



**FACULTY OF ARTS**

**DEPARTMENT OF DEVELOPMENT STUDIES**

**ASSESSMENT OF SMALL TO MEDIUM ENTERPRISES' (SMEs) ROLE TOWARDS  
LIVELIHOODS OF MARGINALIZED HARARE WOMEN: CASE OF HARARE CITY  
CENTER  
BY**

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## **Dedication**

This piece of work is dedicated to my husband, William, my son Tinotenda, my parents and my siblings.

## **Abstract**

*This study sought to evaluate the extent to which the SMEs sector has contributed towards the livelihood options of marginalized women in Harare. This group was chosen firstly because women world over have the greatest burden of taking care of the family but are sidelined in the development process as they have limited access to opportunities compared to men preventing them from fending for their families. Focus was put on Harare because past research seems to be mostly biased towards rural women at the expense of urban women. Harare being the capital would represent activities carried out by women in other provinces too. The study focused on an area within town because most women within the sector operate in town. Results indicated women within the sector have become empowered through their participation and their lives have changed for the better showing strategies within the sector seem to have a great significance in their lives. However, women remain limited in certain jobs like Information Technology and Repairs amongst others which also seem to bring better remuneration compared to the areas that the majority of women are involved in.*

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## **ACRONYMS**

<b>SMEs</b>	Small and Medium Enterprises
<b>SEDCO</b>	Small Enterprises Development Corporation
<b>GDP</b>	Gross Domestic Product
<b>IEE</b>	Indigenization and Economic Empowerment
<b>ZIMRA</b>	Zimbabwe Revenue Authority
<b>SOL</b>	Standards of Living

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## **Chapter One**

### **Introduction**

#### **1.1 Introduction**

This study sought to evaluate the extent to which the Small to Medium Enterprises sector has contributed towards the livelihood options of marginalized women in Harare. This was upon the realization that past research had a tendency to focus much on rural women at the expense of urban women and yet they share the same plight though at different extents. Women also seem to be at a greater disadvantage compared to men as they have limited access to resources and limited opportunities to enhance themselves. Efforts are being made world over to ensure women get equal access to resources and opportunities as men. This study is therefore aimed at bringing out whether this sector is successfully bringing women's position at par with men. The study also focused on Harare city center and not other parts of Harare because the majority of women involved in SME business operate within this part of Harare. Those in other parts of Harare are usually women involved in micro-enterprises whilst small to medium enterprises are dominated by men as they mainly conduct businesses like carpentry, welding and construction which are activities mainly conducted by men.

#### **1.2 Background to the study**

World over, women generally remain marginalized despite efforts to promoting equality with men. Different theories have been postulated to account for the roots of their inferior position in society. Some have argued their position within society has biblical roots were women are told to be submissive to their husbands with husbands being the priest of the family whilst some have argued it has cultural roots which favored patriarchal societies. Efforts to change their position were brought about upon the realization that marginalizing women has negative effects on the economic development of a nation amongst other reasons. Jayachandran, 2014 argues that most of the countries that are very poor at present are characterized by cultural norms that show favoritism to men. It is due to such findings that efforts are being made world over to ensure women are viewed at par with men though this is being achieved minimally. In Africa, some have even argued that poverty has a woman's face, Mutume,

2005. This assertion is because women still remain at the bottom in the social hierarchy with limited access to land, credit, education amongst others which are considered important for self development and factors that make them better able to take care of and advance their families. A lot of impediments still exist making it difficult for African women to be viewed at par with their male counterparts.

In Southern Africa, efforts are also still being made to ensure women attain equality with men. There are policies such as the SADC gender protocol which seek to advance women's cause within society. In some countries, women are beginning to hold positions of power and political influence. In Mozambique and South Africa for instance, women have increased in parliament. Their presence in parliament makes a huge difference as it increases their decision making abilities and makes possible the adoption of gender sensitive policies. Though efforts are being made within SADC, a gap still exists in areas like the legal rights, sharing of power, making decisions and access as well as control over health and education. The majority who are poor in Southern Africa still remain women.

In Zimbabwe, the insubordination of women dates back to as early as the colonial era. Chirisa, (2004) argues that those who colonized Africa are responsible for the discrimination against women. Laws such as the land apportionment act of 1930 stipulated that Africans could not possess property or land rights in towns. The plight was worse off for women who were not even allowed in urban areas and were regarded as prostitutes if found in town. Their place was in the rural areas taking care of the family whilst their husbands would work in urban areas and visit them back home from time to time. This is where discrimination against women in the workplace started. After independence, efforts were made to try and redress the position of women but where not very successful as women still remain disadvantaged. Laws which include the Equal pay regulations of 1980, the Minimum wages Act of 1980 as well as the Legal Age of majority were passed in a bid to reverse women's misfortunate position within society. In 2004, a national gender policy was also launched. However, despite these and many more efforts made in the 80s' to redress this, women's position was even made worse by the adoption of the structural adjustment program which gave problems to everyone but was worse off for women as the majority of them were not educated so were affected the

most by the downsizing process which resulted in the retrenchment of a lot of people. According to ZEPARU (2014) this is what gave birth to the informal sector as a lot of people particularly women who lost their jobs or indirectly suffered from their husbands' retrenchments sought to find ways of sustaining their families. The situation was also worsened by the continued depletion of the economy over the past decade which has resulted in a number of companies closing down leaving a lot of women with limited livelihood options. This is when SMEs began to be viewed as an important livelihood option. It goes without saying that though women constitute the majority of those involved in this sector, the majority of them are involved in the less paying activities like selling airtime or vegetables; some are involved as unpaid laborers or benefit minimally. It is therefore upon this assertion that the researcher seeks to evaluate whether or not the SME sector has positively contributed towards the lives of some Harare women.

### **1.3 Statement of the problem**

More than 52% of Zimbabwe's population is women yet the majority has always been marginalized in the economic sector of the country as most of them remain unemployed despite several policies and strategies being put in place to try and deal with issues to do with women's poverty. A country can also not be developed when the majority of its population is excluded in the economic development process. Despite the majority of women in Zimbabwe being unemployed, they also have the greatest burden of fending for the family. This has been a problem for most that are marginalized as they cannot feed and educate their children who are to be the future leaders of the nation which is a hindrance to the development process of the country. Ministries such as the Ministry of SMEs have tried and are still trying to ensure women are incorporated and can attain employment on an equal footing with men. With Zimbabwe currently facing economic hardships due to severe disinvestment and unemployment very high, (Zindiye, 2012) women are also the most affected as they have always been disadvantaged. This study therefore seeks to investigate whether SMEs are playing an important part in helping improve the lives of Harare women who have always been marginalized as well as emancipating them and empowering them to be better able to negotiate with men and better able to control their own lives. Past studies have tended to

focus mainly on rural women and yet there are a lot of women who have migrated from rural areas to urban areas in search of better livelihood options who are also adversely affected.

## **1.4 Theoretical framework**

### **Liberal Feminist Theory**

This theory dates back to the 18<sup>th</sup> century Britain. Gaidzanwa in Meena (1992). It rose because of the industrial revolution which produces structural changes in the ways of production as well as the social relations as women joined the labor force but were not paid equally with men. The argument is that this is when the insubordination of women started. Those in support of the theory argue that women and men are the same and capable of reasoning the same therefore women should be given full human rights and be allowed to choose what they want to do in life and be given the opportunity to explore and compete with their male counterparts.

Giddens (2001), postulates that this is a theory that is based on the presumption that gender inequality is as a result of the reduction in women's access to their civil rights as well as access to social resources which include education and employment. Basing on this theory, this research argues that this is where the challenges of women in the SME sector emanate from as they lack resources such as collateral because they had limited access to education and even employment as much as men to ensure they have assets like men which make them eligible for funding to support their business ventures in the SMEs sector. As the theory argues, women do possess the same mental capability as males hence deserve equal opportunities in the political, social and even economic arena. There is need for equality in access to resources and participation within society between man and women. Women need to be given the same rights, opportunities to jobs, education which would enable them to challenge patriarchal beliefs. There should be comparative representation and access in education, resources and employment by empowering women through educating them and providing them with training. Women should be allowed to participate in the public arena just as in the SMEs sector as there are limited employment opportunities in the formal sector.

If women are given this chance, it can even improve their participation in decision making processes hence empower them.

## **1.5 Conceptual framework**

According to Ian Scoones, there are three clusters which fall under livelihood strategies which are agricultural intensification/ extensification; livelihood diversification and migration. In his argument, people put much effort in agricultural production whether on land or livestock. If these fail, people could resort to other off farm activities which could bring about income so they can sustain themselves. If this fails, people might migrate to other places in search of other strategies that could improve the way they live. Though this theory was postulated for rural areas, in light of urban areas, it can be taken that due to failed agricultural sustenance as a livelihood option, people resorted to other livelihood strategies which include the various businesses people are conducting in the SME industry in a bid to sustain their families. If certain strategies fail, people leave those strategies and explore other strategies in a bid to take care of themselves. This can be used to argue that if the strategies are proving to be a success, it would result in people who partake in them continuing to conduct those activities. If one spends a long period making use of one strategy, this could be taken as an indicator of its sustainability in this regard. If the remuneration is also enough for one to take care of themselves and their family, it could also be an indicator of its sustainability resulting in the continued use of that particular strategy. This shows that in this sense stability of employment could be an indicator of the sustainability of the sector as well as good remuneration.

Livelihoods according to Chambers and Conway, 1991 are the ways used to attain a living. It refers to the availability of suitable stocks and enough cash and food flows to meet the basic needs of a family. Livelihoods can be selected due to a number of factors. They could be as an accident of birth: if one is born from a family in which the father is a carpenter, he could be raised to become a carpenter as well. They could also be as a result of gender: since gender is a social construct, one could be socialized or apprenticed to take a certain livelihood strategy. Desperation could result in people improvising livelihoods for instance in Zimbabwe, people have resorted to improvising livelihood strategies due the unavailability of



formal employment for example 'rank martials'. Livelihoods can also be selected because of education. Those who are better off seem to have a wider pool of livelihood strategies to choose from than the worse off.

Sustainability according to Chambers and Conway, 1991 refers to the ability of one to cope with shocks and stress. For livelihood strategies to be considered as sustainable, people have to be able to maintain those strategies as well. A household can be considered to have a sustainable livelihood that is secure if they have land, livestock or in possession of employment which is stable and pays adequately to meet the basic requirements of the family. Listed below are a few indicators of what can be used to identify whether or not a strategy is sustainable, basing on what has been indicated above.

- **Stability of employment**
- **Growth of business enterprise/ increment of assets**
- **Change in lifestyle**
- **Good remuneration**

## **1.6 Research aims and objectives**

- To bring out the livelihood strategies of women in Harare City Centre
- To establish the contribution of SMEs towards livelihood options of urban women.
- To find out if women feel empowered by initiatives such as those of the SME programs
- To come up with recommendations on what needs to be done to ensure urban women are also well empowered.

## **1.7 Research questions**

- What are the livelihood strategies being employed in Harare?
- How has the SMEs sector contributed towards livelihood options of urban women?
- Are SMEs empowering women?
- How can urban women be empowered?

## **1.8 Significance of the study**

The significance of this study is that it will assist in shedding light on the effectiveness of the contribution of small and medium enterprises' towards livelihood options of women in Harare. If not, this will bring out the need or possibility of coming up with other alternatives that are beneficial to these women as livelihood options, as well as what exactly needs to be rectified to ensure they benefit substantially from such livelihood options. It is also important as it brings out that, it is not only rural women who are suffering and in need of assistance but urban women too do have challenges that need to be addressed if they are to benefit from development initiatives such as in the small to medium enterprises. It will also inform academics and researchers for future and further research. Women, who are also currently not adequately benefitting in the sector will also benefit from this study as it will help shed light on the issues that need to be rectified in order for women to be well incorporated and significantly benefit within the sector. It also provides policymakers and implementers with useful strategies on how to align future development programs if they are to prove beneficial to women.

## **1.9 Limitations of the study**

**Time:** this was the researcher's major constraint for the study was conducted for a period of not more than four months. Another challenge to do with time was due to other commitments by the researcher which resulted in a failure to dedicate all her time to the study. However, the researcher tried to dedicate as much of their time as possible to this study in a bid to address this challenge and cover most of the essentials required within the given timeframe.

**Participation:** not all respondents were willing to participate in the study though some might have possessed important information for the study. Not all respondents filled in and brought back the questionnaires. To overcome this challenge, the researcher tried as much as possible to deal with people who were willing to participate, she also tried to convince people on the importance of the study so they became willing to participate. The researcher also tried to wait whilst questionnaires were being filled to try and ensure that respondents filled in the questionnaires and brought them back.

**Costs:** the researcher was not able to photocopy as much questionnaires as required due to financial constraints. The researcher also failed to visit the field as much as they hoped to do due to financial constraints. To try and deal with the problem of travelling to the field regularly, the researcher tried to issue as many questionnaires as possible as they can be distributed over a larger area within a short period of time, therefore resulting in more information being gathered.

#### **1.10 Ethical considerations**

The researcher will make an effort to ensure that they have the participants' permission to have them take part in the study before the study is conducted.

The researcher will also try and make sure the participants are well aware of their rights before taking part in the research which includes their right to discontinue at any stage within the study as well as their right to refuse to disclose any information they do not want to. The researcher will also assure the respondents that the information gathered will strictly be used for academic purposes, and will give them a detailed process of how the research will be conducted. The researcher will also ensure strict privacy and confidentiality of the respondents, and no names will be mentioned in the study to be conducted.

#### **1.11 Delimitation of the study**

The area used for purposes of the study was the Harare city centre. By this, the researcher focused on the area within the boundaries of Samora Machel, Fifth Street, Kenneth Kaunda and Mbuya Nehanda Street.

#### **1.12 Definition of terms**

**SME:** It is a small to medium business entity that can be defined using the following variables; its independence and not subsidiary branch or falling under a bigger company as well as the number of workers employed within the enterprise which should range from one and not exceed a total of 250 workers.

**Micro enterprise:** it is a business enterprise that has a total number of employees ranging from one to less than 5 whether formal or informal. In such an enterprise, the owner can also be taken as the sole employee. The total number of employees might also change depending on the sector but will however be held constant to all sectors for purposes of the study

**Small enterprise:** it is a business that has a total number of employees ranging between 5 and 30, regardless of sector and whether or not it has been formally registered.

**Medium enterprise:** it is any business enterprise with a total number of full time paid employees ranging between 31 and 75 whether formalized or not across all sectors. It also has to have a minimum gross value of assets worth USD 10 000, and excluding property that cannot be moved.

**Harare City Center:** it encompasses the area that is within the boundaries of Samora Machel Avenue, Fifth Street, Kenneth Kaunda and Mbuya Nehanda Street

**Empowerment:** this term has different meanings to different people, can be economic, social or political but will be defined as the presence of self reliance, self-power, own choice, control, ability to fight for your own rights and independence, ability to negotiate and achieve your cause amongst others for purposes of this study.

### **1.13 Summary**

This chapter was intended to give an overview of the SME sector in Zimbabwe. It also gives an outline of the significance of carrying out the study together with the area that was used in the study. The researcher also gave a justification of why they had selected Harare for purposes of their study and not other parts within Zimbabwe

## **Chapter Two**

## **Literature Review**

### **2.0 Introduction**

This segment seeks to evaluate past literature and research that has been documented and conducted concerning issues to do with the SMEs sector as. This is due to the fact that the dawn of Zimbabwe's independence resulted in a lot of focus in terms of initiatives to do with development being given to women in rural areas at the expense of those in urban areas. This study therefore seeks to address this discrepancy by shifting attention to the urban women.

### **2.1 Background of women's disadvantaged position**

In different parts of the world, it seems women have always been subordinate to men due to a number of reasons. Many theories have been brought up to try and account for women's inferior position within society which seems to persist until this present day and age. Some have argued that women's inferiority dates back to creation where woman was created as an afterthought to satisfy man's desires and needs. Some have also considered their position to be natural and biological therefore their position within society becomes impossible to change. Others argue women's inferiority is a social construct which can be changed so they are viewed at par with men. Arguments will be brought out below from various scholars who tried to explain the roots of the subordinate position of women.

According to Rodrigue, (1998), the insubordination of women began due to sedentarization. Societies moved to this lifestyle leaving hunting and gathering about 14 000 years prior to the time the article was written. Such a lifestyle resulted in women's insubordination as it required people to rely on stored food reserves which also created a risk of instability as they could be affected by droughts and floods. To get more food reserves, more labor were required which could be obtained by bearing a lot of children who could become the labor. Such societies also became more prone to wars as they fought for food and fertile lands. Such societies realized the loss of one woman to be a greater loss compared to the loss of a man as they considered the loss of one woman to be the loss of all the future children she were to bear hence loss of labor. This resulted in women being left at home with children whilst men would go to fight which ended up

having women excluded from the public life. Their status then eroded whilst men took control hence the insubordinate position they find themselves in even up to date.

The Socialist Alternative, (undated) roots back the insubordinate position of women to the development of a capitalist society. Within such society, the insubordinate position of women was considered to be due to a “natural inferiority.” Capitalism argues, the nuclear family which places man, the dependant wife and the dependent children has always been in existence and is the natural and best way of how society should be organized. They justify low wages for those women who work as being a result of work being secondary for women to bringing up a family. They also argue that due to physical attributes, men also conduct work that is heavier and difficult accounting for their wages being better than women’s wages. Women’s place is in the home, conducting unpaid domestic work. The argument is that there is a natural division of labor between women and men which restrict women to the home as child bearers were they are confined to and not exposed to the outside world. This theory can also be made use of to explain the insubordinate position of women within society.

Drawing the argument back home, women’s disadvantaged position in Zimbabwe dates back to the colonial era as it is argued that during this period, women were not allowed in the urban areas, their place was considered to be in the rural areas fending for the family whilst their husbands worked in urban areas. It was also a follow through of the capitalist notion of women’s position. According to Marunda and Marunda (undated,) this was even worsened by the economic structural adjustment program adopted by Zimbabwe in the 1990s’. Though efforts were being made to redress their disadvantaged position from the colonial era, the introduction of structural adjustment programs worsened their plight. Viuvarelli (2004) in ZEPARU (2014) argues that structural adjustment programs resulted in the cutbacks of government spending and public sector downsizing which resulted in unemployment. As women were the majority of workers who were uneducated, they were affected the most by the loss of employment in the formal sector. This also contributed to their marginalization.

## **2.2 Defining SMEs**

According to Kushnir (2010), SMEs are commonly defined based on the number of employees. They define them as follows; businesses with number of employees between one and nine- micro enterprises, employees between ten and forty-nine are small enterprises whilst those with employees between fifty and two hundred and forty-nine are considered to be medium enterprises. They also allude to the fact that some countries also define them on the basis of turn over or investment. Using the number of employees as Kushnir (2010) defines them seems to be ideal even for Zimbabwe due to the fact that most SMEs can be categorized using number of employees rather than annual income because SME owners are usually not forthcoming when asked about their annual income as it affects the rates charged when it comes to paying their revenue taxes. It becomes difficult to categorize an SME using annual income because they do not willingly share such information hence the use of number of employees becomes more viable.

Gibson (2008), comes up with a proposed formula of defining SMEs which he says should not only be based on the revenues of a company but should also take into account a country specific economic context in which the SMEs work. He provides a few definitions used by multi lateral institutions which are as follows:

<b>Institution</b>	<b>Maximum number of employees</b>	<b>Maximum Revenues or Turnover \$</b>	<b>Maximum Assets \$</b>
<b>World Bank</b>	300	15,000,000	15,000,000
<b>MIF-IADB</b>	100	3,000,000	(none)
<b>African Development Bank</b>	50	(none)	(none)
<b>Asian Development Bank</b>	No official definitions but uses definitions of individual national	No official definitions but uses definitions of individual national	No official definitions but uses definitions of individual national

	governments	governments	governments
<b>UNDP</b>	200	(none)	(none)

Gibson, (2008) concludes by saying “It is a formal enterprise with annual turnover in United States dollar terms, of between 10 and 1000 times the mean per capita gross national income, at purchasing power parity, of the country in which it operates.” Such a definition might be a challenge in defining SMEs locally as you would find out that most of the SMEs are not registered. Using this definition would therefore exclude the majority of enterprises in Zimbabwe as it seems that they have not been formalized as they are not registered.

Locally, according to the Small Enterprises Development Corporation Amendment (2011), in Zimbabwe SMEs are defined basing on number of employees as well. Those include individual entrepreneurs which refer to those without employees apart from the owner. Micro enterprises have employees between one and five, whilst small and medium enterprises have employees between six up to seventy-five. According to the Ministry of Small and Medium Enterprises and Co-operative development in Zimbabwe, “MSMEs are classified in terms of economic sector, size or class; maximum total number of full time paid employees, maximum total annual turn-over and maximum gross value of assets excluding immovable assets.” The Small and Medium Enterprises Act [Chapter 24:12]. For purposes of the study, the researcher will not concentrate much on specific economic sectors and annual turnover but will make use of number of full time paid employees within an organization to categorize them as either Micro, Small or Medium enterprises using the general figures given per category. This definition also seems ideal as it does not exclude the majority of SMEs that are not registered as it does not only consider “formal” enterprises.

### **2.3 Global Perspective of the SME sector**

According to Edinburgh group, (2012,) governments world over have tried to assist solving SME challenges by easing the availability of finance and improving their regulation systems to encourage SMEs to invest better. SMEs employ the majority world over and account for more



than 95% of enterprises. Kushnir, (2010,) adds that SMEs are usually more common in economies that have high incomes but also seem to be rising faster in countries with low to medium incomes. It has also been realized that SMEs that have not been formalized also seem to outnumber those that are registered. This is mainly because of the challenges that come with the registration process. In 2007, in India for instance, there were less than 1.6million SMEs that were registered and yet approximately 26million SMEs existed that were not registered. This supports the point that the registration process for SMEs is either usually quite cumbersome, or expensive beyond the reach of many, which results in many taking the risk of operating without licenses and conducting the proper registration process. This is not only true to Zimbabwe, but is a challenge that has been observed world over.

Gono, (2006,) notes that Nigeria is amongst the countries that have made efforts to ease the burden of funding within the SME sector. Since 2001, the Nigerian government made it compulsory for all banks that are based in Nigeria to put aside 10% of their profits before removing tax to assist financing the sector. This has seen the sector being boosted as funding has been improved for them. The same could be imitated in Zimbabwe where banks are reluctant to support SMEs as they fear the local SMEs will fail to pay back the loans issued to them. According to Gono, 2006, the government of Canada also formulated financing programs that support the formation as well as the growth of SMEs through a loan guarantee program as well as through financing institutions that are owned by the state. Financial banks owned by the government in Zimbabwe could also start up schemes that support people within the sector so that they could gain access to funding and improve their businesses as well. This could benefit the SME sector locally as well.

According to Saleem, (undated) South Sudan has tried improving its legal framework in order to assist SME development. It passed 6 new laws which cover contracts and limited partnerships. Initiatives have also been put forward that strengthen the business registry process helping make it possible to finish the registration process of registering a company within a day. This could even be imitated in Zimbabwe, making it easier for those who want to register their companies to do so without hesitating as the process will no longer be so cumbersome hence aiding the development of the sector here in Zimbabwe. It seems a lot of companies also fail to register due

to the problems associated with the registration processes. Laws could be enacted too which make life easier for those who register their business enterprises.

The performance of the SME sector in Botswana is still limited with their role towards the development process of Botswana also still being very limited. According to Sentsho et al, (2009,) the contribution of the sector towards the development process of Botswana is affected by a number of factors which include; a lack of information on programs for SMEs because of limited publicity on the works of the sector. There is also a lack of effective implementation of the activities that are supposed to support the sector which has a negative effect on the development of this sector. There is also very limited support of the sector from commercial banks, making the government the sole supporter of the sector which results in limited assistance as there is an overload on the government. SMEs in Botswana are also affected by their inability to produce larger products thus lack access to bigger and more reliable markets. Despite all these challenges, the sector in Botswana does have a lot of institutional support which is affected by a lack of coordination which results in the duplication of efforts in some cases. Botswana is therefore an example of one country which has a lot of institutional support for the sector but all the same has failed to thrive in the development of this sector.

The SMEs sector in Botswana still fails to thrive despite efforts being made to support its development, Sentsho et al, (2009.) In 2003 for instance, a small business Act was endorsed establishing the Local Enterprises Authority and the Small business Council intended to foster the growth of the sector. All these attempts however seem to be failing as the data collection, dispensation as well as preservation on the SMEs in the country seem to be weak. The local SMEs also face a lot of competition from items from other countries. All these could also be true for Zimbabwe making the need to making sure information on the sector is also collected, preserved and disseminated well so that the majority can also benefit from the information that has been recorded. It also makes it clear that institutional support is not the only support that is required in order for the sector to become a success but a level of commitment on the part of those operating within the sector is also critical for the development of the sector.

According to ILO, 2012 the SME sector in South Africa is not performing very well due to reasons such as their past being an apartheid state amongst other reasons. The performance of the

sector towards employment creation is also perceived to be dismal. Failure of the sector has been attributed to a lack of training and management skills. The majority of South Africa's black population has not also been trained to become entrepreneurs. There is also limited literature on the sector that is available limiting the availability of documented best practices. There is a limited collection of data on the sector which makes it difficult for those who would want to invest in the sector. There are also high rates of crime as well as brain drain which are affecting the sector. This is the second time the lack of available literature on past ventures has been highlighted as causing the flop of the sector, this brings out that documentation on past endeavors within the sector is quite useful for its development. An environment that is stable also seems to be critical as the levels high of crime are affecting its development in South Africa.

Statistics from 2004 and 2007 however show that the sector has grown significantly in South Africa. ILO, (2012.) This is mainly because a lot more companies were formalizing. What prompted people to register was mainly that only properly registered SMEs could access state aid. In Zimbabwe, if the state had funding to support the sector, this could also be imitated in a bid to motivate people to register their SMEs thereby positively increasing the country's revenue. South African Breweries and other companies also launched programs that promoted smaller companies to register as their supply chain which also resulted in many small enterprises registering. Other efforts have also been made to improve the sector. The process of registration has also been improved; before 2001 it took 176 days and 18 procedures to have a business registered, this has continuously been changed until 2009 when it reduced to 22 days involving 6 procedures. Quite a number of support programs exist for SMEs such as Ntsika, SEDA, Kula agency amongst others. However, very few people have benefitted from these and the majority has never heard of them. There is therefore a need to make the public aware of the existence of such groups if they are to aid the sector.

#### **2.4 The SME sector in Zimbabwe**

According to the Ministry of Small and Medium Enterprises and co-operative development policy framework for 2014-2018, SMEs in Zimbabwe play a crucial role in the economy of Zimbabwe as they employ about 6million of Zimbabwe's population. Most Zimbabweans lost their jobs due to Structural Adjustment Program but this sector seems to have managed to absorb

a lot of Zimbabweans therefore improving and increasing their means of sustaining themselves as well as their families. This sector, they claim, has an advantage in that it is more flexible to invest anywhere as you can start a business within town, in rural areas or anywhere else without much need to develop infrastructure. The sector can also meaningfully contribute to eradicating poverty, the development of an economy as well as meaningfully improve the welfare of females, youths and other marginalized groups economically which is quite ideal for Zimbabwe at the moment.

In Zimbabwe, according to the Small and Medium Enterprises' Association, (undated) an SME Association was formed in 2011 in a bid to represent the sector as well as try to address problems within the sector. The Association registered in February 2012 as it realized there was need to formalize in order to properly represent the sector. The association rose due to the fact that most of the organizations that were arising, claiming to represent the sector were mostly interested in the micro sector and failed to fully establish themselves so they could be recognizable. On the other hand, there were also large business groups that also claimed to support the sector but were mainly interested in bigger businesses and had registration charges that were beyond the reach of many involved in the small scale businesses. Due to these reasons, the Association felt it could support everyone in the middle way as no such registration fees were required and it was meant to support everyone. The Association offers raising capital helps create markets and offers training and teaches business best practices amongst other services which is a positive step towards the development of the sector locally.

This sector, according to Kamoyo et al (2014) is easy to enter and is usually family owned, small and makes use of simple technology relying on home-grown resources requiring less capital to take off. It is easy to enter as you do not require much money to invest in starting your business; you also do not need to be very educated in order to be able to start your own enterprise. Due to the fact that it is usually family owned, it makes it easier even for other family members that are not very creative to continue operating within the family business, even with a limited educational background. The technology required is not too sophisticated which again makes it simple for those with limited education. This makes the sector easily accessible to those who are

marginalized. Due to this, the government should not ignore the sector as it has the potential to alleviate poverty within the marginalized in society.

According to Bulls and Bears, (2015), Harare has the largest number of SME owners which are approximately 541 456 with Matabeleland having the least 136 841. Most of the owners are individual entrepreneurs whilst 31.6% employ people in their businesses. About 1% is medium enterprises, 4.1% small enterprises, 26.7% micro-enterprises whilst 68.4% are individual businesses. The majority of them seem to operate from their residential homes whilst the least operate from undesignated areas in towns and growth points. The fact that the majority operates within their residential homes means the business is easier to be involved in as not much money is wasted in paying rentals for offices to conduct business. The majority involved within the sector could be operating from their homes because areas to conduct business are either limited or expensive to hire. This then brings the importance of creating areas that are more affordable where people could conduct their businesses.

According to the FinScope survey of 2012, about 5.7million people in Zimbabwe are working within this sector. It was realized that most of the employees within the sector are male but those unpaid are usually female. The 2011 Labor force Survey indicates that 84% of those who are currently employed aged between fifteen and above are employed within this sector. It was also discovered that men tend to dominate the more complex activities within the industry including activities like welding, construction and carpentry. About 43% are engaged in agricultural activities mainly fruit and vegetable marketing, 9% in the manufacturing, mostly tailoring whilst 33 % were involved in the non tradable service sector as well as vending and selling food, clothes , newspapers or airtime. There is need to try and find out why it is that most of the women involved in the sector are unpaid as this should be an avenue that they use to sustain their families and what can be done to ensure they are involved in the sector as much as men.

To show government's support towards the sector, a ministry was established in 2002 to support SMEs. The government also came up with measures such as the liberalization policy, preferential purchasing policies to allow market stalls in the urban centers as well as establishing green markets in high density suburbs in Harare, IEE, (2010). It was also the Reserve Bank of Zimbabwe's intent to provide an SME development seed fund, Gono, (2006). As a result, various

arms such as the above named SEDCO and others such as EMPRETEC are providing support to this sector both technically and financially. The question that needs to be answered is whether or not these arms are succeeding in their intention, as well as whether or not the whole process is not politically affiliated thus failing to help the majority intended to benefit from it, as well as whether in these harsh economic times, the arms do have the funding to loan to the entrepreneurs within the sector.

The government has also made efforts to ensure the sector has access to loans by capacitating institutions such as Small Enterprises Development Corporation (SEDCO) to make loans available to the majority. Section 2G of the SMEs Act also makes available a fund for this sector which will be provided by the government. This shows that the government is supporting the continuity and survival of this sector which is important towards fostering the development of the groups marginalized in Zimbabwe. However SEDCO required movable property as collateral which might be a hindrance for some, as they might lack the required collateral in order to be eligible for the loans. According to Gono, (2006) the Reserve Bank of Zimbabwe also formed a SMEs revolving fund in a bid to improve the access to finance by people operating within this sector in 2006. However, only registered SMEs qualified to access these loans. This means the majority that is not able to register cannot benefit from the funds. Most people are also not benefitting from the revolving fund as those who borrowed money in the first place have not yet returned it and so the funds are not revolving. More needs to be done to create funding for the sector to ensure those within the sector can access loans.

According to Gono, (2006), the Reserve Bank of Zimbabwe also issued a Z\$16 trillion SME fund to help activities and projects in the SME sector. These were meant to support people within the sector accumulating an interest of 70% per annum. Though this was a good move in supporting people within the sector by providing them with funding, it was not a very useful move as the majority within the sector failed to benefit from the scheme due to the fact that the interest rates were far beyond their reach and they therefore did not apply for them. The fund was aimed at supporting activities in the construction industry, mining sector as well as agro sector. There is need therefore that when government decides to bring up loans to support people within

the sector, interest rates that are realistic and acceptable to those intended to benefit be put so that people can participate and benefit from them as well.

Kamoyo et al (2014) argues SMEs are an important component in the development of rising economies. In Zimbabwe, they accounted for over 80 percent of employment in 2004 and with up to 70% of the population depending on it for livelihoods. It is also important in poverty alleviation. This sector is important as it adds value to the economy through creation of employment, increasing earnings and adding business convenience, Fatoki (2012) in Kamoyo et al (2014). The sector plays a crucial role in the social and economic development of all countries and promotes a “notion of equity development” as Prasein and Singh (2007) put it, nevertheless it is the most abandoned area in most if not all developing countries. It promotes equity development because you do not need a very strong educational background to be eligible to participate within the sector; this puts at par people from all social ends with poor as well as rich educational backgrounds. This is the kind of environment that is required to alleviate poverty, especially amongst the most disadvantaged within society.

According to Nyamwanza et al (2015), SMEs are very significant as they constitute 91% of the formal business entities in South Africa and contribute more than 50% to the GDP and provide 61% of employment. This shows that the sector can contribute significantly towards the growth and development of a country. SMEs are recognized as a driver of economic growth in African developing countries. This sector appears to be the easiest to engage in, even during years of recession and crisis and can support the productivity and economic growth during such times. Due to its easy accessibility, one can find out that this is where the majority of women seeking to generate income, usually operate as they have problems joining the formal sector here in Zimbabwe. According to ZEPARU (2014), this sector is of significant importance in Zimbabwe as it is absorbing most of the active labor force that had lost its sources of livelihoods due to the structural adjustment programs. This sector is also contributing more than 50% to the national GDP too just as it is in South Africa and is greatly supporting industries like agriculture and manufacturing industries, (The Sunday Mail, Dec 7 2014).

According to the Ministry of Small and Medium Enterprises and co-operative development, the SMEs sector in Zimbabwe contributes tremendously to the economy as it contributes 60% to the

county's GDP and at least 50% of employment. The sector has also proven to be a powerful source of livelihoods as it has taken up the majority retrenched from companies that closed up as well as a lot of those unemployed. The sector has also contributed positively towards food security and nutrition. Dhliwayo, (2014,) further contends that the SME sector growth also has an indirect impact to the GDP of Zimbabwe. This is due to the fact that it also increases creativity and macro-economic pliability of the economy in general. It also helps by reducing an economy's susceptibility towards shocks that are specific to sectors by increasing the survival strategies a country employs for economic prosperity. The sector is also important to the economy because SMEs generally depend largely on home grown skills, raw materials and ways of production which helps the country to save foreign currency and at the same time promoting the use of indigenous resources.

Dhliwayo, (2014,) also argues that the banking sector has a tremendous role to play toward the development of the Small to Medium Enterprises' sector in Zimbabwe. Statistics have shown that the number of SMEs that received loans from banks rose from 5658 in June 2013 to 9067 in February 2014 which showed an increase in about 60%. Apart from providing the sector with loans, the banking sector can also assist the SME sector through provision of business advisory services as well as short-term insurances. This shows that, even though people continue to complain that the banking sector is not providing loans to the sector, quite a significant number of people have benefitted so there is need for people within the sector to ensure that they have proper documentation and requirements that they too can receive loans from banks as others are also receiving them.

SMEs in Zimbabwe do experience a lot of challenges in their endeavor to operate within the country. According to ZEPARU, (2014), their greatest challenge is limited access to funding. This is due to the fact that most of those operating in this sector, do not have operating licenses which makes it difficult for banks to accept to give them loans as they have no history with them and do not have physical addresses of where to find them in the event that they default payment. This sector also suffers from negative perception, those who operate in this sector are considered as risk takers and some of their activities are illegal. As a result, banks are discouraged from giving them loans as the law does not allow them to deal with clients involved in criminal



undertakings. Other people also avoid participating in the sector because of the negative publicity and yet it is a sector that could be very useful for them to sustain their families. The informal sector also finds it difficult to obtain loans as they usually do not have recognizable collateral to make them eligible for funding.

Nyamwanza, (2015) lists a number of challenges faced by SMEs in Zimbabwe which include capital availability, difficulties in obtaining raw materials, limited technological capabilities, lack of proper housing and inadequate management skills. All these factors affect the growth of SMEs in Zimbabwe which results in the majority of them failing to last for periods longer than two years. He further argues that policy inconsistency is another factor that is greatly affecting this sector in Zimbabwe. The government, he argues, seems to be supporting the continuity of SMEs greatly, and has even in some instances promised funding to this sector. However not much has been done to follow through the promises made and this has resulted in the sector failing to contribute meaningfully towards the GDP of the country. The government seems to place priority on issues like national security, health and education abandoning the SMEs sector.

According to the Ministry of SMEs and co-operative development policy framework (2014-2018), some of the challenges that are affecting the development of this sector in Zimbabwe are the high levels of informality that characterize the sector, inappropriate workspace and poor infrastructure as well as regulations to do with the environment that are meant for larger businesses. According to Dhliwayo (2014), the entrepreneurs also lack capacity to develop and use market plans. Due to lack of this, they cannot enhance the growth of their businesses. There is therefore need for them to be trained on the importance of using marketing plans to help foster business growth. There is also need for the government to take into consideration projects that promote infrastructure development so that the sector continues to expand. Efforts are already being made as some areas are being developed in which these SMEs can operate from.

According to the 2012 Fin Scope survey, lack of reliable information about this sector in Zimbabwe further hinders its development of targeted and strategies based on what has been observed. Women particularly are faced with challenges like lack of markets for their products, and failure to be innovative as the majority of them basically sell commodities and these have flooded the market resulting in their business ventures not being very successful. Women also

face problems of accessing loans due to the fact that they usually require small amounts which are not profitable for the formal institutions to approve. There is need for research and development to be conducted for the sector so that brochures and even magazines are made available which show people the progress within the sector as well as other information that people could require for them to start their own business ventures without fear of failure. Women could also be encouraged to create groups in which they could apply for loans in, thereby gaining them because in groups, the amount required would not be as little as that required by an individual therefore making it possible for these loans to be granted.

According to Bulls and Bears (2015), one way of truly exposing the sector would be the development of an Export Development and Promotion Agency for the sector. They realize that this sector has truly become the economy of Zimbabwe as the majority in Zimbabwe now seems to be involved in this sector. Most people who own SMEs in Zimbabwe seem to work for themselves and rarely have other employees but look on their family in the place of employees to conduct businesses. A smaller number however, seems to employ other people to work for them. Some operate from their homes due to unavailability of space to work, or simply failure to afford places to rent. This brings about the importance of providing affordable infrastructure from which those involved in the sector could operate from. The development of a Promotion Agency as Bulls and Bears, 2015 argues will promote exports as a strategy to curb trading deficits between Zimbabwe and partners it trades with. The agency will assist the penetration of products in the sector to the wider global markets and support business linkages.

Mashayahanya, (2014) argues that, in order for SMEs to survive, there is need for the owners to stop complaining about financial exclusion and focus on identifying their problems so that they can find the proper solutions to them and therefore increase their chances of survival. Audretsch, (2009) argues that to increase chances of survival, SMEs need to be a lot more innovative and diversify their products rather than competing for the market whilst producing the same commodity with a lot of other SME owners or relying on one commodity. This seems to be a major problem in Zimbabwe as most SME owners complain of a lack of funding to continue with their businesses. There is need for the general populace to stop focusing on being given but develop their own strategies for coming up with their own funding to support their businesses.

Innovation is also needed because as it stands, everyone seems to be selling the same commodities which make it more challenging to get customers.

Maseko et al (2012) argues that there is need for tailor made businesses and technical training if SMEs are to survive. This is due to the fact that most of the people who resort to this sector, usually lack training in the required field hence have limited chances of survival. However, if provided with adequate training, they can improve their chances of survival within a competitive world by improving their service provision and the goods and items they produce for sale. Nyamwanza, (2015) also argues that the government of Zimbabwe also needs to prioritize this sector the same way it prioritizes other sectors if it is to be successful and survive. This would result in the sector contributing significantly towards the country's GDP.

A debate seems to exist amongst some, concerning the government's role in supporting the SME sector. Some argue the government has not fully supported the SME sector whilst some argue it has and still is trying its level best to show its support for the sector. According to Maunganidze, (2013); the fact that the government commissioned a Ministry of SMEs shows its support to the SME sector because if it were not in support of the sector, it would never have brought about a Ministry that aims to address the needs of those taking part in this sector. The Ministry has also made attempts to establish funding so it can support people that are participating in the sector. Programs and workshops have also been made available through the ministry, to incumbents that participate within the sector so they have access to markets, as well as gain skills in conducting various types of business. This shows that the ministry is committed to ensuring the Small to Medium enterprises' sector is a success.

However, it goes without saying that the government has not followed through its commissioning of a Ministry with tangible actions which makes one wonder the extent to which it has shown its support for the sector. According to Maunganidze, 2013, the Ministry of SMEs is not valued as much as many other ministries. This he argues can be seen through its lack of sufficient funding to support its projects. The government has not allocated the Ministry with sufficient funding but allocates funding to Ministries that are considered to be of greater importance towards the development of the nation. Due to this, people cannot fully benefit from a ministry that is poorly funded as it lacks finance to carry out its proposed projects. This is a

huge drawback that needs to be addressed as the Ministry cannot assist people in the SME sector as it is intended to be doing which shows the government's limited commitment towards the sector.

SEDCO which is responsible for issuing loans to SME holders is seriously following up debtors in a bid to continue issuing loans to other SME holders which has resulted in many SMEs losing the property they had declared as collateral. Maunganidze, 2013. This shows the government's lack of commitment towards the sector as it is failing to raise or allocate more money for the sector to continue issuing loans making the Ministry appear as a tool for actually taking away the little that people have which they would have declared as collateral. If the government were really serious about this Ministry, it would have made efforts to allocate a greater portion of its budget towards this ministry so as to provide a lot more SME holders with funding without fear of losing their property in the event that they do fail to pay up. The rates charged by SEDCO are also usually quite high which has resulted in a lot of SMEs revoking from borrowing which negatively affects the growth of the sector.

Maunganidze, 2013 further argues that the areas where the SMEs conduct their businesses are usually poorly resourced. The OECD, 2004 relates to this challenge as an issue to do with poor infrastructure development. The government could make an effort to refurbish these areas to show its support towards the sector. An example of an area that is poorly resourced and needs refurbishment is Mupedzanhamo business complex in Mbare. The area is overcrowded, has insufficient toilets for clients and service providers and the roads that lead to the area are not well maintained. This has a negative effect on the sector as clients do not feel comfortable visiting this area due to these reasons and more hence affecting the prosperity of the sector as some of the potential customers fail to go to these places due to poor maintenance. There is therefore need for the government to develop a fund that specifically improves infrastructure that is developed for purposes to do with the sector.

According to the Ministry of Small and Medium Enterprises and co-operative development, the SMEs sector in Zimbabwe contributes tremendously to the economy as it contributes 60% to the country's GDP and at least 50% of employment. The sector has also proven to be a powerful source of livelihoods as it has taken up the majority retrenched from companies that closed up as

well as a lot of those unemployed. The sector has also contributed positively towards food security and nutrition. Dhliwayo, (2014,) further contends that the SME sector growth also has an indirect impact to the GDP of Zimbabwe. This is due to the fact that it also increases creativity and macro-economic pliability of the economy in general. It also helps by reducing an economy's susceptibility towards shocks that are specific to sectors by increasing the survival strategies a country employs for economic prosperity. The sector is also important to the economy because SMEs generally depend largely on home grown skills, raw materials and ways of production which helps the country to save foreign currency and at the same time promoting the use of indigenous resources.

Dhliwayo, (2014,) also argues that the banking sector has a tremendous role to play toward the development of the Small to Medium Enterprises' sector in Zimbabwe. Statistics have shown that the number of SMEs that received loans from banks rose from 5658 in June 2013 to 9067 in February 2014 which showed an increase in about 60%. Apart from providing the sector with loans, the banking sector can also assist the SME sector through provision of business advisory services as well as short-term insurances. This shows that, even though people continue to complain that the banking sector is not providing loans to the sector, quite a significant number of people have benefitted so there is need for people within the sector to ensure that they have proper documentation and requirements that they too can receive loans from banks as others are also receiving them.

#### Legal instruments affecting SME success in Zimbabwe.

Environmental Management Act seems to be quite strict on the operations of SMEs which negatively affects the sector's prosperity. According to the Herald, 17 April 2013, some of the rules and regulations that are imposed by Environment Management Agency make operations of people within the sector very difficult. The town council also seems to be constantly hampering the operations of people within the sector as it is always chasing after these people for instance vendors who operate in Harare's central business district. The government only seems to support SMEs that are registered at the expense of those not yet registered. There is need for the government and other stakeholders involved to ease certain laws that make it easier for people within the sector to operate without fear of being apprehended. There is also a need to ensure that

registration processes are made easier for the majority so that they can also register their companies and also benefit from governmental schemes.

To be eligible for a loan, one requires to be in possession of tangible assets to be taken as collateral. This has been an impediment for many people within the sector who do not possess assets that can be taken as collateral as it limits their accessibility to funding hence negatively affects the growth of their businesses. Maunganidze, (2013), further argues that, at times, for one to be eligible for funding or to benefit by getting a place to conduct their business, they have to be supporters of certain political parties. Some failed to benefit as they are thought to be in support of the wrong party. There is need to make sure that there are no political affiliations required for people to benefit from governmental loans and serious measures need to be taken against those who politicize such funding. Corruption also seems to be quite high in the Registrar of companies department. Those to register their companies may face challenges as it might take quite a long time for a company to be registered with some even indulging in corrupt activities for them to be registered. This becomes an impediment to those who do not have the required resources to participate in these corrupt activities and thus might fail to register their SMEs.

According to Gersham Pasi, in the Sunday News, 27 April, 2014, there has always been bad blood between people in the Small to Medium Enterprises' sector and Zimbabwe Revenue Authority due to the fact that the latter is responsible for collecting revenue and taxes even from people within this sector. People in this sector accuse ZIMRA of unnecessarily conducting raids especially those who are cross border traders. People in this sector feel that the government should not tax them as they are still trying to develop their businesses which are trying to grow therefore do not have much money. However, this is not possible as it seems the sector contributes well above 60% of the Gross Domestic Products of Zimbabwe. ZIMRA on the other hand blames these people for trying to avoid payment of taxes by using unrecognized entry points to smuggle items they would have purchased from other countries for resale within the country.

There are a number of challenges that make it difficult for SMEs in Zimbabwe to access funding as Dhliwayo, (2014) argues. These problems include:

- Limited branch networks: because opening branches in remote areas is very expensive, many banks have avoided opening branches in these areas, in which SMEs also appear to be many thereby facing a challenge of unavailability of banks to get loans from
- Business risk: the SME sector is well known for its high rate of failure. This has resulted in banks being reluctant to offer them with loans.
- High lending rates: the interest rates that are charged on the loans offered to the sector are exorbitant to such an extent that SMEs become reluctant to borrow money from the banking sector.

According to Nyanga,T, (2013,) in most developing economies, the rate of SMEs that fail seems to be high. This is usually due to limited or lack of access to loans and limits in the social networking. SMEs also seem to be affected by their overreliance on the owner which has resulted in mal practices in the human resources department- with very limited qualified staff and most of the authority being centered on one individual who is usually the owner. The owners in most cases do not even know how to operate their businesses which negatively affects the prosperity of the enterprise. Trying to improve motivation of employees could help keep the businesses afloat as well as not relying on a single trade but diversifying services as this assures one that if they fail in one avenue they can still rely on other options that are available to them. Introducing external auditors to trace the way funds are used within the SME could also assist in ensuring SMEs remain afloat and exist for longer periods than they are currently surviving.

## **2.5 Importance of SMEs**

According to Nyanga T et al, 2013, SMEs play a vital role of job creation. They increase what is exported to other countries as well as boosting the local production in industries. It has also been observed that they foster political stability. This is due to increased economic output which promotes better living conditions thus people feel secure and as if they have no need to rebel against their government as they will be content with their way of living as all their needs would be catered for. SMEs in Africa have since the 90s contributed at least 95% of enterprises on the continent employing the majority of African employees on the continent. Nyanga, T et al 2013. Hobohm argues their importance is that they require a lot of labor. This is strength in that they

are able to take in a lot of employees therefore leading to a more equitable income distribution as they also seem to mostly employ the less educated in society hence alleviating poverty amongst the least educated. In support of this, Dalberg, 2011 argues that 72% of the new jobs that are created by the SME sector usually go to the unskilled or semi-skilled workers.

Edinburgh, 2012 puts the statistics of the SME enterprises world over at 99, 8%, employing 67% of all workers, supporting their strength as creating employment. SMEs being labor intensive require lower capital costs as they do not spend much money on machinery, this is also ideal for economies that are still developing as they do not need to invest much on buying expensive machinery but on human capital that is less expensive. According to Tambunan, (2009,) SMEs can also help by sustaining the exports of a country just like in Asia where they account for between 38-40% of India's total exports. ILO, 2012 identifies one of the greatest strength of the SMEs sector as their ability to provide goods and services locally that are ideal for the needs of the local market. Gono, (2006,) supports the notion that they create employment. He uses Indonesia as examples to illustrate this where he argues SMEs account for 98% of employment. Just like Hobohm, Gono argues their strength is their labor intensive characteristic as well as their ability to save capital as not much machinery is required with a heavy dependence on human capital and reliance on a fewer importations.

Saleem, Q (undated) further argues that SMEs contribute about 33% of the Gross Domestic Products in developing economies. In high income countries, they are perceived to contribute about 64% towards the Gross Domestic Product and 62% of employment. This shows that SMEs seem to contribute more significantly in already developed countries compared to their contribution in countries that are still developing. According to Darlberg 2011, SME growth has a positive effect on the Gross Domestic Product as it increases innovation as well as economic elasticity on a larger scale. An SME sector that is strong can boost a country's ability to cope in times of economic distress as it diversifies what the local people can produce and trade in which reduces the level to which shocks within the sector could affect them. The SME sector could also increase the income of the government from taxation. The revenues that are collected from the sector have a contribution to make towards the government's income tax.



Despite having much strength, in times of economic distress, the SME sector is amongst the sectors which are hit the hardest as could be seen in Zimbabwe during the economic distress. This is largely the case because they will lack the financial resources vital for their continued survival as they usually have limited access to loans. In Zimbabwe, they suffered severely because they did not possess foreign currency which was required at the time to continue operating under the harsh economic environment.(Nyanga,T. 2013). The SME sector seems to have greater risk compared to other sectors

## **2.6 SME Challenges**

According to The Chronicles, 28 January 2016, most of the challenges that SMEs face are caused by other SMEs which shows that SMEs worst enemies are other SMEs because they give themselves problems. This is because, you would find one SME registered, operating side by side with another SME that is not registered. The unregistered SME would be creating an unfair advantage over the other SME that is registered. This problem would be a problem emanating from another SME that has not registered. Some SMEs fail to pay their rentals to the owner of the building they are operating in, which also happens to be another SME trying to struggle its way out for survival, but is affected by another that fails to pay rentals. There is need for SMEs themselves to be honest when conducting business because some SMEs end up creating problems for other SMEs too, something that could have been avoided had all SMEs been honest in their operations.

The Chronicles, 28 January 2016 adds that SMEs are the ones that also import items and goods that the person operating next to them is able to produce, claiming imports are cheaper, and have better quality, killing business for the next SME who could be producing those items. SMEs are also the ones who shun paying taxes but are making a lot of noise about governments failing to provide them with loans, the question being, where would the funding come from if they do not pay their taxes. Some SMEs have also borrowed money from banks and failed to pay them back which has resulted in banks feeling insecure about lending money to SMEs and avoid giving those loans. All these problems emanate from the SMEs themselves and yet they still find someone else to blame for the problems they created themselves. If the sector were able to

rectify some of these problems it is creating for itself, the environment would become more SME friendly.

Compared to other sectors, SMEs have the highest perceived risk rates, Gono, 2006. This high prevalence rate of perceived risk makes banks and other financial institutions not so willing to lend them money. This causes the greatest challenge which is constantly repeated in literature as funding. Darlberg, 2011 argues that financially, the SMEs are affected because of gaps that exist within the system as they are usually faced with high administrative costs, are forced to attach as collateral assets that are usually a lot more expensive, which most people within the sector cannot afford to possess, as well as a lack of experience on the part of the people in the finance departments as the businesses are in most cases run by the owners who might lack adequate knowledge on how to run the finances of the business.

A lack of information on government assistance programs can be a challenge as Sentsho et al, 2009 argues. As noted above, financing is one of the major challenges faced by the sector. In some instances, the government might have certain programs that are meant to aid the sector. However the issue of publicity is often a challenge. At times the majority are not aware of the assistance provided in order to support the sector, with only those in some cases, who are related to people within the government departments, being the only ones aware of the existence of such programs or how to apply for assistance. The majority, who are not aware of the government programs, cannot benefit from them because there are not aware of the existence of such programs. Efforts need to be increased on making sure the public is made aware of the government programs meant to aid those in the sector.

According to Muranda (2003) in Nyanga, (2013,) one factor which greatly affects the SME sector is lack of experience on the part of the players involved as well as inadequate technical skills. Sentsho et al, (2009) defines the same challenge as a lack of entrepreneurial skills. This is because people usually start their businesses not because they have experience in the field but based on their interest in that particular field. Myles, (2010). As a result of this, the enterprise will not be very successful as the incumbent will be lacking in technical skills vital for carrying out the business in order for it to succeed. In tough times, there is also need on the part of the

business owner to be able to motivate employees as well as be able to cut on costs to be able to thrive. These are some of the technical skills which have resulted in some SMEs failing to thrive.

Another challenge is inability to conduct research and development. Gono, ( 2006). This becomes a challenge for SMEs as it means there is a lack of information which could be used to guide future entrepreneurs on the avenues to explore and how to explore these avenues for their businesses to thrive. Closely linked to this is an absence or limited availability of compiled information on best practices. These are important as they assist future entrepreneurs on what to avoid, what to imitate, to what extent and where change is required in order to be more successful. Gono goes on to say SMEs usually have weak business structures and also have poor marketing channels. People therefore face a challenge in that they have limited places to advertise their services and hence do not have a lot of customers to keep their businesses going.

According to Dhliwayo, (2014,) a lack of suitable collateral is one challenge that the SMEs' sector faces. Due to the perceived high risk that is associated with SMEs, banks demand as collateral, items that are beyond the reach of many in the SME sector especially those in need of money to start up their businesses. Another challenge that affects banks from lending them money is inadequate financial records. SMEs do not have enough financial records as their businesses are usually run by the owners who are inexperienced, they do not even separate business from personal finances at times which affects the smooth flowing of their enterprises which can result in them shutting down at any minute. This also makes banks hesitant to offer the sector loans.

In countries like Botswana, another common challenge faced by the sector is a bias of the educational system against self employment, Sentsho et al, 2009. Some countries do not value entrepreneurship so much but have education systems that seem to support working in other organizations such as becoming bank tellers, lawyers, accountants amongst others but looking down on people becoming self employed. As a result, people educated in such countries scorn self employment and have no desire whatsoever to become self employed. As a result, activities in the SME sector are greatly looked down upon to such an extent that very few people are willing to take part in the sector or at least those that do, do so because they have limited options available to them. This therefore can negatively affect the development of this sector.

Edinburgh group, 2012 identifies lack of reliable information of markets world over as one of the challenges faced by the SME sector. This can also be linked to the above point which has identified lack of research and development as a problem. The lack of reliable information of markets world over makes it impossible for those who want to venture in the business to realize some of the perceived risks or advantages of some businesses over others within the sector which also makes the survival of the enterprises bleak. Lack of an enabling environment is another challenge as identified by Saleem, Q (undated). Usually the regulations that are set in a country are not very friendly for the survival of SMEs. The regulations are restricting in a number of ways as shall be elaborated further below.

ILO, 2012 refers to these challenges as barriers which they divide into internal and external barriers. They argue that external barriers seem to have a greater impact on SME survival compared to internal barriers. Internal barriers which affect SMEs could include skills of managers or workers. External barriers could include taxes that are high, absence of laws, cumbersome administrative procedures, unfair or strong competition as well as inadequate financial assistance. These external barriers are the challenge identified by Saleem, Q above as a lack of an enabling environment. In cases where all these external barriers are present, it becomes impossible for one to successfully venture into their SME business, hence the environment will not be friendly towards the existence of SMEs.

Amongst the external barriers, ILO, 2012 identifies the labor legislation as one challenge the sector faces. This can also be included in the regulatory system which at times is not so friendly; there is usually so much red tape in the application process of SMEs. The process is also cumbersome resulting in many SMEs failing to register. Trade is also identified as another challenge, where they consider the licensing as well as health and safety laws which they claim need to be relaxed. Tax is another common challenge they note which is also noted by many. According to ILO, 2011, there is need to ease the burden when calculating and paying taxes owed as well as removing some of the taxes.

Dhliwayo, 2014 says inconsistency in service delivery is also amongst the challenges that affect the marketability of the SME sector. SME sector owners often lack enough skills and technology to produce standardized products of the same quality. This limits the competitiveness of this

sector as they at times will fail to produce products to the same standard as previous ones that were on demand. Diverting funds was also noted as a challenge the SME sector faces. Due to the fact that SMEs have a tendency of diverting funds to other purposes, this can result in default rates increasing which is again a negative effect on the growth and sustainability of a business. Procurement is also one challenge faced by the SME sector in that the tendering system of the public sector is not very accessible to the SME sector at times which becomes a hindrance to their ability to operate and conduct business well. ILO,( 2012.)

Infrastructure, ILO, 2012 argues is amongst the external barriers that the SME sector can face. Roads, especially in less developed countries, especially in outskirts are often so bad they make it difficult for customers who want to come and buy from SMEs in the area. Electricity is often rare and there are no or limited network channels in the areas. Some of their businesses require the use of electricity so the fact that it at times is not available is a hindrance to them. telephone networks make it difficult for them to contact some of their suppliers or even customers who need certain information on their product as which also has a negative impact on the survival of their businesses. Kushnir, 2010 says the most common challenges that were mentioned from the study conducted in developing countries were electricity and access to finance. As noted above, the lack of electricity poses a lot of challenges as some businesses require the use of electricity for instance welding. The lack of electricity also limits the operational hours because no business can be conducted in the dark and hence the businesses will only be operational during the course of the day.

ILO, 2012 also says another challenge of SMEs is that of demand. The growth of the sector, they argue, is largely affected by lack of demand for their products. The demand is usually not steady or fluctuating. It becomes a challenge towards the existence of the sector as at times there is no demand for their products so they cannot continue producing in times like these. The demand is also affected at times by the fact that almost everyone within the sector will be offering the same products which results in the market being over flooded and the commodity not so much on demand. Finding new customers is also amongst the other challenges noted by ILO, 2012. Getting into business markets and finding customers is also difficult for new SMEs. This is very difficult in countries characterized by monopolies and people hold on to customers.

Even customers themselves tend to refer other people to SMEs that they know and have done business with. This results in newer SMEs facing a challenge whereby they have very few customers due to the fact that customers go where they already know.

Kushnir, 2010 also argues that a common challenge within the sector is often that the data gathered is not usually standardized as it is collected by different institutions with different agendas and use differing variables and scales to define them making the information collected on them very often inconsistent and inaccurate. He goes on to argue that another challenge is that data on informal SMEs is often rare and therefore cannot be compared from one country to the other because of the differences in how countries' informal sectors defines them and the methods of estimation.

## **2.7 SME development- addressing the challenges**

If the SME sector were to thrive, there is a need to make use of cross-cutting strategies, OECD, 2004. These strategies should take into consideration many areas; government involved in its own capacity through helping provide policies that support their development, providing a legal environment that is friendly towards SME development; stakeholders involved who are capable of producing a conducive environment for the development of the sector. According to Gono, (2006,) these strategies also have to be tailor made. He contends that in order to reduce the challenges that the SME sector faces, there is need to develop support strategies that are specifically aimed towards this sector. This would be more successful in addressing their challenges, for instance, in terms of financial support; there is a need to develop a variety of loan programs that can assist entrepreneurs in the sector as well as credit guarantee schemes specifically for SMEs. Saleem, Q (undated) talks of this initiative as well though in a different way. He argues that there is a need of developing country specific strategies especially towards the developing countries. Finance strategies for each and every country need to be made as challenges probably differ according to country and how one country addresses its challenges might not work for the next country.

In order for the sector to thrive, there is also a need for a certain degree of peace and stability within the environment. Peace is very important within a country if it is to thrive in its

development process. Peace is essential as it would also assist in luring foreign direct investment which is crucial for the success of the sector. This according to IFC, (2011,) is defined as improving the investment climate. Promoting peace and stability would help because those who want to invest in the sector will do so without fear of losing out due to disorder which may result in the destruction of property or even the looting of products in the absence of peace. The OECD, (2004,) also notes the importance of investing in infrastructure development to support the sector. Road networking should be improved; airports need to be developed as these assist the transportation of products to and other areas which are a vital contribution towards the sector.

According to IFC, (2011,) cutting the red tape is also vital for the development of the SME sector. The red tape process refers to the cumbersome bureaucratic process involved when registering one's SME business. Cutting the red tape would help as it will no longer hold back the SMEs as it delays the registration process. It should be made easier for SMEs to join the formal sector. The process for applying and having one register their company should be shortened. This would make a lot of SME owners register their companies which they had avoided doing because of the cumbersome process involved. Tax simplification could also help ease the process. At times there are a lot of taxes involved which have to be paid like income tax, employee's tax amongst others. These in some cases have made business owners abandon their businesses as they fail to keep up with the taxes required. There is need to ease the burden in calculating as well as in paying taxes. Some taxes could also be removed or at least SME business holders should be exempted from paying some of these taxes or for at least in the initial stages of development. Saleem, (undated) contends that there is need to develop legal as well as regulatory frameworks that promote a sense of competing as well as avoiding licensing requirements that are restrictive.

ILO, 2012 also identified training as a need that can assist in promoting the development of the SME sector. Underinvestment of people has led to a poor distribution of craft skills and workplace experience. It has also been pointed out that people who usually venture into this sector are not so much trained or experienced within the field, especially on how to run the business but are mostly people that simply have passion for that particular business. As a result they might not be very successful as they lack the competence. If however training were to be

provided, they could end up being equipped with some of the vital skills unknown to them which could help them become more successful. According to the Edinburgh group, 2012, internationalizing SMEs is one of the ways of improving SMEs world over and helping their survival. This is important as it creates a sense of competition in the sector, forcing them to improve their service delivery mechanisms in order to out maneuver other enterprises and gain in clientele. Internationalizing can be done through creating partnerships with SMEs from other countries or simply opening branches that operate in other countries. SMEs that are active internationally have been seen to have higher rates of employment.

According to the Edinburgh group, (2012,) corruption is another factor that really needs to be addressed to help the survival of the sector. Some entrepreneurs with intent to register their companies fail to do so due to the fact that at times in order for the process to be shorter, they are required to bribe certain officials. This becomes a challenge to those who do not have the money to do so and thus fail to register their companies. Therefore it is essential that corruption is eliminated for all entrepreneurs to be able to conduct their business well without facing challenges of having to raise money to bribe officials so they can be registered.

Kushnir, (2010,) contends that, to deal with the issue of inconsistency in the data that is collected from SMEs, there is need to follow some of these steps he addresses. There is need for different economies to be analyzed making use of a common procedure that has been standardized which makes it possible to compare information on SMEs across countries. There is also a need, he argues, for organizations that are responsible for collecting data to communicate and contact each other pertaining to variables and ways to be used to determine the size of the sector firstly at a regional level and then later expand to a global level.

## **2.8 Summary**

This chapter sought to provide detail on findings from other past research and literature in the field of SME development. Amongst the common findings, it has been realized that funding continues to be the greatest challenge faced within the sector. It has also been realized that there also seems to be a shortage of documented information on the sector bringing out the importance of making funds available towards research and development of the sector.



## **Chapter 3**

### **Research Methodology**

#### **3.0 Introduction**

The intention of this chapter is to elaborate on the methods that were used to collect data and the total population under investigation. It will include a description of subjects, the design and instruments used as well as a justification of why those instruments were selected for purposes of this study.

#### **3.1 Research Design**

Research design refers to the strategy one generally decides to use to combine the different ideas of a study in a way that is sequential and addresses the research problem well. According to Kumar, 1997, it is the plan of what one intends to do. It basically has two functions which are to provide answers to the research questions or to control inconsistencies, (Kerlinger, F.N. 2000).

The researcher made use of a mixed method research design. This was due to the fact that in this design, strengths of one method may be used to deal with the shortcomings of another method. Qualitative methods were mostly used to collect data were appropriate as unstructured interviews and observations were conducted. Questionnaires were also used as a data collection tool. Data was analyzed statistically as it was presented in the form of bar graphs and pie charts were possible.

#### **3.2 Target Population**

Target population refers to the number of people who participated in the research. It looks at the number of respondents who took part and how they were selected to be a part of the study as well.

The study targeted women involved in the SME sector in Harare, a few men in the sector, some officials from the Ministry of SMEs in Zimbabwe as well as a few laymen who are not directly involved in the sector.

A total of 65 respondents were selected for the purposes of the study. This was due to the fact that these were the people who were willing to take part in the study. Three members were selected from the Ministry of SMEs, thirty-two members were chosen from female employees in the sector as well as fifteen men within the sector and fifteen members from the community who are indirectly or not at all involved within the sector.

### **3.3 Sampling techniques**

- Purposive sampling techniques were used where possible as at times the researcher selected individuals they knew possessed the information required for the purposes of the study.
- Convenient sampling techniques were also made use of in other instances. This was when the researcher made use of respondents that were readily available to participate in the study.

### **3.4 Research Instruments**

Research instruments refer to the ways that were used by the researcher to collect the data for purposes of the study. The instruments that were made use of in this study were questionnaires, interviews and observations. The different instruments have different strengths which will be elaborated below.

#### **3.4.1 Interviews.**

An interview can be defined as a face to face assessment that is conducted in order to get information or the views of people concerning a certain issue. Interviews can be structured or unstructured. It has a number of advantages which make a lot of people prefer to make use of it as a data collection procedure. Interviews have strength in that they give room for probing further in the event that the respondent brings out something interesting. Probing further will result in more information that might not have been thought of as being important being collected enlightening the study. Interviews also bring more clarity, in the event that the respondent fails to understand the question being asked, they are free to ask for clarity or even the researcher can seek clarity from the respondent's response. Interviews also give the

researcher an opportunity to observe some of the facial expressions of the interviewee which might have a hidden meaning. These also have low costs because unlike questionnaires, only one copy of the questions is required which belongs to the researcher. These are the reasons why the method has been selected for purposes of the study.

4 interviews were conducted, 2 of which were from the Ministry of Small to Medium Enterprises whilst the other 2 were with women involved in the SME sector.

### **3.4.2 Observations**

Observations were also made use of. This is when the researcher looks at people operate in their natural environment without interference. The researcher observed people in the industry whilst they performed their day to day duties in order to find out how many women are involved, and perform what duties and whether or not they were similar to those conducted by men

### **3.4.3 Questionnaires**

A questionnaire is a list of questions that are written down to which the respondent responds to in writing form. Sixty-one questionnaires were issued to respondents from the Ministry of SMEs, micro business enterprise, and small to medium enterprise as well as general community members. These were used because they gave the researcher a list of standardized data which she could compare. It was also appropriate as it can be administered to a lot of people in a short period of time, which makes it consume less time compared to interviews. Another advantage of using questionnaires is that no names are required on the questionnaire and so give the respondent a sense of confidentiality to say how exactly they feel without the fear of being victimized.

### **3.5 Data collection procedures**

This refers to the whole process of collecting data and how it was conducted. The researcher firstly received a letter from the faculty to present to respondents before proceeding to collect data. In the field, the researcher started off by requesting for permission to conduct their study and presenting the letter from the faculty. After permission was granted to proceed, the researcher went on to explain to the respondents of the issue of confidentiality which was; their

name was not required and they were therefore not required to write their names on the questionnaires as well as mention them and that nowhere in the presentation of data would their names be mentioned. The researcher also explained how the information was to be used, that is for academic purposes only and no other purposes. Respondents were also advised on their right to decide even to discontinue answering when they no longer felt comfortable to do so, or to leave out the questions they are not willing to respond to. After doing this, the researcher went on to distribute the questionnaires as well as conduct the interviews.

At the Ministry of Small to Medium Enterprises' offices, the researcher went with a copy of certified national identification, school identification, letter from the faculty together with a letter she wrote to the Human Resources Personnel. After a day, the researcher was presented with a letter from the Ministry which she made use of to conduct interviews within the Ministry.

### **3.6 Data analysis and presentation**

Data analysis refers to the process of breaking down data and looking into it to gather information that is relevant to the purposes of the study. Bar graphs and pie charts were made use of where appropriate as they are a lot easier to read and to understand. Data was also presented in the form of tables and in some instances in paragraphs.

### **3.7 Summary**

The purpose of this chapter was to illustrate how data was collected, the methods used to collect it, as well as what prompted the researcher to make use of those procedures as well as explain how the data was presented.

## Chapter 4

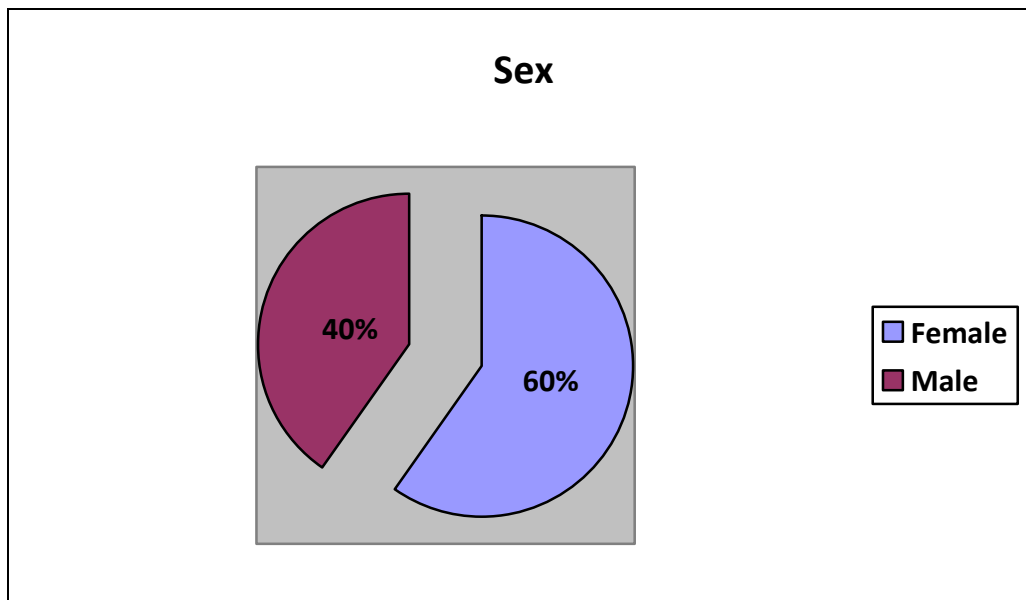
### Data Presentation and Analysis

#### 4.0 Introduction

The purpose of this chapter is to give a detailed analysis of the data gathered through interviews, questionnaires and observations made. It is the researcher's intention to analyze these findings in relation to the information obtained from the literature review. The researcher will also try to present the data in a way that is easy to read and understand.

#### 4.1 Respondents' Characteristics

**Figure 1: Sex of respondents**



60% of the respondents were female whilst 40% of them were male. A total of 65 respondents were selected, however, only 52 participated as 13 did not bring back their questionnaires. Of the 60% of female respondents; 22 participated through answering questionnaires, 2 women in the sector were interviewed, and 1 respondent was from the Ministry whilst 6 women from the general populace took part giving a total number of 31 female respondents.

Of the 40% of male respondents; 14 filled in questionnaires from males in the sector, 1 was selected for interview from the ministry whilst the remaining 6 were obtained from the general populace giving a total of 21 Male respondents.

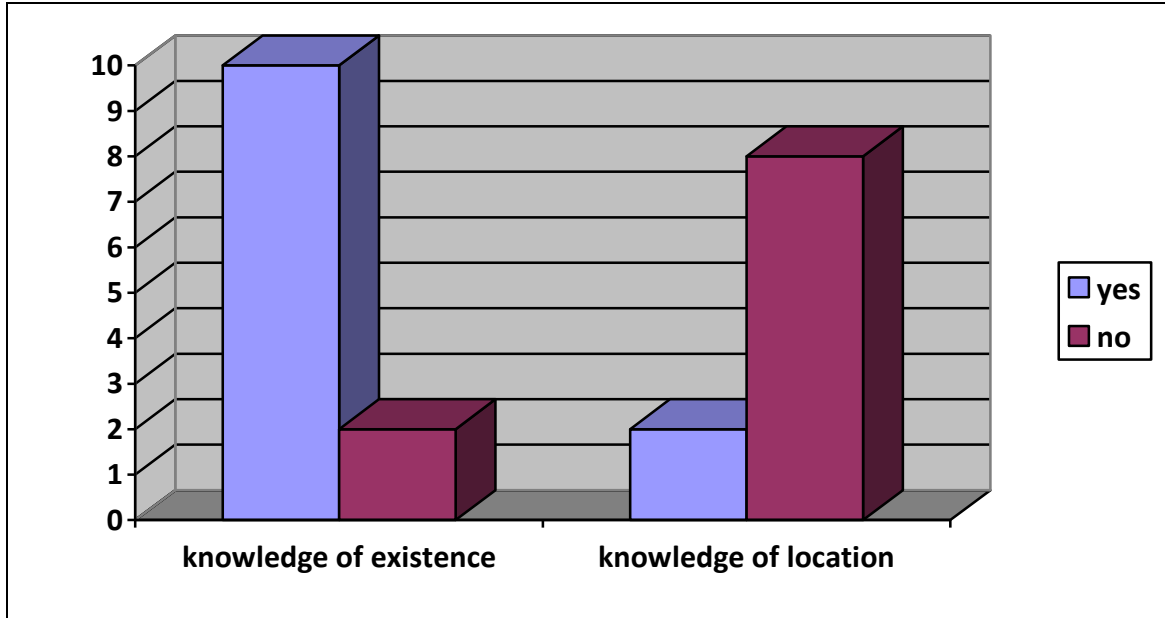
**Table 1: Respondents' level of education**

<b>LEVEL OF EDUCATION</b>	<b>FEMALE IN SECTOR</b>	<b>MALE IN SECTOR</b>	<b>GENERAL POPULACE</b>
<b>ZIMBABWE JUNIOR CERT</b>	4.5%	0%	8.3%
<b>ORDINARY LEVEL</b>	31.8%	21.4%	25%
<b>ADVANCED LEVEL</b>	0%	0%	16.7%
<b>TERTIARY LEVEL</b>	63.7%	78.6%	50%
<b>TOTAL IN PERCENTAGE</b>	100%	100%	100%

Results indicated that the majority of respondents had received a tertiary level of education. These included courses either in dressmaking, Information Technology, Catering or a degree of some sort. This shows that the majority of people who are involved in this sector are educated

## 4.2 Knowledge of existence and location of a Ministry of Small to Medium Enterprises

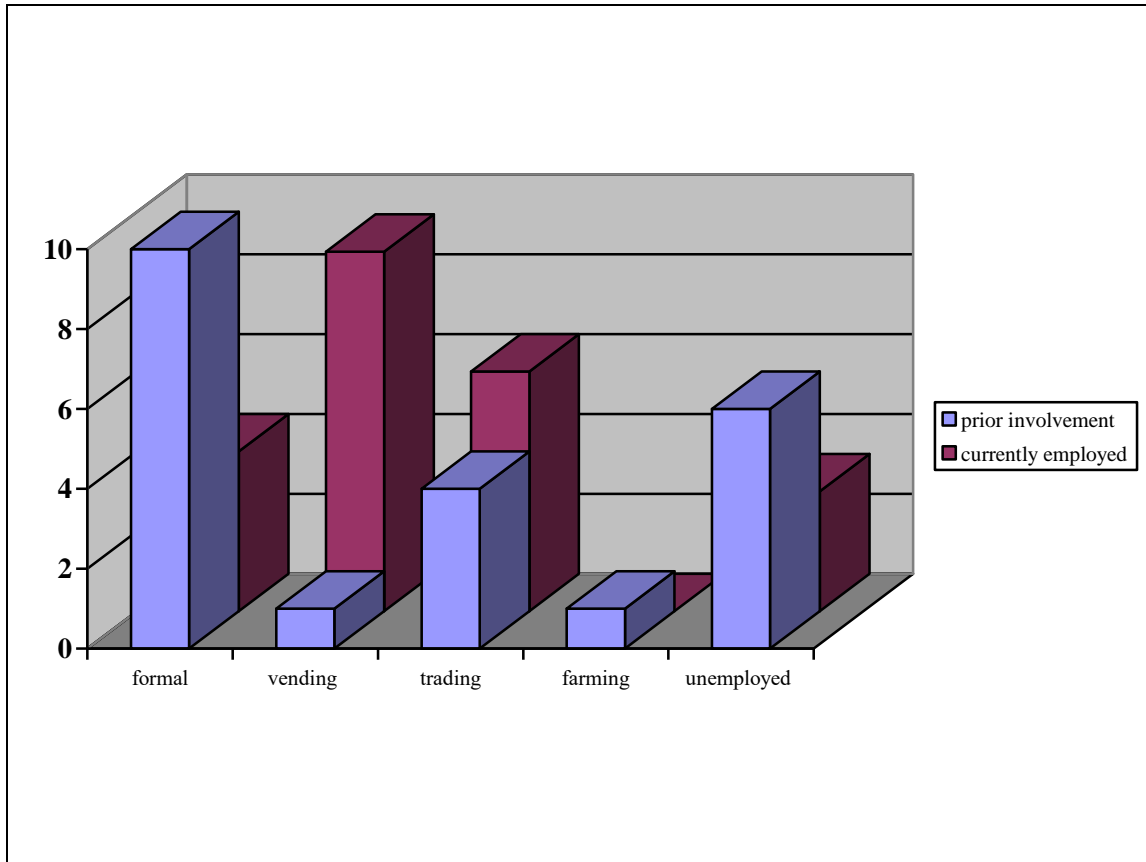
Figure 2: Knowledge on existence and the location of SME Ministry



Of the 12 respondents from the general population asked, 10 were aware of the existence of the Ministry of Small to Medium Enterprises while 2 were not aware. This shows that people in Zimbabwe might generally be aware of the existence of this Ministry. Out of the 10 that were aware of its existence only 2 knew the location whilst 8 were not aware. The fact that people are not aware of its location makes it difficult for people to apply for funding as they would have no idea on where to physically drop their applications which is faster than applying through the internet.

### 4.3 Survival strategies

Figure 3 Comparison between previous and current surviving strategies



22 respondents were asked on how they were previously and are currently sustaining their families. The graph above shows the response from these respondents. The comparison shows that before people had enough knowledge about the SME sector more people were formally employed, but now they have embarked into SME strategies such as vending and trading. Some of the respondents claimed this was their first strategy as they were previously at school. Most of those who were formally employed resorted to the sector because they had been given retrenchment packages. The figures of those unemployed have gone down due to the fact that activities within the SME sector are now considered as employment.

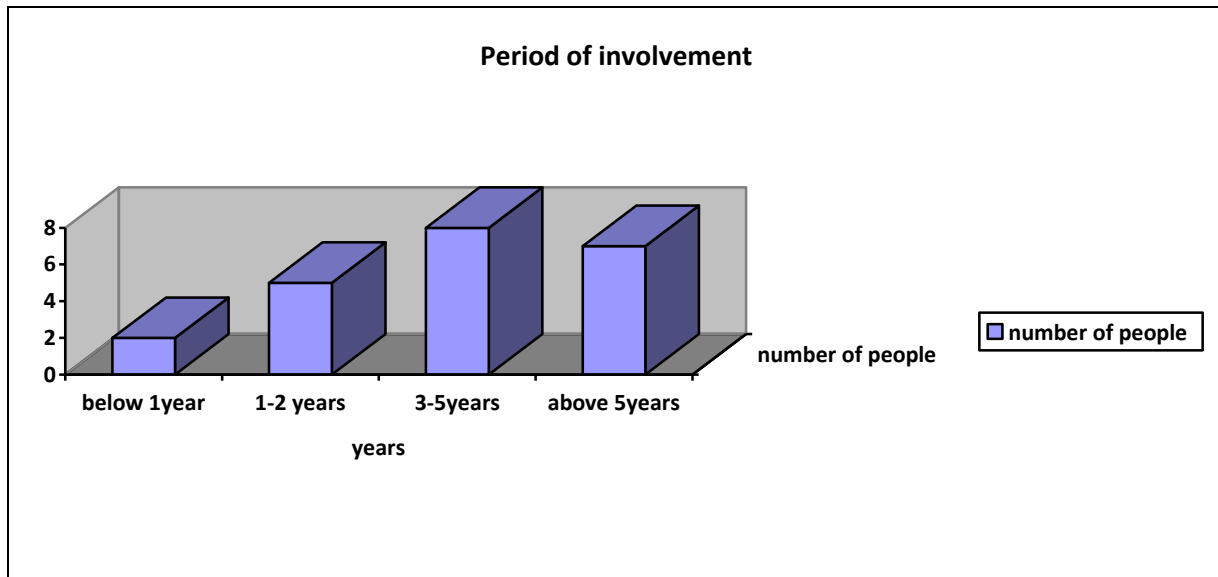
Most of the respondents asked of the survival strategies that the majorities in Harare were employing mentioned vending and trading. In this case vending refers to small scale selling of small products such as airtime, fruits and vegetables. The next strategy mentioned was trading



which ranged from buying and selling clothing items to horticultural products as well as cell phone and entertainment accessories whilst some just mentioned flea markets. Formal employment was also listed as a survival strategy made use of, though not listed by many as most of the people are not involved in formal employment anymore.

#### 4.4 Length of stay in sector

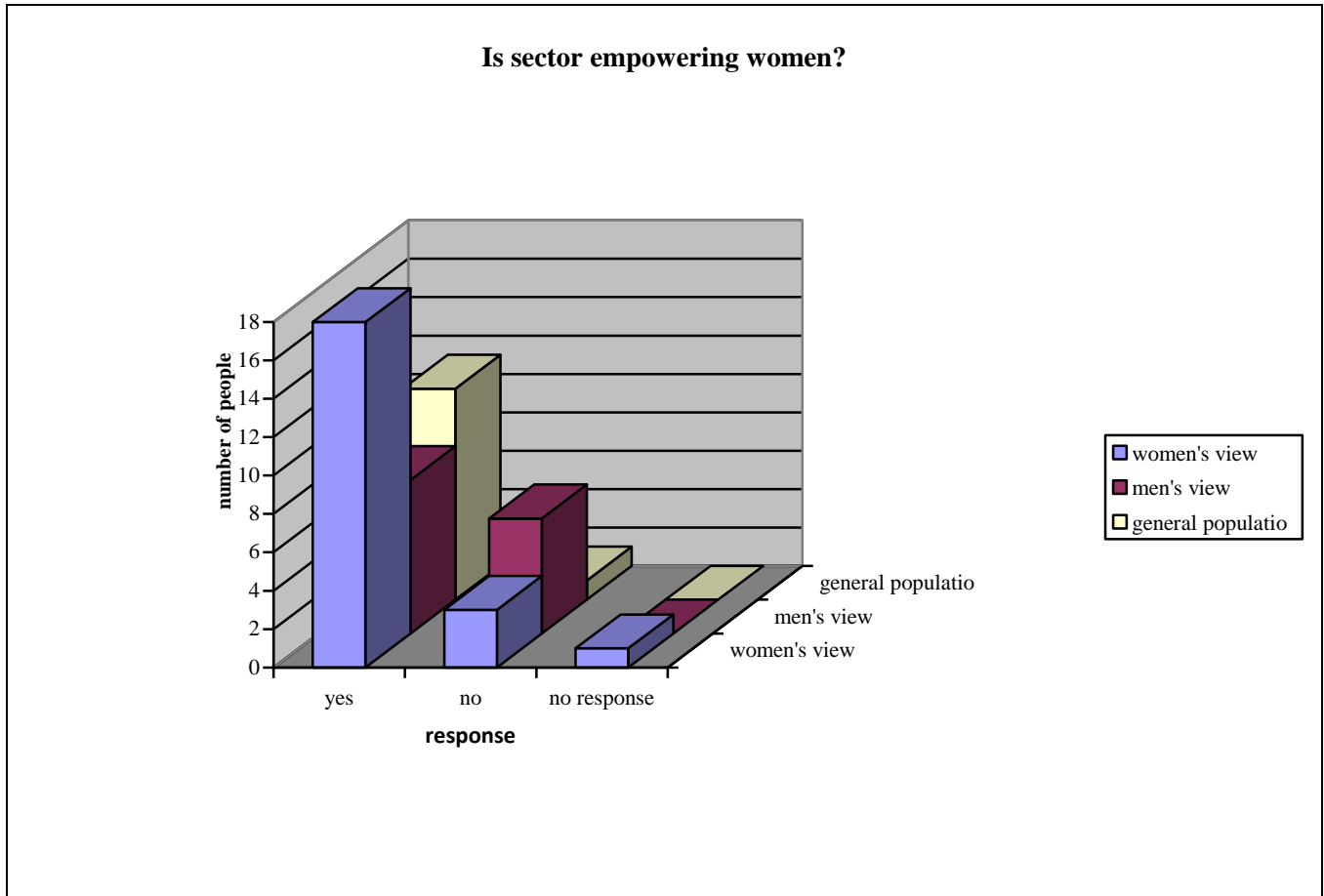
**Figure 4: Period of involvement in SME sector**



The graph above shows that 2 women were involved in the sector for less than a year while 5 women were involved in a period of 1 to 2 years, most of the people were involved 3 to 5 years and above 5 years with 8 and 7 women respectively. Most of the women involved in the sector seem to have worked in the sector for a period of at least 2 years. This shows that there is a bit of stability within the sector as an individual can afford to work within that sector for a period that is as long as at least two years. In this essence, one could also argue that these livelihood strategies are sustainable as people can afford to remain in the sector for a long time showing a stability of employment.

#### 4.5 Women empowerment through involvement in the SME sector livelihood programs.

Figure 5: Is sector empowering women?



Out of the 12 respondents from the general population that were issued with questionnaires, 11 of the respondents felt it had empowered women in Harare in some way while only 1 felt it hadn't. They felt this was the case as they highlighted that women within the sector were now better able to fend for their families and some are now involved in businesses previously conducted by men only. Some also said some women had managed to buy houses with money obtained from businesses within the sector.

Of the 14 male respondents asked, 8 felt that the sector was managing to empower women whilst 6 felt otherwise. Of the 22 female respondents asked, most women in the sector felt that the

sector was empowering them in a number of ways with 18 arguing that the sector had empowered them while 3 argued that it had not and 1 woman did not respond.

From the perspectives of the general populace, the Small to Medium Enterprises' sector has managed to improve the lives of women in Harare. Below is a list of what the respondents had to say:

- The sector has indeed improved the lives of women in Harare as some of them have been issued with loans which they are using to buy more items to enhance their businesses
- Despite the unavailability of formal employment, we have seen several women becoming better able to take care of their families which were missing prior to involvement in the sector.
- Some women we know have become independent as they no longer depend on men for financial assistance and have also become able to make their own choices without consulting the men involved in their lives at all times.
- We have also seen the rates of women who are being abused by men decreasing as they can now speak out for themselves
- Women also have financial resources to take care of their personal needs compared to the past.
- some women we know have been given money to promote the growth of their businesses
- Women are now participating in business activities that were formally dominated by men

All the above points were given by respondents from the general populace as they tried to explain how the sector had managed to improve the living standards of women in Harare. The fact that some women have managed to change their lifestyles and some claim their businesses have grown as they have increased number of assets and some increased number of branches shows that to this extent the sector has sustainable livelihood strategies.

**Table 2: Reasons why men felt the SME sector is empowering/ not empowering women**

<b>Empowering women</b>	<b>Not empowering women</b>
Can now do jobs formally done by men alone	It is hardship not empowerment, that is why they resort to the sector to begin with
Opportunities in business opened for them as they can access funding to indulge in business ventures	Spend longer in towns trying to sustain themselves than at home taking care of their children thus not empowering
In some sectors such as mining, women have cooperatives and housing schemes thus empowered	They should be encouraged to take technical courses, that's empowering not giving them money
Some work in better places than before	
Some developing and designing their own electronic programs	
They now own their own businesses	
They can now educate their children	
Pay rentals and bills	
Become independent	
Can start micro businesses	

**Table 3: How sector changed women’s lives**

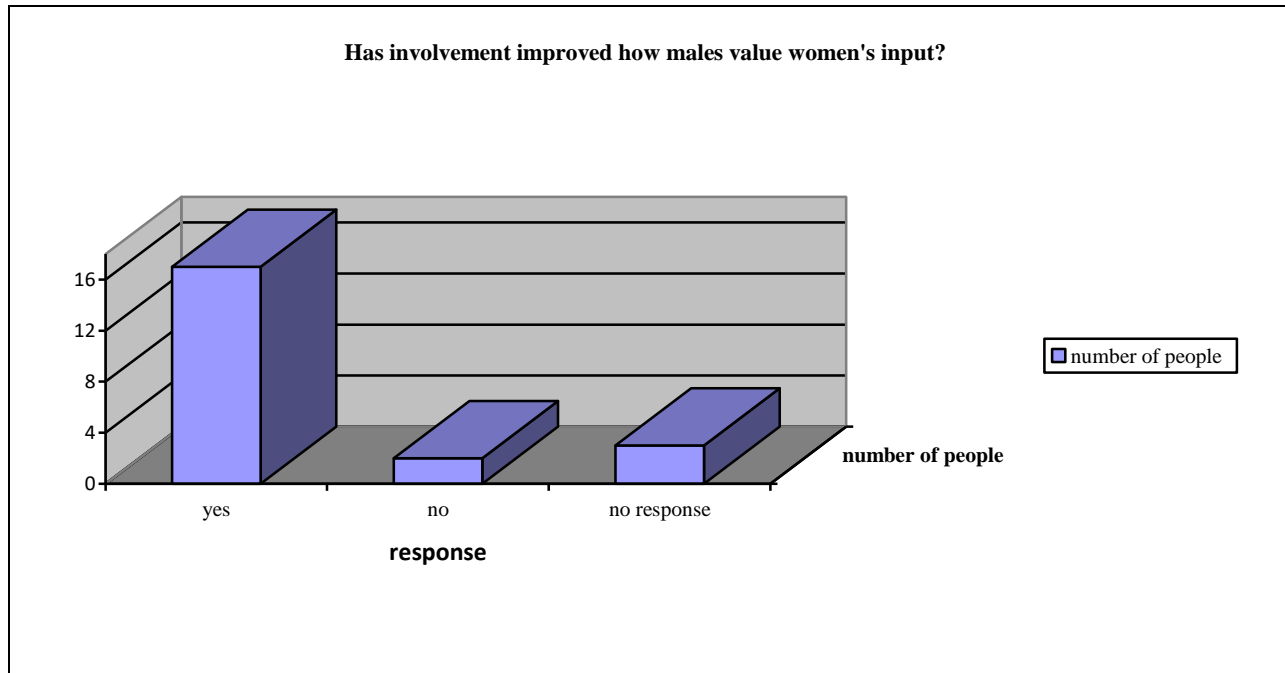
Changed lives	Did not change lives
No longer rely on husband for money	Economy not favorable
Developed new skills in sewing hence now competitive tailor	
Managed to start another branch	
Have own money, no need to ask for money	
Now independent	
No longer travel out leaving family as I changed from being a cross border trader to knitting	
Some bought stands, furniture, cars	

The above information also illustrates a change in lifestyle for the better of most of those involved within the sector which alludes to the point that the sector has sustainable livelihood strategies.

#### **4.6 Has involvement in the sector changed how men value women’s ideas?**

The female respondents were also asked whether or not their participation within the sector had any effect on how their male counterparts view or value their ideas. Below is the result obtained from the question:

**Figure 6: Men’s view of women’s input after involvement in sector**

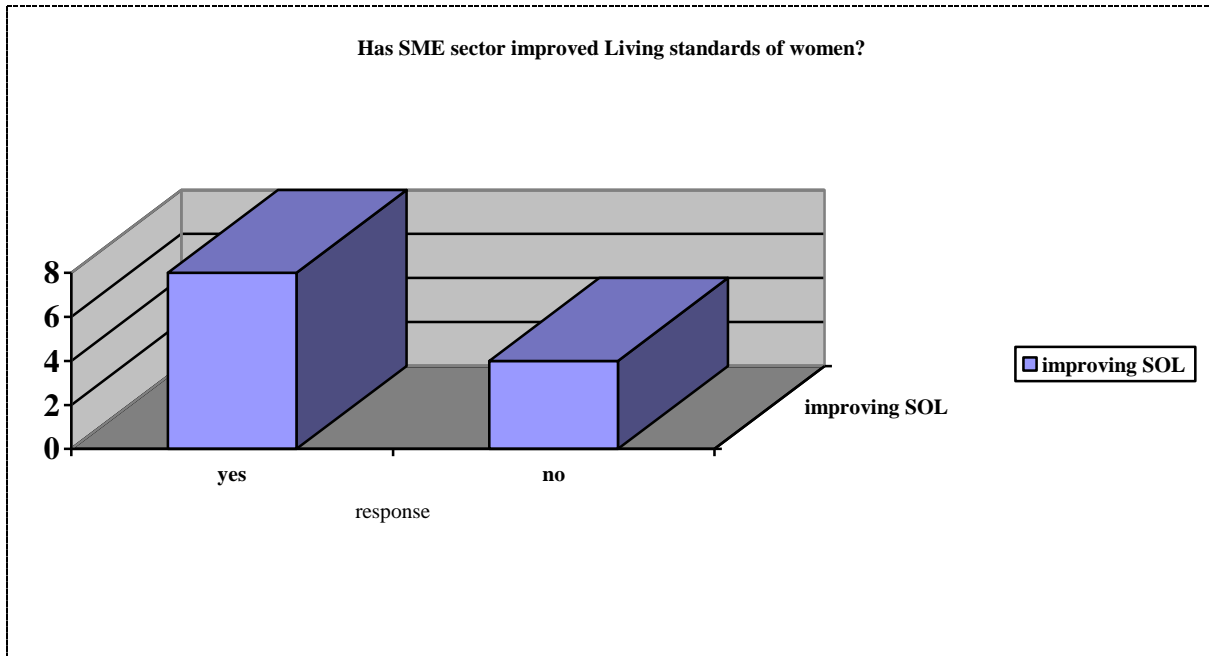


The graph above shows that out of 22 women asked 17 women felt that involvement in the sector had increased the level at which their ideas and input were valued by their male counterpart, while 2 felt that it had not while 3 did not answer. This shows that, the sector has managed to empower these women as they can negotiate better with men since their concerns are now being heard, though some still felt that nothing had changed.

#### **4.7 Improving living standards**

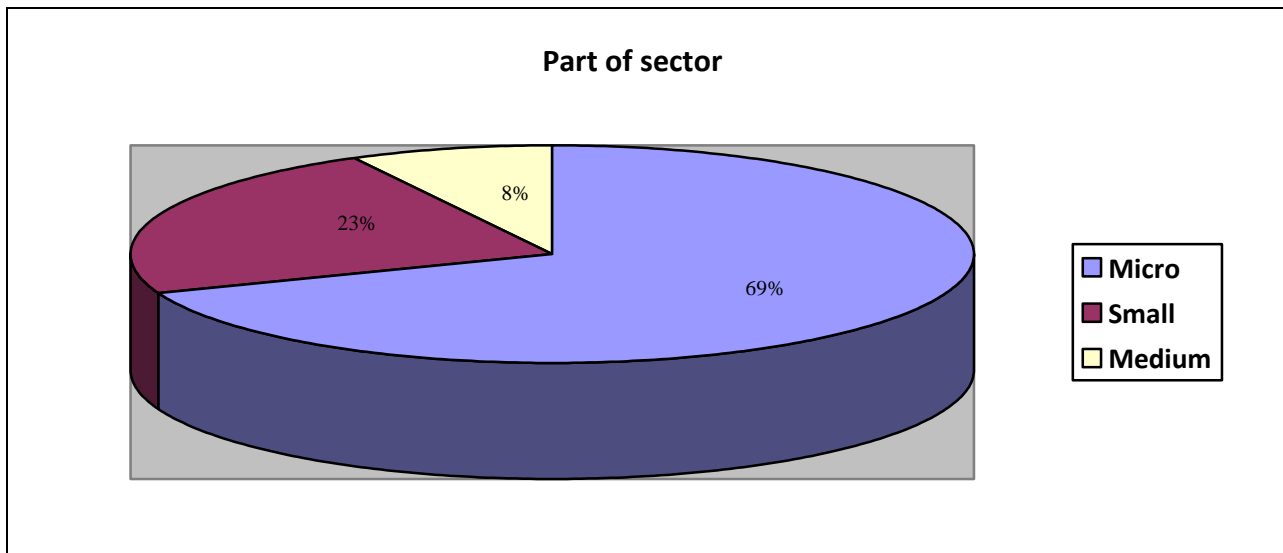
The graph below shows that out of 12 respondents asked, 8 seemed to appreciate the significance of the sector in improving the living standards of women in Harare though 4 still felt that the sector was not responsible for improving their lives in anyway. This information however, illustrates that the Small to Medium Enterprises’ sector in Harare has a significant role to play towards the improvement of these women’s lives. This also shows that to this extent the livelihood strategies being employed by women within the sector are sustainable.

**Figure 7: SMEs and living standards of women**



**4.8 Gender dimensions of the sector**

**Figure 8: Part of the sector occupied by most women**



From the information collected by the questionnaires, the pie chart above shows that 69% of the women involved in the sector were mostly involved in the micro business sector whilst 23% were involved in small enterprises, 8% were in the small enterprises sector with the remaining 1 feeling the majority were in the medium enterprises sector.

**Table 4: Reasons behind being in that part of the sector**

<b>MICRO</b>	<b>SMALL</b>	<b>MEDIUM</b>
Lack of skills and funding/capital for bigger projects	No capital and motivation from responsible authorities	No capital to start own business
Women survive from hand to mouth so in this part of the sector, cash is realized at the end of each day		
Limited opportunities		
Women used to working for others rather than self development so this is the best they can do		
Other sectors are male dominated		
No education and knowledge on how to get help to start bigger business ventures		
They want to be independent		
Micro businesses easier to		



start off		
unemployment		
uneducated		

The information in the above table was given by the respondents as the reasons why women are mostly involved in the part of the sector that they are involved in. Generally, women are said to participate in this part of the sector due to limited availability of funding to partake in bigger ventures.

**Table 5: Sector that pays best**

<b>MICRO</b>	<b>SMALL</b>	<b>MEDIUM</b>
<b>41.7%</b>	<b>8.3%</b>	<b>50%</b>

Of those asked, 41.7% felt that the micro sector pays best whilst only 8.3% felt the small sector pays best with the majority feeling that the medium sector pays best. With this information and the above information which says most of the women are involved in the micro sector, one can argue that women are therefore not in the most rewarding part of the sector as the majority of them are in the micro sector whilst the medium sector is the one that pays best . A pie chart above showed that most women are in the micro business enterprise. The table above shows that the medium sector is the best paying sector. This shows that most women are not involved in the part of the sector with the best remuneration which might be a challenge to the sustainability of the livelihood strategies they make use of as one could assume that they do not get good remunerations as men do.

**Table 6: Jobs conducted by respondents within the sector**

<b>Males</b>	<b>Females</b>
Jewelers	Selling handbags and manicure
Retail	Bridal and clothing retail
Hawking	Internet Cafe
Selling Cake ingredients	Cake making
Boutiques	Ecocash
Electronics	Sales representative
Corporate wear	Dressmaking
Repairs (TV, radios etc)	Knitting
Catering	catering
Information Technology	printing
Hair grooming	Hair salon
Hardware	Car accessories
	Secretary services
	Cross border trading
	Funeral and events
	Poultry

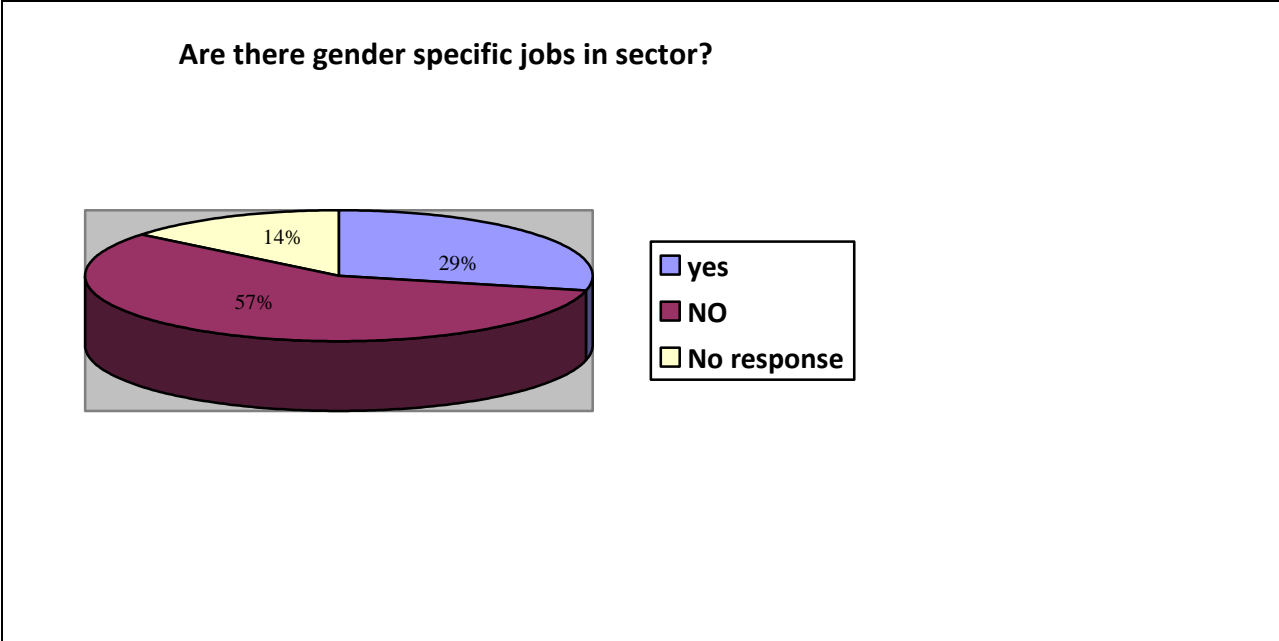
Most of the jobs conducted by men can also be conducted by women except a few. The majority of women are involved in catering, clothing and cross border trading. Men also take part in the

catering, dressmaking and retail industry. The fact that some women can be found doing jobs that are usually done by men also shows that any woman can also partake in the same activities. Women interviewed felt they need to be motivated and supported through provision of funding so they could partake in the businesses conducted by their male counterparts.

### 4.8.1 Gender Specific jobs

Closely related to the above analysis was the question presented to men in the sector on whether or not there were certain jobs within the sector that they considered feminine or masculine. To this question most answered as below;

**Figure 9: Gender specific jobs**



To this question 57% highlighted that there are no gender specific jobs within the sector whilst 29% were arguing that in this era, anyone can do anything; jobs are no longer gender based, whilst 14% did not respond to the question

However, it can still be realized that despite these perceptions, there are still jobs that are male dominated as highlighted by some; these were the jobs they mentioned as being gender specific:

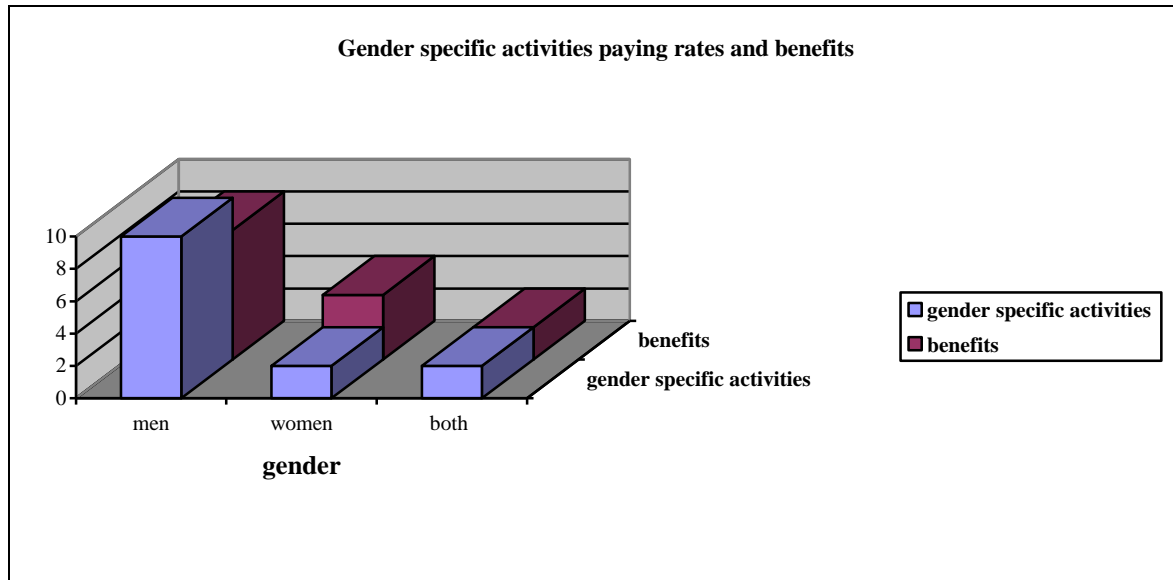
**Table 7: Gender Specific Activities within sector**

<b>Males</b>	<b>Females</b>
IT services	Mushroom production
Repairs( TV, stoves, computers,etc)	Selling vegetables
Plumbers	
Taxi operators (drivers)	

These were the jobs listed as gender specific, however most respondents were arguing that anyone can do any job these days, whether male or female as most men are now engaged in catering services, dressmaking whilst women take part in jobs that were previously male dominated such as construction. Though this is the case, a few women can be found in some of these sectors for sure, which shows that a gap still exists.

## 4.8.2 Remuneration

Figure 10: Better paying activities



From the graph above most respondents felt that the activities conducted by men have a better remuneration compared to those conducted by women as 10 out of the 14 respondents felt so, while 2 felt women have better remuneration and 2 felt both women and men have better remuneration. The fact that men get better remuneration and benefits compared to women could suggest the livelihood strategies within the sector employed by men are more sustainable compared to those done by women.

From the information obtained from the survey, 8 respondents felt men benefit more whilst 4 felt women benefit and 2 felt both benefit. A number of reasons were given by the respondents as indicated in the table below.

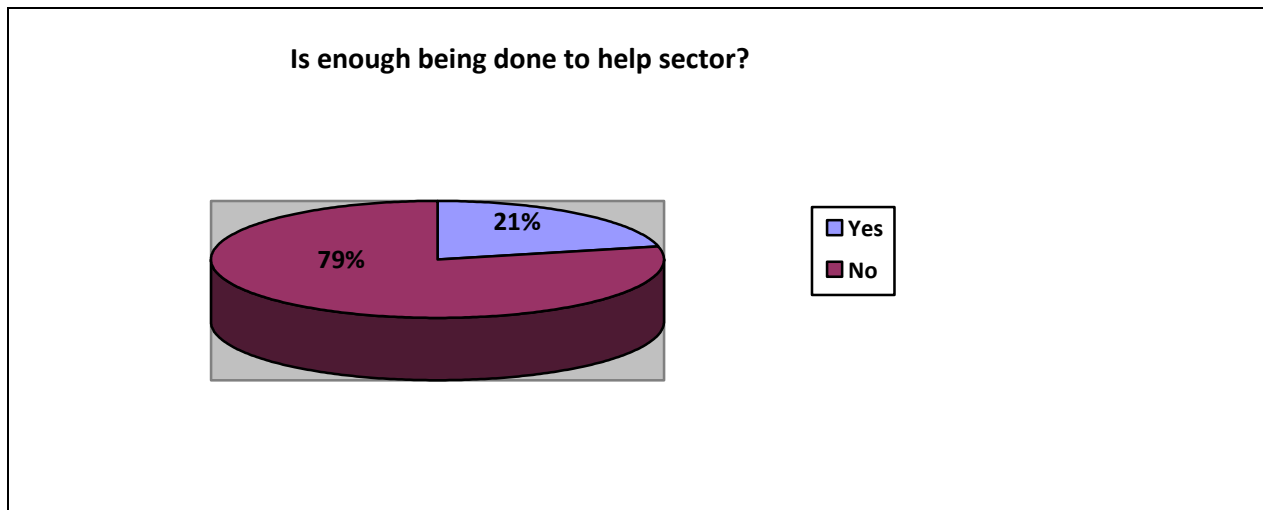
**Table 8: Reasons for benefitting more**

<b>Women</b>	<b>Men</b>
They do most of the work involved in cooking, cleaning and serving within the sector	Men generally work more than women
Baking cakes is mostly done by women.	Men are the ones mostly involved in technical jobs which pay better than jobs conducted by women
They are mostly employed to work in various parts of the sector,	Men are mostly and usually the business owners
	Majority of business within the sector done by men for instance construction, welding, plumbing, repairs etc
	Men take risks

From the information presented above, it seems that the reasons why men benefit more within the sector seem to hold more water compared to those reasons listed on why they claimed women benefit more. As a result, one can argue that it does seem men benefit more from this sector compared to women.

#### 4.9 Significance of external support

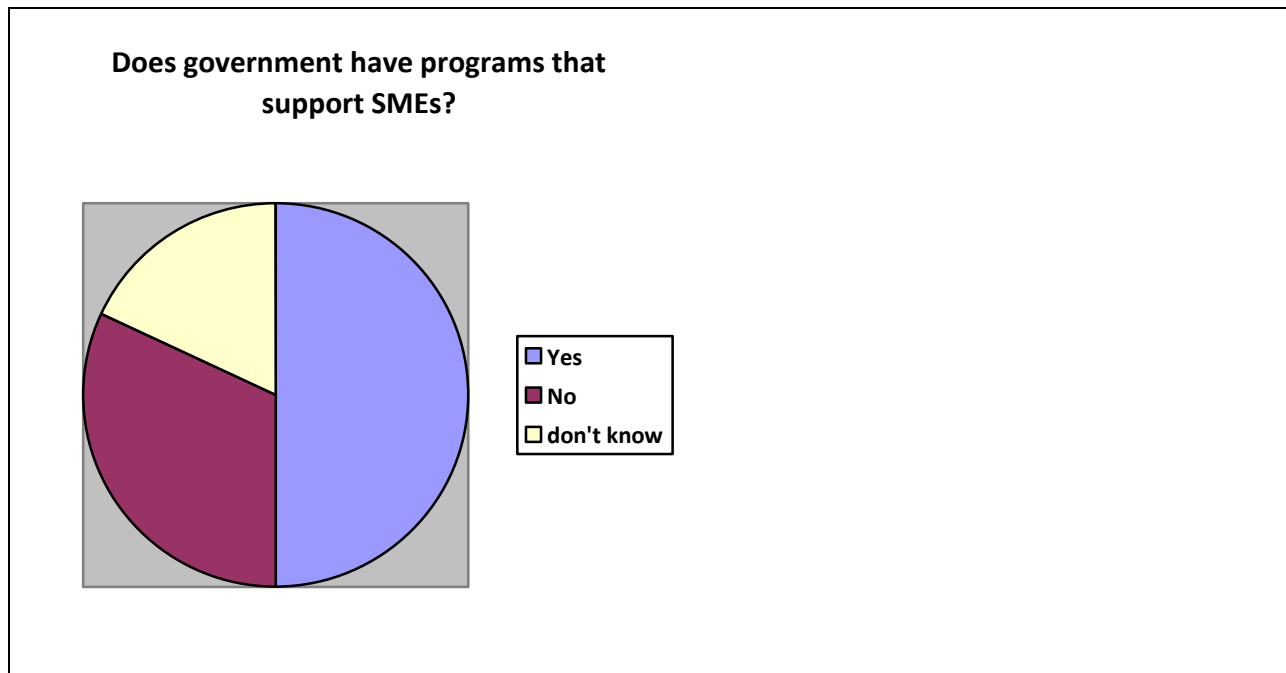
**Figure 11: Significance of government and other stakeholders' support to sector**



The Pie chart above shows that 79% of the respondents felt that the government and the stakeholders involved are not doing enough to assist the sector whilst only 21% of the respondents felt there is adequate government and stakeholder involvement in the SME sector. Most men within the sector felt that women need government and other stakeholders support to assist in the development of their business ventures within the sector. Women also felt that the government is not doing enough to assist them and hence there are more interventions required from the government and other stakeholders involved.

#### 4.10 Women knowledge on government's support schemes

Figure 12: Knowledge on government schemes that support sector



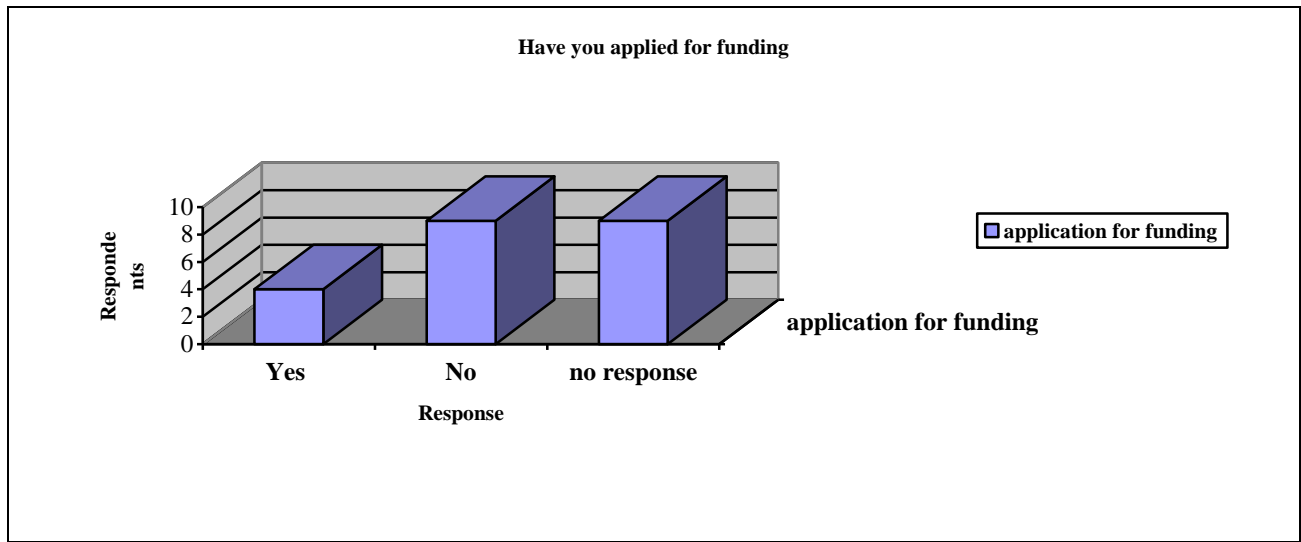
Half of the respondents were aware of the fact that the government does have programs that support the sector whilst half either felt there were no programs or did not know if there were any programs to support the sector.

##### 4.10.1 Access to funding from these schemes

Of those who responded that they were aware of the existence of programs that support the sector, they were further asked whether or not they ever attempted applying for assistance and the responses they received. To this question these were the answers provided;



**Figure 13: Application for assistance**



The graph above shows the response of the people asked on whether or not they had applied for any assistance. Most of the respondents' approached either claimed they had never applied for funding or did not respond. However, only a few claimed to having applied and most said they never received a response whilst 1 claimed to be waiting for the response.

#### **4.11 Data obtained from interviews with people from the Ministry of SMEs**

Two interviews were conducted with respondents from the Ministry of Small to Medium Enterprises' in Harare. The results obtained from the interview were as follows; SMEs in Zimbabwe are defined the same way all over and the definition is obtained from the SMEs' Act [Chapter 24:12] which looks at a number of variables which are; its independence and non attachment to a larger business organization, the number of employees, turnover, capital base amongst others. It was also highlighted that different sectors have different criterion for classifying businesses into either micro, small or medium enterprises but generally, looking at number of employees, micro enterprises have less than five employees, small enterprises-between five and thirty employees whilst medium enterprises have employees between thirty-one and seventy-five.

The Ministry felt that empowering women is critical to the development process of Zimbabwe as women constitute about 52% of the total population which makes the majority in Zimbabwe. They felt that a development agenda that excludes the majority cannot be validated hence the importance of including women. They also felt that especially in the rural areas, mothers are the ones who look after children who are to be tomorrow's leaders, so ignoring women simply means destroying the base hence no development will take place.

The ministry does have arms that support SME development which are all functional. These arms operate in departments which include the business development department, Finance department and research on SME development department. These departments have programs which offer trainings, basic skills on how to run businesses, how to market and information dissemination. They also conduct market linkages and usually have tables at the agricultural show and Zimbabwe International Trade Fair to market their products. There are also supportive in infrastructural development. Their services unfortunately are all embracing hence they do not have programs that specifically assist women, but they believe women are benefitting as they own at least 54% of the SMEs. All they make sure of is there are also women who benefit from their programs though they do not have set numbers as they claim the Ministry of Women Affairs is the one that has programs that are gender specific. Their trainings are also free of any charge.

The selection criteria used to select people who benefit from their programs does not differ and does not put women at a greater advantage but simply depends on the needs of the SMEs in that particular area.

Efforts are also being made to ensure the public is made aware of the existence of the Ministry as well as the programs it offers to help people within the sector.

- The Ministry claims that, once in a while, they discuss matters concerning the Ministry and how to access help on the national radio.
- They also have a website where those with access to the internet and knowledge of how to browse can gain access and information on the whereabouts of the Ministry.

- They also have district offices across the country that is also responsible for information dissemination on what the ministry does.
- They also encourage the development of associations such as the Gaza land SME bay which illustrates what the sector is currently doing

The Ministry is doing the best it can to support the development of the sector though it claims to be facing a lot of challenges in the process. There is a huge demand for support from people which the Ministry is failing to handle. They believe an integrated approach is required in assisting the sector where not only the government plays a role, but other stakeholders and development partners also chip in to support.

The challenges it faces are mostly resource constraints. There is a lack of mobility within the districts as the offices are usually far from the general populace, and there is no fuel to transport and go talk to the people. There is also a limit in funding to even support the projects within the sector to continue running.

The Ministry failed to produce statistics on the number of SMEs based in Harare. This was so because:

- There is no money to gather the information.
- Business entrepreneurs are unwilling to give them information about their enterprises because they say SEDCO is as formal as a bank, therefore getting money from it is very difficult, they are unwilling to share their information with someone who has nothing to offer them, therefore because the Ministry approaches them seeking statistics and nothing else to offer, they are reluctant to give the information.
- Of those who are willing to give the information, the ministry claims it has no capacity to reach all of them as there are too many SMEs operating within Harare and they open and shut down on a day to day basis.
- The Central Business District is not manageable as businesses open and close every day.

However, a rough estimate of approximately 75 000 SMEs in the Central Business District was given which also includes areas such as Graniteside, Eastlea, part of Msasa, Hillside and areas such as Avondale. They also argued that they are not gender biased but help anyone who needs help.

#### **4.12 Observations within the sector**

As the researcher collected data, quite a lot of information was observed within the sector.

Firstly, there are quite a lot of SMEs present in town as one building such as Bart House can have 4 SMEs operating in one room, with a total of 10 to 15 rooms on one floor with about three or so floors, meaning one building can have a total of 180 or so SMEs.

It was also observed that women mostly take part in activities such as selling airtime, selling fruits and vegetables, operate in hair salons, are involved in dressmaking, catering and selling clothes in flea markets and stores. Men were observed to partake in garment making, retail, printing and photocopying services, IT, repairs and catering amongst others. It seemed as though most of those involved in the sector were females whilst a competitive number of males are also available in the sector.

There also seems to be a lack of innovation within the sector which is causing everyone to sell the same things. This has resulted in the market being flooded with the same items which seems to limit customers as everyone is involved in the business of selling and one wanders who is going to buy from whom. It also has an effect of forcing prices to go down as one has to lower their prices so that what they are selling can be bought, whilst customers take advantage of that and bargain for prices to be lowered which works because everyone selling is selling the same things. This might result in the sellers failing to realize a profit for the items sold.

When trying to gather statistics on the number of SMEs available in Harare, the researcher kept being taken back and forth until they were finally informed that no such information can be found. This brings to clarity the point that, those responsible for taking down the statistics must be failing to do so, hence a tendency to try and bring people back and forth with no tangible information until they are exhausted and just leave the issue without getting an answer. There is

therefore a need within the ministry to monitor whether or not people are doing their job as expected of them.

#### **4.13 Information from interviews with women in the sector**

Two women within the sector were interviewed, one being a business owner whilst the other was an employee, being a tailor. Both alluded to the fact that working within the sector was not smooth going but was actually becoming more of a challenge due to economic hardships and cash shortages within the country as people cannot prioritize buying clothes or accessories when they have no food to eat but would rather buy food. Both the respondents were not aware of the programs that support women within the sector and so have never benefited from them. One claimed she heard of a certain program in Highfield that was supporting people within the sector. When she tried to apply, they were told that they had to form a group with ten people. Of the 10 group members, if one fails to attend a meeting the whole group would be cancelled from the program and so she never managed to benefit.

Respondents felt what they were doing was equally fruitful just the need to be serious in whatever business you are involved in. They both felt that the sector was empowering them as they could now afford to take their children to school as well as buying a house. Their involvement within the sector also improved how their male counterparts valued their ideas. One also argued; “when you are not making any financial contribution and you tell your husband that a certain item within the house has been used out, you are at times scolded as if you have wasted but the moment you start working for yourself, how they perceive you immediately changes. Even those who surround you begin to take you seriously compared to the past.”

#### **4.14 Summary**

The findings above show that women within the SMEs sector seem to be benefitting from the sector as their lives have changed for the better and they seem to be better empowered. However, there are areas which are proving to be a challenge for them within the sector which still need addressing like issues to do with funding to start up or continue running their businesses. They also need increased support from the government and other stakeholders that are available to assist people within the sector.

## **Chapter 5**

### **Summary, conclusion and recommendations**

#### **5.0 Introduction**

This chapter aims to bring to an end the research that was obtained from the data gathered. A summary of the research will also be given, together with recommendations on what needs to be done in order to increase the empowerment as well as the development of women within the SMEs sector.

#### **5.1 Summary**

This study sought to investigate the role being played by SMEs in Harare to the empowerment as well as livelihood options of women in Harare. Results have shown that to a larger extent, the sector is playing a vital role towards the empowerment as well as emancipation of women in Harare as their lives have managed to change in a number of ways. However, there is still more that needs to be done to ensure women continue being empowered through the sector and develop better. The objectives of the study were; to bring out the strategies employed by these women and the level of empowerment brought about by these strategies as compared to others amongst others. A literature review on past studies was also conducted.

#### **5.2 Conclusion**

Having carried out this study, it can be concluded that the SMEs sector in Zimbabwe has indeed managed to empower and improve the livelihood options of women in Harare. Despite the fact that economic hardships, retrenchments and unavailability of other means of sustaining themselves have made some of the women within the sector to resort to it for survival, it seems as a survival strategy, the SME sector has actually proven a success towards the lives of these women. Their lives have changed and they are better though not fully empowered as they can now negotiate and be heard by their male counterparts compared to the past, some no longer rely on men for support, are no longer abused because they can fend for themselves and can hence make their own decisions. Some have managed to take their children to school, buy residential

stands and property as well as enlarge their businesses. All resulting from the empowerment they are receiving from the sector which has changed their lives for the better.

However, despite the sector being a success story in the lives of Harare women, there are areas that still need to be addressed in the sector if it is to fully manage to empower women. Such areas include funding which was the greatest challenge highlighted by many. Women also need to be encouraged or incentivized to take part in technical training courses so as to better compete with their male counterparts who seem to dominate the better paying areas within the sector. There is also a need to educate women on how to handle their finances so they know what to prioritize and how to diligently make use of the funds they receive, if any so as to improve their business ventures and not continue seeking financial support from external avenues.

The study can safely conclude that women are as competent as men, are actively participating in the sector, are also getting empowered and have the potential to rise higher within the sector as some have even managed to start their own businesses and are growing in the industry.

### **5.3 Recommendations**

If the SME sector were to fully develop and improve and continue empowering women as well as others within the sector, the following recommendations can be given:

- a) There is need for an integrated approach in helping the sector in which all stakeholders and other development partners capable of funding the sector come together and assist, to avoid over reliance on the government which already is facing challenges in trying to finance the sector
- b) There is need for the sector itself to develop ways in which it can mobilize its own resources to avoid reliance on outsiders which will be more sustainable.
- c) Educating women on how they can better handle their finances and setting their priorities right would be most vital so they do not continue seeking funding due to misuse of available resources

- d) Continue educating women on the importance of self development
- e) Encouraging/incentivizing women so they can take part in technical skills training and areas such as plumbing, construction and even welding that are mostly male dominated
- f) Strict follow up on the Ministry's performance in assisting the sector
- g) The sector can also be assisted by continuing to reduce the inflow of imports and ban importation of second hand clothing which will help those in dressmaking
- h) There is need to continue conducting research and outreach programs to educate women
- i) There is a need to conduct strict follow ups on government departments responsible for conducting research within the sector so that the job is well done and statistics within the sector can be made available
- j) There is a need to opening opportunities on a non partisan basis and providing transparency and communication in the selection process of those who receive funding as some argue they never received feedback which makes them feel as though those who have to provide assistance are failing to do so and yet it could be the case that they did not get a response because they do not qualify or funds were not available at that point in time.
- k) Public awareness campaign by Ministry to show their services, since they complain of financing, this can be achieved by;
  - Making use of posters and flyers in town
  - Liaising with churches so they can inform their congregates of the existence of the Ministry and programs it offers that assist people in the sector
  - Go to schools and tell students who can share with the community
  - Make use of the police force to disseminate information about the support to the sector



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## **ACTS**

1. The Small and Medium Enterprises Act [ Chapter24: 12]

## APPENDIX 1

479 Nzou Crescent

Ruwa

12 September 2016

To whom it may concern

The Ministry of Small to Medium Enterprises

Liquenda House, Cnr Nelson Mandela and 1<sup>st</sup> Street

Dear Sir/ Madam

### **Application to conduct fieldwork**

I am applying pertaining to the above mentioned issue and am interested in conducting research within your premises.

My name is Marilyn Chimbaira, registration number R15933A. I am a student with the Midlands State University and am conducting a study on the significance of the SMEs sector towards the empowerment of women in Harare in partial fulfillment of a Masters' degree in Development Studies. I am seeking permission to distribute some of my questionnaires and conduct an interview within your premises for purposes of this study. Attached is a copy of my University identification card and a letter from the Faculty for your consideration.

I would greatly appreciate it if you assisted me.

Yours faithfully

Marilyn Chimbaira

## APPENDIX 2

### Interview questions-Ministry of SMEs (1)

1. Define SMEs.
2. How do you view the idea of the need to empower women as necessary in aiding the development process of the nation?
3. Does the ministry have arms that support SME development?
4. If yes, how many and how many are currently functional?
5. Are there any that specifically assist women? If yes, please list them.
6. What selection criteria do you employ?
7. Is the process the same for males and females, if not how is it different?
8. What other efforts is the Ministry making to increase the level of women's empowerment?
9. Do you feel as though enough efforts have been made or more still needs to be done?
10. If more needs to be done, what do you feel is missing?
11. How many SMEs are currently registered in Harare, and how many of those are owned by females?
12. Has there been a change in these figures over the years?
13. If so, is it positive or negative and what could be the reasons behind this change.
14. Can I get statistics and addresses of SMEs in the CBD that registered under women?

## APPENDIX 3

### Interview questions-women in sector

1. How are you involved in the sector? Are you a business owner or employee?
2. What type of business are you involved in?
3. Is the business smooth going for you?
4. Are there programs that support the sector? If yes Name a few.
5. Before involvement in the sector, how were you surviving?
6. Other than those in this sector, what other strategies are those who surround you making use of to take care of their families?
7. Which do you feel are more effective, those other strategies, or those within the SME sector? Has the entry into this sector empowered you in any way? Explain.
8. Has it improved your ability to negotiate with your male counterparts, or their level of accepting or valuing your ideas/input?
9. What do you feel still needs to be done to improve women's access to resources within the sector and their participation?



**APPENDIX 4**

**Questionnaire-General populace (20)**

My name is Marilyn Chimbaira; I am a student at Midlands State University. I am carrying out a study on the significance of the Small to Medium enterprises' sector towards the livelihoods and empowerment of Harare women in partial fulfilment of a Masters degree in Development studies. Your input will only be used for academic purposes. Confidentiality will strictly be observed so you are not required to mention your name. Thank you for your participation and please be as honest as possible in your responses.

*Tick where appropriate or fill in the provided gap.*

1. Is there a ministry that supports SME development in Zimbabwe?

YES

NO

2. If your answer to question 1 is yes, where are its offices?

.....

3. What survival strategies is the majority in Harare making use of to survive and fend for their families?

.....

4. Do you think the Small to Medium enterprises' sector in Zimbabwe has a role to play towards the empowerment of women in Harare? YES  NO

5. Is the sector improving living standards of Harare women? YES  NO

6. If your answer to question 5 is yes, how is this so?

.....

7. From your observation, most Harare women are involved in which part of the sector?

Micro

Small

Medium

8. What do you think could be the reason for the majority of them being in that part of the sector?

.....

9. Which of the three do you think pays best?.....

10. What recommendations would you give for the sector, if it were to really make an impact to the lives of women in Harare?.....

**APPENDIX 5**

**Questionnaire-men in sector (15)**

My name is Marilyn Chimbaira; I am a student at Midlands State University. I am carrying out a study on the significance of the Small to Medium enterprises' sector towards the livelihoods and empowerment of Harare women in partial fulfilment of a Masters degree in Development studies. Your input will only be used for academic purposes. Confidentiality will strictly be observed so you are not required to mention your name. Thank you for your participation and please be as honest as possible in your responses.

*Tick where appropriate or fill in the provided gap.*

1. What type of business are you involved in?.....
2. Are you a business owner  or Employee
3. Who do you feel benefits more from the sector? Men  Women
4. Explain your answer to question 3.
5. Are the government and other stakeholders involved doing enough to improve the situation in the sector? YES  NO
6. What recommendations can you give that could help the development of the sector.  
.....  
.....
7. Are there any activities within the sector that are gender specific? YES  NO
8. If your answer to question 7 is yes please state 2 activities and those who do them.  
.....
9. Which activities are better paying? Those conducted by: MEN  WOMEN
10. Do women in the sector need more support from government and other stakeholders?

YES

NO

11. Do you feel women in the sector have been empowered?

YES

NO

12. In what ways?.....

**APPENDIX 6**

**Questionnaire-women involved in the sector (55)**

My name is Marilyn Chimbaira; I am a student at Midlands State University. I am carrying out a study on the significance of the Small to Medium enterprises' sector towards the livelihoods and empowerment of Harare women in partial fulfilment of a Masters degree in Development studies. Your input will only be used for academic purposes. Confidentiality will strictly be observed so you are not required to mention your name. Thank you for your participation and please be as honest as possible in your responses.

*Tick where appropriate or fill in the provided gap.*

1. Which category do you belong to? Business owner  Employee
2. What type of business are you involved in?.....
3. For how long have you been in this business?.....
4. Before entry in this sector, how were you surviving?.....
5. Has your involvement in the sector improved your life? YES  NO
6. How?.....
7. Does the government have programs to support Small to Medium enterprises' development? YES  NO
8. Have you ever tried to apply for help if your answer to question 7 is yes and what was the response.....
9. Do you feel empowered by participating in this sector? YES  NO
10. Did your entry into sector improve how your male counterparts value your ideas?  
YES  NO

11. Do you feel the government has done enough to assist women in the sector?

YES

NO

What recommendations can you suggest on what needs to be done to improve women's position within the

sector?.....

.....

**APPENDIX 7**

**Questionnaire-Ministry of SMEs**

1. Define SMEs.....  
.....

2. Are the Ministry's arms that support the sector doing so successfully?

YES  NO

3. What challenges are these arms facing in their attempt?

4. Do you feel the application process to benefit from these programs is simple for the public?

YES  NO

5. Has the Ministry done enough to support women in this sector?

YES  NO

6. Explain your answer to question 6.

7. From your observation, most women within the sector are involved in the:

Micro  Small  Medium

8. What could be the reasons behind the majority being in that part of the sector?

9. Which of the 3 do you feel pays better?

Micro  Small  Medium

10. Have SMEs improved empowerment and increased livelihood options for Harare women? YES  NO

11. If your answer to question 10 is yes, please explain why you say so?

12. Has the Ministry done enough to ensure the public is made aware of the different programs it has that supports the sector? YES  NO

13. Are any programs meant to support female business entrepreneurs?

YES  NO

14. What do you feel still needs to be done to empower women in the sector?