ABSTRACT
Despite an impressive level of privatization activity across Africa and the upsurge in research on the operating performance of privatized firms in both developed and developing economies, empirical knowledge of the privatization programme in Africa particularly in Zimbabwe is very limited. This study appraised the pre and postprivatization performance of Zisco steel. ZISCO steel, until privatisation was a 100% government owned parastatal producing iron ore and steel products. The company collapsed and was privatised in 2009 when it had become a fiscal burden to the Zimbabwean government. In evaluating the privatisation of ZISCO steel, examined performance indicators are employment, capital investment, output, and government support (subsidies). The study measures the change in each performance indicator by comparing its trend in the three years before (2007-2009) and three years’ post privatization (2010-2012). The researcher used constant comparative method to assess changes in the level of production, employment, and capital investment and government handouts. The researcher found out that employment level which was drastically falling before privatisation stabilised. The researcher also found that capital investment and production increased after privatisation. The study also found that the government support to Zisco steel was eliminated. The researcher recommended ESSAR to offer better incentives to improve labour productivity, to increase production in order to gain from economies of scale, to install its new capital to increase capital productivity. The researcher also recommended the government to privatise other loss making parastatals and to support privatisation research. Lastly the researcher recommended other researchers to further study on the effects of other structural factors such as regulation and competition.