ORTHODOX economists sometimes get it wrong. For example, when a government fixes the prices of various goods below what they cost to produce, and fails to provide the necessary subsidy to fill the gap, orthodox theory predicts that there will be empty shelves in the shops. But in Zimbabwe, this is not how things have turned out. Retailers there have indeed run out of all manner of price-controlled goods. But for some reason they can still get hold of toilet paper. So, instead of empty shelves, Zimbabwean shoppers encounter aisle upon aisle of roll upon roll, where the bread, sugar and oil used to be.

Ignore, for a moment, the headlines about murder, torture and election-rigging. For an interesting economic experiment is being conducted in Zimbabwe. To the foes of globalisation, President Robert Mugabe's views are unexceptional. He argues that “runaway market forces” are leading a “vicious, all-out assault on the poor”. He decries the modern trend of “banishing the state from the public sphere for the benefit of big business.” What sets him apart from other anti-globalisers, however, is that he has been able to put his ideas into practice.

In countries where the IMF calls the shots, governments have to balance their budgets on the backs of the poor. Having told the IMF to get stuffed, Mr Mugabe is free not to do this. The official estimate is that Zimbabwe's budget deficit will be about 14% of GDP this year; the government is frantically borrowing and printing money to cover the shortfall. Inflation is now 144%, and it is predicted to top 500% next year.

Mr Mugabe argues that price rises are caused by greedy businessmen. His solution is price controls. For the past year or so, these applied only to everyday essentials, such as bread and maize meal. Shops were ordered to sell such goods at fixed, low prices. Unfortunately, Mr Mugabe was right about those greedy businessmen. Rather than lose money, they stocked their shelves with toilet paper, or tried to dodge price controls by modifying their products. For example, since bread was price-controlled, bakers added raisins to their dough and called it “raisin bread”, which was not on the list. Not to be outsmarted, on November 16th the government extended price controls to practically everything, from typewriters to babies' nappies.

Some things have to be imported, however, and it is hard to prevent foreigners from profiteering. Mr Mugabe is anxious that petrol, for example, should be affordable; otherwise, people will not be able to get to work. A strong currency should help, so he has frozen the exchange rate for the past two years, and denounced as a “saboteur” anybody who suggests devaluation. Since Zimbabwe's inflation is a tad higher than America's, nobody wishes to surrender hard currency at the official rate of 55 Zimbabwe dollars to one American dollar. The black market rate is several hundreds to one; the government blames speculators.

To lay hands on foreign currency, Mr Mugabe has no choice but to rob exporters. Those whose products are bulky and hard to smuggle (tobacco farmers, for instance) must surrender half of their hard-currency proceeds to the government, which repays them in crisp new Zimbabwe dollars, at the official rate.
This is not nearly enough, however, to keep Zimbabwe supplied with petrol (the distribution of which is a state monopoly). So, this month, the finance minister announced a clampdown on the black market: all bureaux de change are to be shut. He also asked expatriate Zimbabweans to remit money home via the central bank, which will confiscate almost all of it. For some reason, they prefer informal channels, such as Internet-based firms that accept cash offshore and issue friends and relatives back in Zimbabwe with local currency or vouchers for supermarkets.

For most problems, a coercive solution can be found. The government's debt-servicing costs are too high? Force financial institutions to buy treasury bills that yield far less than the rate of inflation. People are running out of food? Confiscate grain from those who have it (“hoarders”) and distribute it at an artificially low price through a state monopoly grain distributor. Ordinarily, this would somewhat dampen commercial farmers' incentive to grow food. But since most of them have been driven off their land, what does it matter?

**An example to us all**

It would be nice to think that the rest of the world has nothing to learn from Zimbabwe. But Mr Mugabe has many admirers. His fellow Africans cheer his defiance of the old colonial powers. Namibia's government has promised a similar land-grab. South Africa, showing comparable paranoia about currency speculators, recently conducted a pointless investigation into whether banks had conspired to undervalue the rand.

Globally, few policymakers favour going the full Mugabe, but many believe that a little bit of price-fixing won't hurt. Price supports for EU farmers, for example, persist because their governments are rich enough to keep subsidising them, and because the costs are spread across the entire population, who are often unaware that they are being fleeced. Influential charities argue that poor countries should also be paid a “fair” price for their products. Oxfam, for example, contends that the price of coffee is “too low” because multinationals manipulate it. The charity is campaigning for it somehow to be raised.

It may seem harsh, when faced with the misery of an Ethiopian coffee farmer, to argue that it would be more efficient to let the price mechanism deliver its message (“Grow something else”) unmuffled. But greater efficiency leads to greater wealth, and vice versa, as Zimbabwe so harrowingly shows. Nowhere has withdrawn so swiftly from the global economy, nor seen such a thorough reversal of neo-liberal policies. The results—an economy that has contracted by 35% in five years, and half the population in need of food aid—are hard to paper over.