This document was prepared by a team from the ADEA Working Group on Education Management and Policy Support (WGEMPS), led by Simbarashe Sibanda (the project's lead consultant), on behalf of the Ministry of Small and Medium Enterprises and Cooperative Development.

The views and opinions expressed in this volume are those of the authors and should not be attributed to ADEA, to its members or affiliated organizations or to any individual acting on behalf of ADEA.

Association for the Development of Education in Africa (ADEA)
Working Group on Education Management and Policy Support
Temporary Relocation Agency (ATR)
13 Avenue du Ghana, BP 323
1002 Tunis, Belvédère, Tunisia
Tel: +216 7110 3986, Fax: +216 7125 2669

Ministry of Small and Medium Enterprises and Cooperative Development
Liquenda House
Corner Nelson Mandela/First Street
P. Bag 7740,
Causeway, Harare, Zimbabwe
Telephone: 731002/3/6/8
Fax: 704953

Addressing Livelihood Challenges of Rural Zimbabwe through Small and Medium Enterprises and Cooperative Development

Ministry of Small and Medium Enterprises and Cooperative Development

UNDP
Empowered lives. Resilient nations.

Ushirika wa Maendeleo ya Elimu Barani Afrika
الرابطة لأجل تطوير التربية في إفريقيا
Association for the Development of Education in Africa
Association pour le développement de l'éducation en Afrique
Associação para o Desenvolvimento da Educação em África

Acknowledgements

We would like to thank the Hon. Minister for Small and Medium Enterprises and Cooperatives Development, Mrs. Sithembiso Nyoni and her Permanent Secretary, Mrs. E Ndhlovu for their support for the study.

We also appreciate the following people and institutions for their valuable contributions in ensuring the success of the study:

1. Funding: United Nations Development Programme (UNDP Zimbabwe)
2. Support, facilitation and leadership: Ministry of Small and Medium Enterprises and Cooperatives Development
3. Field research logistics: Ministry of Local Government and Urban and Rural Development (the District Administrators in the four districts) for allowing the study and for facilitating the many requests the team made. The Traditional Chiefs for providing insightful responses and assisting in the implementation.
4. Methodology and data: ZIMSTAT (assisted in the formulation of methodology, provided us with EA maps and some population data)
5. MSMECD Steering Committee and Advisory: Ethel Hlabangana, Thabani Shoko , BT Razemba, Daizy Bizeki.
6. Report Writing: Simbarashe Sibanda, Angela Arnott, Chemwi Mutiwanyuka, Tinashe Tom, Shem Bodo, Christine Mazhata, Takudzwa Nkomo, Maureen Sibanda, Simplisio Rwezuva, Tegegn Wako, Brighton Mutasa
7. Data Collection: Cuthbert Zoraunye, Kudakwashe Manyanga, Mthandazo Maphosa, Dennis Shure, Muchada Munaro, Mercy Madzviti, Munashe Magasa, Blessing Nyemudzai, Lennox Gwara, Joseph Mabonda, Simbarashe Mangisi, Nqaba Moyo, Pricilla Chipinduro, Martha Muchengeti, Wilfred Hove, Judge Khumalo, Andrew Ncube, Chemwi Mutiwanyuka

Foreword

Various strides are being made to ensure the Zimbabwean economy reaps the benefits associated with a vibrant and growing small and medium enterprise (SME) sector, to alleviate poverty, spread employment to rural areas, improve the situation of women and increase indigenous ownership of investment in the economy. As opportunities in formal employment are shrinking, the role of micro, small, medium size businesses and cooperatives has grown as the sector has the potential for increasing investment and for making a meaningful contribution to employment creation. This sector has the potential to create community owned labour intensive opportunities.

The Ministry of Small and Medium Enterprises and Cooperative Development (SMECD) mandated to lead the efforts in this sector, commissioned a study on the creation of livelihoods in rural districts with a focus on women and youth employment creation. This study both maps programmes and capacity gaps among government institutions, non – profit implementers and other partners as well as the economic opportunities open to small business, women and youth that could provide employment or income generation in communities in four districts namely Insiza, Lupane, Mberengwa and Umzingwane.

This report in presenting the findings of the study, exposes the vulnerability and strength of women and youth in rural Zimbabwe who are living with the reality of limited livelihoods. It explores the factors limiting the employability or ability to initiate and sustain businesses which include weak skills, poor access to finance and markets. Perceptions on cooperatives were also examined, which should lead to a reexamination of the design of cooperatives. The broader business environment was also found to be difficult with local entrepreneurs having to contend with issues such limited disposable incomes and poor access to capital. These issues make it challenging to start or grow a business.

Nevertheless, the study also notes the optimism and potential that exists in the rural communities. Numerous avenues for the provision and improvement of youth and women livelihoods have been identified. It is now incumbent upon all decision makers, not only those in Government but the private sector, civil society, donor community and the United Nations Country Team, to insure the study is fully utilized to determine the collective action required to tackle the development issues identified.

Special thanks go to the United Nations Development Programme for funding the study and to the Association for the Development of Education in Africa (ADEA) for their technical assistance in undertaking the research.

Sithembiso G. G Nyoni

Minister of Small and Medium Enterprises and Cooperative Development

Contents

Foreword 1
Executive Summary 4
Key findings of the study 4
Recommendations 7
Conclusion 7
1. INTRODUCTION 8
2. LITERATURE REVIEW 9
2.1 Definitions of Employment, Work and Livelihood 9
2.2 Employment Strategies in Developing Countries 9
2.3 Challenges facing Livelihood Creation 10
2.4 Structural Barriers for Women 12
3. CONCEPTUAL FRAMEWORK 15
4 THE ZIMBABWE CONTEXT 16
4. 1 The Face of Poverty 16
4.2 Profiles of the Districts under Study 17
5. RESEARCH METHODS 21
5.1 Secondary Data 21
5.2 Primary data 21
5.3 Sampling Strategy 21
5.4 Data collection 22
5.5 Data Capture 22
6 FINDINGS 23
6.1 National Actors in Livelihood Creation 23
6.1.5 Challenges 34
6.1.6 National Actors Recommendations 38
Local Government Recommendations 38
6.2 Women and Women Organizations 40
Conclusion 49
Conclusion 55
6.4 Local Businesses 56
6.5 Cooperatives 67
For Women 72
For Youth 72
For Local Businesses 72
For Cooperatives 73
7. MAPPING SKILLS AND ECONOMIC OPPORTUNITIES 74
7.1 Rural Technical Training Opportunities 74
7.2 Strategies for Rural Livelihoods 75
7.3 Agriculture 76
7.4 Mining 77
7.5 Tourism, Entertainment, Art and Craft 80
8. KEY RECOMMENDATIONS 86
8.1 Finance 86
8.2 Enabling policy and government services 86
8.3 Skills Development 87
8.4 Economic Opportunities and arrangements 87
9. CONCLUSION 87
BIBLIOGRAPHY 89

Acronyms

ADEA	Association for the Development of Education in Africa
Agritex	Agricultural Extension
AIDS	Acquired Immunodeficiency Syndrome
AMFI	African Mothers Foundation International
BDC's	Business Development Centers
BIC's	Business Incubation Centers
CADEC	Catholic Development Commission
CBT	Community Based Tourism
CBTE	Community Based Tourism Enterprises
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
DA	District Administrator's Office
ELCZ	Evangelical Lutheran Church in Zimbabwe
GDP	Gross Domestic Product
GNU	Government of National Unity
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
ILO	International Labour Organization
ISALS	Internal Savings and Lending Schemes
LDS	Lutheran Development Services
LLER	Locally Led Early Recovery
MFI	Microfinance Institutions
MOTHI	Ministry of Tourism and Hospitality Industry
MoYDIEE	Ministry of Youth Development, Indigenization and Economic Empowerment
MSME	Micro, Small and Medium Enterprises
MSMECD	Ministry of Small and Medium Enterprises and Cooperative Development
MTP	Medium Term Plan
MWAGCD	Ministry of Women Affairs, Gender and Community Development
NGO's	Non-Governmental Organizations
RDDC	Rural District Development Committee
SACCOS	Savings and Credit Cooperatives
SEDCO	Small Enterprises Development Corporation
STERP	Short Term Recovery Programme
TVET	Technical and Vocational Education and Training
UNAIDS	United Nations Programme on HIV/AIDS
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
UNOCHA	United Nations Office for the Coordination of Humanitarian Aid
USD	United States Dollars
WGEMPS	Working Group on Education Management and Policy Support
WWB	Women's World Banking
ZAMFI	Zimbabwe Association of Micro Finance Institutions
ZIMSTAT	Zimbabwe National Statistics Agency
ZimVAC	Zimbabwe Vulnerability Assessment Committee

Executive Summary

An objective of the Ministry of Small, Medium Enterprises and Cooperative Development is to implement a capacity development programme in livelihood creation in some of the more deprived rural districts.. In the light of this, the Ministry has commissioned this study, funded by the UNDP to provide a situational analysis of the current state of employment opportunities for youth, women, businesses and various economic actors in four rural districts. Based on the study's findings, the Ministry of MSMECD together with its technical partners will develop a capacity development strategy to address some of the capacity issues of actors to promote employment creation and income generation as the basis for sustainable economic recovery.

The study focused on four districts, Insiza, Lupane, Mberengwa and Umzingwane which were selected for their profile of deprivation in quality of livelihood opportunities for youth and women..[2]

Key findings of the study

National Actors

Six national line ministries and agencies were interviewed to engage their views and identify the existence of livelihood programmes aimed at rural women and youth. These included initiatives to encourage business start-ups, improve skills and access to microfinance and markets. Notably, all respondents remarked on the limiting impact of poor resources and funds on sustainability.. Across the Ministries, disbursed funds are far below the requested budget, with some Ministries receiving only 14 per cent of requested funds. Lack of equipment and vehicles also affects the ability of national actors to implement and monitor development programmes.

Ministries have appropriate policies in place to facilitate the creation of livelihoods. These policies appear to be constantly under revision, and the capacity to implement these objectives is limited. Some frameworks and national action plans remain on hold due to resource constraints. There appears to be a move towards sector wide planning and joint Ministerial work plans but these notions remain in the initial stages and it is difficult to assess their impact. Inter-Ministerial committees are in place to enhance coordination and collaboration in skills development, employment and economic planning. Although information sharing and planning tends to be strong however joint implementation continues to be a challenge.

Local Government and Authorities

Rural District Development Committees are operational but limited by low technical capacity, poor mobility for monitoring and inadequate funding. Local government and business sector relationships are reportedly weak and are limited to the issuing of local licenses. Some business operators report that local authorities are unaware of the impact on businesses of some of decisions they make.

Communities state that the level of assistance provided by development partners was having little impact. Lupane district felt that they were completely neglected. Allegations were made that some "politically contested districts" were denied any non-government support. It was noted that there is a relationship between ease of access to communities and the provision of external aid. The poorest of areas do not necessarily get aid as donors prefer to assist those that are easy to reach and offer greater levels of visibility. Often local government authorities have limited say in where development assistance is targeted, with donors determining where projects are implemented.

Although there are success stories where development assistance has made an impact on livelihood opportunities, often aid is misaligned with district level priorities and undermines the capacity of local communities to develop their own solutions and capacities. Programme implementers, are however, becoming increasingly conscious of the need to involve communities from the original conception to the implementation of externally funded projects.

An additional concern was the mismanagement of government development loans for business development which were perceived to be accessible to a few well connected individuals, reducing the impact of such facilities as accountability for loan repayments was nonexistent.

Women and Women's Organizations

The rural women surveyed are characterized by high unemployment rates, relatively low educational attainment and a high number of dependents. Cross border trade is the most popular means by which rural women earn incomes but only 29 per cent of those interviewed had passports indicating it is not a livelihood open to all. Some 32 per cent of women reported to be in full-time employment whereas 52 per cent indicated that they were unemployed. The remaining women were engaged in family enterprises, seasonal work or ad hoc activities which typically have high levels of job insecurity and low financial returns.

Women dominate the cooperative sector in the four districts and there are some well-known success stories, such as the Lupane Women's Centre, that provide promising lessons for livelihood creation. The majority of the women interviewed were involved in some form of savings and credit cooperative which they used as a financial buffer during emergencies. Most women surveyed knew little about the MSMECD's support for women owned small businesses, and less than a third stated they had no knowledge.

Youth and Youth Organizations

Of the 101 youth interviewed, aged 15 to 35, less than half were married and just over a third had completed secondary schooling, significantly better qualified than the women interviewed. The majority (43 per cent) were unemployed and those who were (mostly male) tended to be employed on an ad hoc basis often in illegal gold panning or seasonal agriculture. A majority of the respondents were keen to pursue further education and training. Technical, vocational and short business related training were the preferred further education options with apprenticeships and higher and tertiary education ranked as the third and fourth options respectively. Only 10 per cent of respondents indicated a willingness to engage in formal schooling while 2 per cent felt the need to acquire basic literacy and numeracy skills.

Business and Business Associations

Of the 63 local business operators interviewed, the majority, 65 per cent, had been in existence for less than 5 years. This may point to low survival rates of businesses in the districts or the residual impact of the economic meltdown in the preceding years which decimated businesses or alternatively point to an improving environment encouraging new ventures.

Business profits were low with a third of businesses surveyed reporting turnovers ranging from $200 to $350 per month. Most business operators surveyed were reasonably educated with over half having achieved a secondary schooling certificate and another 10 per cent possessing a post-secondary diploma. However, over a quarter of those interviewed have only a primary school qualification and a few (3 per cent) report having no formal education at all. This profile makes the case for capacity in business development critical, although it also indicates that entrepreneurship is a feasible option for those without post-secondary education.

A critical finding of the study is that although four out of five of the interviewed businesses were operating under some kind of local authority license most expressed an unwillingness to properly formalize their businesses further, largely because of the bureaucratic burden and costs implied.

Business associations were not highly valued in the districts surveyed. With only 15 per cent of respondents belonging to one, less than half of those belonging to an association were paying their subscription fees. There was a general perception that business associations do not provide value for money as their level of expertise and services provided were regarded to be weak.

Most businesses surveyed seldom used computers or the internet to facilitate better productivity, links to markets, banking and sales. Umzingwane and Insiza reported the highest internet usage rates hovering just above 30 per cent while Lupane reported the lowest levels of internet usage with only 11 per cent of businesses going online. These are potential areas that could be developed to better link rural businesses with market opportunities.

Business ranked limited access to finance as the largest challenge to their sustainability. Rural businesses lack access to finances for various reasons which include a lack of surety for a loan, the high interest rates, the short repayment periods for loans offered and the disinterest of financial institutions to provide services to distant rural clients.

Among the respondents who had attempted to secure some kind of financing for their business only 43 per cent were successful. In terms of success rates a business person has the best odds of securing a loan from family and friends with 60 per cent of those who sought funds securing them. Fifty five per cent of those who approached individuals, non-relatives, were also successful, only 46 per cent of the very few who approached banks were successful. SEDCO loans were extremely difficult to source with only one out of every five that applied being successful. High on the list of support needed by SME's is assistance with market identification and the establishment of market linkages. Businesses testified to having to produce below capacity because of limited markets. Machinery and equipment were also identified as a huge constraint in the growth of small businesses in rural areas.

Cooperatives

Cooperatives have enormous potential for rapidly generating large numbers of new jobs and raising resources needed to increase incomes, provided the right policy measures are in place to support them. Though are there are diverse types of cooperatives, the study only encountered two forms - producer cooperatives and savings and credit cooperatives.

A key finding of the study is the poor perception of the feasibility of producer cooperatives held by the community. Most remain skeptical of their success even with the promises of external support. Communities noted that where they have worked, they have been self-initiated groups but even then failure of cooperatives is high as a result of economic and governance factors. Perceptions were very positive towards savings and credit cooperatives, particularly among women who are the main participants in them.

Savings and Credit Cooperatives

Accessing finance is a critical challenge for rural people in districts. Most conventional sources – banks, micro finance institutions – are out of reach for the majority of people. The study found that savings and credit cooperatives (SACCOS) were widely embraced and were operational in all four districts. Some SACCOS encourage their members to save by offering interests rates to member savings which are above what they would get at a bank. When in need of money members can

borrow from their own pooled funds. Since members have full control of their savings they in a position to grant themselves cheaper credit than that available from the banks.

A finding of the study is that the savings and profits from the SACCOS are seldom invested in productive activities but members focus on consumption or non-renewable spending such as household goods, school fees, health, etc. The trend is for SACCOS members to consume all the funds accumulated and start anew the following year instead of providing finance to those intending to invest in bankable business ideas and focusing on building a capital base for the cooperative.

Effective capacity building in cooperative management is crucial, since the success of SACCOS is largely dependent on its quality of human resources, governance and management capabilities. Unfortunately, there is consistent evidence among the members of cooperatives surveyed that poorly conceived capacity building initiatives are either have insufficiently trained manpower; or duplicate existing initiatives or provide contradictory messages given by different training providers to them. Poor timing of interventions; lack of accountability, and a mismatch between institutional assessments and the assistance given to cooperatives are concerns raised by respondents.

Recommendations

The study identified over 60 economic opportunities across the four districts, four of which pose the greatest potential for livelihood generation, namely mining, agriculture, community based tourism and technical and artisanal services. These economic activities were emphasized as they are the drivers of the Zimbabwean economy and in addition are employment intensive alternatives, creating jobs, particularly suited for under-skilled men and women within the community.

Conclusion

There are a myriad of factors that need to come together to address an enabling context that would allow greater livelihood creation in rural areas. These include more functional and better resourced Rural Development Committees; more education and skills development opportunities for youth, women and the unemployed; greater access to information on market links, financing opportunities, which may involve more reliance on ICTs; delegation and empowering of business associations to play a more active role in partnering with government in stimulating business; supporting cooperatives with capacity building, particularly with an eye to reinvesting a proportion of their capital for sustainability and growth; among others. Local and national actors in development projects need to become more accountable in the provision of their aid, assistance and loans and critically involve local communities to police these assets by having a real say in the design and distribution of local interventions. Top down capacity development solutions have limited sustainability and fail soon after support and funds are withdrawn. A balance is needed between locally generated solutions to local challenges and innovative technical promising practices drawn from other contexts where employment creation has been successful.

1. INTRODUCTION

1.1 Background

The Ministry of Small and Medium Enterprises and Cooperative Development (MSMECD) is mandated to improve the state of Micro, Small and Medium size Enterprises (MSMEs) in Zimbabwe. As part of fulfilling this mandate, the Ministry, embarked on this study aimed at addressing the livelihood challenges of rural Zimbabwe with a focus on employment creation for women and youth.

This study, funded by the United Nations Development Programme, was undertaken by the Association for the Development of Education in Africa's (ADEA) Working Group for Education Management and Policy Support (WGEMPS) in collaboration with the Ministry. The study measured capacity gaps and assets of economic actors at national and local level and involved field visits to four districts, Insiza, Lupane, Mberengwa and Umzingwane. These districts were selected for their socio-economic and environmental vulnerability. The study team was made up of MSMECD officials at the Head Office and from the District Offices and ADEA WGEMPS staff.

The study engaged key stakeholders and potential partners in the design and implementation of the research. A workshop was held on the 1st of November 2012 at the ADEA offices in Harare where representatives from Government, United Nations agencies and Non-Government Organizations (NGOs) participated. The findings of this workshop fed into the analysis of the roles and capacities of national actors.

1.2 Objectives

A key objective of the study is to provide a situational analysis of the current state of employment opportunities for youth, women, businesses and various economic actors in four rural districts. This analysis will provide the basis for proposing possible interventions for sustainable employment creation and income generation in these districts. Based on the study's findings, the Ministry of MSMECD together with its technical partners will develop a capacity development strategy to address some of the capacity issues of actors to promote employment creation and income generation as the basis for sustainable economic recovery.

The assessment ascertained the perceptions of national and local actors across various dimensions which include enterprise and cooperative employment creation, culture, skills development, access to financial and information resources and infrastructure among others.

A draft report was circulated to key stakeholders for comments; these inputs were taken into account and a draft report was submitted in February 2013. The study findings were taken back to the communities for a feedback and validation process in early 2013.

2. LITERATURE REVIEW

2.1 Definitions of Employment, Work and Livelihood

Definitions of employment are usually limited to formal regular wage work, which exclude a large segment of youth and women who are increasingly engaged in informal and casual activity[1]. The ILO defines someone as employed if they have engaged in an economic activity for at least an hour in the week preceding being surveyed. Definitions of work, on the other hand, include both paid and unpaid activities. In developing countries, a large proportion of young women between the ages of 15 and 24 years who are neither formally working nor attending school, are engaged in housework (cleaning, cooking, looking after children or younger siblings), which is invisible in most definitions of work.

The term livelihood is used for its focus on opportunities that allow youth and women to sustain themselves economically, an assertion that "livelihood is often used interchangeably with economic strengthening and refers generally to economic production, employment, and household income."[2] A more holistic understanding of livelihood also incorporates a broader context of economic development and well-being which includes notions of freedom, autonomy and empowerment. Some view livelihood opportunities as an empowering experience that may change a person's perceptions of self-worth and well-being and provides other sources of social support, and has the potential to reduce their dependence on others.[3]

Household livelihood activities fall generally under one of three categories: income generating activities, risk reduction strategies and loss management strategies. Income generating activities can be formal or informal, legal or illegal, and include wage labor and self-employment. Interventions generally fall under one or more of three categories: livelihood provisioning, livelihood protection and livelihood promotion. Although conceptually distinct, the three livelihood categories are not always distinct in practice and may at times overlap.[4]

2.2 Employment Strategies in Developing Countries

For developing countries, the most critical question at present is how to create jobs for the poor who have limited purchasing power and limited capital for investment. The idea that most of these jobs could be created in the corporate sector or by government-sponsored activities has taken a back seat due to the growth of the informal sector. Currently, there are nearly one billion self-employed and unpaid family workers in the world, most of them self-employed farmers in developing countries. The self-employed represent 48 per cent of the workforce in low-income economies (less than $500 per capita GDP). For any strategy to be successful, it must give central importance to self-employment and entrepreneurship, with emphasis on agriculture, agro-industry and small firms in the informal sector. While a single approach will not be universally applicable to countries and regions of in different stages of development, a number of common principles and strategies are widely applicable. Recent research[5] on strategies for creating employment in developing countries includes the following promising practices:

Emphasize agriculture; Promote small enterprises; Extend basic education; Revamp higher education; Upgrade skills; Disseminate information; Increase the velocity of money and other transactions; Improve marketing; Expand services; Develop exports. According to the authors of the

[1] El-Kogali and Al-Bassusi (2001),
[2] USAID (2009)
[3] Mahmud and Johnston, (1994:153).
[4] EQUIP3 (2008): Youth livelihoods development program guide. USAID
[5] ibid

research[6], given a comprehensive approach, the right mix of policies, good government and a conducive international environment for trade, technology transfer and investment, every nation has the capacity to develop and meet the employment needs of its people within the next one or two decades.

2.3 Challenges facing Livelihood Creation

2.3.1 Youth Bulge

A key structural factor facing livelihood creation in developing countries is the growing numbers of unemployed youth, many of whom are poorly skilled and lack access to the formal job market. The global population of young people aged 12-24 is currently 1.3 billion and in sub-Saharan Africa, around 70 per cent of them reside in the rural areas. Youth in Zimbabwe, are 60 per cent of the total population and constitute the largest segment of the economically active population. Currently four out of five unemployed people are youth and the numbers are growing.

2.3.2 Economic cyclical factors

The process of change in the economy also creates opportunities in some sectors while destroying them in others. Additionally, increases in interest rates, which lead to reductions in investment and the slowing down of economic growth, result in a gradual erosion of livelihood opportunities. This has been a key challenge facing small business development in Zimbabwe.

2.3.3 Appropriate policy

An enabling business environment is critical to the sustainability of micro, small and medium enterprises and cooperatives. Currently, Zimbabwe is ranked low, 172nd out of a survey of 185 countries[7], in terms of the ease of establishing new businesses, because it lacks appropriate policy and regulations to promote the small business sector. It takes nine procedures and 90 days to start a business in Zimbabwe while in Mauritius the same process takes five procedures and six days.[8]

In order to promote micro, small and medium enterprises, coherent policies aimed at their development is needed which links them to broad economic and social goals and supports them through private-public sector partnerships. This requires government to adopt modern tools, introduce new working practices, retrain their staff and promote stronger inter-ministerial links.[9] There is a need for policies that simplify the administrative procedures governing the operations of private businesses so as to reduce the expense and time required for business registration, reporting and compliance with government regulations.

Policies should also take into consideration, the specific difficulties of minorities. When it comes to gender, the playing field needs to be leveled. The needs of both women and men should be analyzed and solutions introduced accordingly. One such solution would be to collect gender specific data collection and research and conduct skill upgrading for women entrepreneurs.

2.3.4 Access to Capital

The growth of small businesses and cooperatives is significantly hampered by limited access to finance for business startup, expansion, research and development and innovation. In Zimbabwe,

[6] www.msresearch.org accessed January 2013.
[7] The World Bank (2013) 'Doing Business' Report
[8] http://www.doingbusiness.org/data/exploreeconomies/zimbabwe/ .Accessed 18 December 2012
[9] UNIDO.Vienna. http://www.sesric.org/files/article/157.pdf . Accessed 18 December 2012

micro, small and medium size businesses account for up to 85 per cent of the country's economic activity, up to 70 per cent of its Gross Domestic Product (GDP) and more than 60 per cent of employment[10]. Despite all this, access to capital is a major stumbling block for this sector as not only is their risk profile too high in most instances for most financial institutions, they cannot afford the high interest rates they attract from the banks. Further many small business owners lack the technical expertise necessary to draft financially sound applications even where such funding may be available. Small companies, when under financed, are not able to capture market opportunities in the form of large production quantities and often are unable to supply the range and quality of goods and services larger enterprises can offer.

Several strategies have been proposed and adopted in the bid to overcome the various challenges associated with limited access to finance and these often include the promotion of microfinance institutions. Microfinance is a general term to describe financial services to low-income individuals or to those who do not have access to traditional banking services ..A number of strategies to improve financial access to micro and small businesses include reducing the procedures and costs of using subsidized funding vehicles[11] Due to the broad range of microfinance services, it is difficult to assess impact, and very few studies have tried to assess its full impact. Proponents often claim that microfinance lifts people out of poverty, but the evidence is mixed. What it does do, however, is to enhance financial inclusion. Financial inclusion, or broader access to financial services, implies an absence of price and non-price barriers in the use of financial services

The cooperative mechanism, in particular, Savings and Credit Cooperatives, (SACCOS), referred to by some as Internal Savings and Lending Schemes (ISALS) are also a funding mechanism to support small enterprises. After forming and training group members on the managing a savings and credit scheme, group financing, revolving funds or credit-marketing link-up models are adopted. Group members police themselves on fund accountability. Such schemes have, in some countries, become incorporated into the cooperative sector and now provide new opportunities for using financial resources locally. The benefits of such schemes include, lower transaction costs than formal banking, local ownership as well as availability of local funds.[12]

2.3.5 Enabling Business Environment

Some developing countries have adopted the strategy of establishing Business Development Centers (BDC's), Business Incubation Centers (BIC's) specifically for new entrepreneurs with innovative enterprises and limited capital. The government subsidizes the cost of accessing the services of BDC's or there is some partial cost recovery for the services provided with the government covering the shortfall. Other best practices include providing advisory services to small businesses and joint training processes and experience sharing among the targeted industry. This lowers costs for development agencies and business advisory services. It is also advised that performance and impact measurement should be integral.

Another strategy is to cluster small firms at the same level of the value chain that can engage in horizontal integration and pool resources together. This will allow these firms to take advantage of economies of scale which would otherwise not be possible. This might be with regards to borrowing monies, or even meeting large production quantities through a quota system.[13] Using the same principle, small firms can integrate vertically with other small firms and larger scale enterprises. This may allow them to specialize in their core business and participate in a system of external division of labour which should ultimately lead to lower costs. When firms gather together in terms of physical

[10] Ministry of Small and Medium Enterprises and Cooperatives Development Annual Report 2012
[11] GoR. Ministry of Trade and Industry. Small and Medium Enterprises Development Policy. 2010.
[12] http://www.crsprogramquality.org/storage/pubs/microfinance/SILC_Zimbabwe_low.pdf . Accessed 18 December 2012
[13] UNIDO.Vienna. http://www.sesric.org/files/article/157.pdf . Accessed 18 Dec

proximity, this is known as clustering and has the same effect as horizontal and vertical integration in that it lowers costs.[14]

2.3.6 Market Information

Appropriate information on markets, links to suppliers and clients are critical in enhancing the success of small businesses. This information may be on the availability and requirements for accessing funding or may be directly related to the product the firm offers. Poor information links to markets and the demands of those markets as well as skills can hinder the growth of business.

It has also been found that many business startups lack innovative ideas and an entrepreneurial culture. This leads to fierce competition in the same sector due to the failure of businesses to come up with new ideas. This is an important role for Business Development Centre's and government bodies responsible for the Small and Medium Enterprises Development sector. One of the cheapest ways in which to do this is to harness the power of information technology.[15]

2.4 Structural Barriers for Women

Gender equality is essential for releasing the potential development of women in the creation of livelihoods. Gender equity denotes women having the same opportunities in life as men, including the ability to participate in the public sphere. It also refers to the equivalence in life outcomes for women and men, recognising their different needs and interests, and requiring a redistribution of power and resources.

Under the Universal Declaration of Human Rights, women are entitled to own and administer property without discrimination[16]. Women also have a right to other natural resources such as water, forests and wildlife. The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) also recognizes women´s right to own and administer property without discrimination[17] and that there must be equal treatment in land and agrarian reform[18]. CEDAW further recognizes that a woman and man in a marriage relationship must have equal rights in the access, ownership, management, enjoyment and disposition of property[19]. Women's rights to water are protected by article 14(2)(h) of the CEDAW where the right to adequate living conditions, including in relation to water supply has been embodied. The Optional Protocol to the African Charter on Human and People Rights on the Rights of Women in Africa also recognizes the rights of women to land and environmental resources where governments are encouraged to promote women´s access to productive resources such as land[20].

The rural economies of South Asia and sub-Saharan Africa remain dependent on primitive agriculture with women dominating the labour force but conversely agriculture is the sector in which women suffer the greatest discrimination. Out-dated property laws relating to marriage and inheritance are such that not even 2 per cent of land in sub-Saharan Africa is owned by women. In addition, women are faced with disproportionate access to credit and farm support services. In newly urbanised environments of developing countries, women find work in low paid, temporary and informal sectors.[21] It would seem that African women are more likely than African men to be self-employed and to be working in the agricultural sector.

[14] Asian Productivity Organisation. High-growth, Innovative Asian SMEs for International Trade and competitiveness: Challenges and Solutions for APO Member Countries. 2007. http://www.apo-tokyo.org/publications/files/rr2007_11_13.pdf . Accessed 18 December 2012
[15] Snyder J.D et al .2012. A global review of innovative practices in regional SME's exporting strategies and Foreign Direct Investment Attraction. White Paper. Michigan State University. http://knowledgeplanning.org/documents/Innovative%20Practices%20v11.pdf
[16] Article 2 and 17
[17] Article 15(2)
[18] Article 14(2)(g)
[19] Article 16(h)
[20] Article 15 and 19
[21] http://uk.oneworld.net/guides/gender?gclid=CMzwjZzr37ICFaXKtAodL10AiQ

2.4.1 Women's Legal Rights

Women tend to work in more precarious positions than men, with no social protection and only seasonal contracts. Women are vulnerable to sexual and verbal abuse. Although several countries in Sub-Saharan Africa, Zimbabwe included have enacted laws to secure women's property and inheritance[22], communal land in Zimbabwe. In Zimbabwe land is apportioned along patriarchal lines and leaders allocate usufructory rights over land to male household heads which constitutes discrimination against women on the basis of customs of a bygone era. The fact that 84 per cent of women in Zimbabwe live in rural areas, and the majority are actively involved in subsistence farming is evidence that that customary law needs to accord women unconditional rights to land.

2.4.2 Women as Workers

Cultural practices determine what is viewed as appropriate jobs for women. According to Zimbabwe Women's Lawyers Association women who venture out into the public sphere suffer unique risks emanating from gender stereotypes and cultural attitudes about the "proper place of a woman." These attitudes often translate into workplace discrimination against women in earnings, opportunities for upward mobility and sexual harassment. Women require special attention of the needs created by their reproductive roles such as adequate maternity leave and benefits and child care.

In Zimbabwe, casual female wage labourers are hired for shorter periods of time than their male counterparts. They earn less than men and are more likely to be paid on a daily rather than on a monthly basis. Consequently, households headed by female casual workers are among the poorest households. Effects of this are the greater likelihood that their children are more likely to be underweight (in 40 per cent of the cases compared with 26 per cent for other households). [23]

2.4.3 Reproduction of the Family

Due to a lack of facilities and weak institutional support, reproduction activities (such as caring for families) rest mostly on women's shoulders. Rural women's choices of livelihood strategies are more dependent on necessity and survival as opposed to rural men's. Historically, women's reproductive roles have been considered insignificant, especially in the informal sector and subsistence agriculture. This has affected the programming of development projects where for example, the services of extension agents and agricultural inputs are targeted at men. Policy makers also tend to expect that women can take on roles previously fulfilled by public services, such as care for the sick and elderly, when cutbacks are made because of the belief that women's labour is infinitely elastic.[24]

2.4.4 HIV/AIDS impact on Women Livelihoods

In 2007, 33 million people were estimated to be living with HIV worldwide. Sub-Saharan Africa accounts for 67 per cent of people with HIV and for 75 per cent of AIDS related deaths. Of this number, women accounted for nearly 60 per cent. Countries especially affected include: South Africa, Botswana, Lesotho, Namibia, Swaziland, Zambia and Zimbabwe[25]. Research has proven female-headed households affected by HIV are likely to be more vulnerable to poverty than male-headed households. Orphans also increase the burdens of rural women leaving them with very little time to run businesses or tend their gardens. Even when these gardens are run, the produce is used to feed the sick relatives and not for profit purposes.

[22] Grow n and Gupta, 2005: FAO, 2006; UNIFEM, 2005; Deere and Doss, 2006).
[23] Adams, 1991
[24] http://ochanet.unocha.org/p/Documents/Guidance%20note%20on%20Early%20Recovery.pdf
[25] UNAIDS, 2008

2.4.5 Vulnerability to Changes in the Market

The employment effects of the crisis in the rural developing world will be contingent on the particular economic structures of different countries and on the sectors in which women and men work. For example, in countries where export sectors are female intensive, rural women will disproportionately bear the loss of jobs. Differences may also be evident in employment related to goods such as flowers deemed luxury goods, the demand for which can be expected to decline faster. Rural women micro-entrepreneurs could also experience negative impacts from restrictions on the availability of credit as they tend to be the majority of microfinance clients.

2.4.6 Environmental Management

Most women are also the providers of food through subsistence farming in Zimbabwe. Zimbabwe is now experiencing prolonged periods of dry spells which impacts heavily on agricultural productivity especially in subsistence farming. This has been directly linked to climate change a consequence of environmental degradation. In turn this makes women the managers of natural resources at community level. Principle 20 of the Rio Declaration states that women have a vital role in environmental management and development. Their full participation is therefore essential to achieving sustainable development. [26]Women are primarily responsible for housework which requires use of energy sources. It has been suggested that if countries in the sub-region in Africa are to achieve sustainable development for future generations, the experiences of women - the majority of whom live in the rural areas-have to be taken into account when it comes to environmental decision-making and management.[27]

2.4.7 Women's Access to Finance

There are several factors that hinder women's access to financial services. These include financial illiteracy, limited awareness among women on how to access financial services, limited awareness on the part of policy-makers and banks on the benefit of providing women with financial services; and lack of appropriate services for women (e.g., collateral requirements, which disqualify many women due to limited property ownership especially in rural areas).[28]

Women's World Banking (WWB), a global network of 39 microfinance institutions in 27 countries, believes that investing in low-income rural women through targeted microfinance services can be one of the most effective ways of increasing financial inclusivity. In some countries, key steps were taken to improve women's access to finance: in Indonesia, policymakers' and banks' were enlightened on the benefits of providing women migrant workers with financial services; in Nigeria and Pakistan, financial services focused on women were developed; and in Liberia, corporate credit unions aimed at women only were established, and women's solidarity groups were formed as a means of providing guarantees for each other as collateral.[29] In order for rural women to benefit from the availability of micro finance, barriers need to be removed so that they can have access to it. In conclusion, the literature indicates that in different contexts, sustainable livelihoods are achieved through access to a range of livelihood resources, which are combined in the pursuit of different livelihood strategies.

[26] UNIFEM News, January 1993
[27] Made, P. 1995:pg37
[28] http://content.undp.org/go/cms-service/stream/asset/?asset_id=2524504
[29] http://www.ruralfinance.org/fileadmin/templates/rflc/documents/solutions_for_financial_inclusion_serving_rural_women_1__1_pdf.pf Solutions for Financial Inclusion: Serving Rural Women

3. CONCEPTUAL FRAMEWORK

The conceptual framework of this study draws upon the literature for an understanding of the concept of livelihoods and its links to well-being and empowerment. It recognizes the importance of a multiplicity of factors that have to be addressed in order to create enabling circumstances for employment and livelihoods, particularly among women and youth who have adverse structural challenges to overcome. These include legal rights, cultural norms and lack of education and training in marketable skills. Additionally, the literature points to the critical importance of linking micro and small entrepreneurs, the majority of whom are women and youth, to information, markets and cheap finance.

Evaluating livelihood strategies among vulnerable groups, particularly the youth and women is challenging and complex. The cohort is diverse and any meaningful appraisal of needs, aspirations, assets, and obstacles must disaggregate youth and gender data by, for example, age, gender, rural versus urban, household income, marital status, in- versus out-of-school status, and development stage. Literature suggests that women livelihood intervention programme development should recognize that their economic activities are linked to household livelihood strategies which include child care and food security.

Strategies for effective livelihoods include identifying resources that enable the youth, women and other vulnerable groups to develop successful livelihoods; having strategies that help them acquire the resources; and ensuring the achievement of sector-specific program goals through livelihood capacity-building activities.

The association of employability and skills is well known and the study explores the academic profiles of respondents and their perceptions on employable skills and competencies. It links the availability of locally based education and training institutions with the existence of local skills capacity and entrepreneurial effectiveness. Enabling conditions for livelihood creation are linked to the effectiveness of local governance institutional arrangements and the partnership of local authorities with multiple stakeholders, in particular the private sector, in development assistance.. They potentially represent an added injection of technical assistance, funding and access to resources in livelihood creation. The pre-conditions for success in livelihood programs include the need for such programs to be effectively designed, led, administered, monitored and evaluated. Other preconditions for success in livelihood programmes include appropriate policies and practices that enable entrepreneurs to flourish. Often nationally driven policies are inappropriate for the local level and when they are not coherent across different line ministries they can impede the development of livelihood programmes.

Additionally, since livelihood programs should be cross-sectoral and there is need to track both livelihood-specific and cross-cutting outcomes and impacts. Although this tracking of impacts is beyond the scope of this study, the intention of the study is to identify potential economic opportunities in the four districts based on the assumption that with the appropriate mix of interventions in skills development, access to cheap finance and institutional support mechanisms, the Ministry of SMECD and partners will be able to effect an appropriate capacity building livelihoods programme in four districts. The study limited the mapping of economic opportunities to the sectors of agriculture, mining, tourism and arts and crafts under the assumption that these are the main drivers of local economies in the studied districts.

4 THE ZIMBABWE CONTEXT

The formation of the Government of National Unity in February 2009 and the introduction of multi-denomination currency, also known as dollarization, initiated a return to economic growth. This economic growth is largely driven by better economic performances in agriculture, mining, communication, and to some extent the services sector. However, more than three years, later, and despite intensive efforts to initiate recovery, an array of challenges continue to slow the pace of economic growth in the country. After an initial upsurge of 9 per cent in 2010, the rate of economic growth began to decline again with 6.8 per cent in 2011 and it is projected to grow by 4.4 per cent in 2013[30]. The economic recession of the last decade has affected a massive loss of formal livelihoods with over 84 per cent of the population now informally employed[31]. Unemployment levels remain very high among youth and women, particularly in the rural areas.

4. 1 The Face of Poverty

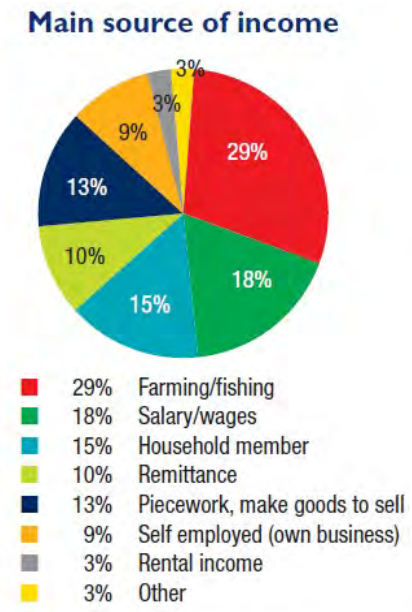
Zimbabwe has a predominantly youthful population, with over 60 per cent of its population aged between 15 and 24. Additionally, it is predominantly rural with 65 per cent of the population residing in rural areas[32]. It is also notable that the population has more females than males, with three women for every two men[33]. The Poverty Assessment Study Survey of 2003 revealed that 72 per cent of the population lived below the poverty line of USD1.50 per day. More recent studies estimate that 80 per cent of Zimbabweans live on less than USD 2 per day[34] Poverty is evidently the preserve of the rural population with 95 percent of those below the poverty line residing in rural areas[35].

Agricultural activities continue to be the mainstay of the economy with 70 per cent of Zimbabweans earning their livelihoods in this sector. The contribution of agriculture to the economy has dropped by 7 per cent recent years[36]. Unpredictable rainfall patterns and perennial droughts have left a huge section of the rural population destitute, with an estimated 1.6 million people, dependent on food aid with their livelihoods disrupted[37].

A profile[38] of the population's main sources of income indicates that 29 per cent earning earn a living from farming or fishing; 18 per cent from wages or salaries, of which four out of five adults earn less than USD 200 per month. Some 17 per cent of the population indicates not having any kind of income, while 10 per cent of households rely on some kind of remittances[39]. Further a recent Consumer Survey Study (2011) finds that 66 per cent of Zimbabweans reside in households with no piped water[40]. In rural areas, where the majority of Zimbabweans live, adults, particularly women, spend considerable time fetching water and wood to meet basic needs.

[30] African Economic Outlook (2012) African Development Bank Group, Zimbabwe Country Note
[31] ZIMSTAT Labour Force Survey 2011 page 112
[32] Finmark Trust, Zimbabwe and ZIMSTAT (2011) FinScope Consumer Survey Zimbabwe 2011
[33] Finmark Trust, Zimbabwe and ZIMSTAT (2011) FinScope Consumer Survey Zimbabwe 2011
[34] Chimhowu, A, Manjengwa, J, and S. Feresu (2010) "Moving Forward in Zimbabwe: Reducing Poverty and Promoting Growth". IES/BWPI, Harare.
[35] Manjengwa J, Kasirye I, Matema C (2012) Understanding poverty in Zimbabwe: A sample survey in 16 Districts, Paper prepared for presentation at the Centre for the Study of African Economies Conference 2012 "Economic Development in Africa", Oxford, United Kingdom, March 18-20, 2012
[36] The National Budget Government of Zimbabwe (2011) page 23
[37] Zimbabwe Vulnerability Assessment Report 2012
[38] Finmark Trust(200?)
[39] ibid
[40] Consumer Survey Study (2011)

Figure 1: Sources of Income[41]



Significantly, 36 per cent of those surveyed, had to skip a meal because of a lack of money or food and 61 per cent had gone without cash at some stage and had to make a plan for daily needs. A lack of access to basic infrastructure and amenities, proper sanitation, running water, and electricity, impact on the ability of people, particularly rural youth and women to create their livelihoods.

4.2 Profiles of the Districts under Study

The four districts of the study were selected for their typical profile of economically marginalized areas with high unemployment among youth and women. The populations in these districts have limited access to key resources for poverty alleviation.

The districts lie on the western side of Zimbabwe in Matabeland North and South and Midlands provinces. These areas are arid and very dry with relatively low agricultural potential with the exception of some key areas where irrigation schemes have had a major impact. Livestock production is widely practiced in all districts. Livelihoods are predominantly pastorally based with an increasing livelihood uptake into small scale mining and gold panning. As table 1 below illustrates the districts are rurally marginalized with limited access to resources.

Table 1: Profile of Four Districts

Districts	Population	No. of Wards	Wards headed by female councillors	Health Centres	Health centres per head of population	Boreholes	Dips	Dams
Umzingwane	58 569	18	4	15	3,905	352	40	-
Lupane	98 985	26	3	13	7,614	402	-	19
Mberengwa	183 712	33	n/a	12	15,309	-	-	-
Insiza	86 307	18	n/a	14	6,165	314	45	7

Access to quality education, a critical tool for children to rise out of poverty, is failing the majority of learners in Zimbabwe, and more so in these four districts which have schools with the highest pupil teacher ratios in the country[42]. Mberengwa secondary schools numbered among the schools that listed zero per cent for O level passes in 2012. In at least two of the four districts there are as a few as one secondary school to five primary schools. In Lupane district, one third of primary schools have more than 50 per cent of their teachers' indicating they are untrained[43].

Nationally, O level results at the secondary level are declining in recent years. Out of the 172 698 who sat for the 2012 O level examinations, only 31 767 candidates' attained passes in five subjects or more. Female candidates had a pass rate of 16,4 percent compared to their male counterparts who recorded 20,4 percent[44]. This profile is typical of the four districts studied. Further, government technical vocational education centres are found in only one of these districts while Lupane has one of Zimbabwe's newest universities.

[41] FinMark Trust, Government of Zimbabwe and ZIMSTAT (2011)
[42] Education at a Glance (2009) MOESAC Brochure
[43] Ibid 2009.
[44] The Herald, 5th February 2013

Table 2: Access to Basic Education Opportunities in the Four Districts.

Districts	Primary Schools	Untrained Primary Teachers	Secondary	Schools offering A levels	Ratio of Primary to Secondary schools	Ratio of Secondary Schools per head of population
Umzingwane	37	-	13	3	2.8	4,505
Lupane	95	18%	20	7	4.8	4,949
Mberengwa	-	-	-	-	-	-
Insiza	78	20%	18	-	4.3	4,795

Insiza

Insiza district, with a population of 86,307, lies 77km[45] to the south east of Bulawayo and 469[46] km from the capital Harare. The district experiences low total rainfall (450-650 mm) and is subject to periodic seasonal droughts and severe dry spells during the rainy season. The rainfall is too low and uneven for extensive cash cropping except in certain very favorable localities, where limited drought resistant crops can afford a side-line. The farming system, in accord with natural factors, should be based on livestock production, but it can be intensified to some extent by the growing of drought resistant fodder crops.

The major livelihood system in the district is however, based on crop and livestock production. The main crops are maize, sorghum, groundnuts and cowpeas crop which are rain fed. The area is marginal for agriculture and faces food insecurity one out of every three years. Draught power is provided by oxen, supplemented by the use of small hand digging tools. Both men and women share land preparation, weeding and harvesting labour. Witch weed is a common problem for cowpeas cultivation, and is controlled using ash and crop rotation techniques. Seeds are obtained from own production, from non-governmental organizations (NGOs) free of charge and some seed purchases. Fertilizer is provided free of charge by NGOs. Cattle manure is also used to improve soil fertility. Frequent drought spells are the biggest threat to crop production.

Community gardens are a prominent livelihood activity in Insiza with a number of non-governmental organizations including Christian Care and World vision which assist in providing inputs for these gardening activities. Insiza South constituency in Matabeleland South boasts of the largest and most successful irrigation scheme in the province, Silalabuhwa, which stretches over many kilometers. The irrigation scheme is a source of income and subsistence for many families, especially those staying in the Silalatshani area[47].

Migration to South Africa is common in the district. Remittances sent by relatives are an important source of income. Illegal gold panning is also very common. Most young men and women spend extended periods away from home in West Nicholson in Gwanda district, and on the banks of the Insiza River engaged in alluvial gold panning. Gold panning takes place throughout the year and peaks in August and September. A number of small scale mines in the district provide employment.

Lupane

Lupane is a district in Matabeleland North Province in Zimbabwe with a population of 98,985 and acts as the provincial capital. The district is home to a university, founded in 2005, (Lupane State University) and the Matabeleland North Provincial hospital. Migration was reported to be on the

[45] http://distancebetween.info/bulawayo/insiza
[46] http://distancecalculator.himmera.com/driving_distance_from-insiza_to_harare_between_road_direction-58644.html
[47] www.chronicle.co.zw/index.php?option=com_content&view=article&id=28909:silalabuhwa-irrigation-scheme-lifeline-for-insiza&catid=38:local-news&Itemid=131

increase in drought periods due to food insecurity[48]. Most of these migrants are the youths that have left school and are unable to secure employment.

There are 49 projects which received funding from the then Ministry of Youth, Gender and Employment Creation. The funds were distributed evenly between men and women. More than 50 per cent of the projects are no longer operational. The possibility for exploration of coal and methane gas in Gwayi-Concession is currently under consideration. According to estimates Zimbabwe has 40 trillion cubic feet of potentially recoverable gas in the Lupane-Lubimbi area. Coal bed methane is seen as an alternative source of clean energy, as Zimbabwe is faced with acute power shortages[49].

Mberengwa

Mberengwa is a district in Midlands province in Zimbabwe. The district is prone to droughts and high temperatures, but has an abundance of minerals such as gold, iron ore, emeralds and asbestos[50]. The economy mainly comprises of agriculture and stockholding[51]. Mberengwa has a total area of 4943.4 km^2 and is 319 km away from Harare and 144 km from Bulawayo. The approximate population of Mberengwa is 183,712[52] (85 061 males and 98 651 females) distributed into 36 273[53] households and has a population density of 37 persons per kilometer[54]. According to a Government of Zimbabwe and United Nations Development Programme 1999 report, 24.6 per cent of the population was illiterate while 8.6 per cent had no access to clean water. A 2011 report indicates that almost 21 per cent of the population was classified as living standard deprived[55]. Crop production in Mberengwa revolves around drought tolerant cereals (sorghum, finger and pearl millet) and short season maize varieties. Livestock production is predominantly cattle ranching[56].

A recent baseline study on youth employment and development[57] in the district indicated that a third of youth sampled had received some kind of informal training while another third had received vocational training and formal apprenticeship training. The study established that some 5 percent of youth had primary school completion, a further 85 per cent of these youth had some secondary education, but only 5 percent had completed the cycle. A further 5 per cent attained some kind of tertiary education qualification[58].

Umzingwane

Umzingwane district with a population of 58 569 people is in Matabeleland South Province, is in close proximity to Bulawayo, 43km away. The area receives erratic rainfall averaging 760mm per annum with high temperatures. Umzingwane district covers a surface area of 2 820 km^2 [59].

Artisanal small scale gold mining in the Umzingwane district has intensified due to rising poverty levels and perennial droughts that have been affecting the area over the past decade. The importance of artisanal small scale gold mining is reinforced by the fact that in the past few years it has become the main source of cash income in place of animal farming[60]. Over the past decade

[48] http://www.jsd-africa.com/Jsda/V12No5_Fall2010_A/PDF/Perceived%20Impacts%20of%20Climate%20RElated%20Parameters%20(Mubaya,%20Njuki,%20Liwenga,%20Mutsvangwa,%20Mugabe).pdf
[49] http://www.newsday.co.zw/article/2012-04-03-chinaafrica-assesses-lupane-gas-deposits/
[50] http://en.wikipedia.org/wiki/Mberengwa_District
[51] http://www.ashgate.com/pdf/SamplePages/Karanga_Indigenous_Religion_in_Zimbabwe_Intro.pdf
[52] http://www.geohive.com/cntry/zimbabwe.aspx
[53] http://hdl.handle.net/10353/82
[54] http://www.fao.org/docrep/008/y5744e/y5744e09.htm
[55] http://www.fao.org/docrep/008/y5744e/y5744e09.htm
[56] http://hdl.handle.net/10353/82
[57] University of Zimbabwe's (2011)
[58] L. Zanamwe et al (2011), Baseline Survey for Youth Employment and Development in Zimbabwe: Technical report, University of Zimbabwe, Department of Geography and Environmental Sciences
[59] http://natagri.ufs.ac.za/dl/userfiles/Documents/00002/2302_eng.pdf
[60] http://natagri.ufs.ac.za/dl/userfiles/Documents/00002/2302_eng.pdf

subsistence agriculture has continued to decline due to frequent droughts in the area[61]. The people involved in the panning activity are mainly young to middle aged ranging from the ages of 14 to 55 years. Artisanal small scale mining in this district comprises of men, women and children who are poor and largely rural as well as a few professionals.

There are no natural lakes in the district even though there are four major rivers dissecting in a dendritic pattern and six large dams found in the area with the largest one supplying Bulawayo city with 58 per cent of its drinking water. Ground water is the principal source of water in this area. Wetlands form another important source of water for watering gardens and livestock, but these are seasonal due to persistent droughts.

[61] Umzingwane District-Agritex, 2006:23

5. RESEARCH METHODS

5.1 Secondary Data

A desk review on lessons learnt in effectively implementing youth and women livelihood creation in Africa and globally, influenced the formation of the methodology and conceptual framework of this study. The next step was to review the findings of various current national reports related to livelihood creation in Zimbabwe, with a particular focus on rural development, youth, women and technical skills development. The provincial and district base maps were sourced from the United Nations Office for the Coordination of Humanitarian Aid (UNOCHA). Zimbabwe National Statistics Agency (ZIMSTAT) provided detailed enumerator area maps which not only informed the logistics for the field work but provided an understanding of the geo-economic issues related to the districts, such as land use, distance to the nearest urban centres, the location of dipping tanks, schools, among others.

5.2 Primary data

Questionnaires and interview schedules were developed for each target group. These were piloted in rural communities outside of Bindura before being modified for the final field work. A 14-person team was in the field for eleven days as enumerators, conducting 170 household interviews involving both youth and women. Key stakeholder and potential partners were invited to stakeholder forums, a national one and one in each of the four districts. These interactions refined the study methodology, made policy recommendations as well as identified key programmes or assets that could catalyze livelihood opportunities in the districts.

During stakeholder consultation meetings, focus group discussion were held with youth, women, local businesses and NGOs operating in the various districts.

5.3 Sampling Strategy

The field work targeted the following populations:

1. Women (36 to 49 years old excluding female youth)
2. Youth (15 to 35 year olds[62])
3. Organizations involved in or with potential to engage in livelihood initiatives at district level
4. Small and Medium Enterprises and Cooperatives in the four districts
5. Community leaders, traditional and local government officials

Some 55 key informants were selected with the assistance of local administrators and organizations involved in economic empowerment projects. Coordinators of projects engaged in livelihood programmes, local leaders, traditional and government officials were interviewed to solicit their expert opinions on livelihood obstacles and opportunities. The interviews focused on current interventions, policy recommendations and capacity needs of the various economic actors.

Similarly district officials and traditional leaders identified the participants for the district stakeholder forums that were held in each district on livelihood creation. Approximately 35 people participated in each of the stakeholder forums and broke into the interest groups of youth, women, businesses and other (which included NGOs, district officials and traditional leaders). Specific focus group discussion guides were developed and used in each of the interest group meetings.

Some 170 households were sampled across the four districts generating approximately 189 completed questionnaires. A two-stage sampling strategy was utilized to isolate in successive steps the geographical location of household respondents in the study. The first stage was the selection of Enumerator Areas through stratified random stage, and the second stage, the selection of the

[62] As defined by the national Youth Act and African Youth Charter

households was through systematic random sampling. In Stage 1, each of the four districts was stratified into six groups according to land use sector. Lupane was an exception as it had one land use type - communal land. On behalf of the study, ZIMSTAT randomly sampled the enumerator areas .The result was that six enumerator areas, one for each land use type, were selected in each of the four districts. This approach was selected as it offered representation of the population as well as ensuring the economic opportunities identified can be applicable to the diverse communities.

Stage 2 was the selection of households through systematic random sampling. The target was to select five households in each enumerator area. The households were selected using a sampling interval by dividing the number of households in the enumerator area by the number of households needed. At district level 57 per cent of respondents were female.

Table 3: Number of household respondents and focus group participants.

	Male		Female		Women	Total
	Youth	Business	Youth	Business		
Insiza	13	10	6	9	21	59
Lupane	15	12	6	6	14	53
Mberengwa	20	3	6	7	21	57
Umzingwane	28	5	8	6	36	83
Total	74	20	25	28	92	***252***

5.4 Data collection

The enumerators for the study were trained in basic research methods. An advance team was dispatched to the four districts to introduce the study to district authorities and conduct promotional activities among community leaders. Interviews were conducted in the respondent's language of choice.

5.5 Data Capture

An interface was developed in Microsoft Access to allow data entry. The same software was used to process the data and conduct the analysis. Data cleaning was done at all stages i.e. data entry and data processing to check for data consistency. Descriptive statistical analysis was used to produce frequencies/percentages, means and ranges. The field notes, household questionnaires and rapporteuring notes of the focus group discussions, key informant interviews were transcribed and coded. Frequency analysis, the process of quantifying qualitative data, was done to clarify the prevalence of an opinion or position.

A limitation of the study is that its findings are based on a limited sample. Additionally, each district has its own specificities and sample sizes of 14 and 18 in the focus groups in some instances are not likely to generate broadly representative views. However, they do provide an opportunity to engage in qualitative discussions which may further illuminate possible opportunities and ways of mitigating barriers to employment creation.

A draft report was circulated to key stakeholders for comments; these inputs were taken into account and a draft report was submitted in February 2013. The study findings were taken back to the communities for a feedback and validation process in early 2013. Four district meetings were conducted with up to 100 participants per meeting commenting on findings. These inputs were incorporated in the report.

6 FINDINGS

6.1 National Actors in Livelihood Creation

National actors were engaged by the study to share their activities and livelihood programmes targeting youth and women in rural areas. Interviews were conducted with Ministries of SMEDC, Gender and Community Development, Local Government, Labor and Social Welfare, Education and Sports, Arts and Culture and Youth Development, Indigenization and Empowerment. In addition, para-statals such as SEDCO and agencies such as ZAMFI, Small Miners Associations and Association for Rural Councils, SMEs Association of Zimbabwe were interviewed.

The lead implementers were the following:

Ministry of Youth Development, Indigenization and Empowerment (MoYDIE)

The Ministry of Youth Development, Indigenization and Empowerment, is a key player in livelihood creation for youth and local communities. Its vision is to achieve empowerment of Zimbabwean youths and indigenous citizens through the development, promotion and implementation of policies and programmes that allow sustainable and equitable development[63].The Ministry is functionally split across two divisions – primarily, the Youth Development and secondly, the Indigenization and Empowerment section.

The Vocational Skills Development programme provides training using a "Training for Enterprise" model, which aims to capacitate young people, primarily without secondary qualifications, with the requisite skills to start up their own business or for employment. Its 42 vocational training centres spread across the country, ten of which are provincial training centres, offer a range of courses which differ in duration and are designed for diverse learners. The levels of certification range from National Foundation Certificate (NFC), National Certificate (NC) to Trade Tested Worker Certificate (Journey Persons).The section also runs the Integrated Skills Outreach Programme (ISOP).Under this strategy, short term demand driven outreach programmes are done within identified locations ensuring optimum utilization of locally available resources. ISOP is seen as a unique example of joint programming with the Ministries of SMECD and Higher and Tertiary Education. The MOYDIE, however, has incomplete statistics on its training centres and it is difficult to assess how they are addressing the skill needs of its target group and that of the economy.

A Youth Programming Section, is focused on addressing data and research aimed at ensuring the availability of up to date information on the youth situation as well as informing the Ministry and various stakeholders on the youth needs and expectations. The section is also responsible for the development of policies and instruments for the whole youth development drive. The National Youth Service, a third leg of the Youth programme places young people, aged 18 to 35 years, in volunteer corps in building and civic education. The establishment of the Youth Build Zimbabwe Programme has seen communities improving their infrastructure such as roads, toilets, schools, clinics, hospitals, boreholes, dip tanks and homes for the disadvantaged. The Ministry has also created the Youth Empowerment Fund, supported by various banks, where youth are able to access up to $5000 short-term loans for entrepreneurial activities.

The Ministry's National Indigenization and Economic Empowerment legislation which empowers government to ensure that all non-indigenously owned companies, with assets over $100,000 must ensure 51% of their shareholding is held by indigenous Zimbabweans by 2015. The policy is aimed at opening up resources and opportunities to the local population. The policy also proposes that

[63] http://www.africayouthskills.org/Ministry_of_Youth_Development

Community Share Ownership Schemes or Trusts shall be established by businesses involved in the commercial exploitation of natural resources, including minerals as this will allow the relevant communities to have the natural right to benefit from their own local resources.

Ministry of Women Affairs Gender and Community Development (MWAGCD)

The Ministry of Women Affairs, Gender and Community aims to empower women and communities in terms of gender equality and equity. The Ministry has three divisions addressing each of its mandated areas. The Women Affairs department spearheads women empowerment, and in 2012 launched the Zimbabwe Broad Based Women's Economic Empowerment Framework which plans to create markets and access to finance for women entrepreneurs. A Women's Council Act, currently being reviewed by parliament, will create a tool to redress the issues of ineffectiveness, incoherence and create mutual accountability amongst all the players in the women empowerment agenda

The Community Development department focuses on empowering communities so that they can be self-reliant. The department achieves this through encouraging community participation in identifying their needs and ways of meeting them. The Department also aims at reducing the dependency syndrome of communities and building the capacity of women for sustainable development. In 2011, the Ministry launched the Seed-Multiplication Pilot Project in Chipinge The COMESA funded seed multiplication project`s main objective is household food security. The pilot started with Mashonaland East, Manicaland and Mashonaland West provinces, for sugar beans and groundnuts and it is planned that it will cascade since it has been a success. The objective of this initiative is to ensure food security in the country through small-scale farmers by providing of agricultural inputs to increase yields.

The Gender Department focuses on promoting gender equity and equality so that equal and equitable access, control and ownership of resources between men and women are promoted. This is achieved by the promotion of a gender sensitive legal framework, lobbying and advocacy campaigns aimed at eradicating negative attitudes and practices that fuel gender inequalities. The government recognizes the need for full participation of men and women in the development processes at all levels in order to ensure sustainable development and attainment of equality between the sexes. The gender management system consists of gender focal points, district and provincial gender councils[64].

Ministry of Small and Medium Enterprises and Co-Operative Development (MSMECD)

Created in 2002, the Ministry of Small and Medium Enterprises and Cooperative Development is mandated to promote micro, small and medium size enterprises and cooperatives in Zimbabwe. The Ministry's primary task is the formulation of policy, research and statistical work to enhance the operations of this sector. In 2013, the Ministry launched a national policy on SMEs and undertook research to determine the size of the sector, with a specific focus on the informal sector. This research, undertaken by FinScope, and maps the most binding constraints on the SME sector.

Ministry policy also encourages the formation and sustainability of co-operatives in all sectors of the economy. The Ministry administers the Cooperative Societies Act under which cooperatives are registered. Through advisory, various types of incentives and extension services to cooperatives, it promotes their formation among grass-root communities as a means of creating sustainable livelihoods. The aim is to transform cooperatives ultimately into small and medium enterprises. The Ministry conducts research on cooperative issues and maintains an up-to-date database on cooperatives in the country. In 2011, there were about 4 784 registered co-operatives with a total

[64] http://www.women.gov.zw/index.php/departments/women-affairs

membership of about 939 900 which were engaged in various sectors of the economy, mainly housing, agriculture, fishing, manufacturing, mining, savings and credit (SACCOs) and transport. On behalf of micro, small and medium enterprises and co-operatives the Ministry also mobilizes resources through government and various partners. The Ministry also provides services to small businesses such as market promotion, common facility centres, facilitating access to finance, training services as well as project monitoring and evaluation.

Small Enterprises Development Corporation (SEDCO)

SEDCO a para-statal under the Ministry of MSMECD, t has a legal presence through an Act of Parliament. Its mandate is to assist micro, small and medium enterprises (MSMEs) in finance, infrastructure and business development services. SEDCO has six branches located strategically across the country. Harare serves Mashonaland East and South, Bindura serves Mashonaland Central, Masvingo serves Masvingo Province, Mutare serves Manicaland, Gweru serves Midlands and Bulawayo serves Matabeleland North and South. SEDCO offers ordinary short term loans for a duration of up to 6 months at 15 per cent interest per annum. These loans are given for working capital and capital expenditure. The funds disbursed to micro, small and medium enterprises through SEDCO are from the government fiscus.

The Small Enterprise Development Corporation (SEDCO) was set up by government to provide lending to small and mediums scale enterprises. It is a parastatal of the Ministry of SMEs and Cooperative Development. Its vision is "to be the development finance institution of first choice for micro, small and medium enterprises" and its mission is "to champion economic growth by promoting and developing MSMEs through delivery of customer focused financial and business extension services."

SEDCO lends to registered enterprises in the case of SMEs and Cooperatives, who can borrow up to USD5,000.00 and to individuals in the case of Micro-enterprises (this includes individual vendors and flea market operators) who can borrow up to USD500.00. The interest is up to 15 percent and the repayment period is between four and six months. All loans have to be secured by some form of collateral which can include title deeds; cessation of lease, shares in listed companies; and movable assets like household goods and livestock. A guarantor is required for micro-lending to individuals. Their lending thrust is to promote value addition in the manufacturing sector, but as noted in the Annex15 current lending is mostly in retail.

SEDCO has six branches in Harare, Bulawayo, Gweru, Masvingo, Mutare and Bindura. Their objective is to spread the resources to all parts of the country and they go out to look for customers. Loan applications take two weeks to process because some of the loans are approved at the provincial level depending on the level of the loan requested. Some are referred to Head Office in Harare. SEDCO also tries to ensure gender balance as seen from Annex 15 where there an almost 50-50 gender distribution in the lending. SEDCO does not have a special window for youth who are expected to compete with everyone else. It however provided some loans to some youth who participated in the ISOP.
Along with the loans they conduct period monitoring of the projects and advise on corrective action where needed. They also provide training in record keeping, business planning, marketing etc. Most the training is conducted in-house using VTC staff as resource persons. They also involve staff from the Standards Association of Zimbabwe.
The Table in Annex 15 shows the lending portfolio for 2009. The table shows that slightly more formal enterprises benefited compared to micro enterprises. The distribution by gender was almost equal. More jobs were sustained than new ones. The distribution of the loans by sector shows that more loans were awarded to the Retail sector (74.5 percent) followed by manufacturing sector (17.3 percent). Both Services and Agro based sectors were very low at 4.4 percent and 3.7 percent respectively.
They also provide business shelters to clients for a period of three months for incubation projects. The occasionally showcase their successful clients and give awards. They have however not conducted any tracer studies of their clients but according to them there is evidence that they have been successful judging by the success of companies that they have supported which are now big.
Their biggest constraint is lack of financial resources. They are currently operating at 20 percent of their previous capacity. It mobilises its resources from government though its parent Ministry and from NSSA and the POSB, NSSA, PSIP and CBZ but this is inadequate to meet the demand for loans.

These initiatives provide the much needed start up capital for

Zimbabwe Association of Microfinance Institutions (ZAMFI)

ZAMFI is a legally constituted not-for-profit corporate body formed in 1999 to represent the interest of microfinance institutions in Zimbabwe. Its main mandate is be an advocate for an enabling and conducive legal and regulatory environment for the microfinance sector. In fulfilling this mandate, services are provided such as lobbying on behalf of its members and playing an advocacy role to it members on critical issues. It holds regular meetings to exchange information among members with respect to microfinance issues, challenges and best practices.

ZAMFI is also linked to regional and international microfinance players such as SEEP, a global network of 130 international practitioner organizations dedicated to combating poverty through promoting inclusive markets and financial systems, the African Microfinance Network (AFMIN) and is part of the Micro Credit Summit campaign.

ZAMFI also conducts quarterly performance monitoring of member institutions by collecting and analysing key financial data on their profitability and sustainability, asset and liability management, portfolio quality, efficiency and productivity, capital adequacy and outreach. This data is used to produce an assessment of the current state of the microfinance sector and is shared with other stakeholders.

Capacity building of members is another key aspect of ZAMFI's mandate. Members are engaged on an annual basis to conduct needs assessments, from which a program of relevant courses is designed to improve the skills and competence of its members.

6.1.1 Government's Response

Upon its conception in 2009, Zimbabwe's inclusive government launched a Short Term Recovery Programme (STERP) whose main objective was to reverse hyper-inflation, negative GDP growth rates, low productive capacities and improve service delivery in the social sector.[65] The formulation of the Medium Term Plan which is the successor to STERP is a direct response to fundamental development challenges. One of its mandates is, "to support the strengthening of economic stability achieved under STERP and promote growth (and) such growth will be inclusive and pro poor in order to simultaneously address the country's high poverty and inequality levels"[66].

All related government ministries are, therefore, tasked to promote livelihoods through income generating projects, skills training and building of community infrastructure[67]. Additionally, government indicated its commitment towards the growth of SMEs through the Industrial Development Policy (2011-2015). This policy aims to develop and strengthen existing parastatals like SEDCO to be able to offer more support to SMEs in addition to infrastructural support, technology upgrade, quality control and improvement, research and development, market access and financing facilities, among other forms of targeted government support to the SMEs sector[68]. These efforts have been aided by the re-engagement of international aid, particularly humanitarian aid in food security, health and

[65] Government of Zimbabwe (2009) Short Term Emergency Recovery Programme
[66] ibid
[67] Journal of Social Development in Africa (1991), 6, 1, page 33-45, Social Work Practice in Zimbabwe Edwin Kaseke
[68] An analysis of the impact of targeted government support on SMEs growth and development in Zimbabwe: a survey of Mashonaland Central Province (2011)

education[69]. These factors have improved access to basic social services. Given the SME sectors' high labour to capital ratio government perceived that there is need to use the sector as strategy for quick turnaround of the economy at a relatively cheaper cost than that of conventional larger industries which are shrinking[70].

6.1.2 Inter-ministerial Structures

In Zimbabwe, the government of national unity in 2009 continued with the tradition of various inter-ministerial committees clustered around thematic areas such as skills development, social services and economic sector delivery and focused on implementing the government's medium term plan. Such a committee involving ministries of Finance, Industry, Tourism, Mines, Agriculture and SMEs collaborate on small and medium enterprises, skills development and tourism. The MoYDIE chairs the inter-ministerial committee on Skills Development along with a number of Ministries, including the Ministry of Higher and Tertiary Education (MOHTE). One of the respondents indicated that ministries such as Labour, Higher Education and Youth need to have their role enhanced so that there is an input from the human resource and skills training sectors which ensures the total growth of SME sector.

A number of challenges face these committees such as the inadequate involvement of the private sector and the willingness of the education and training providers to re-orient their curriculum to address issues of such entrepreneurship, finance management, the role of savings and producer cooperatives in livelihood creation. Respondents indicated that the Ministry of SME's needs to lean much stronger on Ministries of education and skills development to ensure research activities at institutions of higher learning improve productivity for SME's particularly those in the informal sector. Others noted the lack of coordination of activities among ministries involved in the SME particular sector since there is the risk of duplicating programmes. In order for goals to be met through the committees, the various ministries should have equal representation with the inputs from various stakeholders taken into consideration. Key informants were of the opinion that inter-ministerial joint work plans and budgets would foster greater cooperation and effective promotion of micro, small and medium businesses.

6.1.3 Public Private Partnerships

The Government's Short Term Economic Recovery Program (STERP), Government recognises the need for Public Private Partnerships (PPP) arrangements to finance infrastructural development but no specific legislation is in place. According to STERP, participating private sector partners, contributing financial resources, will be allowed special dispensations and privileges. Specific areas for possible partnership areas include air and rail services, power generation, dam construction and the upgrading and construction of the main national highways, urban housing development projects, and infrastructure for SMEs. Legislation on PPP can help in establishing linkages between government and the private sector which would help in developing infrastructure for small businesses, resulting in more people earning a livelihood[71]

The following table elaborates the areas of synergy among six ministries and government agencies directly involved in the SME sector. Drawn from interviews with key informants, it also proposes possible strategies that could be adopted by a particular ministry in expanding its intervention in the sector.

[69] US$651 million or 15-20% of GDP in 2009. http://www.solidaritypeacetrust.org/1092/foreign-aid-dilemmas/
[70] Zimbabwe's Industrial Policy Document 2011-2015 Prof Welshman Ncube MP
[71] Doing Business in Zimbabwe The jewel of Africa (2010)

National Government Actors: Current situation and Possible Strategies to address Capacity Gaps in the SME sector						
Capacity Development Issues	**Ministry of Small and Medium Enterprises and Cooperative Development**		**Ministry of Youth Development, Indigenization and Economic Empowerment**		**Small Enterprises Development Corporation (SEDCO)**	
	Current situation	**Intervention**	**Current situation**	**Intervention**	**Current situation**	**Intervention**
1. Finance	-Budget allocation from fiscus was only 14 per cent of the request in 2012 - Funding sourced from donors through ZUNDAF , Proposals accepted at donors discretion	- Widen pool of potential donors, include private sector and strengthen inter-ministerial links - Lobby the Ministry of Finance for more funds.	- Budget requests to treasury are partially funded. The Ministry only received 2% of the government budget in 2012 - Youth Development fund is underfunded - Vocational Training Centers have to generate income to meet their funding gap - Resource mobilization has yielded some results with partners such as ILO funding programs	- Plans are in place to use Community Share Ownership Funds, from the Indigenization programme, to fund youth development in districts - More evidence based research is planned for lobbying for greater allocation - strengthen resource mobilization (donors and private sector)	- Underfunded from fiscus, receiving 6 per cent of the request in 2012 - Demand for SME financing largely outstrips supply - Fund Management arrangements with organizations such as ILO for managing the disbursement of SME Funds is place - Recuperating funds from defaulters through debt collectors is being pursued. - 95 per cent loan repayment rate	- MSMECD to enhance lobbying for funds for SEDCO. Greater collaboration between MSMECD in fundraising - Train beneficiaries on financial management and the importance of repaying loans
2. Monitoring and Evaluation (M&E)	- Equipment is inadequate to allow sufficient levels of monitoring particularly (vehicles and ICT) - Limited expertise on the development of monitoring and evaluation framework, and national indicators - Monitoring and Evaluation done by officers of the Ministry. Not enough officers - The Ministry does not have a database of SMEs or craftspersons -Monitors disbursements to SEDCO	- Work with other ministries to close gaps and assist with transport -Work with SEDCO on M&E so as not to replicate monitoring and evaluation activities	- Equipment is inadequate to allow sufficient levels of monitoring particularly (vehicles and ICT) - Limited expertise on the development of monitoring and evaluation framework, and national indicators - Limited data to assess impact of interventions - Currently no national statistics on vocational training institutions are produced and disseminated.	- Revitalize the Ministry's management information system - Strengthen technical capacities in the development of monitoring and evaluation frameworks	- M&E is dependent on funding. Mostly loan disbursement records and data collection during training is used. Six branches for the whole country. - Equipment is inadequate to allow sufficient levels of monitoring particularly (vehicles and ICT)	- Records Management System needs improvement. Greater presence through the country. More funding for evaluation exercises is required..

	- M&E of finances conducted through normal government channels and procedures					
3. Technical capacity	- Generally short staffing across the Ministry due to the recruitment freeze - Benefits from students on attachment - Most staff have degrees in relevant fields but some lack knowledge of current practices	- Strengthen staff development programme with emphasis on refresher courses and professional training	- Lack staff in key fields such as statistics and economics - Challenges in motivating and retaining personnel - Vacancy rates are high with some posts unfilled - District level officials require development	- Strengthen staff development programme with emphasis on refresher courses and professional training	- Retaining staff is difficult due to uncompetitive remuneration - Capacity of staff not optimum	- Moving SEDCO into the commercial cluster will allow the entity generate sufficient turnover with which to remunerate staff - Continuous improvement through training
4. Policy	- New policy on SMEs being debated in parliament. Research on funding patterns of SMEs will feed into new policy positions addressing issues such as registration fundraising, definition of MSMEs	- Finalization and adoption of the revised MSME's policy - Development of the a national Action Plan and capacity development programmes targeted for specific districts.	- Youth Policy has been launched. - Plan of action has been developed but funding such activities remains unclear - - Policy forum on youth employment and skills development held involving multi-stakeholders	- Implementation of the plan of action - ensuring every partner ministry or agency plays its role , - mainstream the youth development agenda	- Current policy is not clear on SEDCO mandate. - Policy implementation hampered by lack of resources	- Reduce reliance on government funding by operating SEDCO on a more commercial basis
5. Coordination and Collaboration	- Information sharing in place - joint ministerial committees formulate sector wide strategies - Adhoc partnering in the implementation of programmes	- Develop more systematic means of sharing knowledge and information - Develop joint work plans to ensure limited duplication and greater collaboration	- Information sharing in place - chairs joint ministerial committees on skills development aimed at formulating sector wide strategies - Adhoc partnering in the implementation of programmes	- Develop more systematic means of sharing knowledge and information - Develop joint work plans to ensure limited duplication and greater collaboration	- Information sharing in place - joint ministerial committees formulate sector wide strategies - Adhoc partnering in the implementation of programmes	- Develop more systematic means of sharing knowledge and information - Develop joint work plans to ensure limited duplication and greater collaboration

Capacity Development	Ministry of Local Government		Ministry of Labour and Social Welfare		Zimbabwe Micro-Finance Institution (ZAMFI)	
	Current situation	Intervention	Current situation	Intervention	Current situation	Intervention
1. Finance	- Funding comes from the fiscus. - At the district level, District councils generate their own revenue	- More efficient revenue generation by District Councils, SMEs can be a source of future funds - Ring fenced funds for SME generation	- Funding comes from the fiscus - Partners support the implementation of some projects		-Underfunded as contributions come from members mostly - ZAMFI does not have its own premises or vehicles - Has created the Zimbabwe Microfinance Wholesale facility (ZMWFT) which is now autonomous and is selling finance at wholesale rates to qualifying MFIs	- More funding from Government and innovative vehicles such as donor funds
2. Monitoring and Evaluation	- Provincial and District Sub-Committees conduct and produce quarterly Monitoring and Evaluation reports - Poor reporting among stakeholders as many SMEs are unregistered and in the informal sector. - NGO's provide M&E data on their projects	-Strengthen communication	-Monitoring and Evaluation done through officers and mechanisms such as labour unions. - Limited ability to monitor and evaluate the informal economy - No robust Labour Market Information System (LMIS)	-Strengthen informal economy association to improve monitoring -Prioritize the development of a labour market information system with other government agencies. - Promote a national qualifications framework that includes skills obtained in the non formal sector.	- Performance data is collected from members every quarter - Analysis of data through international performance measurement models. - Findings disseminated to members highlighting areas of concern for management attention.	
3. Technical capacity	- Officers need capacitating	- Twin Local government officers with NGOs officers to facilitate informal learning and skills transfer.	- Continuous training of as many officers as possible in labour related matters - High staff turnover due to loss of officers to the private sector.	-Seek funding from Public Service Commission for more training -Technical allowances for key positions to encourage staff retention	- Needs assessments are conducted and capacity building activities for members - Ongoing discussions and disseminate information pertaining to regulatory changes, best microfinance practices, ethical conduct of microfinance business and delinquency management.	

Capacity Development	Ministry of Local Government		Ministry of Labour and Social Welfare		Zimbabwe Micro-Finance Institution (ZAMFI)	
	Current situation	Intervention	Current situation	Intervention	Current situation	Intervention
4. Policy	- Coherent Policy on mandate of Ministry -Policy on providing land for SMEs exists -	-Need to work with MSMECD at national level - More active involvement in the formulation of by-laws for SME development	-Mandate confusion with manpower development planning moving to Ministry of Higher and Tertiary Education. -Ministry no longer in charge of Employment Creation and it is not clear which Ministry this mandate falls under - the Zimbabwe National Employment Framework has no budget - Ministry primarily deals with the formal labour sector.	-Revisit mandates among all line Ministries and clearly outline roles. -Ministry of Labour takes lead on employment creation and weans itself of various projects to the different Ministries i.e. MOY for youth projects	- -Works well with stakeholders in Government, banking industry and other MFIs. - Linked to regional and international microfinance players such as SEEP, AFMIN and Micro Credit Summit. Need to revise current policy to allow MFI to grow (registration procedures, duration of licenses and need to consider allowing MFI to take deposits) - No credit bureau in place - Low involvement in rural communities	
5.Coordination and Collaboration	-Robust partnerships for project, design and implementation - Weak Inter-Ministerial coordination		-Limited success in collaborating with stakeholders in the informal economy -Performance at local level is improving due to participation in District and Provincial Councils	- Expanding influence in the informal sector by encouraging the formation of groups and through spot inspections of labour conditions - Inter-Ministerial sharing of costs for cross cutting projects. Donor involvement	- Up to date records on MFIs country wide. - Consults broadly with partners, encourages and communicates with members on regulations	

6.1.4 Development Partners Response

There are many development partners who work closely with NGOs that are involved in the area of livelihoods, income generating projects, savings clubs and micro-financing which impact on youth employment opportunities. It will be difficult to report on all of them because of the limited time and the volume of work that is currently going on. Data obtained from the UNDP indicates that there are over 30 organisations working in livelihoods projects 16 in infrastructure projects and 14 in institutional capacity building across the country. There are over 114 thousand people who have benefited from the livelihood projects and over 22, 000 micro credit groups have been formed.

UNDP's Approach

Faced with a needed recovery from the severe crisis experienced by Zimbabwe, UNDP implemented its "Locally Led Early Recovery (LLER) Approach" which is to restore the capacity of national institutions and communities to recover from a conflict or a natural disaster, to enter transition, 'build back better' and avoid relapses into crisis. The focus of the approach is on restoring national capacities to provide a secure environment, offer services, restore livelihoods, coordinate activities, prevent the recurrence of crisis, and create conditions for future development. It aims to strengthen human security and address the underlying causes of the crisis.

The transitional initiatives work towards ensuring that human security is empowered locally and that risks for future emergencies are limited. This will be done both by implementing direct projects aimed at restoring basic social services, infrastructure and livelihood opportunities, and by enhancing the local capacity to lead recovery initiatives during the emergency situation.

Community participation and community-based planning is seen as a crucial element for the success of all economic livelihood initiatives and much emphasis is placed on enhancing communities' involvement in all recovery activities. Capacity building initiatives were implemented so as to ensure that the existing local governance structures are able to take on recovery initiatives in an inclusive, democratic and effective way. Such measures moreover need to be linked to the community-based endeavors mentioned above as this in turn will establish closer relations between the local authorities and its immediate constituency.[72]

The LLER is a Government of Zimbabwe (GOZ) and the United Nations Development Programme (UNDP) project which aims to assist communities and local authority to strengthen their capacities towards achieving sustainable development. The implementing partners are the MoLSS and the MoLGRD. Specific objectives of the LLER are to:

☐ Strengthen communities, local and national government planning and decision making capacity for early recovery;

☐ Restore and revitalise community livelihoods by supporting prioritised socio-economic and recovery needs, and establish a multi-sectoral link between the humanitarian and development effort.

☐ Establish a multi-sectoral Early Recovery (ER) link between the humanitarian and development effort.

[72] http://www.undp.org.zw/component/content/article/2-what-we-do/109-liciinzimbabwe

The LLER project targets the most vulnerable who include women, youth, people living with disability and HIV/AIDS. Implementation of the LLER project is based on partnerships. The programme period is 2009 – 2011 and the budget is USD 4,775,000.

ILO's Approach

The inception of the Skills for Youth Employment and Rural Development Programme by the International Labour Organization (ILO) saw various partners from Government, trade unions, employers and civil society organizations agree to come together for the period 2010 to 2014. The objective of this partnership is to strengthen skills development systems that improve employability, promote access to employment opportunities and increase incomes for inclusive and sustainable growth. The programme hopes to address the challenges of youth employment and rural development by achieving quality improvements in traditional apprenticeships in the informal economy, and market driven community-based technical and vocational skills development in rural areas.

The two main areas of the skills training strategy are: 1) introducing the ILO's Training for Rural Economic Empowerment (TREE) methodology in rural communities, and 2) improving the Quality of delivery of training in Informal Apprenticeship (QIA) in the informal economy. Recognizing that after-care services are a vital component of any intervention, the post-training strategy includes 'making microfinance and business development service markets work for youth and their self-help groups or cooperatives'. The programme intends to ensure ownership by local communities as well as sustainability. In order to achieve this, local stakeholders are trained while also actively getting involved in the design and implementation of the programme tools and methodology. The Skills for Youth Employment and Rural Development Programme pays special attention to value chains and also involves the private sector by assuring them of clear roles.

6.2 Local Government and Authorities

6.2.1 Rural District Development Committee

The District Administrator's Office (DA) is mandated to coordinate and provide oversight on development activities at district level. It is evident in the four districts that this office is well appraised with the various efforts on the ground. There is a coordination mechanism at district level, the Rural District Development Committee (RDDC) which comprises of the district administrator's office, the local authority, security forces, district ministry officials and partner organizations such as non-governmental organizations and private sector to a lesser extent.

The function of the RDDC is to develop and assess annual and long term development plans, as well as monitor and evaluate projects being implemented. The plans developed are a compromise of numerous factors such as donor priorities, various ministerial priorities and local needs. Organizations aspiring to implement development projects in the district have the DA's office as their first port of call. It is during these interactions, with the DA and RDDC, a memorandum of understanding is drawn up, which outlines the rights and obligations of all parties.

This mechanism for coordination appears to be functional largely as it is based on the principle that local government holds primary responsibility for district development and for coordinating all types of assistance. A significant number of Ministries have established offices at district level to serve communities. Respondents

acknowledge that they were getting assistance from the government as well as non-governmental organizations.

6.2.1.1 Challenges

Planning capacities of RDDC

A frequent concern raised among those interviewed was the inadequacy of the various government agencies within the RDDCs in providing technical expertise and backstopping in development projects, particularly in the areas of water, sanitation and agriculture. RDCCs were often unable to provide assistance in key areas of project design, monitoring and evaluation. Staff interviewed at the RDDCs indicated that although they are appropriately qualified, they are seldom exposed to further in service training or professional development. The RDDCs partner with development agencies and NGO's on the development of project plans, but the RDDC's internal capacity to offer technical advice or even implement a set of development priorities is weak. This limited capacity was also cited as a factor limiting the local structures' ability to learn from project successes as well as failures.

Weak relations with business and private sector

The RRDC's seem to have limited engagement with businesses and the private sector which is possibly a function of the RDDC's limited human resource capacity to meaningfully support such relationships with key stakeholders. Further, business sector associations in the districts are weak and unrepresentative which means the voice of local businesses is muted. Business operators interviewed in Insiza, Lupane and Umzingwane, reported their despondency at the apparent lack of awareness of the impact of some decisions made by RDDCs on their businesses.

Inadequate resources for monitoring

Across the four districts a recurring concern is the unavailability of resources to enable the Ministry officials to offer assistance to communities engaged in income generation activities. Ministries have numerous projects running in communities. However, they have insufficient resources to monitor project implementation. The end result is that projects are setup, funded but there is limited ongoing advisory, monitoring and evaluation as officers cannot get to the site. In a district such as Mberengwa which has large distances between wards communities are often cut off from technical advice. Implementers of projects also remarked "when communities do not see you on site they believe there is no support". Further, some economic actors commented on the lack adequate access to equipment, such as ICTs that could enhance their productivity.

Dynamics of development assistance

There are a number of visible development success stories in the four districts of the study resulting from effective collaborations among communities, government and non-governmental organizations. However, it there were a number of examples given where the opposite is true. A success story is one where members of a cooperative in Mberengwa pooled funds for an agricultural project. In 2012 members of the Sunungukai Cooperative in Chatira Village purchased a generator and pipes through funds raised from the 30 members. The cost of the investment was shared equally by the cooperative members and CARE, an international NGO. The selection and actual purchase of the equipment was done by cooperative members, with technical advice from CARE. Members interviewed testified to the empowering effect of bringing the equipment home.

On the other side of the coin, development assistance can create more harm than good to communities. A key finding of the study was the widespread perception among communities that current initiatives were

having a minor impact on improving livelihood creation in their districts. Communities in Lupane, particularly felt hard done by and felt systematically excluded from mainstream development aid. They argued that most of the nationally launched economic empowerment initiatives do not trickle down to their communities. The same sentiments were also echoed in Mberengwa. Community members during the discussion passionately pointed out they would see reports in the media stating that thousands of young people had benefitted from a development fund but none would be from their local communities.

Weak information dissemination on assistance opportunities

Many communities interviewed in the districts, commented on the skewed selection of beneficiaries for government and donor development projects. Villagers felt they were systematically left out of development funds through deliberately weak information dissemination. A consistent perception was that well networked individuals were privy of such information and were well positioned to benefit. Some said, "We only hear about these funds when they are exhausted". Others also mocked the process stating,

> *"…if you do not have connected drinking partners to tip you about such funds at the drinking hole you will never access government loans…"*

During the Ministry of SMECD National Stakeholders Meeting (Harare, October 2012) powerful sentiments were mentioned, which supported these perceptions. One participant said, "We have a cancer as a society, the wealthy, who are connected and powerful systematically muscle their way to get funds meant for the vulnerable and poor". During focus group discussions the same view was echoed. Some national participants noted that tribalism and regionalism also came into play in the allocation of development assistance.

Key informants also highlighted the segregation of some areas of the districts that appeared not to get any non-government support. Respondents called these areas contested areas. There is a prevailing perception that resettled communities are systematically excluded from any projects. The NGO's that were quizzed about the contested areas stated that there are no policy to discriminate on newly resettled farmers, selection of areas was subject to specific organization priorities as well as the national development priorities. Representatives of organizations interviewed stated that the plight of resettled farmers is not documented. A respondent working in the area of food aid assistance, pointed out that it is hard for an organization to start providing aid to an area without documented evidence of such a need. The respondent further stated that documents such as Zimbabwe Vulnerability Assessment Committee (ZimVAC) report provide guidance on where aid should go. "If an official document presents the need for such aid, organizations will assist"

Allocative priorities favor visibility and create duplication

Stakeholders also noted with concern the focus of government and NGO's on areas that will provide them with the highest level of visibility. Respondents spoke of the culture of quick wins and maximum points during an impact assessment study. In Mberengwa respondents noted that the poorest of areas do not necessarily always get aid. Areas with bad roads, poor communication and limited access to water and electricity should ideally be targeted but villagers argued implementers focus on communities easier to reach, where less effort is required to attain donor visibility. Because of this phenomena an official in Insiza noted that the RDDC may have prioritized Ward 13 for borehole drilling, but an NGO will feel it is difficult to implement in this area, and then go on to drill in Ward 9 where boreholes are not a priority. In terms of the organization's objective they would have achieved success but the community in real need will not be better off. Because of this focus on

visible and easy to achieve impact, there could be an influx of organizations doing the same work in one area.

Wrong incentives for aid assistance and double dipping

It was also noted that the situation where one family can receive the same support from more than one organization is common. Across the districts a number of respondents echoed the sentiment that:

> *"…aid has created a scenario where some people are proud of their poverty. Some boast that whatever assistance comes to a community they will benefit. We have made some person aspire to have nothing. Criterions such as food aid will only be received by those without livestock is discouraging families from accumulating assets…"*

Respondents recognized that such issues of double dipping could be easily fixed, but the status quo remains as most individuals entrusted with verifying these issues at community level often rely on political connections to intimidate the community. The same individuals are perceived to be community gatekeepers and often chair cooperatives and numerous vehicles for community development. This means none of the initiatives they are meant to be leading gets their fullest attention. In addition, communities remarked that it is very difficult to have such cooperative heads or community leaders stepping aside to allow others to lead. This was stated as one of the reasons why projects in communities are failing. Some development initiatives are counterproductive and undermine community initiatives. Food for work, for example, pays community members to do what they traditionally did for free as a civic duty. The result is activities such as road maintenance will now not be undertaken until a donor offers some kind of incentive for it.

Communities demotivated to provide local solutions

Respondents, particularly NGO staffers and Ministry officials were of the opinion that communities now lack initiatives to solve their problems. Assistance has had a negative impact of inhibiting community generated solutions to local challenges.

Most respondents spoke of the numerous government and non-government projects in previous years which were designed in diverse ways but they all suffered the same fate; they fold the moment the supporting institutions withdraws its funds. When exploring the possible causes of this phenomenon, respondents suggested that the imposition of predesigned ideas, providing handouts with the community not contributing any value to the project, were instrumental in their lack of sustainability.

From the discussions, it is evident that when the government or an NGO initiates a designed programme for a community it is likely that community members will hold a notion that it belongs to the implementing entity and not the community. In Mberengwa, communities have been receiving assistance from CARE to upgrade cooperative market gardens. Community members refers to these as CARE's gardens, which implies that there is added potential that the moment the organization pulls out the project, continuity may come into question.

NGOs such as CARE, in Mberengwa, and the Swedish Cooperative Centre, Lupane, recognize this challenge and their coordinators highlighted how the nature of their assistance offered to communities now focuses on fostering participatory methods to design interventions. The project implementers pointed out that projects are now largely influenced by community needs assessments, community consultations and the community then plays the lead role in implementing the project activities.

Dependency attitudes undermines resilience

From interactions with respondents and key stakeholders it became clear that there is a high level of dependency in communities. Dependency is the attitude and belief that a group is unable to solve its own problems without outside help[73]. Whilst assistance can stimulate community development, it may be doing more harm than good in the communities being assisted. This research team consistently encountered the question *"sipateleni?"* (Ndebele for what have you brought for us) or *"muri kutipei, zvine mari mukati here?"* (Shona for, what kind of assistance are you going to give us?, is there a monetary gain for me as an individual?)

A number of development project coordinators interviewed in Mberengwa and Lupane echoed the opinion that community reliance on external assistance has undermined their resilience.

> *"Perhaps the largest problem a community faces is one of mindsets and perceptions where we constantly wait for external assistance on issues of sustenance, instead of doing our part and letting strangers assist where we fail".*
>
> *"It has become normal in our community to view aid as an entitlement and a normal situation".*

Development actors interviewed also pointed out that this syndrome is now entrenched to the extent that even government officials who are employed to perform specific tasks will not perform them in the absence of allowances or some very visible material benefit. An implementer in Lupane noted that if you organize meetings without sitting allowances then partners would not attend. In Lupane, the meeting noted an incident where youth who were being trained demanded sitting allowances.

Duplication of aid efforts

There was also concern among implementers interviewed that the entry of the MSMECD into the development arena may lead to duplication of efforts as there are currently being implemented by other government and non-government players who were offering services similar to what the mandated activities of the Ministry. The respondents noted the importance for the Ministry of SMECD to structure collaborations and work within existing mechanisms and projects as such synergies will allow for greater impact.

Misaligned aid

The majority of community and government respondents felt the nature of aid offered in many districts was largely prepackaged and was in some instances not aligned to the district priorities. Officials stated they would still accept the projects knowing full well that the resources would be better used in other areas. They indicated that they were relatively powerless to direct the aid elsewhere for a variety of reasons which tended to favour the final decision being in the hands of the disbursing agent. The disharmony between the aid offered and the aid needed was attributed to a number of factors by the respondent. They ranged from the various internal rules and policies of implementing organizations, such as donor strategic plans and implementation guidelines.

---

[73] Source: http://cec.vcn.bc.ca/cmp/modules/pd-dep.htm accessed, 16 December 2012 and (Bartle 2007).

Poor repayment of development loans

A significant number of respondents commented on the mismanagement of external government and NGO aid in promoting business and cooperative development across the country. They argued that such investments were not achieving their expected returns. Often there is insufficient clarity on whether aid to an individual or institution or community was a grant or a loan. The dominant perception was that most of the funds disbursed as "loans" are never paid back. Even though on paper most of these schemes are meant to be revolving funds, in reality they were handouts and communities knew there was no real expectations for them to repay them. Respondents also noted how any loan originating from the government or an NGO was taken on the expectation that most beneficiaries would not repay it. The attitude was described as being different when it came to borrowing credit or loans from financial institutions.

6.3 Recommendations

6.3.1 National Actors

- Strengthen ministerial integration bringing together ministries of youth, women affairs, labour skills development at national and local level. The discussions at different sectors and levels of structures should translate into programme design and ultimately joint implementation on the ground. Cooperation from programme inception right to end of programme evaluation through joint budgets and work plans is suggested.
- Improve information sharing and coordination at various level to reduce duplication of activities. Publicize partnerships and disseminate information jointly.

6.3.2 Local Government Recommendations

Structure and Functionality

- Strengthen RDDC expertise through increased exposure to in-service technical training in key livelihood creation fields such as agriculture, livestock, crafts, small scale mining and retailing in the informal sector.
- Ensure more inclusive decision making over the allocation of local government development resources, to improve their role in coordinating and monitoring development.
- Institute measures to ensure the district officials have access to adequate transport. Options that could be explored include the use of floating vehicles across various government departments or increased reliance on cheaper means of transport such as motorcycles.
- Consider including a stronger representation of the private sector and business associations in the RDDC structures and ensure they are involved in discussions affecting private sector development.
- Strengthen collaboration between RDDC's and the Environmental Management Agency (EMA) in order to ensure environmental sustainability of economic activities such as mining.

Delivery of Aid

- Empower communities to take a lead in the design of development initiatives and decisions on what to prioritize when spending government or donor allocations in communities.
- Prioritize projects that are already functional, or those with a clear community contribution and support when deciding which initiatives to support.

- Ring-fence funds for each district whenever there is a national economic empowerment fund. These funds should be progressively targeted to deprived communities using population, education and poverty indicators to determine their level of need.
- Ensure greater clarity on the nature of external aid funding, whether they are a grant or a loan, when offering support to a community. If it is a loan there is a need to improve monitoring and enforcement of repayments. Some strategies that could be tried include: only giving out loans to individuals who can prove they have not defaulted on a previous government loan; offer waivers on interest rates to those who repay within a certain period while those who pay outside this timeframe pay interest rates and request tax certificates, or evidence that an individual or business is paying tax as a condition for loans.
- Improve transparency and accountability on how business development funds are disbursed by making public the names of beneficiaries, defaulters and audit results.
- Improve information dissemination on the assistance available to communities by using diverse mediums such as cell phones, use of social networks, posters and brochures at village level, and transmit the information through the radio and television.

6.4 Women and Women Organizations

> *"Women perform 66 per cent of the world's work, produce 50 per cent of the food, but earn 10 per cent of the income and own 1 per cent of the property."*[74]

Women constitute the majority of the economically active population in Zimbabwe. According to the most recent 2012 population census, there are 500 000 more females in the country than males[75] and women account for 55 per cent of household heads[76]. Most Zimbabwean women, however, are working in vulnerable jobs in the informal sector or agriculture with limited access to resources such as property, livestock, capital and limited participation in services such as education, public affairs and sustainable income generation opportunities.

Profile of Women Interviewed

The study surveyed 92 women, aged 36 to 49 years old, across four districts, representing 31 per cent of the total sample population. Women aged 15 to 35 years were categorized in the study as youth and their responses are recorded in that section. There was not even representation of women across the districts despite there being equal opportunity to participate. There were considerably more women interviewed in Umzingwane than in Lupane which had the smallest group.

There are a number of women's organizations in these four districts. The best known are the African Mothers Foundation International (AMFI), a woman-led organization based in Cardiff, South Wales which helps rural women communities in Insiza, and the Lupane Women's Centre which is a non-profit, non-partisan organization with a total membership of 3,200 people, 2,667 of whom are female. The Centre provides skills, business and leadership training. There are significant numbers of savings and credit organizations or cooperatives in many communities spread across the district. Representatives of these women's group participated in the district stakeholder forums on creating livelihoods.

The majority of women interviewed indicated that they were married with the remaining 31 per cent reporting either never having been married, or divorced or widowed. The majority are unemployed or informally employed with low education levels.

Women's legal, political and social status

The majority of women interviewed tended to marry young as it is seen as a well-established social route to ensure potential access to resources. Recent research[77] indicates the likelihood of a women getting married before the age of 15 years, decreases with the increases in education of the women and their household wealth.

Only 27 per cent of those married possessed an official marriage certificate. This has implications as marriage under common law means women have diminished rights to use family property as collateral for loans. Similarly, divorced, separated and widowed women face unique challenges in accessing their husband's estate. Inheritance laws while written to protect widows are for the most part affected by social attitudes and traditional values which leave many women, especially those in customary marriages, at the

[74] Women, Business and Law, 2012, World Bank
[75] 2012 Zimbabwe Preliminary Census Report
[76] 2005 to 2010 Situation Analysis on the Status of Women's and Children's Rights in Zimbabwe (2011)
[77] Zimbabwe Multiple Indicator Monitoring Survey (2009)

mercy of their in-laws.[78] Further, unmarried women report difficulty in accessing communal land unlike unmarried men.

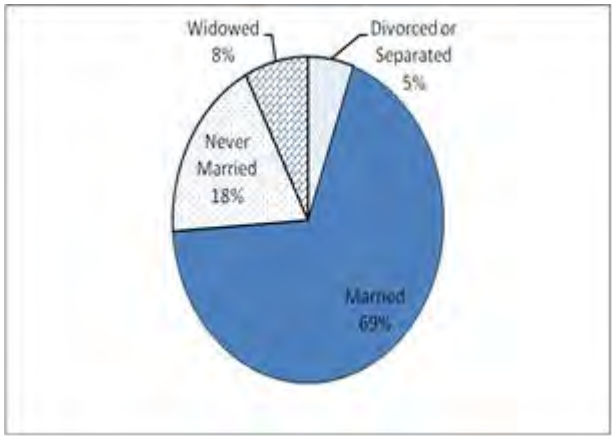


Figure 1: Marital status

During the women's focus group discussions, there was consensus that there has been a shift in social practices particularly in relation to inheritance of property upon the death of a husband. Most participants were confident they would retain ownership of the family assets upon the death of their partner. Traditional leaders stated that their courts intervene when there is a dispute in terms of establishing ownership of the estate of the deceased. Nevertheless, at community level women noted they are marginalized in decision making. "We are still viewed as those in the periphery with our input not being taken seriously about community development".

Women increasingly head households in rural areas. The majority of respondents have lived in the area where they were residing at the time of the survey for more than five years. This can be an indication of some measure of stability. It may also be a reflection of the fact that women are generally less mobile than men and as such have limited exposure to employment opportunities elsewhere.

Rural women's dependency rates

Nearly all women had at least one dependent for whom they were responsible. Two out of five of the respondents indicated that they were responsible for four or more dependents. Often the burden of childcare rests on the shoulders of women and acts as a hindrance to their income earning capacities. Nevertheless, nearly half of women surveyed disagreed or partly disagreed with this notion. One respondent in Insiza, when asked to justify her opinion, noted that her mother lived quite nearby and when the need arose, she was willing to take care of the children allowing her to work. Some of the women interviewed also cited they had devised innovative mechanisms to care for their children when they are doing some economic activities. In Lupane an example of seven women pooling their children together and taking turns to care for the children one day of the week.

Table 2: Women's opinions on household and childcare aspects

Question	Agree	Disagree	Partly agree	Partly Disagree	Undecided
Childcare reduces women's ability to start income generation activities	33%	43%	12%	6%	7%
Getting healthcare in this community requires too much effort	38%	50%	7%	4%	1%
Household chores (such as getting firewood and water) takes up too much time	39%	39%	11%	9%	2%

Similarly, 50 per cent of respondents did not feel that accessing health care in their community was a challenge. Nevertheless, 38 per cent of respondents indicated accessing health care remains a challenge

[78] http://www.zimbabwesituation.org/?p=13839

which indicates that situation is context specific. These findings show a high degree of polarization among women with those whose domestic situation is manageable and have coping mechanisms at their disposal and those who require additional support in the form of day care facilities, health care and easier living conditions before they can be expected to meaningfully participate in livelihood interventions.

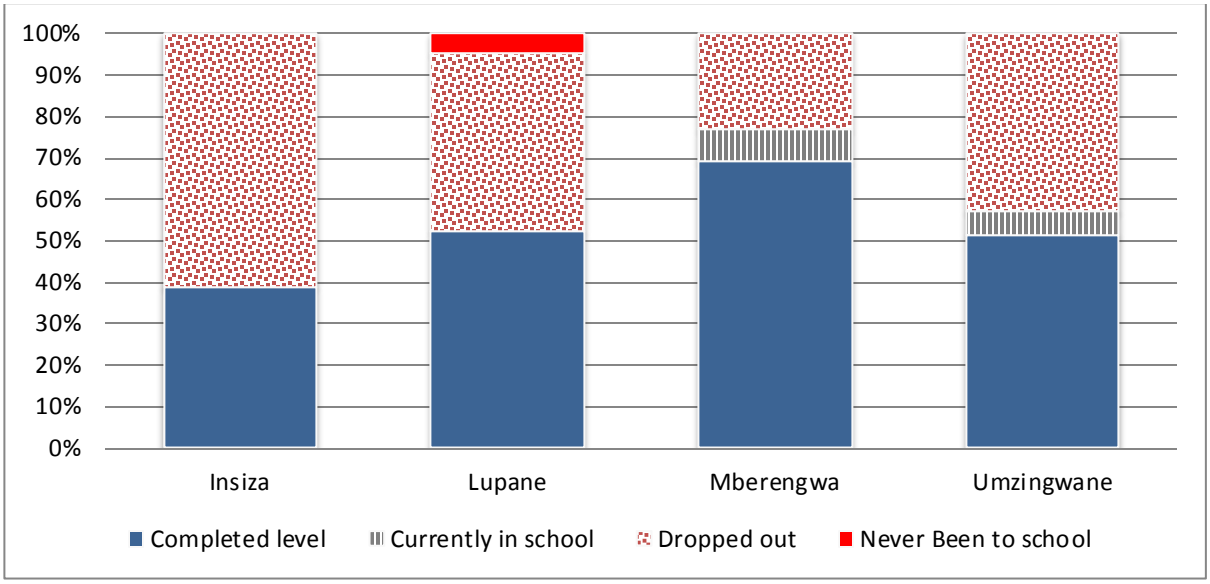
Official Documentation

Cross border retailing trade is a popular means of earning livelihoods among the women interviewed as this allows them to support themselves and their families. Despite this, only 29 per cent of the women had passports, limiting the participation of most women in what is one of the most lucrative trades in rural communities. Some women without official documentation indicated that they found "creative means" to cross the border, which exposed them to potential sexual abuse and corruption. The majority of women, however, possess birth certificates and national identification cards which allow them to access to a variety of social services, enter into contracts and open bank accounts in their own name.

Education Profile

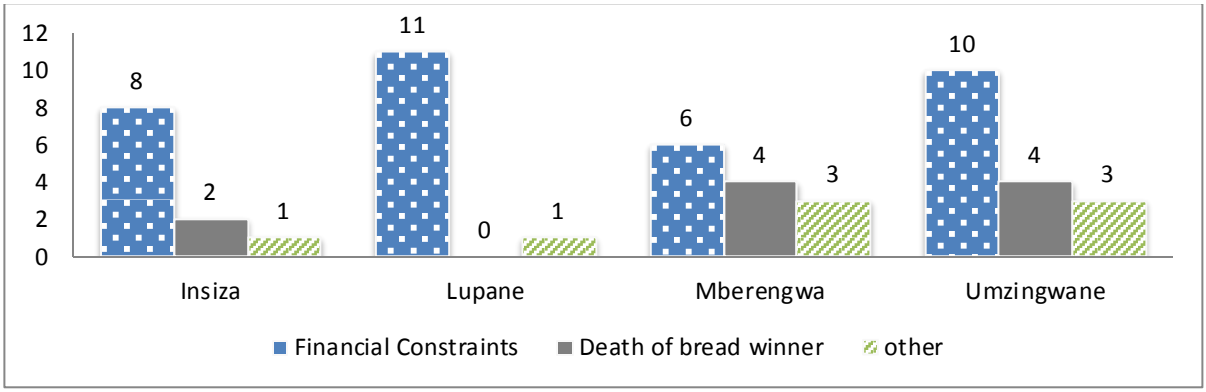
As earlier reported in the profile of the districts, all have an acute shortage of secondary schools which creates a bottle neck for learners in gaining access to further education. In Lupane, for example, there are 20 secondary schools in contrast to the 98 primary schools in the district. Most women in the sample population had completed their primary education schooling with only 14 out of the 92 respondents indicating that they had no schooling at all. Some 33 and 25 per cent of women in Insiza and Umzingwane districts respectively had acquired qualifications as high as Advanced Levels. A further nine women, 10 per cent of the sample, had managed to acquire some form of tertiary education ranging from National Certificate level up to Master's degree. Just under half of women surveyed, 49 per cent, indicated that they had dropped out of school. Nevertheless, the majority of interviewed women are keen to receive some kind of further education and training and many indicated an interest in engaging in business training for the purposes of later venturing into income generating activities.

Figure 2: Percentages of Dropouts and School Completion among Women sampled.



Some 38 per cent of women respondents who dropped out of school did so as a result of financial constraints while 11 per cent discontinued their studies as a result of the death of a bread winner. Other reasons such as pregnancy accounted for only three per cent of drop outs.

Figure 3: Reasons for dropping out



While education and training opportunities exist in the four districts surveyed, the issue is how widely available and affordable they are. Only Insiza has a government vocational training center while the other three districts have none and rely on non-governmental institutions. Paying fees to these institutions seemed to represent a challenge, particularly among Insiza respondents. The recent establishment of the State University in Lupane was welcomed but it was noted by respondents that local applicants from the district are at a disadvantage as most secondary schools in Lupane do not teach science subjects. In some group discussions respondents noted that some Ndebele speaking areas schools are staffed by Shona speaking teachers and this impacted on the quality of education provided as children were not taught in their mother tongue.

Further Education

Nearly all women surveyed support the notion that further education and training improves their chances of employment and income generation and would welcome such an opportunity. A negligible 4 per cent felt it made no impact or disadvantaged them on the job market. Women in the four districts expressed a preference for short business related courses and technical and vocational training options. While they desired quick programs, so as not to spend too much time away from their economic and domestic activities, there was a strong preference for formal rather than informal training. Some raised a concern about being too old to go back to study at school or post-secondary institutions. Others emphasized that the short courses should have a tangible impact on their ability to earn incomes. Apprenticeships were the third most sought after option.

Considering the popularity of business management and related training among the interviewees, the study also aimed to determine which aspects of such training respondents found attractive. Entrepreneurial skills were rated very highly followed by financial and technical skills. Cooperative development skills also received a large vote. Interestingly, information communication and technology skills did not rank high on the list of preferred business skills among the women but this may be because only 13 women were familiar with the use of computers and the internet.

Figure 4: Preferred further education options by weighting

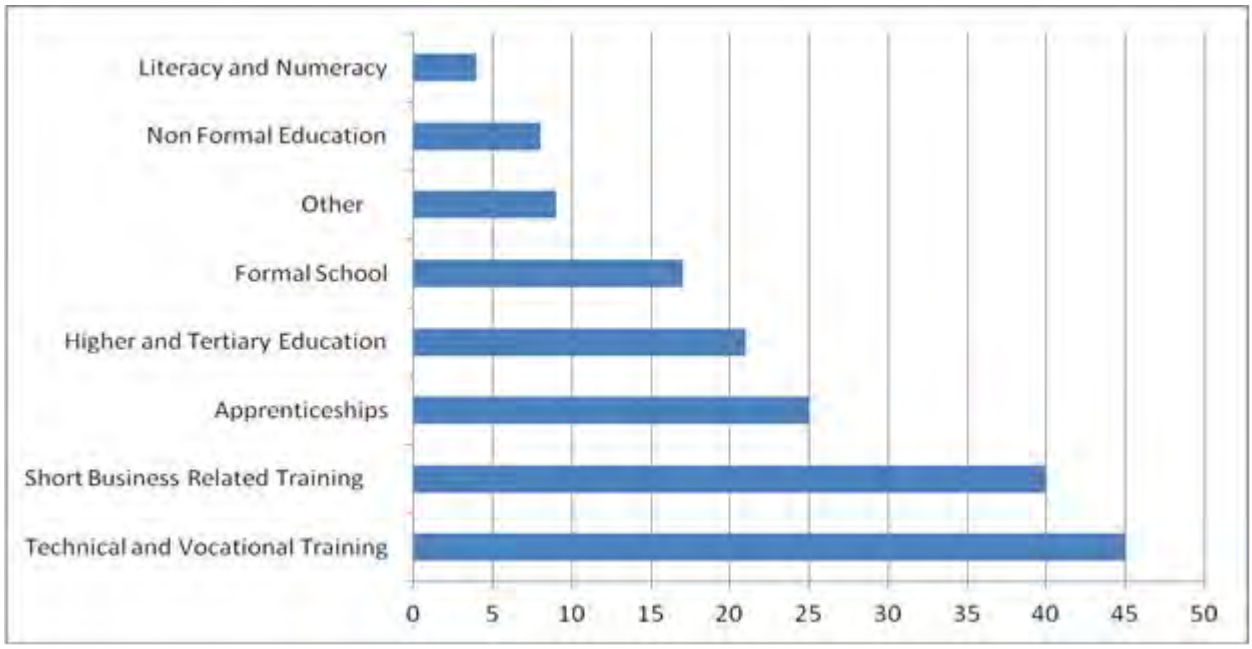
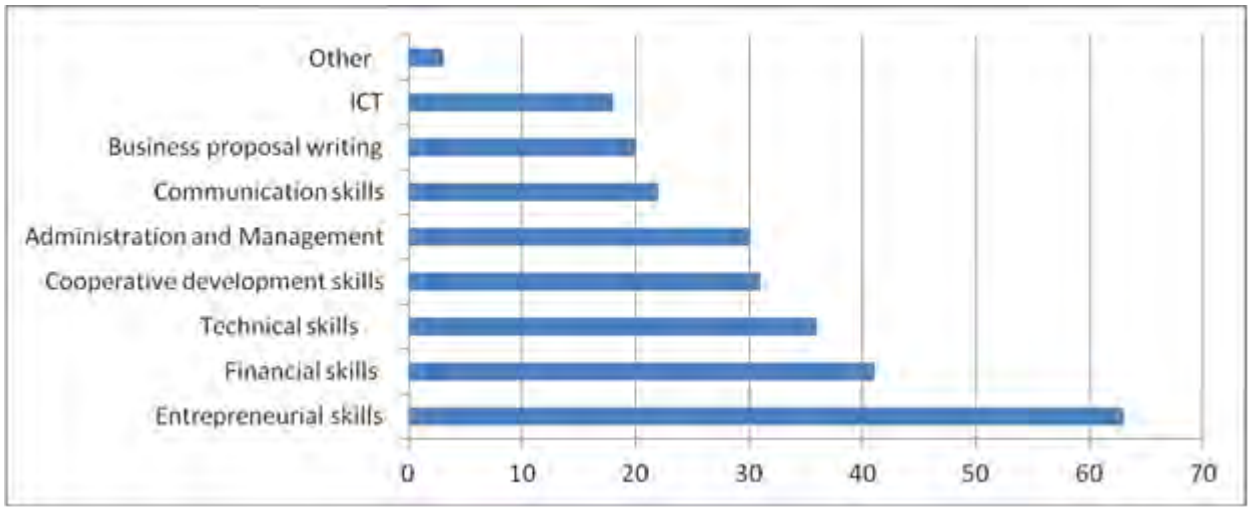


Figure 5: Preferred business skills



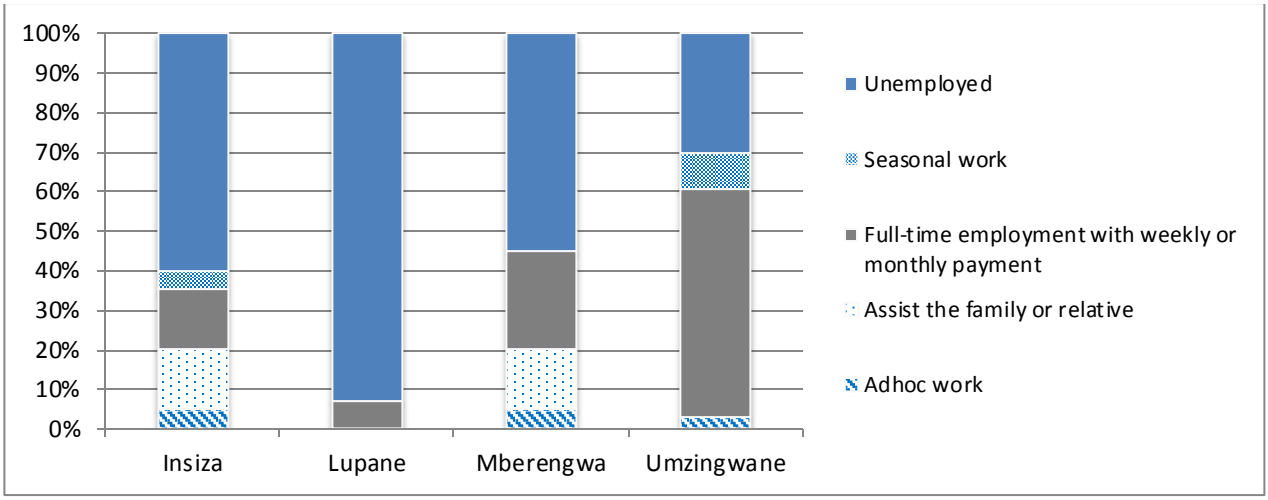
Employment Profile

There is high unemployment among women in the selected districts with only 32 per cent of them in full-time employment earning a weekly or monthly wage. Over half of women, 52 per cent, indicated that they were unemployed. However, many associated employment with working in a formal job and this unemployment statistic is misleading. An issue of how a community defines employment needs further exploration. Employed women surveyed worked as professional workers, informal and formal retailers or general laborers.

Some 6 per cent of women were working in a family or relative owned business. While 5 per cent were engaged in seasonal activities with long periods of unemployment during the off season. An additional 5 per cent worked on an ad hoc basis where they were not sure of the predictability of the work or its remuneration. Ad hoc workers indicated it was common for an employer to renege on a promise to pay, lower the agreed payment or offer payment in non-monetary terms such as farm produce in exchange for their labor.

Some 44 per cent of women reported that they have never been formally employed suggesting a form of entrenched poverty. Lacking past work experience reduces the odds of one getting a job. Forty one per cent of women surveyed had a single previous employer, while only 6 per cent had more than three previous employers. The difficulty of obtaining local employment raised the issue of economic migration in the discussion forums. In some districts there has been a noticeable exodus of people to surrounding countries in search of better paying jobs. One respondent noted that domestic workers were better paid in South Africa than white collar jobs in Zimbabwe.

Figure 6: Employment status of women



Gender Stereotyping of Work

The predominance of males as the desirable worker in certain sectors is still the norm particularly in mining. Women in Filabusi, Insiza, who tried to engage in small scale gold mining had to desert the activity as law enforcement agents made it difficult for them to continue. Their male counterparts were more successful in remaining miners. Some women spoke about social attitudes and beliefs in the community which inhibit some women from even considering starting a business. Such barriers mean that many women entrepreneurs stay confined to micro businesses operating in the informal economy.[79]

Nevertheless, when women were asked to provide their individual opinions on gender stereotyping of work, the results were quite different. Some 57 per cent of women rejected the assertion that the customs and norms of their area restricted them to certain economic activities. Similarly, some 63 per cent of women rejected the notion that women engaged in work similar to men earned less than their male counterparts. This presents a departure from some established schools of thought which argue that rural societies marginalize women.[80]

[79] http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/ fp_seed/documents/publication/wcms_175471.pdf
[80] Simpson and Herbert (2005) and Kratli (2001)

Table2: Women opinions on gender stereotyping of work

Question	Agree	Disagree	Partly agree	Partly disagree	Undecided
Customs and social norms of this area restrict women to certain economic activities	21%	57%	3%	9%	9%
Most employment and income generation opportunities are dominated by men	40%	37%	9%	5%	9%
Support offered to start businesses is not sensitive to the unique needs of women	30%	31%	9%	3%	27%
Terms for accessing microfinance are generally more stringent for women	33%	25%	6%	7%	30%
The use and allocation of resources at family level is dominated by men	40%	38%	10%	7%	6%
Women engaged in activities similar to men earn less than their male counterparts	20%	63%	3%	4%	9%

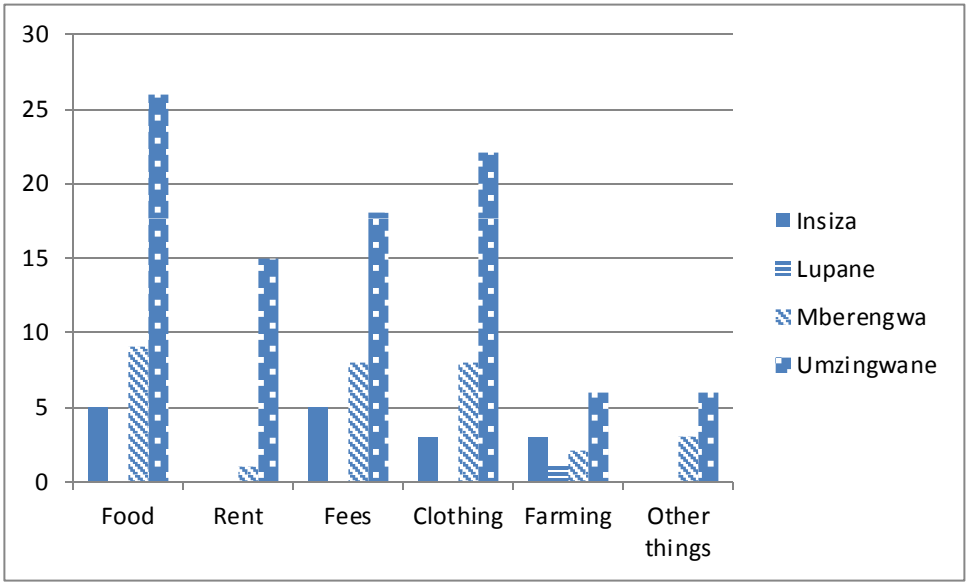
Access to capital

Women saw accessing finance as one of their key challenges and a third of them felt women were discriminated against more than men by financial institutions. Additionally concerns were raised about obtaining information on loans. “We are not sure about where to access information of the available finance mechanisms”. Additionally, most women were skeptical they would be able to meet the requirements for funding because they lacked sufficient collateral and ability to draft business proposals. Many women had start up business ideas, but few appreciated the requirements of a viable enterprise. Most were at a loss as to how to transform their business ideas into reality and requested extensive support and grooming to translate the ideas into a business plan and operation.

Consumables, in most instances, food, school fees and clothing accounted for the largest share of the women’s current expenditure. The majority had access to their own or jointly owned property as rental was seldom mentioned as an expenditure item. This is in keeping with information found in the 2010-11 Zimbabwe Demographic and Health Survey which states that half of rural women own a house or land alone or jointly[81].

[81] Zimbabwe 2010-11 DHS pp 237

Figure 7: Type of expenditure by number of respondents



Respondents strongly supported a recent trend in government and NGO development assistance to specifically fund women and youth entrepreneurs. Women's uptake of empowerment funds is often lower than that of males, unless it is a special fund specific to women according to some implementers interviewed. However, it became clear that rural women in these districts seldom accessed funding from microfinance institutions or individuals. It was mentioned that a few loan individuals were offering micro finance at the exorbitant rates of up to as much as 100 per cent per month.

A broad spectrum of service providers is operational in the four studied districts. These include government ministries, para-statals and non-governmental organizations who provide access to inputs, business training, markets and finance. They help in setting up cooperatives and with legal and policy assistance. In only one instance did the study team come across someone who knew of an organization that was supporting women to access finance, business training and markets. While this is not necessarily a reflection on the unavailability of these services, it is definitely an indication that there is not enough information about the activities of organizations supporting women.

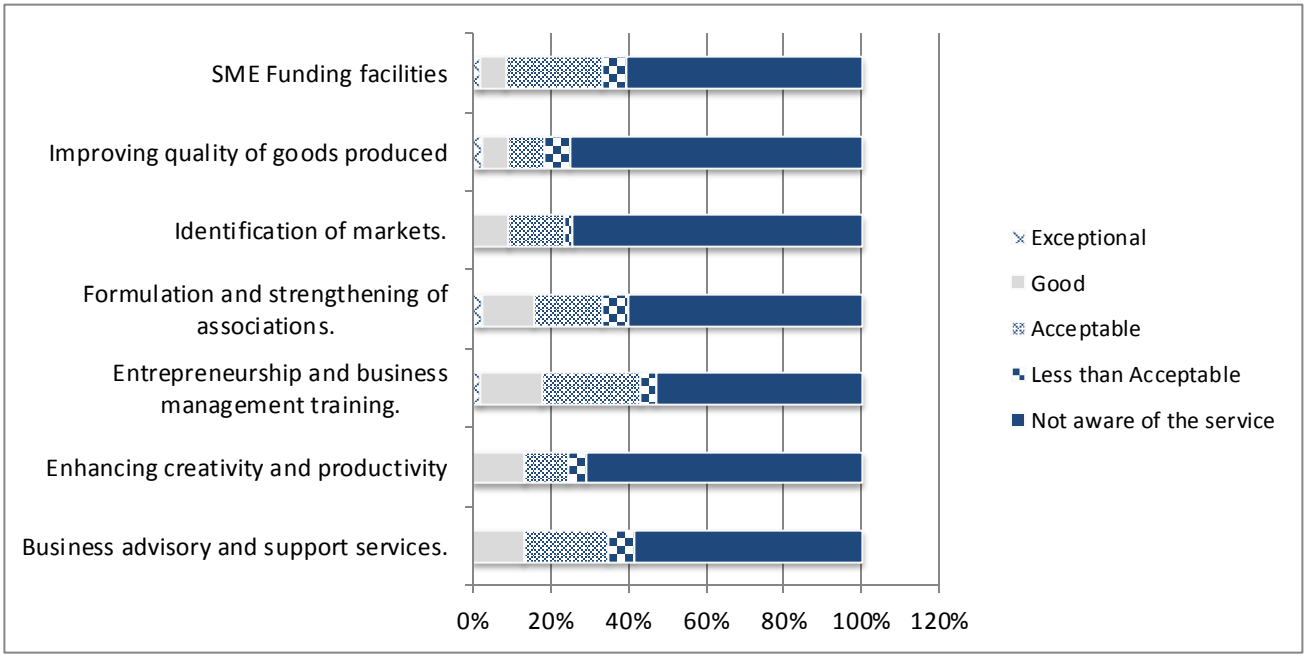
Access to Ministry of Small, Medium Enterprises and Cooperative Development (SMECD) activities

The women across the four districts surveyed generally had little knowledge of the Ministry's services. Just under a third of respondents knew of the actual existence of the Ministry of Small and Medium Enterprises and Cooperative Development and its activities. Up to 75 per cent of those who were aware of the Ministry's existence were not able to rate the services of the Ministry as they were unsure of what it does. A response of 'Not aware of the service' indicates poor dissemination of information by the Ministry and the district offices.

The Ministries services related to entrepreneurship and business management training and the SME funding facilities were rated as acceptable in 25 per cent of responses, while 22 per cent of responses rated the Ministry's business advisory and support services as acceptable. Lesser known among the women interviewed were the Ministry's activities in providing SME funding facilities, improving the quality of goods produced, strengthening business associations and providing entrepreneurship and business management training. None of these services were ranked above 2 per cent of responses for exceptional service provision.

The Ministry is likely to increase its visibility with the deployment of officers to districts such as Lupane. The Ministry will need to ensure that women are made aware of these services and once aware ensure that the services meet the needs of this important target group.

Figure 8: Knowledge of MSMECD Activities



Use of Information Communication technologies (ICT)

Fifteen per cent of the women interviewed reported using a computer, while 17 per cent had access to the internet. This implies the possibilities of technology-reliant interventions such as, online education or business promotions are limited unless first preceded by ICT skills training.

In terms of daily use, of the 17 per cent who had used the internet (14 women), 10 reported using it to log onto social networking sites while nine used it to communicate with clients and suppliers. Seven women reported using the internet for the purposes of general browsing. Less than four women reported using the internet for the purposes of obtaining market and trade information but even then only after intervals of longer than a month.

Conclusion

Women surveyed in the study are keen on pursuing business ventures and see short business training and entrepreneurial skills courses as a key route. The particular challenges that women face will have implications on the type and model of further education offered and its success. Most women interviewed had completed their primary schooling with less than half with a completed secondary school education. Given this low base, it is critical that adult education and training options for further skills development be made available.

One of the most notable aspects the study encountered is the lack of data especially gender-disaggregated statistics to guide effective policy and programmes in support for women entrepreneurs. Professional

organizations of women entrepreneurs, where they exist, struggle to be heard among mainstream decision-making bodies.

Although much progress has been made and both men and women entrepreneurs face similar constraints in a number of areas, women continue experience additional gender-based challenges in operating their income generating activities.

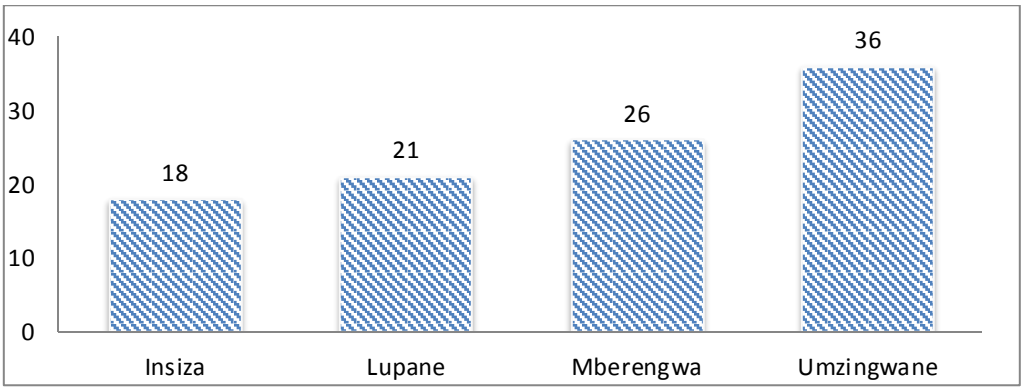
6.5 Youth

By 2008 formal sector unemployment in Zimbabwe was estimated to have reached 94 per cent of the population of which youth accounted for 67.7 per cent of this figure.[82] In both formal and informal sectors of the economy the rate of youth employment is much lower and stood at 19 per cent for females and 11 per cent for males[83]. This suggests that youth are predominantly employed in the informal sector. Rural youth, particularly women tend to have even less employment opportunities available to them.

Profile of Youth Interviewed

The study team interviewed a total of 101 youth respondents, aged 15 to 35 years old, comprising of 26 females and 75 males. The bias towards male youth was unintentional and is a result of the random selection of households. The highest numbers of respondents were in Umzingwane, with 36 youth, while the lowest were in Insiza with 18 respondents.

Figure 9: Number of youth interviewed



The youth sampled were characterized by low levels of education; largely unemployed with a high number of dependents. Most were unfamiliar with using computers or the internet. Most indicated that they were very keen to pursue further education and training opportunities and acquire skills to enable them to initiate income generation projects.

Just over half of interviewed youth were not married (51 per cent) but a larger portion of the young women were married. The research team encountered married women as young as 17 years of age, which is lower than the national median marriage age of 18.7 years. Research indicates that an early marriage leads to greater number of lifetime births and the prevalence of such marriages points to low educational attainment in

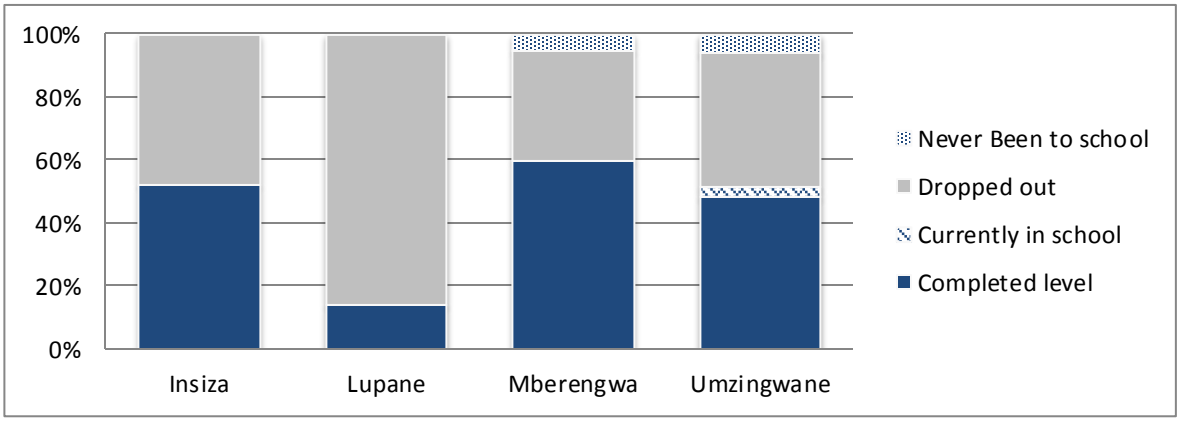
[82] http://www.ilo.org/public/english/region/afpro/harare/download/znyec/nango_speech.pdf Accessed 15 January 2013
[83] Chakanya (2008)

an area[84]. Young married women inevitably start producing children and taking on domestic responsibilities which hinders their access to furthering their skills development and income generation.

Education Profile

Twenty nine per cent of the youth interviewed, reported primary education as their highest level of qualification, 15 per cent had reached Ordinary level and 29 per cent cited Advanced Level as their highest academic achievement. A large majority of those with Grade 7 as their highest qualification were from Insiza district, while Lupane had the highest proportion of dropouts. Some 6 per cent of the youth had no formal education.

Figure 10: School attendance by number

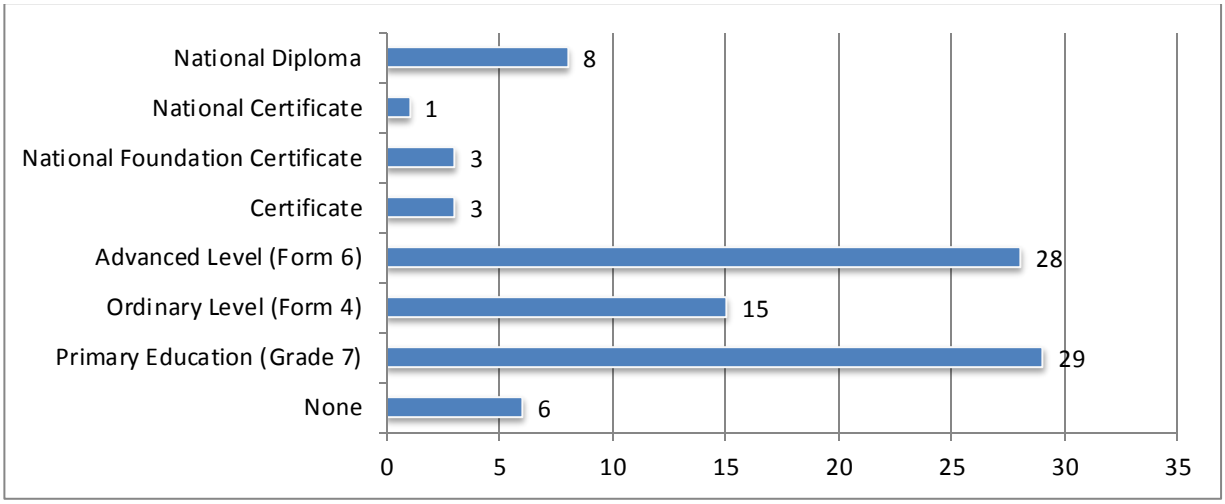


Traditionally, school fees in rural areas have been pegged lower than in urban areas and range from as little as USD 5 to USD 20 per term. However, the inability to pay school fees was the major reason given by youth for dropping out of school. This inability of families to pay such amounts over the course of a three month term is indicative of the levels of poverty in these areas and it is more than likely that girls are the worst affected by this situation.[85]

Tertiary education graduates were few in these four districts, as only 14 per cent of youth had obtained a National Certificate or some other post-secondary diploma or degree. Nevertheless, a majority of the respondents were keen to pursue further education and training as they associated it as an advantage with regards to income and employment opportunities. This is despite the high dropout rates encountered in the study.

[84] ZIMSTAT and ICF International (2012) Zimbabwe Demographic and Health Survey 2010-2011.
[85] http://www.financialgazette.co.zw/national-report/14743-girl-child-school-dropouts-alarming-.html Accessed 13 January 2013

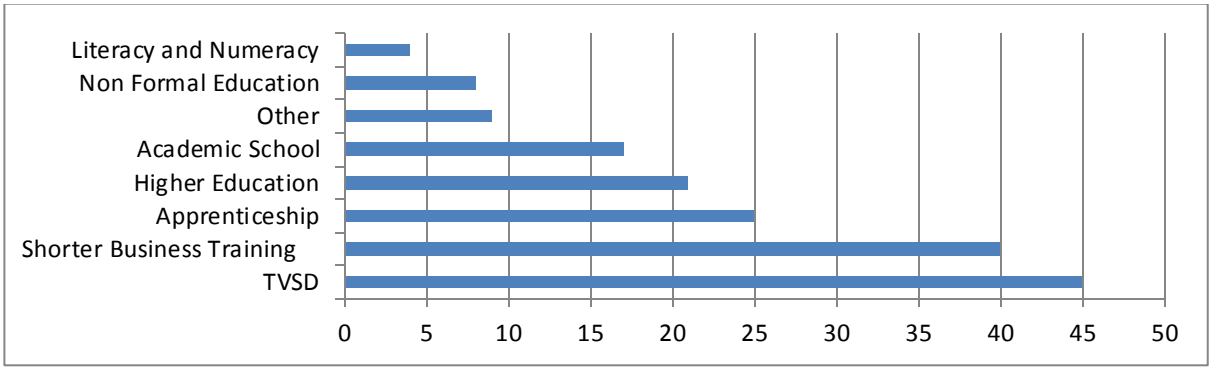
Figure 11: Potential for growth in further education for youth



Further education

Given that each district displayed substantial differences in terms of the education levels of its youth, proposed further education and training interventions ought to, as far as possible, take into consideration the particular characteristics in each district. The following figure illustrates the skills development preferences of the youth interviewed.

Figure 11: Preferred further education options



Most youth stated they preferred to access either substantive technical and vocational skills courses or short courses in business management related training. There was also strong interest in apprenticeships and in higher and tertiary education opportunities. Only 10 per cent of youth wanted to go back to school and 2 per cent felt the need to learn literacy and numeracy skills.

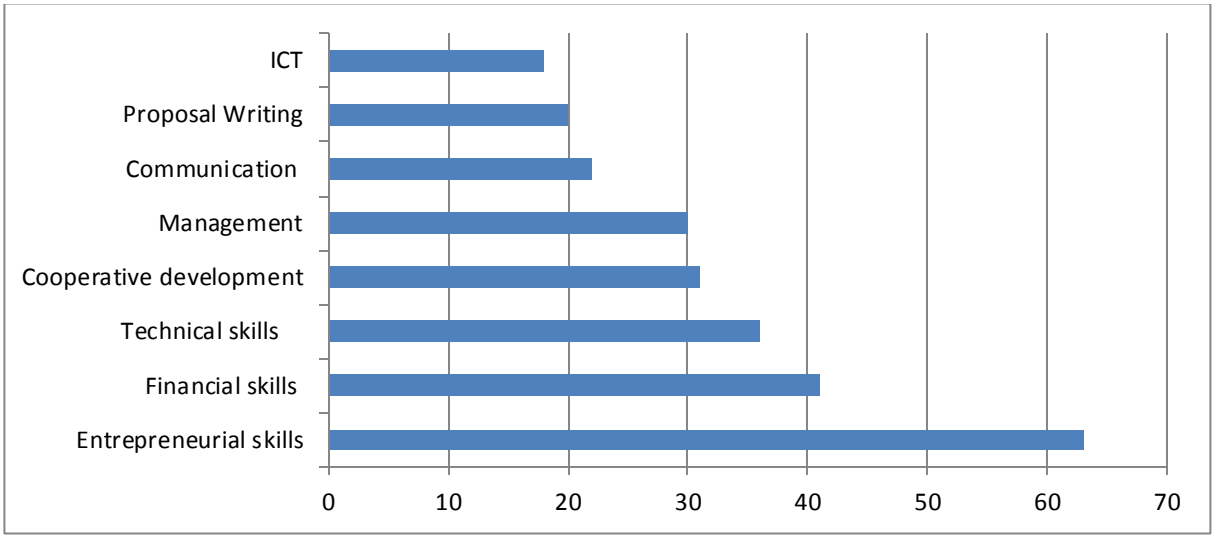
International best practice suggests that educational planners would be advised to concentrate on short skills courses that offer quick entry into livelihoods and apprenticeships which allow youth to learn and earn at the same time.

The youth were of the opinion that opportunities for skills development were not easily available in their district. The limited formal facilities were described as being too expensive, long in duration and not relevant

to their needs. Government facilities would be more attractive if they offered courses relevant to their communities such as skills associated with gold mining.

Entrepreneurial skills were rated the most desirable business skills by the youth. Similarly technical and financial skills were valued. Surprisingly only 8 per cent of youth are interested in skills related to Information and Communication Technology (ICTs). Further studies may be required to determine why so few respondents were interested in ICT's given the potential they possess to improve communication and disseminate information. There was some interest in cooperative development skills which may need to be cultivated further. Many of the respondents did not opt for skills building in business proposal writing, nor the other 'softer skills' such as communication, even though these skills play a key role in business growth and networking.

Figure 12: Preferred business skills



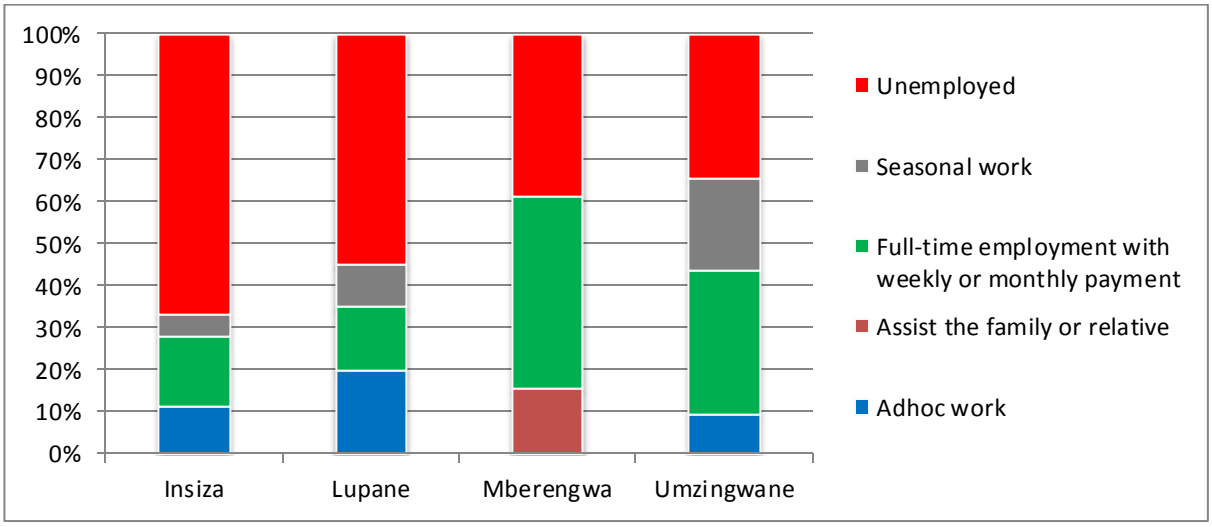
Dependency rates

Three out of five of the youth indicated having one or more dependents. Interestingly, some 20 per cent of the youth respondents reported having four or more dependents despite most youth being unemployed and unmarried. The burden of extra mouths to feed is likely to further limit whatever disposable income these youths may have and also place time and travel limitations on them, negatively affecting their ability to pursue whatever livelihood opportunities that may arise.

Employment Profile

Key informants noted with concern the depressed level of economic activity in these rural districts. "..The youth are unable to find any jobs as there are no meaningful economic activities to talk of in the district…" Some of the respondents during discussions noted that the limited vacancies available were consistently filled by individuals from other provinces. The low educational attainment and limited work experience as most have never been employed before makes it additionally difficult for the youth to benefit from new jobs on the market.

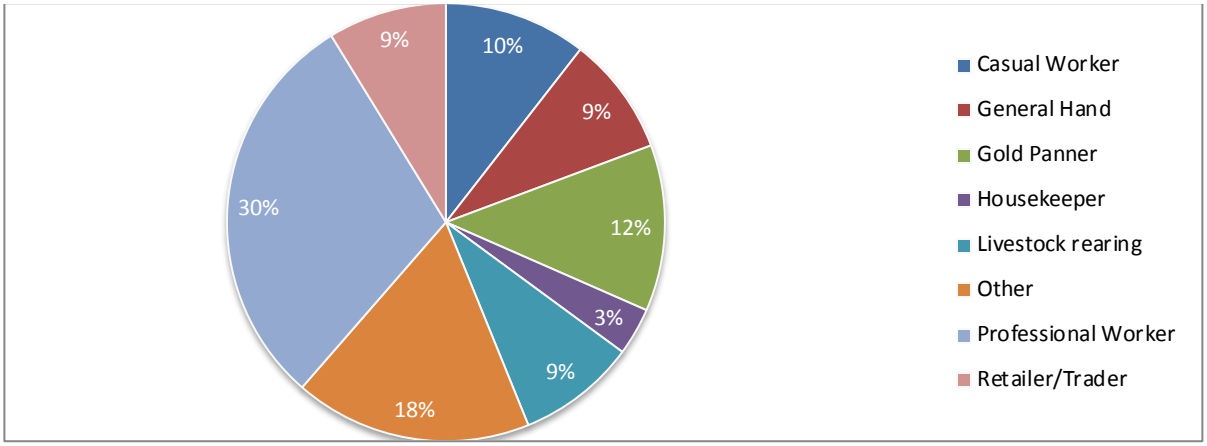
Figure 13: Employment status of youth



Some 42 per cent of youth interviewed were unemployed, significantly more than the national average where 19 per cent of youth are unemployed. Again this may be an issue of equating employment with a salaried job. Some 29 per cent of youth indicated that they were engaged in full time salaried work.

Employed youth are occupied in a broad range of work, the most popular being professional workers and gold panners, and to a lesser extent, the remainder were involved as retailers or traders, cattle farmers or casual laborers. There were a few cases where youth were working for their family or were engaged as apprentices to a master craftsman. Umzingwane youth were more engaged in agricultural seasonal work than the other districts. Only in Mberengwa did youth report being involved in family or relatives' businesses.

Figure 14: Employed Youth occupations



Most youth interviewed in the four districts had limited work experience with over a third, 39 per cent, having never been employed before. In comparison, 28 per cent had at least one previous job and a negligible 3 per cent had more than three previous jobs. Limited work experience decreases the likelihood of one gaining employment and building viable enterprises through self-employment.

Access to capital

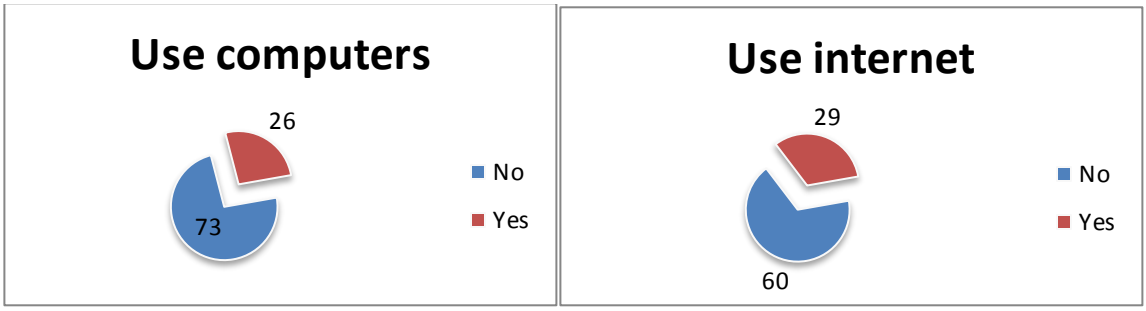
Some of the barriers that young people cited as standing in the way of them starting some income generation activities included, limited access to finance, an inability to develop business plans and having limited experience or technical know-how. This situation is compounded by the limited awareness about organizations offering financial support in the districts.

Most youth in Lupane and Umzingwane indicated they were supporting family members with whatever income they raise. This was less the case in the other districts. These findings are also interesting given that the majority of respondents taking part in the study were male, implying that even the young males are not able to freely decide on how to spend their money.

Use of Information Communication Technologies (ICTs)

There is a very slow take-up of ICTs among youth in rural districts. The findings indicate that only 26 per cent of youth use computers while 33 per cent use the internet, most of whom use it to access social network networking sites, especially Facebook. These findings raise concerns about the power of the internet and ICTs to kick start youth employment opportunities if most are not computer literate.

Figure 15: Computer and Internet use



Conclusion

Given the high unemployment rate among youth, they face challenges in terms of how to spend their time, often residing in an area with few livelihood opportunities and limited recreational activities. This potentially can led to high levels of alcohol abuse, antisocial behavior in addition to fuelling the spread of HIV and AIDS. Initiatives designed to create livelihoods opportunities for youth in these four districts could benefit from taking into consideration their low skills base as well as the necessity of making these initiatives flexible enough to accommodate persons who are married and who have dependents.

6.6 Local Businesses

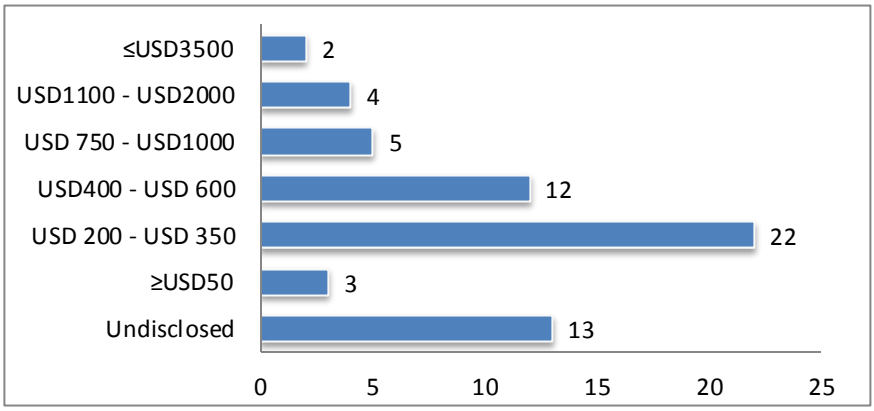
Businesses are open systems and interact extensively with their immediate local and broader environments. Vibrant micro, small and medium enterprises are to a large extent dependent on a business enabling environment.

Profile of Businesses Interviewed

Sixty three business people across the four districts were surveyed and of these, 46 per cent were female. Among the businesses selected, across three of the four districts, there was a near balance between male and female respondents. Mberengwa was, however, an exception where only three of the ten respondents were female.

Data on business turnover was also collected. However, questions on the level of profits and turnover being made was avoided by respondents and and researchers suspected answers received as likely to be inaccurate or incomplete.

Figure 16: Average monthly turnover for businesses



As the graph illustrates, all the businesses sampled were extremely small with some having turnovers of less than USD 50 per month. Most were in the USD 200 to USD 350 range. Only one out of six of the businesses reported realising a turnover above USD750 in the previous month.

Economic Sectors

Although a number of economic sectors are represented in the 63 businesses surveyed, more than two thirds, 67 per cent, of the businesses encountered were wholesalers or retailers, many of which were associated with selling alcohol and groceries. Despite the importance of mining in these districts only one of the surveyed business was involved in mining activities. Similarly, few businesses in these districts are associated with critical sectors such as energy related services, arts and culture. This may be a function of the sampling but also points to the narrow band of livelihood opportunties being exploited in rural communities.

Table 4: Sectors where respondents were drawn from

Business Sector or Nature	Total number of respondents
Agriculture	2
Arts, Entertainment, Culture, Education and Sport	1
Business Services	5
Community, Social and Personal Services	3
Electricity, Gas and Water	1
Manufacturing	3
Mining and Quarrying	1
Tourism, Restaurants and Hotels	5
Wholesale and Retail Trade	42
Total	63

Economically thriving and resilient communities, which are capable to cope and manage shocks, require a spread of the risk through interactions with diverse livelihood avenues. There is no shortage of business opportunities but what is lacking is the innovation to identify and tap these opportunities[86] and the capital outlay. Businesses interviewed seldom engage in adding value to primary products with only 4.8 per cent of businesses engaged in a manufacturing activities. Given the level of poverty in these communities, innovation and risk-taking are low priorities when survival is sometimes achieved on a daily basis.

Education Profile of Business Persons

Most business operators were relatively well school educated with over half of them with Ordinary Levels and some 10 per cent with Diplomas. Over a quarter, 28 per cent, of business persons interviewed reported having Grade 7 certificates as their highest qualification. A negligable 3 per cent reported not having any formal qualifications. Financial literacy and problem solving are higher order skills, and are essential for the sustainability of small businesses.

Registration Status of Businesses

The study established that four out of five of the interviewed businesses had some kind of licence or had been registered with at least an authority[87]. Most businesses that responded as "having a licence" in most instances had paid some kind of fee to their local authority. The local authorities aware of the various challenges businesses face in registering themselves, encourage registration by offering temporary permits. The tendency is, however, for businesses to continually operate on temporary permits. In an attempt to be business friendly the local authorities also admitted to allowing businesses that are not fully registered and licenced to operate, in exchange for payment of some service delivery fees and a pledge to register within a set period of time. This, however also posed a challenge as busineses fully registered resented competition from such entities, stating they are disadvantaged as they have higher costs, registering and taxes, to some extent this leniency may prove to be a disincentive for others to register.

[86] Oxfam Canada (2011) Sharing Livelihoods Knowledge for a Better Zimbabwe, Report on Livelihoods Diversity Workshop, Nov 2011, Harare.
[87] The study collapsed registration and licensing into one question with no distinction being made between the two.

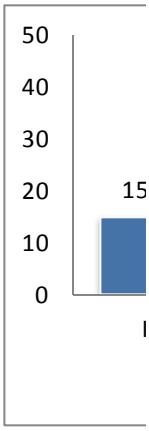
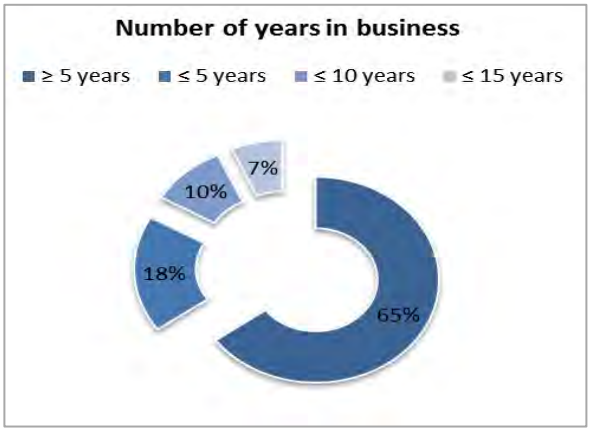


Figure 17: Registration status of businesses

Survival Rates of SMEs

The survival of small businesses is a positive factor in the economy. However, the limited data gathered by the study suggests that business in these districts do not survive long, with 65 per cent of the businesses surveyed having been operational for less than 5 years. In contrast only 17 per cent of businesses had been in existence for more than 10 years. The prevalence of reatively new startups signals weak competitive strength of businesses in the districts. Evidence suggests that the probability of business failing declines with the passing of each year in operation[88].

Figure 18: Respondents number of years in operation



The high percentage of new business startups reported could be the result of the improving business environment in the post 2009 era. The economic meltdown of the previous years wiped out many small businesses. Additionally, many new entreprenuers enter the market uncertain about their venture's profitability and learn about it only upon entrance into the market[89]. Also small businesses fold because of an inability to offer high quality services which means customers come once and if dissatisfied resort back to the services offered in nearby towns[90].

Unavailability of adequate and suitable premises for business operations was a challenge mentioned across the four districts. One in every ten of those interviewed reported not having a fixed place to operate from, or alternatively was operating from temporary physical structures, open spaces or illegal structures. Although some businesses had no premises due to the nature of their economic activities, this situation limits SMEs access to public services: sanitation, water and electricity. It is possible some businesses are reluctant to find permanent structures as their operations were not regularized and permanent premises would make it easier for authorities to follow up with them.

Four out of ten of the businesses were operating from leased or subleased premises. Those who were on some kind of a lease noted the unaffordable rentals in the districts. The high rentals meant during a cyclical

[88] http://www.sbeducation.info/downloads/sbfail.pdf
[89] Paloma López-García and Sergio Puente (2006)Business Demography In Spain: Determinants Of Firm Survival, Documentos de Trabajo N.º 0608 Accessed 09 January 2013, http://cosmic.rrz.uni-hamburg.de/webcat/hwwa/edok06/es109t/dt0608.pdf page 18
[90] Seeletse (2012)

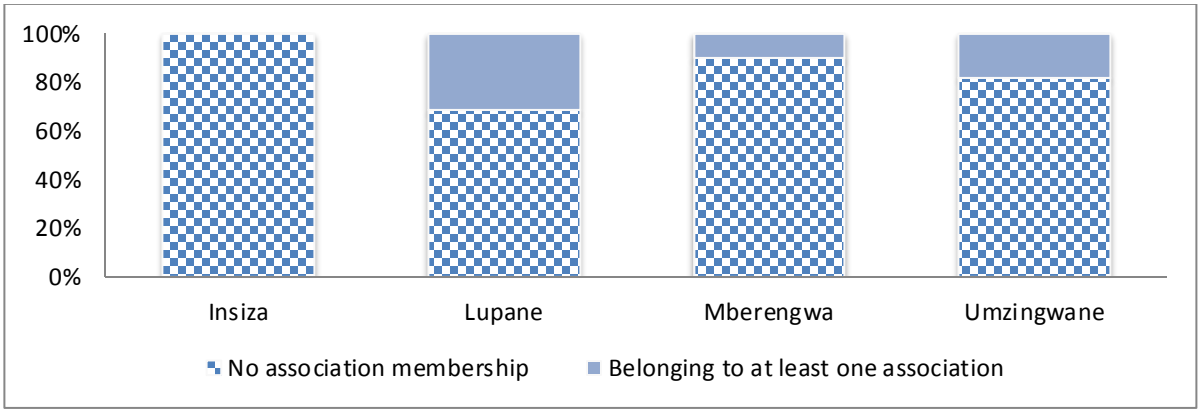
downturn in business the operation could be forced to move to the business owner's home. However, one out of two businesses was operating from premises owned by the proprietor, usually their homes. This may limit business expansion, interaction with other businesses, possibly increased transaction costs and limited access to marketing information.

Business Associations

Theoretically, business associations can play a central role in enabling a business friendly environment. as they can influence the working conditions in favor of their members[91]. They maintain regular dialogue with government on policies affecting the business sector and try to influence political decisions and implementation processes. Additionally, business associations can provide their members with services which may include training, market linkages, business fairs, provision of inputs and technical and commercial consultancy. Service provision plays a significant role in attracting members to the association. Associations are also an appropriate medium for information gathering and dissemination, the information can serve the association's objectives, and state agents can also obtain information for their interests[92]. Another posssible role of business associations) is the undertaking of activities, which are delegated by the state to the association. Business associations are uniquely positioned to encourage dialogue between the state and businesses as they have better access to the state authorities and can better acquire information. Measures that address individual enterprises entail very high costs. Because of the scarcity of resources, only few firms from the target group can be promoted[93] but through associations more businesses can be promoted using less resources.

However, business associations are not popular in the surveyed districts. The membership levels in the districts appear to be very low as only 15 per cent of respondents belonged to a business association. Association membership varied across the districts with Insiza having no businesses taking part in the study belonging to an association. Business operators in Mberengwa reported 10 per cent of them belonging to an association, in Umzingwane 15 per cent and in Lupane 18 per cent. Across the four districts only two out of five of those businesses who belonged to an association and paid some form of subscription. It has to be explored further how prevalent the phenomena of non-subscribing members is and how much of an impact this has on the operations of the association.

Figure 19: Percentage of businesses with business association membership



[91] Tuan (2007)
[92] (Meier, 1997)
[93] http://www.uni-leipzig.de/sept/downloads/SWP07_Do_download.pdf

In order to explore the effectiveness of current business associations in the districts studied, the kind of services offered to members was surveyed.

Table 5: Services offered by associations

	Availability of service in district			
Services provided by associations	Insiza	Lupane	Mberengwa	Umzingwane
Access to savings and credit facilities	Yes		Yes	Yes
Assist in selling goods (e.g. coordinate the supply of bulk orders)		Yes		
Business Training and Advisory		Yes		Yes
Market information	Yes			Yes
Negotiate on your behalf with authorities		Yes		Yes
Protection Services		Yes		
Provision of utilities and services (water, electricity, waste management and security)		Yes		Yes
Tools and equipment		Yes		

Blank space implies a service is not available

As illustrated in the table above the business associations in Lupane and Umzingwane provide the widest range of services, although very few businesses indicate that they accessed them. Businesses in Insiza and Mberengwa were not recipients of any business association services.

There was a general perception among business people interviewed that business associations were weak and ineffectual because they lacked expertise and resources. Low memberships and the subsequent inconsistent flow of revenue through lack of subscriptions creates a vicious cycle.

Umzingwane Business Association, possibly because it is still in its infancy, was described as lacking clarity in its objectives and limited by its experience on how to carry out its operations. It was called a "briefcase association" with no structures and no services offered to members. The response from an association leader in Umzingwane, was, "Businesses do not want to join and be fully paid up members, but they expect to reap the benefits while they sit on the sidelines". In response to this the business owners stated, "we cannot join an association which clearly has no benefits to its existing members, once they show us value for money we will flock there".

However, the Lupane Business Association (LUBA) which has existed for a number of years and has been supported by the MSMECD, was also seen as lacking effective support. The perception was "when we see the current members reaping benefits from their membership then we will join the association".

The unifying challenges for the surveyed business associations are that they are plagued by leadership squabbles; they have insufficient numbers in terms of members and thus are in a weak lobbying position. Low member numbers also means low revenue for the association.

Use of Information Communication Technologies

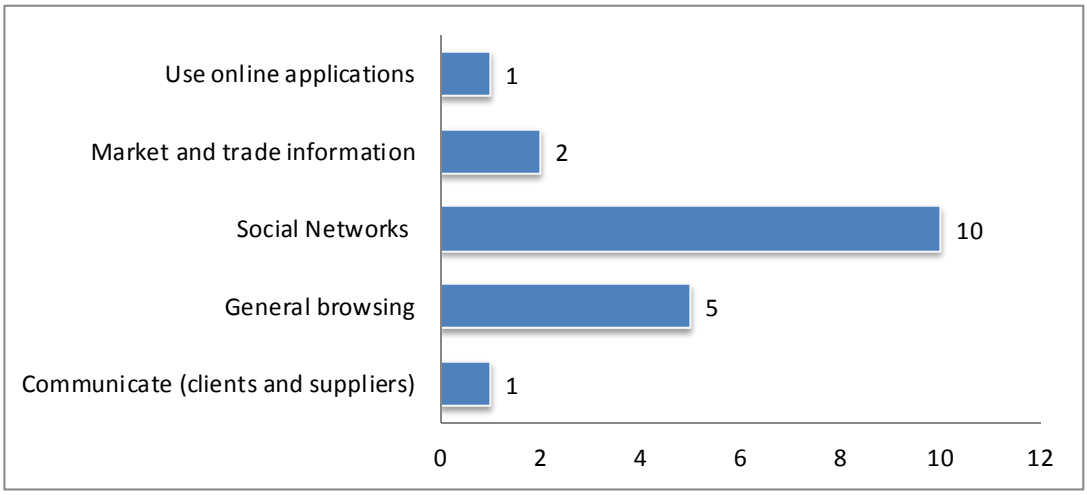
Information and Communication Technologies (ICT) offer enterprises a wide range of possibilities for improving their competitiveness: They provide mechanisms for getting access to new market opportunities

and specialized information services such as distance consulting, continuous training and new advisory modes[94].

In today world, the ratio of persons accessing the internet is 70.2 per 100 in the developed world; 24.4 per 100 in the developing world and Africa. Increasingly businesses in rural areas in parts of west and east Africa have exponentially increased their value through the use of accessing market linkages, financial resources and climate and price information through the internet. Zimbabwe, although particularly lagging in this respect, is likely to see significant improvements in e-connectivity and its support for economic activity with the recent links to the continental cable network which is currently being installed nationwide. These developments still need to reach the rural areas under study as the graph clearly illustrates the low ICT usage among businesses.

Figure 20: Computer Usage

In Mberengwa none of the businesses interviewed reported using a computer and in Insiza only one in ten businesses using computers. Lupane and Umzingwane were marginally better with one out of five respondents reporting using computers. The study was not concerned with ownership of the computer nor the type of use. No distinction was made between those accessing the internet through handheld mobile devices and those using traditional means such as desktops. Umzingwane and Insiza reported the highest internet usage rates hovering just above 30 per cent while Lupane reported the lowest levels of internet usage with only 11 per cent of businesses going online.

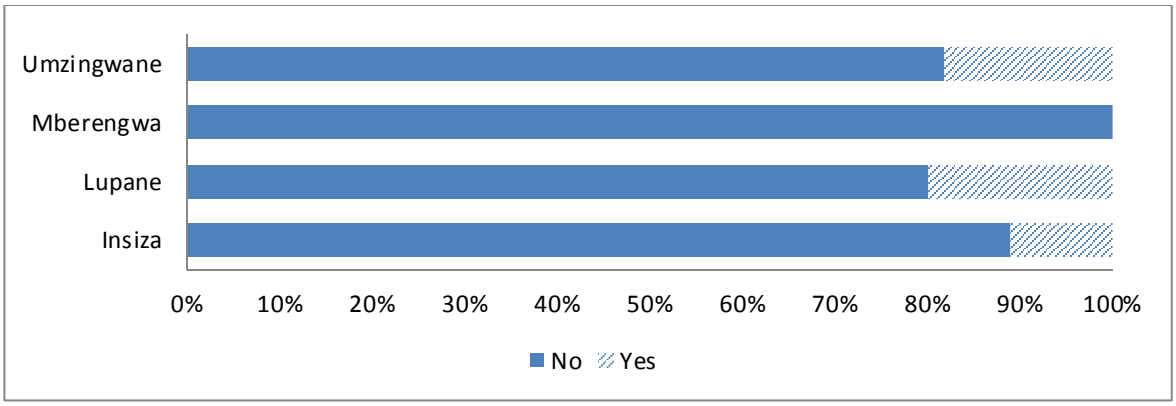


Only two business respondents (23 per cent) used the internet to obtain market and trade information, and one business reported using it to communicate with suppliers and clients. The other internet users (37 per cent) used it for social networking, in particular Facebook and not for increasing the productivity of their business operations.

The research suggests that most micro and small businesses interviewed have limited access to strategic information (which includes the availability of product demand, prices and potential opportunities) which not only hinders their ability to make tactical decisions but own internal record-keeping of their finances and operations. Many MSMEs tend to lack or, at best, keep poor records, making it difficult for financial institutions to gauge their performance as a basis for extending credit facilities.

Figure 21: Internet Access/ Usage

[94] Small company attitude towards ICT based solutions: some key-elements to improve it Giovanni Fulantelli and Mario Allegra, Institute for Educational Technologies Italian National Research Council, Palermo, Italy fulantelli@itd.cnr.it allegra@itd.cnr.it Accessed, http://www.ifets.info/journals/6_1/fulantelli.pdf



Mobile and online payments that facilitate easier payment and transfer of money have had a slow uptake in the rural districts reviewed.

> *"At least $100 million monthly is being transferred from the country's urban centres to rural areas resulting in a significant impact on the rural economy… The money is being used to buy goods from local shops and to pay for services, including school fees. EcoCash has been opening up new economic possibilities for people in rural areas who up to now have struggled to see money circulate to them… Mobile money benefits people in rural areas. It helps them access financial resources even in very small amounts and this all adds up to a healthier economy all round*[95]*.*

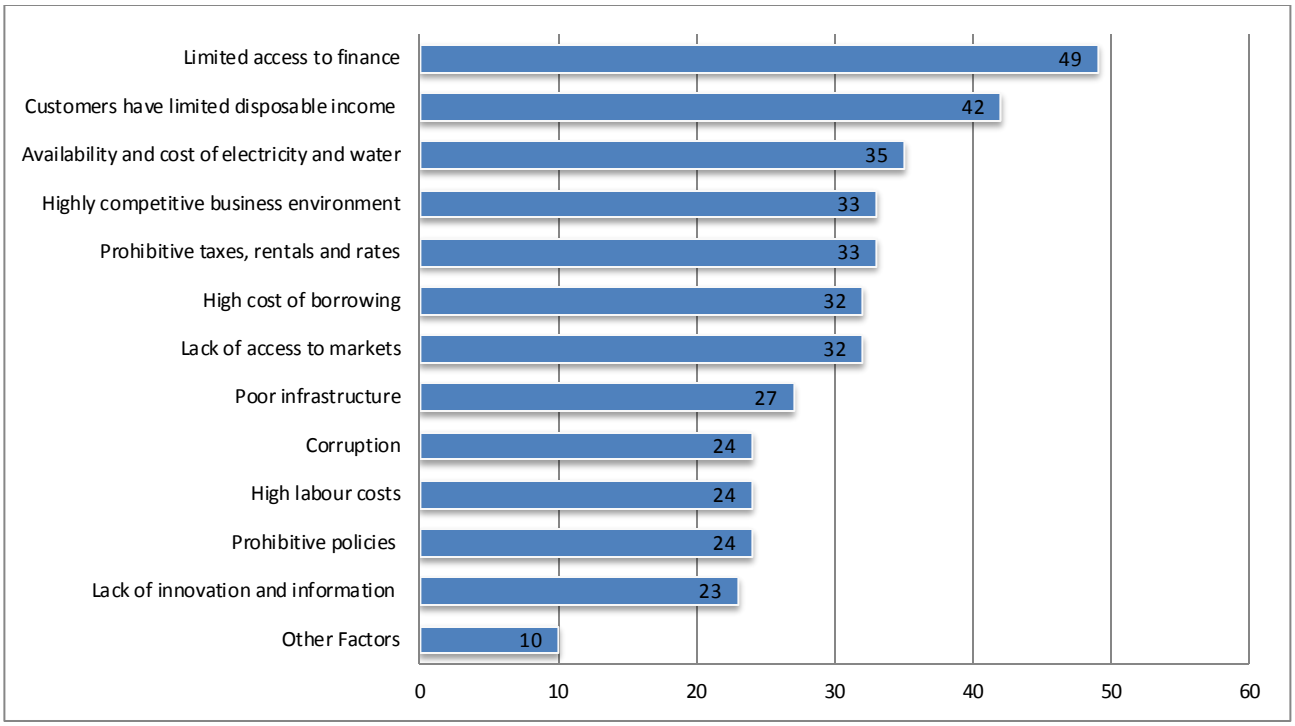
Despite the growth in new users, 1.7 million registered users in October 2012[96], and the growth in amounts being transacted, rural businesses are not yet engaging with the new technology, possibly because the costs remain prohibitive. To transfer US $200 to a non-EcoCash subscriber, a subscriber will be charged US $14. For the same transaction, an M-PESA (Kenyan service) subscriber will be charged US $1.80[97]. Financial service providers have also been slow to offer the market competitive, innovative and low cost products. Electronic payments are a key way of unleashing potential for small business and opens up new markets.

Operating Environment

The interviewed business owners were asked for their opinions on which environmental factors had the largest adverse effect on them in terms of limiting their business growth and threatening their viability. They were asked to rank them from greatest impact to the ones with the least impact:

Figure 21: Ranking of environmental factors affecting business

[95] http://www.newsday.co.zw/2013/01/03/ecocash-creates-rural-economic-opportunities/
[96] http://www.dailynews.co.zw/article/Business/9cff0df2-755d-418c-8643-b3e0360f76e4
[97] http://www.techzim.co.zw/2011/10/so-how-much-does-it-cost-to-use-ecocash/



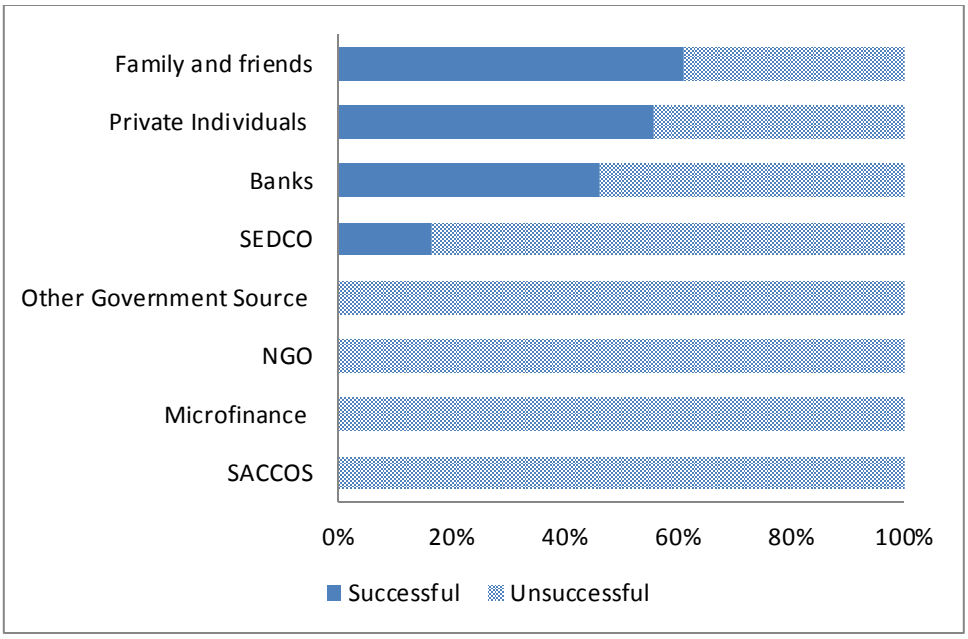
Access to capital

Business ranked limited access to finance as their biggest challenge in their operating environment for the following reasons:

- *Lack of Financial Security* – Respondents highlighted their inability to offer the kind of security that banks demand in order for them access to finance. There is a general disregard for traditional forms of wealth such as cattle, although there are new entrants on the market that appear to be moving in this direction[98]. Group guarantees are also not highly regarded by financial institutions.
- *High Interest rates* – Interest rates were noted to be very high and often counterproductive to the operations of a micro or small enterprise. Rates ranged from 8 to 25 per cent per month.
- *Short Repayment period* – Repayment periods were described as too short, as little as 3 months in some cases, which is an insufficient period for the capital injection to have made an impact on the operations of a SME. Business persons are calling for longer loan periods or at least loan cycles that are responsive to their business cycles.
- *Small Loan size*- The loan sizes offered by NGO, commercial or government related facilities for SME are too small. Although commercial banks offer larger loans the conditions deterred respondents from accessing them.
- *Limited Bank geographical coverage* – some banks that were approached for credit refused the application on the grounds that they could not offer loans to persons outside a 15km radius, stating difficulties for the bank in monitoring such lenders.

Figure 22: Sources of finance that businesses owners have approached in recent times

[98] The TN Cattle Bank recognizes livestock as a form of security that can be deposited and withdrawn.



Approximately 43 per cent of respondents who had attempted to secure some kind of financing for their business were successful. A business person has the best odds of securing a loan from family and friends with 60 per cent of those who sought funds securing them. Fifty five per cent of those who approached private individuals for loans were successful, whereas 46 per cent of the few who approached banks were successful. Of the 11 per cent of businesses who applied to to SEDCO only one out of every five that applied were successful.

Table 6: Where businesses are getting finance

Who business people have approached in the past when in need of financial assistance							
SACCOS	Microfinance	NGO	Other Government Source	SEDCO	Private Individuals	Banks	Family and friends
2%	2%	2%	8%	11%	17%	25%	34%

Table 6 shows the most preferred sources of finance for rural business persons, these preferences can be understood better when analyzed with the loan application success rates shown in Figure 16. The most popular sources of finance also have the highest rate of successful loan applications.

Low disposable income in a highly competitive environment

Respondents noted that with the exception of gold panners, rural households generally have a low rate of savings and spending, which has meant subdued consumption for their services. This is compounded by the clustering of numerous businesses in the same line of activities. In addition to low disposable incomes respondents highlighted that a huge portion of the consumers in the rural areas had seasonal income, thus business would boom after harvests, and others such as gold panners had unpredictable spending cycles.

Availability and cost of utilities

Small businesses in the rural areas face not only high costs in utility services such as electricity, water and other services but also the erratic supply of these services which disrupt their business operations, which in some instances meant stock rotting or shortening of working days. A butcher in Filabusi noted he had to

resort to using a diesel powered generator to keep his meat refrigerated and he was forced to pass the cost onto the customers. Water is also a challenge as the availability of tapped and clean water is not always guaranteed.

Type of Support	Number of times it was mentioned
Financial Support	34
Business Management Training	15
Capital	15
Market Identification and Linkages	9

Poor infrastructure

Rural infrastructure can be seen as the complex of physical structures or networks within which social and economic activities are carried out. These structures are not ends in themselves, but are means to achieving the broader goals of poverty reduction and economic growth[99].

The lack of basic infrastructure such as roads, water and sanitation discourages potential investment and hinders the growth of businesses in the districts studied. Businesses are forced to use less efficient energy sources, navigate bad roads which increase their cost of doing business and are exposed to health risks by using potential unsafe water. Local roads in most areas visited are in a very poor condition, making it more complex for producers to supply markets with their produce in a timely fashion. The potential for agricultural processing, small business development and rural manufacturing is also constrained by the lack of electricity.

Prohibitive policies

As noted in the literature review, Zimbabwe business regulations are burdensome, costly and time consuming. Respondents noted that the business registration process is unnecessarily drawn out and expensive. Obtaining a liquor license, for example, requires a person to travel to Harare. Some licenses are only issued in metropolitan centres. Respondents felt this was unreasonable considering the distances and costs involved. Another disincentive they cited for registering was the punitive taxes they would incur if they regularize their businesses. Other challenges mentioned included the costs of corruption, the higher labor costs as staff would then be registered. and the lack of government support for their businesses.

Support for Business

[99] http://www.worldbank.org/afr/wps/wp18.pdf

Workspace and Workshops	9
Machinery and Equipment	6
Improved Electricity Supply and Cost	5
Infrastructure Development	4
Transport	
Business advisory and support services	
Skills Training	3
Raw Materials	3
Exposure to international markets	2
Packaging Facilities	1
ICT Equipment	1
Water	1
Business friendly policies	1
Building local market place	1
Restocking	1
Mentorship	1

Figure 23: Business people who knew about MSMECD's existence

Respondents were asked to cite three interventions that would make the most significant difference to their operations and would enhance their sustainability and profitability. The leading intervention mentioned is financial support. Technical support in the form of business management training was seen as the second most useful intervention government could provide. High on the list of support needed by SME's is assistance with market identification and the establishment of market linkages. Businesses testified to having to produce below capacity because of limited markets. A lack of machinery and equipment was also identified as a huge constraint on the growth of their businesses. Business persons were also asked to name providers of business support services in their districts. Most displayed a lack of knowledge of which organizations were offering support and where they were located.

Table 7: Support that would improve business

It is evident there are challenges in terms of creating awareness about where businesses can go when in need of assistance. Knowledge about the Ministry of SMECD is low with less than 50 per cent of business interviewed stating that they knew of the Ministry's existence. The Ministry's activities were least known in Insiza where only one out of five business persons were aware of its existence.This data should serve as a baseline as the Ministry has recently opened District Field Offices in the expectation that awareness about the Ministry and its functions will be on the rise in the future.

Of the 33 businesses who knew of the existence of Ministry, only 53 per cent were aware of all of its functions and less than a third knew of the Ministry's work in facilitating SMEs' access to funding sources. However, those who had interacted with the Ministry's business advisory and support services rated them as acceptable or better.

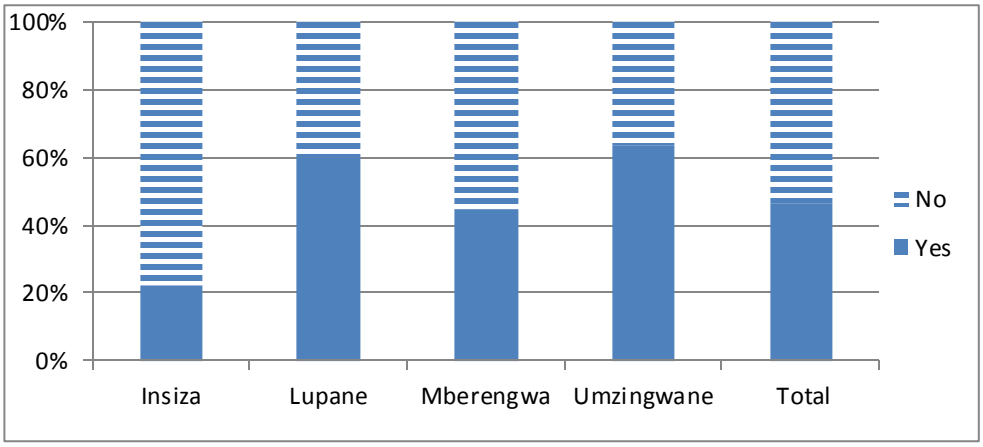
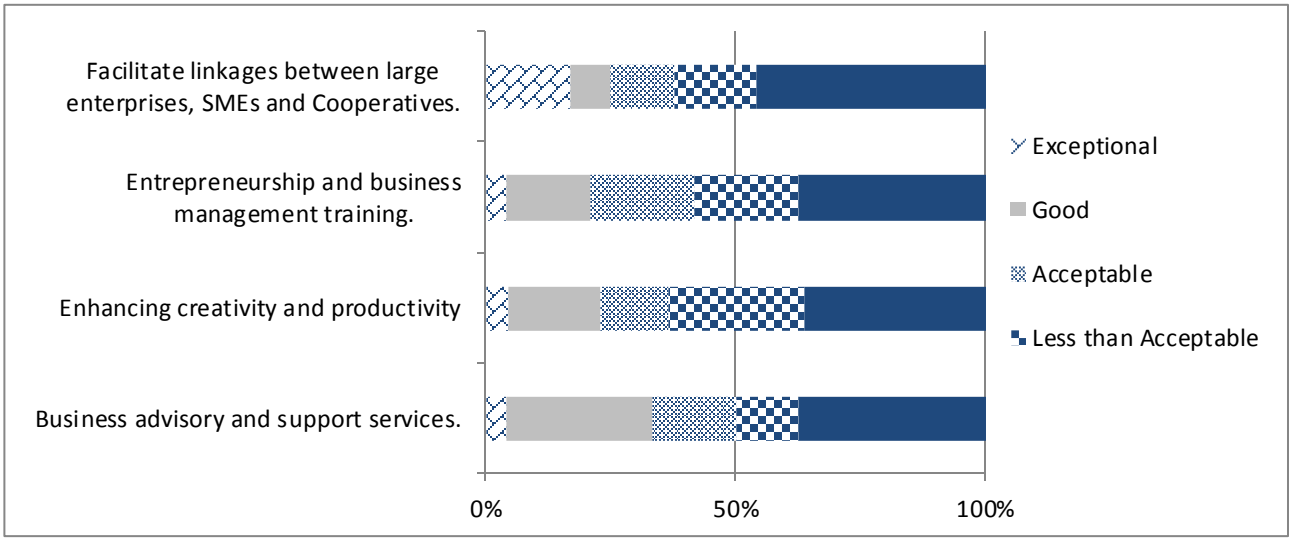


Figure 24: rating of MSMECD's Services

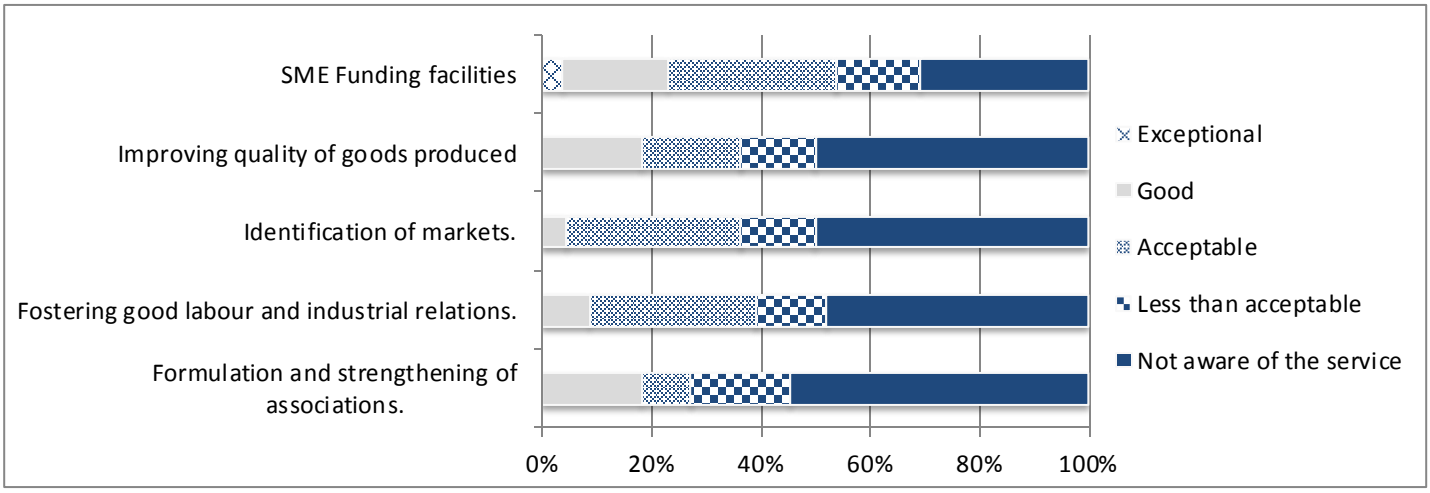
Figure 25: Rating of MSMECD's services



6.7 Cooperatives

Cooperatives have enormous potential for rapidly generating large numbers of new jobs and raising resources to increase incomes, provided the right policy measures are in place to support them. An appropriate mix of policies focusing on access to technology, training, credit, marketing and distribution channels can substantially accelerate livelihood creation through cooperatives, particularly in the informal sector and rural areas, and among women.

Cooperatives were established in post-independence Zimbabwe (1980) as an aspect of the government's programme of socio-economic transformation of the inherited agricultural sector. Government policy at the time clearly saw these as modern, large scale economic units in which workers and managers were to be the owners of these productive cooperatives and profit generated was to be for the social benefit of all. Thus there was a conception of cooperatives as classic socialist enterprises. Despite an initial upsurge in the creation of cooperatives, some ten years later Zimbabwean research indicated that producer cooperatives



faced a membership decline as "disillusionment and impatience over their poor performance has set in"[100] A significant body of research on African cooperatives as a model for stimulating livelihood creation acknowledges that the failure attendant on most attempts are often related to the political economy in which cooperatives are inserted rather than the internal failures of the organization of cooperatives per se[101]. In Zimbabwe currently, the emphasis is on the potential of cooperatives as a route to the creation of livelihoods and self-employment for marginalized groups.

Profile of Cooperatives Surveyed

Though are there are diverse types of cooperatives, the study only encountered respondents from two functional market garden cooperatives and various savings and credit cooperatives. Respondents were predominantly women. Cooperatives in the rural areas studied are highly feminized with one of the cooperatives having 30 members with only one being male. The members vouched that there was no discrimination on the basis on the sex. The leadership of the cooperative recollected that numerous efforts to lure males to join have been futile. At Chitenje Cooperative in Museve Village, Mberengwa, the cooperative's land is allocated to a family unit in order to promote, men and children's participation. This strategy has slightly improved men's involvement but the leadership notes more has to be done to get men involved.

A cooperative is a collective of members who own the non-labour means of production and collectively share the net production of their efforts with all members. Decision making in the two agro-cooperatives met through this study is through popular vote. This cooperation according to one respondent is a result of *"kutsvaka kuzviriritira"* (Shona for – an exploration of what could provide livelihoods). Creation of Livelihood and a means to alleviate poverty is the binding objectives that bring the members together. Typically members would contribute a monthly amount of no less than USD 5.

Cooperatives an unpopular root to empowerment

The research uncovered a general skepticism in communities on the applicability of producer cooperatives in their local context. The common thread that runs across all the cooperatives encountered is that the members have pinned their hopes on the cooperative improving their quality of life and this is seldom realized. Recollections of dissatisfying experiences with cooperatives have lowered the interest of women and youth to get involved in cooperatives even if there are promises of external support. In communities such as Mberengwa and Umzingwane where gold panning is prevalent, communities now view cooperatives as a much slower and arduous route to earning a livelihood.

Respondents noted that some cooperatives are formed in response to available development funds packaged as 'only for cooperatives', and this forces individuals who do not believe in the cooperative vision to group together solely for the purpose of accessing the funds. Respondents in Insiza gave examples of where the equipment of a cooperative was auctioned off to be pocketed by members. In another instance the equipment was not maintained and in such a state of disrepair as to be useless. Additionally, it was mentioned that the founding leadership was often difficult to replace at the end of their terms. In Umzingwane, a once vibrant cooperative is now in limbo as the first generation of leaders gave way to new leadership which has allegedly begun to personalize cooperative assets and is selling them off.

Governance failure is common as a result of power struggles over who pulls their weight in making their contributions. This, according to respondents, creates challenges in terms of how to maintain social cohesion.

[100] Mumbengegwi (1988).
[101] Ibid.

Examples were given where some members decided to stop working on fields but expected returns on the yield. Another case mentioned was in the event of the death of a member there is no one to take over and fulfill those members' functions.

Where a cooperative is successful in an area surrounded by poverty it can also create challenges communally, particularly if additional membership is closed. Mberengwa respondents noted there was friction as potential cooperative members were told to form their own as the existing one had reached its maximum size.

Leadership of cooperatives is often predicated on the political power of individuals in the community rather than their commitment to the production of the cooperative. The situation is compounded by unpredictable election cycles. Some leadership elections are routine with the incumbent being uncontested, as they are perceived to be political heavy weights.

High failure rate of cooperatives

Cooperatives in the districts under study succumbed to three typical kinds of failure:

Economic failure - It was noted that the economic recession of 2000 to 2009 debilitated some cooperatives who would have strived under normal conditions. The operating environment, hyper inflationary, made most cooperatives in rural areas unprofitable, and led to a depletion of assets and capital.

Governance failure –cooperatives tended to ceased operations as a result of failure to manage the cooperative's affairs, inadequate governance, and internal challenges to the group's founding values.[102] The most commonly cited cause mentioned was leadership disputes. In Insiza the failure of a once vibrant cooperative was attributed to the ageing of members.

Withdrawal of external support - Cooperative failure is associated closely with the withdrawal of support by an NGO or the government

Self- initiated groups more resilient

An inquiry into why some producer cooperatives last longer than others elicited a number of responses from respondents. The key one being, self-initiated cooperatives tend to have a greater chance of survival than those which were formed after the intervention of an external party. Implementers of programmes in the districts noted that an existing operational cooperative is more likely to survive and grow than one initiated and supported with outsiders' facilitating the process.

Savings and Credit Cooperatives

Despite the skepticism among communities in the districts studied of the value of producer cooperatives, savings and credit cooperatives (SACCOS) were widely embraced and were operational in all four districts. They were referred to by various names including, *maround, society, mukandirwa, ndiro or chimbadzo.*

These cooperatives whose primary purpose is provide credit through saving schemes, and are largely dominated by women. Some SACCOS encourage their members to save by offering interests rates to members which are above what they would get at a bank. Its utility is also in that when in need of money

[102] http://www.australia.coop/coopwhyfail.pdf

members can borrow from their own pooled funds. Since members have full control of their savings they are positioned to grant themselves cheaper credit than that available from the banks.

The study encountered two types of savings and credit schemes in the districts as outlined below:

Concept A – a small group of women, usually not more than five, agree on a monthly or weekly amount to contribute. Each month in a rotating order a single member receives all the funds. The group's funds do not accumulate over time as money is always immediately consumed. In Umzingwane, women in business critiqued this model and noted that it was not ideal for those who wanted to have a pool of capital readily available for business.

Concept B – Members contribute a fixed monthly subscription or deposit towards a share of the SACCO's capital funds. The funds are made available to those who want a loan at a low interest rate - ranging from the lowest encountered at 10 per cent, to as high as 25 per cent. In some instances non-members considered to be low risk, are allowed to access these loans but charged a higher interest rate. The size of loans granted to members will not exceed the total of their individual savings. At the end of the year the subscriptions and interest earned are shared equally among the members. A dividend is paid on member's share capital, which in practice forms the cooperative's accumulated savings. In most instances the process would begin again the following year with a higher monthly subscription fee. As one member indicated, "As a member you need to show that you are growing in your life and business that is why we increase the subscriptions every year". In Mberengwa a cooperative formed by police officer's wives restricted members to spending their funds on household furniture or capital for business startup. Members had five days to comply with this condition and other members would verify how the funds were spent.

Members of a SACCO decide: how much interest has to be charged on loans given to members; amounts that can be loaned to a member; the repayment period of any loans given out; and the collateral required. This makes the SACCO a democratic business entity, unlike the commercial banking firms'.[103].SACCOs fill a niche in providing a funding mechanism to release micro amounts of capital to the poorest communities. In the four districts under study, there is very little to talk of in terms of formal micro finance providers. Faced with the dearth of access to credit, communities have had to adapt and come up with their own means to save and create their own credit sources. Respondents noted financial institutions where overwhelmed by the applications for credit, thus the process was riddled with bureaucracy and in most instances the funds were just inaccessible.

Micro-finance

A recent study on Zimbabwe's agricultural market sector[104] indicated the scarcity of finance generally within Zimbabwe and the almost total lack of domestic finance for agriculture. Statistics from the banking sector indicate that as of the end of April 2010, there was about US$1,708 billion circulating in the economy compared to the estimated US$10 billion required to rehabilitate the economy. As a result, enterprises have found it increasingly difficult to access funding for recapitalization and expansion purposes and at the micro level, funding is extremely difficult to access for rural producers.

Where funds are available they are priced at high rates that limit new investments. Ultimately this has negatively impacted prices in local markets as companies pass on the cost to consumers. Interest rates above regional levels have contributed to higher prices of domestic consumer foods making imported food

[103] www.coopgalor.com
[104] USAID (2010)

and commodity substitutes (e.g. milk, mealie meal, meats) cheaper, thus reducing the domestic market share of local industries and local farmers[105].

Nearly all of Zimbabwe's financial institutions are severely constrained in making loans by the lack of liquidity that resulted from the hyperinflation and subsequent introduction of the multicurrency system, popularly called dollarization, in January of 2008. Zimbabwean microfinance institutions lost nearly all of their financial assets during this period. Most microfinance institutions (MFIs) stopped lending during the later stages of hyperinflation or immediately after dollarization was announced. Virtually no lending by MFIs occurred in the remainder of 2008, when lending was still required to be in Zimbabwe dollars and few were available. Some MFIs returned to lending as early as March 2009[106].

As of December 2009, the Reserve Bank of Zimbabwe reported 95 registered MFIs, down from 293 in 2004, almost all focusing on serving clients in urban areas. For most MFIs, funds to lend come from loans by commercial banks. Bank loans to MFIs during mid-2009 were scarce, typically available for periods of 30 days with interest rates between 6 and 100 per cent per month. Currently MFI lending to customers is for 30 days terms with interest rates from 6 to 15 per cent per month with a few lending at a rate of 20 per cent per month.

Most MFIs are very small in size, in most cases owner-managed, and are mainly money lenders. One of the larger microfinance institutions is a women's cooperative savings and credit union that has been able to achieve a quick turnaround because of its strong asset base that it mortgaged for bigger loans from banks. The institution only gives loans to cooperative members, who are mainly women in vending, market gardening, commodity broking, hair salons, flea markets, etc. However, the study did not encounter any groups or individuals accessing MFI funding in the four districts studied.

6.7 Recommendations for Youth, Women, SME Businesses and Cooperatives

- Collect and disseminate at national level, up-to-date gender and age segregated statistics on business creation and growth to ensure that policies and initiatives more effectively monitor development in creating the livelihood potential of women and youth.
- Assist aspiring entrepreneurs with mapping of local economic opportunities and value chains to expose unmet needs and encourage some form of economic and livelihoods diversity in each district possibly through the district officer.
- Establish and support mentorship programmes and business incubators to provide women and young entrepreneurs with relevant business knowledge and expertise.
- Provide short targeted skills development courses particularly in the area of business management and services training and technical and vocational training related to economic activities in the locality area, such as mining and agriculture.
- Include financial management and entrepreneurship education in school curricula, starting at an early age. Offer it at the vocation training centres and other training institutions for out of school youth and business entrepreneurs.
- Establish one-stop citizen shops where business entrepreneurs can access subsidized facilities such as photocopying, faxing, computers, internet, information resources and meeting rooms. They could act as information centres on the registration of businesses and other related activities including links to business associations.

[105] ibid
[106] ibid

- External funders, such a Ministries and donors, can accelerate the process of micro finance institutions supporting businesses in the rural areas by strategic infusions of equity or debt capital appropriate to the administrative capacity of each institution.

For Women

- Advocate the importance of women's entrepreneurship in building strong economies, and promote the positive impact of their work in improving living conditions for their families.
- Address child care facilities to ease women's work burdens and facilitate women's business successes.
- Adopt strategies to promote girls retention in schools, particularly at the secondary and tertiary levels.
- Reform school curriculum to promote positive messages about women and work and remove sexist stereotypes in schoolbooks and roles in the classroom and sport.
- Undertake a drive to provide all women in the rural areas with official documents to improve their access to registration of land, health and ability to participate in cross border trading
- Produce a gender analysis of the national budget to ensure not only equity but ensure the redressing of equality.

For Youth

- Promote the mastery of crafts, arts and culture and sports in schools as they are often viable career paths.
- Incentivize non-formal apprenticeship schemes to encourage master craftsmen and business to take on interns and apprentices to learn the skills of their trades.
- Ensure that the local Vocational Training Centre partners with the district skills development strategy to offer appropriate training for the economic activities in the area.
- Provide post training support to youth particularly in terms of business development services, market linkages and facilitating access to finance.
- Encourage the formation of business clusters or cooperatives in activities where youth are already engaged. Economies of scale will allow tool and equipment sharing, more efficient operations and better marketing linkages.

For Local Businesses

- Improve information sharing on available services and procedures for micro, small and medium enterprises in the district. Improve awareness among local entrepreneurs of the range of financing options available to them from government ministries, private investors, NGOs and banks.
- Create low cost business nodes for the micro entrepreneur in strategic locations which provide security and access to public services such as sanitation, water and electricity.
- Devise strategies such as guaranteeing bank loans, offering grants and establishing SACCOS to increase access to capital in various forms to the micro entrepreneur.
- Facilitate easier registration and licencing for micro and small businesses by reducing the fees and offering decentralised points of registration. Incentivize formalisation of business by providing more accurate services.
- Promote business associations by delegating tasks to them such as the registration of new enterprises, issuing certificates of origin, assessing the quality of products and services, specifying the

skills and knowledge to be acquired by the apprentices, and links to markets and business fairs. This will enhance their value and lead to increases in the competitiveness and performance of their members.

- Strengthen the dialogue among businesses, local associations and local government to facilitate the implementation of government policy or regulations, particularly with respect to the setting of rates and land allocation.
- Build capacities of business associations through training of its personnel and exposing them to the strategies of other successful associations.
- Introduce ICT policy that lowers the cost of internet reduces ICT in import duties and offers tax rebates for companies that provides ICT training to staff. Develop ICT applications appropriate for limited internet and in indigenous languages to encourage local usage.

For Cooperatives

Producer Cooperatives

- The public resources allocated to cooperative development should be reflective of its importance in poverty alleviation should government decide it's a worthwhile strategy.
- The value of producer cooperatives to maximize economies of scale and improve market linkages needs to be highlighted in communities with real local experiences.
- Develop a savings culture as most of the current funds accumulated in cooperatives are spent by members on consumables that do not contribute to the growth of the cooperative.
- Offers of external financial assistance from government and NGOs need to be debated by the recipient community as to its most ideal form so that there is a greater chance of sustainability. Funding and resources should not be tied to a particular organizational structure as it creates perverse incentives among communities.
- The Ministry and partners need to explore the possibility of capacity building initiatives in the following areas:
    - Promoting the underlying philosophy behind the co-operative organizational mechanisms and drawing up generic codes of conduct for membership
    - Developing training and tool kits for cooperative self-governance practices in labour management, finance and rotation of leadership that enables the growth and sustenance of a cooperative.

Savings Cooperatives

- SACCOS particularly those investing in productive enterprises or reinvesting their capital need to be encouraged and their promising practices disseminated.
- Education and training on the value of cooperatives could be taught at all levels of the school system, encouraging the formation of savings clubs in our educational institutions. Countries like Kenya have introduced cooperative training in schools.
- Regulatory and legal framework needs for supporting cooperatives needs to be revamped and promising practices from other countries may be useful.

7. MAPPING SKILLS AND ECONOMIC OPPORTUNITIES

7.1 Rural Technical Training Opportunities

There are a number of rural technical training opportunities in Zimbabwe. Nationwide, the country has in the public sector, two industrial training centres, six youth centres, nine polytechnics and 42 vocational training centres (VTCs) offering a wide range of courses and associated qualifications. As noted in the Baseline Study on Human Capital Resource Development (2011) many of these institutions lack sufficient equipment or enough work to give apprentices the full range of practice they need, especially with regards to changes in technology.

VTCs were specifically established to address under-skilled youth with technical vocational courses in rural areas. However, in recent years they have been severely underfunded and with a reputation for out of date courses and equipment. Rural training providers face the additional challenge of finding qualified lecturers to teach technical subjects in rural areas and at the same offer them attractive remuneration, given the brain drain the country experiences. In an innovative scheme which combines the expertise of higher education staff and knowledge of VTCs, and directed specifically at under-skilled adults, in 2010 government initiated the Integrated Skills Outreach Programme. This offers short skills focused courses with start-up kits for new entrepreneurs. The ILO's Training for Rural Economic Empowerment is the other well- known programme which empowers a number of rural communities with business skills to support local economic development.

Two best practice examples of rural based technical training initiatives include the now defunct Informal Sector Training and Resource Network (ISTARN) and the Youth Employment Support - Jobs for Unemployed and Marginalized People (YES-JUMP). The ISTARN programme initiated in Masvingo in in the early 90's collaborated with traditional informal skills transfers by providing support inputs such as market information, short-term formal training for apprentices and/or enterprise owners[107], tool hire-to-buy schemes and networking mechanisms. A tracer study[108] found that of the 32 graduates who were located, over 78 per cent (25) were self-employed, a further five (15.6%) were employed and only two (6.25%) were unemployed, validating its methodology. Silveira House, an NGO, using a similar methodology continues to offer the programme with technical training operations as well as business management courses.

In 2009, the ILO initiated YES-JUMP as a pilot project, designed to assist in the creation of youth employment through the provision of vocational (on-the-job), technical (more classroom-based) and entrepreneurial training. The pilot focused on three districts - Gokwe (Midlands), Goromonzi (Mashonaland East) and Norton (a peri-urban area near Harare). It offers useful lessons on promising practices.

Of the 5.4 million economically active people in the 15 years and above age group in Zimbabwe[109], 84 per cent are in the informal sector.[110] The skills used in this sector are often acquired in informal training setups either on the job or as apprentices to business owners or craftsmen. Informal or non-formal training has the advantage of being open, inexpensive and flexible. They are often found in the workplace, which is also the training venue and therefore more accessible. The skills derived are relevant to the market in which the master craftsman or person imparting the skills operates. Nevertheless, skills transferred through traditional

[107] Training was usually in a limited set of technical skills for the apprentices (offering unlimited areas of technical training would be very costly) and in business skills for the MCs, including basic bookkeeping, costing, marketing and so on. ISTARN tried to offer technical skills for which there was likely to be a local market.
[108] Nell and Shapiro (2006)
[109] ZIMSTAT Labour Force and Child Labour Survey (LFCLS), (2011)
[110] http://www.thestandard.co.zw/2012/11/04/majority-employed-in-informal-sector-zimstat-survey/

apprenticeship tend to be those that are traditionally male dominated. Barriers to entry are lower as there are few entry qualifications required.[111] However, trainees are also vulnerable to variable quality training that is seldom accredited and subject to the economic survival of the craftsman or business person.

Opportunities

- Introduce policy that provides incentives to businesses to provide informal apprenticeships, such as the rebates Zimdev offers formal businesses.
- Recognise informal and non-formal training in the proposed Zimbabwe national qualifications framework by adopting specific strategies such as trade testing among others.
- Link tertiary institutions, such as Lupane University, to rural development programmes so as to enrich the quality of training and improve the outputs of rural producers in their key economic activities.

7.2 Strategies for Rural Livelihoods

The overwhelming obstacle aside from communities lacking the appropriate skills to exploit economic activities is the lack of capital to start up a business. Nevertheless, a finding of the study is that although communities are not cash rich; there are potential opportunities to tap capital for livelihoods and small businesses that are not being recognized.

Agriculturalists and cattle farmers have disposable incomes from their agriculture-based activities. This income can be used a basis for developing small businesses, particularly in the production related equipment such as axes, hoes and shovels, and the manufacturing and repairs of scotch carts. Some require the maintenance and repairs to farm equipment and machinery.

Similarly, remittances from gold panners can also support other businesses. The study determined that gold panners, high spenders, buy most of their household goods, furniture, equipment and supplies from the urban areas. Craft and trade in goods and furniture could support the development of new industries. Similarly, gold panners noted specifically in Mberengwa have need of auto mechanics to repair vehicles and equipment.

An important group of potential customers in rural districts that has not been fully recognized is government employees and district officials. They require a range of services such as hair dressing, clothing, auto services, school uniforms for their children, etc... Technical and vocational training institutions can tap into this market, providing these services and training the youth.

The study noted a construction boom in Lupane as a result of building a provincial administrative centre and a university. These government contracts need to ensure that labour and supplies are sourced locally as much as possible.

The study identified over 50 economic opportunities across the four districts, but clustered four areas it believes pose the greatest potential for income generation, namely mining, agriculture, community based

[111] Nell M. (2009) An assessment of informal apprenticeship to inform the inception of a five-year project on upgrading informal apprenticeship in Zimbabwe- Prepared for the ILO , Johannesburg

tourism and technical and artisanal services, despite their different start-up needs. The following sections explore potential livelihood opportunities in these areas.

7.3 Agriculture

Zimbabwean agriculture contributes about 17 per cent to the GDP[112] and provides livelihoods for approximately 70 percent of the population of 12.5 million people. Some of the agricultural products produced in Zimbabwe include maize, cotton, tobacco, wheat, coffee, sugarcane, peanuts and livestock. The agricultural sector has an array of employment opportunities in its value chain from production to processing, marketing and trade. Zimbabwe has over 23 crops that are viewed as lucrative enterprises. The sector has low barriers for entry; less investment is required than other sectors; the sector is very subsidized and imported machinery has the lowest duty tariffs. Additionally, most value addition activities found in the manufacturing industry in Zimbabwe involve the processing of agricultural products[113].

Government's land redistribution programme initiated in 2000 resulted in a massive increase in small holder farms to previously landless people over the coming decade. However by 2009, agriculture production dropped to 20 per cent of that yielded in 2000[114]. This was due to various reasons, but largely because of the overall collapse of the economy which reflected in a lack of agricultural inputs and services for small scale farmers. Nevertheless, experiences elsewhere indicate that with the appropriate inputs and market linkages, this sector could turn around and offer potential employment for young people on a large scale.[115].

Youths in the studied districts identified agriculture, particularly market gardening, as viable employment if training and capacity strengthening is offered that is linked to improving skills and technical competencies in producing and marketing the products[116].

Challenges

Most small scale rural communities do not have the appropriate skills and technical know-how of producing agricultural commodities with high yields. Involving youth in agriculture and decision making processes is key to sustainable development. Nevertheless, the sector is stigmatized by youth as only for subsistence living. The Zimbabwean gazetted wages and levies in the sector are $65 and $55 per month which coupled with the laborious nature of the work scare away many youth.

Water is one of the major limiting factors (and often the major factor) for productivity in agriculture in Zimbabwe. While commercial farmers still get the bulk of the water, there is a need to ensure equity in provisioning of water to the smallholder farming sector, especially if it is expected to play a more significant role in the revival of agriculture. Given that Zimbabwe is a drought prone zone and receives an average of 600mm rain per year communities need to recognize that they need to grow crops that are drought resistant such as millet and sorghum.

Additional challenges faced by farmers in these rural districts is the poor infrastructure in in terms of road networks, inadequate provisions for crop storage, inadequate irrigation systems and general gaps in skills in

[112] http://www.worldbank.org/en/country/zimbabwe/overview
[113] http://www.ifdc.org/getdoc/2a14867e-f62b-433b-9102-ce38a87fa825/Zimbabwe
[114] FAO (2010)
[115] Moving forward in Zimbabwe: Reducing poverty and promoting growth (2011)
[116] http://www.africayouthskills.org/images/pdf/lrg/Economic_Opportunities_and_Related_Training_Needs_of_Young_People_in_Rural_Areas.

production and marketing of agricultural produce. Urban migration, access to finance, access to land, lack of incentives and opportunities, skills and climate changes issues remain challenges to entrepreneurial growth in the sector. Unmarried youth face particular challenges in accessing land, particularly young women as communal land is traditionally given to household heads, usually married men.

Opportunities

- Increase public investment in the development of infrastructure in rural areas. Good public transport systems and maintenance of rural roads is of critical importance for the collection of the harvests of the small-scale farmers.
- Promote water conservation strategies in drought prone areas such as water harvesting and funding for irrigation.
- Improve the access of small-scale farmers, especially women farmers, with inputs and credit.
- Assist growers by developing community storage and bulk sales systems to facilitate crop assembly.
- Develop marketing information systems for growers and facilitate the development of markets for interim production.
- Facilitate access to technical assistance and high level agricultural advice for producers to adopt innovative farming methods to produce high yielding marketable crops and animals.

7.4 Mining

In 2011, Africa's economy grew at 5.9 per cent, higher than the global rate, largely driven by a commodity boom in resources, particularly in the demand for minerals. In Zimbabwe, mining is an important sector of the economy and in 2010 accounted for 65 per cent of total exports and represented not less than 11 per cent of nominal GDP.[117] Zimbabwe's minerals, over 66 different types[118,] cover at least 60 per cent[119] of its land mass. This makes it widely available for large scale as well as artisanal and small scale mining. The bulk of minerals remain untapped with 25 per cent of known gold deposits in active production[120]. Some estimates value the diamond deposits at up to USD 800 billion and the current rate of platinum extraction of a million tonnes per year would take 400 years to exhaust the known reserves.[121.]

The mining sector exemplifies the disjuncture between skills and job shortages. Despite the high levels of unemployment, there were over 5 000 vacancies for artisans and technical staff in Zimbabwean mines in 2010[122]. The skills shortage is a result of prolonged brain drain of skilled miners and sudden growth of more than 30 per cent in mining activities since 2009. Unlike large scale mining, jobs required by artisanal and small scale mining require much lower investment in technical and vocational skills.

Although, mining contributes 40 per cent of the country's foreign exchange earnings, it only contributes 4 per cent of the GDP and 5 per cent, 60 000 jobs, of national employment. There are an estimated 300,000 to 500,000 artisanal and small scale miners in Zimbabwe[123], many of whom are youth and unregistered. Large

[117] http://www.chamberofminesofzimbabwe.com/economics/mining-contribution.html
[118] Reserve Bank of Zimbabwe, The Mining Sector, http://www.rbz.co.zw/pdfs/fip/mining.pdf
[119] Ibid
[120] Ibid
[121] http://int.herald.co.zw/index.php?option=com_content&view=article&id=66927:govt-repossesses-27-948ha-platinum-reserves&catid=37:top-stories&Itemid=130#.UbBhD-eovkI
[122] Chamber of Mines (2010)
[123] http://www.globaldialogue.info/CSD18per cent20Learningper cent20events/LCper cent202/ASMper cent20Carter.pdf

numbers of rural youth report that they are reliant on small scale mining as their main source of livelihood[124]. Small scale mining in contrast to large scale mining, which accounts for 3 per cent of formal employment, has the potential to create significantly more jobs with lower import content. Additionally, it is more locally focused and sustainable as the external outflow of profits and dividends is also lower than is usually the case for large-scale mining projects. Local people rarely benefit directly from large scale mining activities.

Findings from the field

Mining was among the most popular economic activities cited by respondents. The youth justified the popularity of this option as they said "it brings tangible and visible result in a short space of time". Mining was described as having the potential to provide easily secured ready riches unlike other livelihoods.

With the exception of Lupane, most able bodied young men who have not migrated elsewhere were engaged in small scale mining, despite the well-known risks associated with it. In most instances such miners are operating without any appropriate equipment or protective clothing, limited knowledge and it is often illegal. The young people interviewed described how they elected to elude officials as the alternative of regularizing their operations seems beyond their reach. Young women appear reluctant to enter this field because of social and cultural factors and the occupational risks associated with small scale mining.

Communities remain adamant given a chance mining can transform their lives. They point to the lifestyles of the illegal operators as a testimony of how well others have done in a difficult environment, with the odds stacked against them. In Mberengwa the construction boom was attributed to gold panners with high disposable incomes. Most of those who identified retailing as an economic opportunity cited the cash rich panners as their clients. The few panners who were interviewed reaffirmed community views that mining had enormous potential to transform their lives, despite the numerous challenges.

Challenges

- The awarding and registration of mining claims can only be done in the capital city Harare. The large number of requirements, six procedures to acquire a mining permit and 13 other ancillary permits, act as a hindrance to potential miners from regularizing their operations.
- Initial large capital investments in the mining sector limit smaller players from entering the sector. Panners indicated they do not use any scientific means to determine where to mine but rely on hearsay and sites discovered in the past.
- Mining methods utilized remain primitive, and involve hand held metal detectors, picks and shovels. The tunnelling systems used are very dangerous and often collapse with miners underground.
- The skills to conduct such activities are evidently lacking, miners acknowledged they had challenges with aspects such as blasting, drilling or processing the gold.
- Artisanal miners face challenges in acquiring equipment and inputs such as dynamite and cyanide. In all districts there was a complaint that the numbers of milling facilities were far outstripped by demand.
- Panners also had to deal with unscrupulous suppliers and buyers. Artisanal mining was largely characterized by lawlessness and high levels of violence.
- Informal mining operations also cause environmental damage with soil erosion and toxic chemical being dumped in rivers and water sources.

[124] Ministry of Small and Medium Enterprises and Cooperative Development, 2012, Addressing Livelihood Challenges of Rural Zimbabweans through Small and Medium Enterprises and Cooperative Development

- Government faces difficulties in taxing informal miners except through export tax. Such taxes however tend to led to cross-border smuggling. Despite being lucrative there is limited evidence of current operators reinvesting some of their profits into their operations.
- Collateral requirements and elaborate project proposal requirements by financial institutions limit access to credit[125]

Recommendations

- Lobby for an enabling policy environment, one that recognizes the immense potential small scale mining has in terms of employment creation and rural development. The legal framework should offer viable routes for small scale miners that are already operate to register their operations and facilitate easier registration for new potential miners[126].
- Decentralise the awarding and registration of mining claims to other centres around the country.
- Introduce equipment and tool bank schemes where equipment is made available for loan to mining operators for a nominal fee. Offer services, such as district milling plant, communal earth movers, etc at subsidized costs..
- Encourage miners to form cooperatives, associations and Internal Savings and Lending groups to benefit from economies of scale and accessing credit. This could allow bulk procurement; financing; and a vehicle through which to lobby for better supplier prices of minerals.
- Establish and expand Community Share Ownership Schemes allowing local people to benefit from the exploitation of the resources of their land[127].

[125] Dhemba (1999).
[126] Mupedziswa (1991)
[127] http://procasur.org/extractive-industries/wp-content/uploads/2012/04/Zimbabwe-ZIMPLATS-case-study.pdf

7.5 Tourism, Entertainment, Art and Craft

Zimbabwe's tourism sector currently employs close to 300 000 people directly and indirectly which translates to a 8.8 per cent contribution to national total employment[128]. The tourism sector has shown that it is indeed a strategic sector of the economy, excelling while other economic drivers are reeling from various economic challenges. Since 2009, tourist arrivals have been on a steady rise.

Growth in the tourism sectors provides market opportunities for the arts and crafts sector. Rural communities can also be positioned to benefit from these increasing tourist arrivals. Tourism, arts and crafts can create a significant number of jobs for women and youth with relatively low levels of investment while also providing a positive social return of enriching local cultures and safeguarding native heritage.

Community Based Tourism Enterprises

Recognizing tourism's potential to alleviate poverty, Government of Zimbabwe is implementing a policy to promoting community based tourism enterprises with tourism activities controlled exclusively by the local people. This strategy can be implemented in the four districts under study.

Table 8: Community Based Tourism Enterprises

District	Current Enterprises	Potential Opportunities
Insiza	• Cultural tourism • Traditional dance and music	• Expansion of cultural tourism • Handicrafts:
Lupane	• Kingdom Cottage . Lupane Women Centre,	• Current crafting activities can be up-scaled • Wood carvings
Mberengwa	• Manjiribwe caves (a 5km stretch of caves managed by the community and holds the history of the liberation struggle) • Basket weaving	• Tourism: Wildlife strays into the communities particularly elephants • Crocodiles in the Save river
Umzingwane	• Matonjeni Development Trust • Lumene Falls • Matshatsha Falls, • Diana's Pools(springs), • Crafting and weaving	• Nature tourism by providing greater visibility of falls and pools • Cultural tourism • Handicrafts

There are some initiatives that are already running which require assistance to improve their visibility and viability. There are however some tourist attractions which are not being utilised. These could be tapped into by organizing youth and women into cooperatives which will enable them to manage them in a sustainable manner.

The business of art in such fields as handicraft,visual art, music, theatre, dance and video has the potential to employ a sizeable number of women and youth. The Lupane Women Centre, a producer of art and craft

[128] Zimbabwe Tourism Authority

wares for the export market, is a recognised success story which could be replicated across the various districts. Artisitic businesses such as the Lupane Women's Centre go a long way to improve the attractiveness of a location as a tourist destination.

The market for such product would include local traders who buy for resale to international buyers, local affluent homes as well as the regional and international market, a combination of tourists and marketing efforts such as exhibitios and fairs.

Challenges

- There is a poor level of awareness among communities on the potential profitability that could be generated from the sale of arts and crafts and addressing tourists' needs. Although a few respondents knew about the concept of CBT, it appears communities lack adequate information on the strategy, despite policy documents being in place at national level. It also appears as if support towards the sector is piecemeal; partnerships with public and private sector are informal and intermittent
- Local infrastructure requires major upgrades to make it suitable and attractive enough for tourism. Roads are often inadequate and potential tourist sites, such as waterfalls or wildlife spots lack arts and crafts sites which would attract the tourist market.
- Artists also face challenges in generating the requisite levels of visibility to enable them to attract tourists.
- Art and Craft enterprises already operational cited challenges in maintaining the quality of their products as well as innovating designs that meet the rapidly changing market trends. The demand for products was also cited as seasonal and unpredictable
- Local communities have inadequate capacity in terms of financial and human resources to move such initiatives from conception to reality.

Recommendations

- An awareness campaign to enlighten communities on the value of tourism and art related industries could be undertaken. Communities also require assistance in identifying art and craft activities that have potential to create employment
- There is a need to provide communities with technical skills (theory and practical) required for each specific field of art. If youth or women elect to get involved in visual art, their acquisition of the technical know-how ought to be facilitated.
- Where the identified initiatives are cost intensive, communities must be encouraged to form cooperatives or partner with other investors. The community's equity contribution could be in the form of natural resources or provision of labour.
- The Ministry of Tourism and Hospitality Industry (MOTHI) and the MSMECD could explore ways to strengthen their cooperation with MOTHI bringing in the technical know-how specific to the sector while MSMECD could assist in developing business management skills and cooperative development. It is not sufficient for communities to only understand the technical know-how without a clear understanding of how to run viable cooperatives or businesses
- It is recommended that forums are organised for enhancing information-sharing and mutual cooperation among tourism related organizations such as Community Based Tourism Enterprises (CBTE), universities, private tourism related businesses, local communities, NGO's and tourism related governmental organizations. Communities learn well from other success stories, tours and case studies of ordinary villagers running a CBTE might prove useful.

The following table lists possible economic opportunities identified in the four districts surveyed. They all require support in terms of capital, skills enhancement, links to markets and a review of government policy which would better enable them to survive.

Please note INZ is Insiza, MBW is Mberengwa, LP is Lupane and UMW is Umzingwane.

Economic Opportunity or Need	Economic Activity	Available resources and skills	Opportunity in District			
			INZ	MBW	LP	UMW
High local demand for bread and confectionery products which currently are produced as far as 400km away	Community bakeries	Basic baking skills available in communities.				
Exploitation of mopane woodlands found in the Lupane district	Mopane worms harvesting; Charcoal production and firewood; Wood carvings;	Informal sector activities in the community				
Timber for construction and furniture.	Timber logging, sawmilling and production of planks	Mopane and teak woodlands. Need to establish a saw mill				
Forest regeneration; managing the growth and composition of trees to ensure logging becomes sustainable	Silviculture of existing woodlands and creation of plantations	Limited skills in forest management; available communal lands				
Communities have unmet needs for wood products and furniture. Local construction needs carpenters.	Wood working and furniture production. Carpentry	The few already operating but are faced by challenges in terms of skills, production methods, low quality products and poor access to markets				
Local and national bulk demand for high quality honey and its by products ranging from medicines, food products, preservatives, cosmetics, wax and traditional liquor	Introduction of modern beehives which are cheaper, easier to manage ad with higher yield such as the Kenyan Top Bar,	Natural woodlands and bees Low capital requirements Improve marketing knowledge and provide linkages with bulk buyers				
Demand for cheap source of power such as methane gas by local consumers and mining companies in the area.	Low costs -Production of bio-gas from waste products for local consumption. High cost – methane plants producing industrial gas	Biogas production uses local waste in the form of compost and sewerage. Methane plants will require high capital investment and skills training				
Demand for cheap source of power such as coal by local consumers and mining companies in the area.	Cooperatives to extract resources; provide services to mining companies in the area	High investment activity which can provide domestic and industrial energy for the region. Partnerships to be formed between locals and investors with capital. to offer services to mining companies				

Economic Opportunity or Need	Economic Activity	Available resources and skills	Opportunity in District			
			INZ	MBW	LP	UMW
International and national demand for gold, chrome, emeralds, tantalite, platinum, iron and asbestos	Small scale mining; Mineral processing plants Selling gold; Manufacture of jewelry	Widespread informal gold mining, particularly among the youth. Need formalization and policy support for local partnerships and related services to support mining.				
Demand for fish for domestic and national consumption.	Fish farming using breeds that provide high yield; drying and refrigeration of fish for non-domestic markets.	Availability of natural water bodies and potential to create artificial ponds				
Demand for thatching grass for construction material (roofing and fencing)	Harvesting of thatching grass and transportation to markets	Grass available. Currently informal sector but if mechanized could obtain economies of scale.				
Demand for fresh vegetables and flowers to local and international markets. Indigenous fruits such as guavas and mangoes can also be produced	Market gardening under irrigation Orchard farming. Horticulture. Sellers adopt contract agreements with retailers or institutions such as schools and hospitals.	Fertile soils and or alluvial soils and water bodies available. Communal lands Improve access to land and improve land tenure security.				
Changing household consumption tastes with rising demand for pork products	Piggeries	Local husbandry skills available in communities. Medium cost inputs required.				
Demand for chickens, eggs and by-products like manure	Poultry farming.	Local husbandry skills available in communities. Medium cost inputs required.				
Demand for meat for local and national consumption	Ranching and sale of livestock (cattle, goats and sheep)	Districts are conducive for cattle ranching, which can be traded or sold as meat or by products such as leather; Areas are prone to drought and cattle fattening could be viable as well as open up other opportunities such as production of stock feeds				
Fresh milk and value added dairy products such as pasteurized fresh milk as well as traditional sour milk, yoghurt and cheese products	Dairy farming and production.	High capital requirements to get right breed, dairy equipment, infrastructure (for feeding & milking), refrigeration; feeding troughs, electricity installations, acquiring feeds and adequate land.				

Economic Opportunity or Need	Economic Activity	Available resources and skills	Opportunity in District			
			INZ	MBW	LP	UMW
Given the significant activity in terms of animal husbandry, the stock foods are hard to acquire.	Stock feeds production	Access to seed varieties necessary for the production of stock feeds as well as skills to produce and package stock feed.				
Demand for crops	Drought resistant cultivation for cash crops like cotton, tobacco, cassava.	Currently family subsistence, selling of surplus but potential to expand				
Need for agro-processing services	Activities can include grain milling, drying of grains, vegetables or fruits, candle making, maputi and mahewu or making fruit based beverages, or jam. Canning locally produced fruits and vegetables	Many of these agricultural products are been produced in the districts. Skills development on agro-processing methods, packaging materials, linkages with markets and transport are required. A disused canning factory in Umzingwane could be refurbished pending with the current owners and technical skills				
Demand for bricks for local construction. Currently brick making is outpaced by demand	Brick making production	Use local sand and clay to produce bricks, and agricultural residue as fuel to replace bricks currently under use, which are transported from outside the districts				
Demand for river sand and pit sand for sale to construction sites	Sand mining	Quarries and sand sources along rivers available.				
Demand for hardware, tools and equipment for construction and mining. Currently being supplied from outside of districts	Hardware retail businesses that also sell and rent tools and equipment like compressors, picks and shovels.	Informal retailers.				
Demand for skilled and semi-skilled labour in construction and mining. Need for public works in waste management and road building	Labour bureau for training and supply labour. Public sector projects in construction	Semi-skilled artisans in the community. Development partners funding.				
Demand for Ilala (rivers reeds) for weaving.	Commercial and mechanized business to harvest reeds. Selling woven baskets, mats, hats	River reeds available and weaving industry local sustainable.				
Demand by tourist for cultural, wildlife and natural attractions	Hospitality industry related businesses and ancillary activities like catering services. Community tourist enterprises.	See table on Tourism.				
Demand for clay pots and tiles	Pottery cooperatives	Informal sector skills. Clay and rivers sand available				

Economic Opportunity or Need	Economic Activity	Available resources and skills	Opportunity in District			
			INZ	MBW	LP	UMW
Demand for welding and metal fabrication	Provide service and maintenance services to small scale miners, households and car owners. Manufacture construction products such as window frames and door frames. Work on agricultural tools such as hoes, axes and shovels.	Semi-skilled artisans in the community. VTC offers training in welding.				
A rise in urban dwellings has created a market for plumbers	Plumbing enterprises.	Semi-skilled artisans in the community. VTC offers training in plumbing				
Demand for clothing and garment making, items such as men and ladies wear, linen and school uniforms are in demand	Tailoring businesses	Will require industrial sewing machines, over-locking machines but some skills available in communities.				
Hair dressing by local villagers as currently required to go to nearest town.	Local village hairdressing	Minimal skill requirements				
High vehicle density in rural communities largely belonging to local business people, gold panners and civil servants. Makes vehicle maintenance, service and the sale of spares lucrative.	Motor mechanics and auto sales	Semi-skilled artisans but additional training required. VTC offers training.				
Demand for cheap power such as solar panels and bio gas stoves	Installation and service of energy sources					
Demand for small household appliances, clothes, shoes, blankets, pots and basic household commodities	Grocers and vegetable market selling in public spaces. Retailers.	Investment in public vending venues.				
Growing administration centers and the rise of new business centers have left an unmet need for catering services and takeaways. Huge NGO and Government presence has created demand for outside catering	Restaurants and catering services	Catering skills exist but need additional support in various ways.				
Demand for information and ICT services by entrepreneurs, students, farmers and government administration	One stop cafes where community members can walk in use computers to type documents, access the internet, scan, photocopy and fax documents.	Development partner and government support re-orientated in this direction.				

8. KEY RECOMMENDATIONS

The following are the main recommendations drawn from the study:

8.1 Finance

- **Disseminate information on funding opportunities** through popular mediums such as radio and television, to ensure wider access for potential entrepreneurs.
- **Progressively target government development funding** to deprived communities using open and transparent criteria of population, education and poverty to determine their level of need.
- **Commit to funding cooperative development project**s if policy identifies it as a sustainable employment creation strategy.
- **Promote more inward looking approach to resource mobilization for community development initiatives** such as savings and credit cooperatives (SACCOS) which tend to have higher levels of community ownership and sustainability.
- **Promote a savings culture in cooperatives** where capital gains are rewarded financially.
- **Provide strategic infusions of equity** or debt capital appropriate to the capacity of individual micro-finance institutions to administer specifically to rural businesses.
- **Improve transparency and accountability** on how business development funds are disbursed by making public the names of beneficiaries, defaulters and audit results
- **Increase the velocity of money and other transactions:** *by streamlining government and* banking procedures, introducing agencies for credit verification and collection of unpaid bills and improving the telecommunications

8.2 Enabling policy and government services

- **Disseminate information**: create new programmes and systems to speed up the dissemination of useful information as a powerful catalyst for more rapid social progress
- **Review employment and skills development policy** across ministries to iron out any contradictions and ensure coherence and relevance. Group areas of manpower development planning, employment creation, negotiating private sector-unions accords, the creation of micro, small or medium enterprises and skills development, currently spread across at least six ministries, into one strategic plan.
- **Adopt multi-sectoral planning** at the district level exists theoretically but implementation is undermined and support with adequate funding.
- **Facilitate registration and licensing at the local leve**l: by delegating such services to local authorities, outsourced agents or business associations. Create a mechanism new entrepreneur can pay for license fees in stages. Create incentives for businesses to become legally registered.
- **Encourage communities to take a lead in the design of development initiatives** and decisions on what to prioritize when spending government or donor allocations in their areas.
- **Disseminate up-to-date gender-segregated statistics on business creation and growth** to ensure that policies and initiatives more effectively monitor development in creating the livelihood potential of women.
- **Improve access to business advisory services** to improve business competence and skills.
- Encourage the development and growth of business associations in order to provide collective market niche representation and interests.

- **Strengthen cooperation among local businesses and local government bodies** to facilitate partnerships and the appropriate implementation of government policy or regulations. This will assist in the interpretation of bylaws and local decisions such as the setting of rates and land allocation.

8.3 Skills Development

- **Extend basic education**: by increasing opportunities for youth, particularly girls, to enrol in post-primary education and training, especially in the rural areas.
- **Main-stream entrepreneurship and financial management in the school curriculum** from primary upwards.
- **Give a waiver school levies** to broaden access to schools and support second chance opportunities for learners.
- .**Revamp higher education**: by linking tertiary institutions to rural producers to research on improving the quality of products for export.
- **Upgrade skills**: by raising skills to increase productivity by vastly expanding the lower tiers of the agricultural, craft, technical and vocational training systems at the local level to provide practical training in job-related skills to the saturation point. Provide post training support particularly in terms of business development services, market linkages and facilitating access to finance
- **Promote apprenticeship and mentorship** schemes to improve employability and ability to initiate businesses.
- **Build ICT capacity** in rural communities using a variety of delivery modes including subsidized training voucher system by accredited private enterprises accessing government sources.
- **Build capacity in the cooperative movement** in human resources, governance and management.
- **Strengthen the local district governance system**, by in-service technical training and improved resource allocation to allow local structures to provide leadership on development as well as offering effective forums for lesson sharing, coordination between communities, the government economic actors and development partners

8.4 Economic Opportunities and arrangements

- Establish “one-stop ICT shop” as part of government services to the public which could act as a centre where business people can access computers, internet, photocopiers, fax and meeting room facilities at subsidized costs. They could also be information centres on the registration of businesses and other related activities including links to business associations.
- **Establish business incubators at key nodes in the district**, which could assist women and youth with work space facility, various information and technology tools and onsite business advisors.

9. CONCLUSION

The study demonstrates that there are a number of strategic opportunities and routes for dropping barriers that limit livelihood opportunities in rural communities. There are multiple factors that create obstacles to the development of sustainable business opportunities in rural areas, which include un-enabling operating environment, incoherent policy and restrictive regulations, poor skills mix and lack of access to capital. The study’s findings indicate there are several ways to alleviate some of these challenges but they are unlikely to be effective unless they are addressed within one concerted plan of

action. Additionally, the particular challenges facing women and youth require government to pay special attention to their needs as they form the bulk of micro and small entrepreneurs in the informal sector.

The four districts are diverse in terms of natural resources endowment, social and cultural dynamics and income levels. Despite the difficult circumstances that most of the respondents find themselves in, with the correct inputs and enabling environment, they could potentially change their situations with the implementation of some of the proposed interventions.

It is imperative that community capacities be built to ensure they have greater ability to conceptualize and implement local solutions to deal with their development challenges. Building resilient communities that are better able to withstand external shocks entails promoting a diverse range of empowerment initiatives that are well suited to local realities. The promotion of skills development at multiple levels is a critical component of building community empowerment.

The study has outlined some of the potential business activities that could be pursued with the right mix of skills, finance and support. However, communities need to be supported in proposing their own economic mapping of business opportunities with business and technical advice. The challenges noted are immense but they are not insurmountable. It is hoped that the evidence and recommendations outlined in the study can inform the choices communities, government ministries, donors and the private sector make in addressing the rural livelihoods challenge.

BIBLIOGRAPHY

1. African Development Bank Group (2012) ,African Economic Outlook, Zimbabwe Country Note
2. Asian Productivity Organisation (2007), High-growth, Innovative Asian SMEs for International Trade and competitiveness: Challenges and Solutions for APO Member Countries.
3. Birgitte Refslund Sørensen and Marc Vincent (2001), *Caught Between Borders: Response Strategies of the Internally Displaced* Page 17
4. Brooks World Poverty Institute (2009), Moving forward in Zimbabwe Reducing poverty and promoting growth, CHAPTER 8: Social protection in post-crisis Zimbabwe
5. Chikuhwa J, (2008) Zimbabwe: Beyond a school certificate, Authorhouse, Indiana
6. Chimhowu, A, Manjengwa, J, and S. Feresu (2010), "Moving Forward in Zimbabwe: Reducing Poverty and Promoting Growth", IES/BWPI, Harare.
7. Deere and Doss (2005), UNIFEM, 2006
8. Finmark Trust, Government of Zimbabwe and ZIMSTAT (2011), FinScope Consumer Survey Zimbabwe 2011
9. E. Kaseke (1991), Journal of Social Development in Africa (1991), 6, 1, page 33-45, Social Work Practice in Zimbabwe
10. Government of Zimbabwe (2009) Combined Report of the Republic of Zimbabwe in terms of Convention on the Elimination of all forms of Discrimination against Women.
11. Government of Zimbabwe (2012) ,Constitution of Zimbabwe, Section 8(g) and section 18
12. Government of Zimbabwe (2010), Ministry of Trade and Industry, Small and Medium Enterprises Development Policy.
13. Government of Zimbabwe (2009), Short Term Emergency Recovery Programme
14. Government of Zimbabwe (2011), The National Budget Government of Zimbabwe page 23
15. Government of Zimbabwe, (2012) Zimbabwe Vulnerability Assessment Report
16. Grant and Palmiere (2003), for Rural Zimbabwe
17. Grown and Gupta, 2005: FAO, 2006
18. Ikdahl I et al. (2005). Human rights, formalisation and women's land rights in southern and eastern Africa in *Studies in Women's Law No.57.Institute of Women's Law.* Oslo, University of Oslo.
19. Kameri-Mbote, P. (2002), The Development of Biosafety Regulations in Africa in the Context of the Cartagena Protocol: Legal and Administrative issues in *Reciel*
20. Kanyenze, G. Kondo,T., Chitambara, P. and Martens, J. (2011), Beyond the Enclave, Towards a Pro-Poor and Inclusive Development Strategy for Zimbabwe
21. Kipp *et al.*, (2007)for Rural Uganda;
22. L. Zanamwe et al (2011), Baseline Survey for Youth Employment and Development in Zimbabwe: Technical report, University of Zimbabwe, Department of Geography and Environmental Sciences
23. Made, P.A. (1995) Women and Desertification: Tillers of the Land, Keepers of Knowledge in *SAFERE* Vol*.1 No.1* January 1995
24. Manjengwa J, Kasirye I, Matema C (2012) Understanding poverty in Zimbabwe: A sample survey in 16 Districts, Paper prepared for presentation at the Centre for the Study of African Economies Conference 2012 "Economic Development in Africa", Oxford, United Kingdom, March 18-20, 2012
25. Maseko et al (2011),An analysis of the impact of targeted government support on SMEs growth and development in Zimbabwe(2011) : A survey of Mashonaland Central Province
26. Mumbengegwi C (1988), The Political Economy of Agricultural Producer Cooperative

Development in Post Independence Zimbabwe in Cooperatives Revisited (eds H.Hedlund),Seminar Proceedings No 21. Scandinavian Institute of African Studies
27. Ncube, W. et al. (1997), Paradigms of Exclusion. Women's Access to Resources in Zimbabwe. Harare, Women and Law in Southern Africa Research Trust.
28. Oxfam Canada (2011) Sharing Livelihoods Knowledge for a Better Zimbabwe, Report on Livelihoods Diversity Workshop, Nov 2011, Harare.
29. OECD, International Energy Agency, *Angola: towards an energy strategy*, 2006. Page 19 and 30
30. Okoye G (2009), The Role Of Financial Services Cooperatives (FSCS/SACCOS) In Savings Mobilizations And Economic Development, Paper Presented To The First International Conference Held at The ICC-Durban 23RD – 26TH February, 2009
31. Paloma López-García and Sergio Puente(2006), Business Demography In Spain: Determinants Of Firm Survival, Documentos de Trabajo N.º 0608
32. SADC (2008), Situational Analysis Of Agricultural Technology Generation, Dissemination And Adoption In Zimbabwe
33. Snyder J.D et al (2012), a global review of innovative practices in regional SME's exporting strategies and Foreign Direct Investment Attraction, White Paper. Michigan State University
34. Tsanga, A.S. (2003), Taking Law to the people, Law Reform and Social change in Zimbabwe, Harare, Weaver Press
35. USAID (2010), Zimbabwe Agricultural Sector Market Study, Eds Weideman Associates
36. Zimbabwe Institute (2005), Zimbabwe Land Policy Study
37. ZIMSTAT Labour Force Survey (2011) page 112

Websites

38. Census Preliminary Results (2012), http://www.zimstat.co.zw/dmdocuments/.pdf. Accessed 14 December 2012
39. China Africa Assesses Lupane Gas Deposits, http://www.newsday.co.zw/article/2012-04-03-chinaafrica-assesses-lupane-gas-deposits/, Accessed on 4 November 2012
40. Ecocash-creates-rural-economic-opportunities http://www.newsday.co.zw/2013/01/03/ , Accessed on 10 January 2013
41. Employment Strategies in the Developing World, www.mssresearch.org ,Accessed on 18 December 2012
42. Excrative Industries, Zimbabwe-ZIMPLANTS Case Study, http://procasur.org/extractive-industries/wp-content/uploads/2012/04/Zimbabwe-ZIMPLATS-case-study.pdf
43. Guidance note on early Recovery, http://ochanet.unocha.org/p/Documents/ ,Accessed on 15 December 2012
44. http://www.apo-tokyo.org/publications/files/rr2007_11_13.pdf ,Accessed 18 December 2012
45. http://csrc.lse.ac.uk/asp/aspecis/20070152.pdf ,Accessed 18 December 2012
46. http://www.chamberofminesofzimbabwe.com/economics/mining-contribution.html Accessed 6 January 2013
47. http://www.dailynews.co.zw/article/Business/9cff0df2-755d-418c-8643-b3e0360f76e4 Accessed 4 January 2013
48. http://en.wikipedia.org/wiki/Wards_of_Zimbabwe#Mberengwa_District Accesssed on 4 December 2012
49. http://www.fao.org/docrep/008/y5744e/y5744e09.htm Accessed on 18 January 2013
50. http://www.geohive.com/cntry/zimbabwe.aspx, Accessed on 15 December 2012
51. http://hdl.handle.net/10353/82, Accessed on 17 December 2012

52. http://www.ifets.info/journals/6_1/fulantelli.pdf, Accessed 12 November 2012
53. http://natagri.ufs.ac.za/dl/userfiles/Documents/00002/2302_eng.pdf, Accessed 2 December 2012
54. http://www.oft.gov.uk/shared_oft/speeches/689752/spe0210.pdf Accessed 10 December 2012
55. http://www.rrojasdatabank.info/wpover/gunatilaka.pdf, Accessed 18 November 2012
56. http://www.techzim.co.zw/2011/10/so-how-much-does-it-cost-to-use-ecocash/, Accessed 11 January 2013
57. http://www.uni-leipzig.de/sept/downloads/SWP07_Do_download.pdf, Accessed on 24 October 2012
58. http://www.wideopenaccess.net/files/ICTs_SMEs_NRENs_reviewed.pdf, 7 january 2013
59. http://www.worldbank.org/afr/wps/wp18.pdf , Accessed 11 November 2012
60. http://www.zimbabwesituation.org/?p=13839, Accessed on 14 December 2012
61. ILO.2001.Geneva, http://www.ilo.org/public/english/standards/relm/ilc/ilc89/rep-v-1.htm Accessed 18 Dec 2012
62. Insiza, www.prpzim.info Accessed on 6 November 2012
63. Knowledge Planning http://knowledgeplanning.org/documents/Innovative_Practicesv11.pdf, Accessed on 4 November 2012
64. Microfinance Zimbabwe, http://www.crsprogramquality.org/storage/pubs, Accessed 18 December 2012
65. Sample Pages/Karanga_Indigenous_Religion_in_Zimbabwe_Intro.pdf http://www.ashgate.com/pdf/ Accessed on 8 January 2013
66. Silalabuhwa-irrigation-scheme-lifeline-for-insiza, www.chronicle.co.zw/index Accessed on 4 November 2012
67. Solutions for Financial Inclusion: Serving Rural Women, http://www.ruralfinance.org/fileadmin/templates/rflc/documents/solutions_for_financial_inclusion_serving_rural_women_1__1_pdf.pf Accessed on 4 November 2012
68. http://www.mbendi.com/indy/ming/af/zi/p0005.htm ,Accessed 12 December 2012
69. UNIDO.Vienna, http://www.sesric.org/files/article/157.pdf , Accessed 18 Dec
70. www.doingbusiness.org/data/exploreeconomies/zimbabwe/, Accessed 18 Dec
71. www.uk.oneworld.net/guides/gender?gclid=CMzwjZzr37ICFaXKtAodL10AiQ ,Accessed 10 December 2012
72. www.undp.org.zw/component/content/article/2-what-we-do/109-liciinzimbabwe, Accessed on 10 January 2013
73. Young Women and Leadership (2003).An Advocacy Guide for Feminists, http:// www.awid.org Accessed on 10 December 2012