goods sectors. The study also found that most companies lack operational readiness to obtain Rules of Origin certificates. P4 noted that “most exporting companies have not yet obtained these certificates,” adding that “RoO certificates are currently issued mainly for operational agreements such as COMESA under a simplified trade regime.” P14 emphasised that “rules of origin are crucial for intra-African trade but must align with Zimbabwe’s market-access tariffs as approved by the AfCFTA.” These results indicate that compliance with Rules of Origin involves more than just customs certification; it also depends on domestic production capacity, tariff policies, industrial strategies, and firm-level sourcing approaches.

Customs harmonisation remains incomplete. Respondents noted that Zambia and Zimbabwe are the only major Southern African countries currently using the ASYCUDA customs management system, while others, such as South Africa, use different platforms. P4 acknowledged this difference but noted that, although South Africa’s system is not identical to ASYCUDA, tariff codes were easy to locate and the format was clear. Respondents also highlighted that neighbouring border agencies collaborate through Memoranda of Understanding and mutual administrative assistance agreements in customs. These arrangements facilitate transit monitoring and bilateral cooperation but are soft law, lacking binding service standards, uniform procedures, or consistent treatment for traders.

The results show that the AfCFTA does not require all member countries to adopt identical customs management software. Rather, successful implementation depends on interoperability, mutual recognition, consistent cross-border data exchange, harmonised documentation, and enforceable service-level standards. Without these systems, customs diversity can lead to translation errors, redundant documentation, delays, and uncertainty over compliance. These issues affect SMEs most severely, as they typically have less compliance capacity and fewer resources to handle administrative challenges.

The cost of doing business emerged as an additional constraint on sector governance. Respondents argued that what is often described as “industrial infancy” is, in practice, a failure to compete due to domestic structural inefficiencies. P6 stated that “energy costs and infrastructure deficits increase production costs, which lowers competitiveness.” P14 added that investment in modern rail could reduce transport time, noting that “imports from South Africa could potentially be cut from two days to just three hours” and that “well-functioning infrastructure operated by efficient players would greatly enhance competitiveness.”

Energy costs were particularly severe. P6 stated that Zimbabwe’s “electricity costs are approximately 50% higher than the sub-Saharan average, significantly increasing production costs and weakening regional competitiveness.” P10 noted that about 73% of businesses now rely on alternative energy sources, such as diesel generators. Survey results showed that about 35% of SMEs spent more than 50%

of their revenue on self-provided electricity, compared with only 4% of large corporations. Overall, about 21% of firms reported that alternative energy costs consumed more than half of their revenue. These results indicate that energy costs act as hidden non-tariff barriers, raising export break-even points and weakening competitiveness even where tariffs are reduced.

Taxation also raises business costs. Respondents criticised the multiple layers of taxes, levies, and transaction fees, arguing that they erode consumers' purchasing power and inflate production costs. P10 noted that consumers face double taxation because "the same salary consumers earn from their employers is further taxed when spent on goods and services," and that money transfers are taxed as well. P10 suggested that lowering some taxes could boost disposable income, promote business growth, create more jobs, and ultimately increase Pay As You Earn revenue. Conversely, P14 pointed out that "high management pay in the private sector contributes to Zimbabwe's reputation as a high-cost producer". These insights indicate that Zimbabwe's cost structure is complex, encompassing energy, logistics, taxation, wages, infrastructure, and macroeconomic instability.

These findings support the main argument that Zimbabwe's AfCFTA integration is constrained by political-economy readiness, not merely by political commitment. The evidence indicates that factors such as digital capacity, industrial modernisation, regulatory harmonisation, SEZ effectiveness, cross-border finance, technology transfer, skills partnerships, Rules of Origin compliance, customs interoperability, and the cost of doing business affect firms' ability to engage in continental trade.

5. Discussion

Zimbabwe's involvement in the AfCFTA is driven more by its political economy than by a willingness to integrate. While the agreement offers opportunities to expand exports, boost industrial growth, and engage in regional value chains, structural challenges limit Zimbabwe's capacity to capitalise on these benefits. These challenges include macroeconomic instability, limited industrial capacity, high production and compliance costs, weak infrastructure, reliance on imported inputs, and a narrow export portfolio dominated by primary commodities. Consequently, firms struggle to produce competitively, meet Rules of Origin criteria, and reliably supply goods across regional markets.

This aligns with existing research suggesting that trade liberalisation alone cannot be effective if a country's productive capacity, infrastructure, and macroeconomic stability are lacking. In Zimbabwe, opportunities under the AfCFTA are hindered by deindustrialisation, weak local supplier networks, limited foreign currency, and unreliable logistics. These issues prevent firms, particularly SMEs, from moving from gaining market access to achieving export competitiveness. Therefore, the study indicates that Zimbabwe's challenge with the AfCFTA involves not only entering continental markets but also developing the domestic capacity needed to compete successfully.

The findings emphasise the critical role of both formal and informal institutions in implementing the AfCFTA. While Zimbabwe has ratified the agreement, its domestic implementation remains incomplete, creating uncertainty for businesses. Challenges such as policy inconsistency, disjointed coordination, uneven stakeholder engagement, and ongoing dependence on protective measures undermine trust in the integration process. This aligns with institutional theory, which stresses that clear rules, incentives, and reliable systems are crucial for efficient economic participation.

A key finding of the study is that the implementation of the AfCFTA is not socially neutral. Larger, more established companies have advantages in accessing policy platforms, meeting regulatory requirements, gathering information, and shaping the implementation process. In contrast, SMEs face higher costs, less representation, and greater uncertainty. Without targeted efforts to involve SMEs and emerging exporters, the rollout of the AfCFTA could deepen existing inequalities in Zimbabwe's business landscape.

Overall, this study advances discussions on the AfCFTA and political economy by focusing on implementation readiness rather than on formal trade liberalisation alone. Zimbabwe's gains from the AfCFTA will hinge not only on tariff cuts or ratification but also on whether the domestic environment enables firms to access finance, comply with Rules of Origin, enhance productivity, join value chains, and facilitate cross-border movement of goods. Consequently, the AfCFTA serves as both an opportunity and a challenge, testing Zimbabwe's institutional, industrial, and macroeconomic preparedness.

6. Conclusions

This article argues that Zimbabwe's integration into the AfCFTA is driven more by broader political economy issues than by a lack of political will. Although Zimbabwe has officially committed to regional integration, structural challenges hinder its ability to fully benefit from the AfCFTA. These include macroeconomic instability, exchange-rate fluctuations, high operating costs, weak infrastructure, limited industrial development, reliance on imports, and restricted access to trade finance. These factors diminish the competitiveness of local firms and constrain Zimbabwean producers' capacity to meet Rules of Origin, participate in regional value chains, and convert market opportunities into sustained export growth.

The results indicate that, despite the formal ratification of the AfCFTA, full operational readiness has not yet been achieved. Progress is hindered by delays in domestication, fragmented policy efforts, regulatory uncertainty, protectionist tendencies, and inconsistent stakeholder engagement. Informal practices, such as irregular enforcement, inadequate consultation, and low trust in policy mechanisms, further exacerbate these issues. Consequently, Zimbabwe's AfCFTA implementation gap is both formal, marked by incomplete legal and administrative frameworks, and informal, characterised by weak coordination and unequal access to policy platforms.

The study also finds that incentives and sector governance are unevenly distributed. Larger, regionally active firms have better access to finance, policy information, compliance support, and trade platforms. By contrast, SMEs face higher transaction costs, weaker institutional representation, limited technical capacity, and greater uncertainty. Without targeted efforts to support SMEs and emerging exporters, the benefits of the AfCFTA may become concentrated among established firms.

Overall, Zimbabwe's AfCFTA challenge extends beyond tariff reduction or treaty implementation. It is a broader political economy challenge encompassing institutions, incentives, firm capabilities, productive capacity, finance, infrastructure, macroeconomic stability, and governance coordination. For Zimbabwe to benefit meaningfully from the AfCFTA, integration must be accompanied by reforms that strengthen industrial capacity, improve trade facilitation, reduce non-tariff barriers, stabilise the macroeconomic environment, expand access to affordable trade finance, support compliance with the Rules of Origin, and ensure more inclusive participation in policy and implementation processes.

Conflicts of Interest

The author declares no conflicts of interest.

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