

Economic Policy Reforms and Meso-Scale Rural Market Changes in Zimbabwe The Case of Shamva District



Edited by
LOUIS MASUKO

Research funded by the Ford Foundation

**Economic Policy Reforms
and Meso-Scale Rural Market
Changes in Zimbabwe**
The Case of Shamva District

edited by
Louis Masuko

© Institute of Development Studies, 1998

CONTENTS

Acknowledgements	v
Introduction	vi

THEME 1

Population, Environment and Resource Use Changes Under ESAP

Chapter 1

Implications of Economic Structural Adjustment Programme on Population and Environment: The Case of Shamva District	3
<i>Naomi N. Wekwete</i>	

Chapter 2

Labour Allocation in Smallholder Agriculture in the Shamva District: A Household Economic Approach	54
<i>Innocent Matshe</i>	

THEME 2

Natural Resource Management, Rural Land Tenure and Use, and Agricultural Markets in the Context of ESAP

Chapter 3

Environmental Issues and Land-use in the Shamva District: A Study of the Impact of Socio-economic Activities on the Natural Environment	107
<i>G. M. Savanhu</i>	

Chapter 4

Land Use Change and Communal Land Tenure Under Stress: The Case of Shamva District	147
<i>S. Moyo, P. B. Matondi, N. Marongwe</i>	

Chapter 5

Impact of the Economic Structural Adjustment Programme on Agricultural Marketing Activities and Systems in a Rural Economy: The Case of Shamva District	201
<i>M. Matanda, P. Jeché</i>	

THEME 3

Small Towns, Small-scale Enterprises and the Role of State Enterprises Under Economic Liberalisation

Chapter 6

Micro and Small-scale Enterprises in Shamva District within the Context of an Adjusting National Economy	253
<i>D. S. Tevera</i>	

ACKNOWLEDGEMENTS

This research was made possible by a generous grant from the Ford Foundation. The researchers extend their profound gratitude to the Ford Foundation for this grant which allowed them to carry out the research and hold workshops, facilitated this IDS publication and will subsidize the publication of a book by the University of Zimbabwe Publications Office.

To Professor Sam Moyo for initiating this multi-disciplinary study, and for sourcing the funding we are truly grateful. The Institute of Development Studies at the University of Zimbabwe housed this project through its entire duration — thanks go to all IDS staff for the various levels of support they offered and especially to Andries Rukobo, Anna Mupawaenda and Brian Raftopoulos.

Special thanks go to the people of Shamva, the smallholder farmers, commercial farmers, business people, Agritex Staff and all members of the Rural District Development Committee (RDDC). To the Chaminuka Rural District Council and the District Administrator's office we are very thankful, and moreso to Mr N'andu and the late Mr Zendera for making our work in the district much easier.

We extend our gratitude to the Development Aid from People to People (DAPP) Ponesai Vanhu Training Centre and the DAPP Frontline Institute who provided the enumerators with accommodation during the data collection period. Numerous scholars and friends provided support at various stages of this project.

The research team would also like to thank Naomi Wekwete and Louis Masuko for coordinating this research project and Prosper Matondi and Petronella Jeché for work done as Research Assistants to this project.

We are indebted to Maurice K. Mutowo of the University of Zimbabwe Publications Office for copy-editing the manuscript and Dick Masala for typesetting this book.

Finally, we would like to thank members of the research team for the great team spirit they displayed which made this project a success.

Chapter 6

MICRO AND SMALL-SCALE ENTERPRISES IN SHAMVA DISTRICT WITHIN THE CONTEXT OF AN ADJUSTING NATIONAL ECONOMY

D. S. Tevera

Department of Geography, University of Zimbabwe

1.0 INTRODUCTION

1.1 BACKGROUND

Rural non-farm activities, ranging from manufacturing to provision of goods and services provide about a quarter of rural employment in Zimbabwe. Self employment in the MSEs (micro and small-scale enterprises) sector is the leading source of rural non-farm employment. In Zimbabwe MSEs based in rural areas and small urban centres are involved in a variety of activities including (a) production of light manufacturing such as carpentry, metalwork, dressmaking, crafts; (b) provision of commercial services, such as transport, retailing of second hand motor vehicle spares, spray painting, vegetable and fruit vending; (c) building and construction, such as brickmaking, erection of security gates and construction of low-cost housing. These services and goods are offered at competitive prices which are lower than those charged by large-scale enterprises. Nation-wide almost 25% of rural and small town (less than 20 000) households engage in micro and small-scale enterprises.

In Zimbabwe interest in MSE development emanates from widespread concern about high unemployment levels (which is over 40% in the formal sector) and the inability of the public sector to generate economic growth throughout most of the post-independence period. The problem of unemployment has intensified since the implementation of the Economic Structural Adjustment Programme (ESAP) in 1991 (ZCTU, 1992; *The Herald*, 1994; Tevera, 1995). Available official retrenchment figures which need to be treated with caution, indicate 10 840 private sector and parastatal job losses as a result of retrenchment from January 1991 to the end of February 1993, and 6 543 public sector job losses for the period June 1991 to November 1992, together representing about 1.5% of formal sector employment and 10% of the annual number of school-leavers (ILO, 1993). Studies in urban Zimbabwe have shown rising unemployment and the sustained decline in family income. It is estimated that by 1999 almost 90 000 jobs will have been lost in both the private and the public sectors because of retrenchments thereby bringing the official unemployment figure to about 2.5 million. It appears that the link between the increase in unemployment and the number of MSEs in both rural and urban areas is not accidental.

A combination of external and internal factors, such as negative terms of trade and a low level of gross fixed capital formation respectively, accounts for the failure of the Zimbabwean economy to generate growth and employment since the mid-1980s. Less than 1.5 million people are formally employed in a total population of 12 million while about 1.8 million are engaged in small-scale agriculture and the remainder are either unemployed or engaged in non-formal sector employment. There are more than 845 000 micro and small-scale enterprises employing approximately 1.6 million people and more than half of these are one person owned/operated informal businesses.

The government has pursued various policies intended to promote the development of MSEs and to indigenise some sectors of the economy, such as mining, manufacturing and distribution. For example, the Credit Guarantee Company of Zimbabwe (CGCZ) (formerly FEBCO), Small Enterprises Development Corporation (SEDCO), the Venture Capital Company are organisations that were established with the goal of facilitating the growth of MSEs. Also, the government has made several policy pronouncements that show its intention to promote MSEs, especially those based in rural areas (Government of Zimbabwe, 1981, 1988, 1994; Chinamasa, 1994). In Zimbabwe government has promoted MSEs for at least three reasons: First, as a means to create more employment and income earning opportunities for the poor and thereby help to contribute to a redistribution of income. Second, in order to achieve economic independence by promoting industrial enterprise among nationals. Third, in order to promote economic development of rural areas (especially the largely subsistence communal and resettlement areas) and small towns.

In October 1990 the Government of Zimbabwe officially launched the Economic Structural Adjustment Programme (ESAP) whose objectives included the expansion of goods for trade, the removal of balance of payments constraints, and the restoration of a sustainable balance between aggregate demand and supply of goods. The programme whose implementation began in 1991 intended to increase real incomes and lower unemployment by generating sustained higher economic growth through the transformation of the economy to make it more competitive and productive (Government of Zimbabwe, 1991). The transformation involved departing from a highly regulated economy to one where market forces play a dominant and decisive role.

Like most ESAPs, the reform package that was unveiled had four main elements; namely fiscal and monetary policy, trade liberalisation, economic deregulation and social dimensions (Hodd, 1987; Riddell, 1992; Cornia, 1993; Osirim, 1994; Tevera, 1995), all of which have impacted on the development of MSEs both positively and negatively. For instance, trade liberalisation may be beneficial to MSEs through increased access to imported inputs and lower prices because of tariff reduction and a more competitive input market. Similarly,

deregulation may have potential benefits such as access to previously restricted markets and reduced labour costs. On the other hand, some of the negative implications of the economic reform programme include input price increases and the crowding out of small enterprises by large business. Since the introduction of ESAP the economy has shown signs of a deepening crisis characterised by: (a) higher inflation, which in the early 1990s was over 30%; (b) intensified de-industrialisation, following the relocation by some firms to Botswana and South Africa; (c) increased unemployment; (d) stagnant salaries in real terms; (e) and the vulnerable groups' inability to meet basic needs such as food, shelter, education and health. In both urban and rural areas, households suffer from the effects of stagnant wages and galloping inflation of basic consumer items, such as food, and the erosion of social services (Maya, 1989; ZCTU, 1992; Kanji and Jawdowska, 1993; Tevera, 1995) — with food prices and transport fares rising rapidly. At the same time, social services have been cut, often disproportionately.

1.2 AIMS AND IMPORTANCE OF THE STUDY

MSEs in Zimbabwe have not been subjected to the same degree of comprehensive and systematic analysis as SMEs and there is limited academic literature that evaluates the impacts of ESAP on the performance of MSEs. This study attempts to fill the existing information gap and to serve as a benchmark to start building up relevant statistical information on this sector. The study examines MSEs in selected wards of Shamva District in the broader context of their adaptation to a structurally adjusting economy. Also, it is hoped that the study will contribute to the on-going debate on how various sectors of the economy have performed since the implementation of ESAP. The research is conceptualised within the context of government's current efforts to promote non-farm enterprises in the communal areas, and the limited knowledge of the dynamic of the development of non-farm employment. Although this study investigates the dynamics of MSEs in Shamva District the findings are of relevance to those with an interest in enterprises of comparable size elsewhere in the country. It is hoped that the research will assist policy-makers to have a realistic appreciation of the role played by MSEs in rural and regional development.

The aims of the study are as follows:

1. To examine the structure and development potentials of micro and small-scale enterprises (traders, agro-processors, etc.) in the rural economy of Shamva District;
2. To provide a profile of the entrepreneurs of MSEs in the district and examine how ESAP and non-ESAP related factors have facilitated or hindered the growth of their businesses;
3. To evaluate the existing linkages between MSEs and other sectors of the economy.

1.3 RESEARCH METHODOLOGY

The methods that were used for data collection are as follows: structured interviews involving questionnaires and focus group discussions. The questionnaire survey of 115 MSEs provided various quantitative measures such as profiles of the businesses and their needs but did not provide in-depth insights. The focus group discussions provided a qualitative dimension to the quantitative data obtained from the questionnaire survey. The rationale for conducting focus group discussions was to enable further information to be gathered from the MSEs operators and local authorities. Also the focus group discussions were intended to capture issues such as the respondents' concerns and opinions. Focus group discussions were held at Chaminuka Rural Council offices with a representative group of MSE operators who were invited from throughout the study area.

Secondary data sources on ESAP in Zimbabwe were examined in order to provide the correct context for investigating its impact on MSEs. Also, unstructured interviews were held with persons possessing knowledge about the situation of MSEs in the country. Examples are officials from local and central government, and representatives of the IBDC, NGOs, peasants/farmers.

A rapid rural appraisal carried out before the main survey on 16 January 1996 provided the basis for selecting a sample of 115 MSEs from the study area. Interviews were conducted using a standard questionnaire in order to ensure a homogeneous basis of data. In order to avoid misunderstandings it was decided to conduct the interviews in Shona which is the language spoken in the study area.

Stratified random sampling was used to select the 115 MSEs that were interviewed. The MSEs in the study area were stratified in order to ensure that the enterprises interviewed would come from all branches of MSEs in the study area. After the MSEs were divided into sub-sectors including retailing, personal services, transportation, milling, small scale manufacturing and trading in gold, a random sample was taken in each sector.

Fieldwork in the eight selected wards was conducted by a team of seven field assistants from 22 January to 16 February 1996. The team, comprising students from the University of Zimbabwe and 'O' level school leavers recruited from within Shamva District, was trained prior to their involvement in the field. Table 6.1 shows the wards that were involved in the study while Figure 6.1 shows the locations of the study area.

In order to facilitate analysis, quantitative data were fed into the computer and then analysed using the SPSS statistical package. Qualitative data collected during focus group discussions with the operators of MSEs were used to help provide meaning to the quantitative data.

Table 6.1 Locations of MSEs that were interviewed

Locations	No. of Respondents
Shamva Town	9
Shamva Mine	3
Wadzanayi Township	9
Madziva Township	12
Mutumba	1
Muingamombe	2
Mupfure	4
Nyamuparadzi	1
Murira	2
Sanye	3
Mushowani	1
Chimbira	2
Shashi/Nyahumbe	1
Nyamuro	2
Chakonde	9
Madziwa Mine	5
Hove	2
Kasimbwi	2
Gono	2
Principe	1
Chihuri	2
Zvirungurira	3
Nyakukunda	5
Chidembo	4
Mazwi	3
Dikitira	1
Tongogara	2
Goora	9
Mupfuti	4
Bradley	2
Mukonokoni	1
Jiti	1
Bvuma	1
Chichera	1
Kajakata	1

1.4 LIMITATIONS OF THE STUDY

A major limitation of the study relates to the quality of the data that were collected from the respondents. One of the problems that a researcher has to grapple with when collecting data on MSEs is lack of precise data. For example, because most entrepreneurs did not keep records it was impossible to get data on monthly incomes, operating costs and revenues. Yet such information is of vital importance if one wants to establish growth potentials of MSEs. Because of the lack of precise data the study is based largely on the memories and

perceptions of the operators. In the light of the above limitation the initial intention to assess the impact of ESAP on MSEs according to criteria that included changes in business turnover and operating profits had to be abandoned. Furthermore, studies of absolute changes in the number of MSEs in the study area before and during ESAP were made impossible by lack of official statistics. However, despite the above weaknesses considerable information was gathered and the results of the study remain useful.

1.5 ORGANISATION AND SCOPE OF THE STUDY

The report is divided into four parts. The first part provides some background information. Part II addresses some definitional issues and examines the main issues emerging from the available literature on MSEs in Zimbabwe and elsewhere in Africa. Part III provides a brief background of Shamva District. Part IV provides a profile of MSE operators and examines the location, types and size of MSEs and their linkages with other sectors of the economy mainly using primary data collected in the field from 22 January to 16 February 1996. The part also examines the perceptions of the operators of the impacts of the Economic Structural Adjustment Programme (ESAP) on the sector. Part V is the conclusion and it highlights the principal findings of the study and evaluates their significance in terms of the current policy debates on MSEs.

2.0 MICRO AND SMALL-SCALE ENTERPRISES: LITERATURE REVIEW

2.1 INTRODUCTION

In the literature MSEs are widely assumed to offer significant development potential (Helmsing, 1987; Pedersen, 1989; Liedholm, 1990; Rasmussen, 1992b). In South East Asia MSEs have played an important role in the classic development success stories of, for example, Japan, and Taiwan. But what exactly are MSEs? Although the definitions of MSEs are abundant there is a general lack of a universally accepted definition. Some of the definitions focus on measures such as number of employees and volume of sales while others prefer to pay attention to total capital assets and capital per worker. Generally the definitions of MSEs vary from country to country and over time. For example, in Taiwan the definition is based on the level of capitalisation while in Korea it is based on the number of employees.

The Zimbabwe Development Bank defines a small scale enterprise as a business with paid up capital in the range of Z\$100 000 to Z\$300 000. The definition is too restrictive and does not cater for sole proprietors, co-operatives and partnerships and businesses which are unregistered. According to the leading commercial banks in the country an MSE is a business with a working capital of Z\$80 000 to Z\$100 000 and net fixed assets not exceeding Z\$250 000.

In this study, any enterprise, whether formal or informal, with less than 25 workers is considered an MSE. Within the Zimbabwean context the informal sector enterprises are defined as those whose operations are not registered in terms of the Companies Act (Chapter 190) and the Factory and Works Act (Chapter 283). Characteristically informal enterprises do not submit any final accounts and do not pay any corporate tax in terms of the Income Tax Act (Chapter 181) and are not recorded in national economic statistics. There is increasing empirical evidence, however, that some businesses which are now formal had humble origins as informal businesses which managed to transform themselves over time.

2.2 MSEs IN AFRICAN INDUSTRIAL DEVELOPMENT

The major difference between micro and small-scale enterprises is that, within the African context, the former generally employ not more than five persons while the latter often engage as many as 25 full-time employees. In both cases, however, production and sale of goods and services tends to be household-based in the rural areas while in small urban centres the marketing of goods and services is predominantly market-based.

A consensus emerging from the international literature on MSEs is how to create a policy environment that enables these enterprises to contribute to industrial and economic development (Liedholm, 1990; *Financial Gazette*, 1994; Rasmussen, 1995). According to economic planners and researchers, the small-scale enterprises sector plays a crucial role in industrial and economic development. It is widely accepted that they perform a crucial role in the economy as they fill the economic niches left vacant by large enterprises (ILO, 1985; Helmsing, 1986; 1987; Pedersen, 1989). Surprisingly, however, the sector has not been accorded sufficiently high priority on the development agenda of many African countries. In fact the policy environment in some countries discriminates against MSEs as is the case in Tanzania where tax, regulatory and financial access constraints decrease as one moves up the hierarchy from small to large enterprises.

According to trade liberalisation theory, laws and regulations that enterprises are required to comply with (e.g. labour laws, tariffs and land use planning regulations) invariably serve as impediments to industry. It is in the light of this that various liberalisation formulations are in favour of deregulation as a policy instrument whereby by-laws, planning regulations, tariff structures are all simplified (Rasmussen, 1992a; Chimanga, 1993).

The combined effect of ESAP on the urban population, especially the low income, would be to force them to resort more to informal sector activities such as street trading, waste scavenging and cross-border trade. However, this practice has been going on even during the period of food subsidies and is not possible

to link entry into the informal sector to the removal of subsidies although the removal intensified the problem (Maya, 1989; Tevera, 1995).

Following the attainment of independence most African governments embarked on indigenisation policies that were based on the development of small-scale and medium-size industries (Tevera, 1996). In Kenya during the 1980s the industrial estates programme for formal small-scale enterprises was an important vehicle utilised to promote and develop the small-scale industry sector (Norcliffe *et al*, 1984).

It is important to understand the dynamic of the relationship between rural non-farm activities and other economic sectors when promoting the former. Similarly, knowledge of the social implications of an expansion of the rural informal sector and small-scale industry is quite limited. There is, therefore, need for studies that focus on changes in macro-economic indicators, national employment patterns and declining access to social and infrastructural services (Moyo, 1995).

Informal sector enterprises form an important part of the MSEs in Africa. However, the sector is very diverse and usually consists of individuals who, despite capital and legal constraints, utilise their own individual resourcefulness to generate employment and income. Following international studies by the ILO in the 1970s, MSEs have since gained recognition from both policy makers and researchers because it is believed that they have a significant role in:

- Employment creation and motivation for self reliance;
- Provision of quality but cheaper goods and services both for the rural and urban markets;
- Efficient utilisation of discarded local raw materials or by-products of formal sector operations;
- Conservation of scarce resources such as foreign exchange;
- Skills training through informal apprenticeships at little or no cost to the public; and
- Offering unmatched potential for job creation and economic growth in rural areas and small towns where, because of the general lack of infrastructure and markets, large enterprises are unwilling to consider as possible locational sites for their operations.

2.3 MSEs IN ZIMBABWE

MSEs in Zimbabwe are highly heterogeneous and often operate under diverse market conditions, and employ varied means of production ranging from quasi-cottage systems to automated assembly line systems (Moyo, 1991). The range includes growing and profit-making enterprises as well as poorly managed establishments lacking the financial and managerial resources necessary to adapt to a structurally adjusting economy which is highly competitive.

The growth of MSEs during the pre-independence period was slow due to unfavourable government policies that were hostile to a sector associated with the informal economy and Blacks. To redress the problem the majority rule government has produced several policy documents that indicate its willingness to promote the MSEs sector (Government of Zimbabwe, 1981; 1982; 1983; 1986; 1988). However, although its stance toward MSEs and the informal sector in general was relaxed, local government still continued to require registration of hawkers, vendors and other informal operators. Since about 1992 government adopted several measures that were more supportive of MSEs and these include the establishment of flea markets within urban areas, the formalisation of emergency taxis and backyard industries (Government of Zimbabwe, 1991, 1994).

Indigenous investment in the rural areas has taken the form of inputs into arable agriculture, small general dealers and bottle stores. These ventures have generated few benefits for the rural population in terms of employment, provision of basic services or backward-forward linkages to the rest of the economy. Private sector response to government initiatives to foster indigenous entrepreneurial activity in rural areas in the productive activities has been mixed. The Poverty Alleviation Action Plan (PAAP) has made budgetary provisions for the development of MSEs. The ESAP 2 (ZIMPREST) document places emphasis on the promotion of small and medium scale enterprises. ZIMPREST is the second phase of the economic structural adjustment programme and is scheduled to be implemented in 1998 after a one-year delay.

Many studies have been conducted on small-scale enterprises in the country (Davies, 1978; Helmsing, 1986, 1987a, 1987b; Mkandawire, 1985; Mugambiwa, 1991; McPherson, 1991; Rasmussen, 1992a; Tevera, 1994). Rasmussen (1992b) conducted a study on the internal and external organisation of MSEs in Zimbabwe within the context of flexible specialisation. He noted that despite the bureaucratic barriers, many MSEs had been established during the 1980s although the majority failed. According to Rasmussen (1992b) MSEs in Zimbabwe are handicapped because they are expected to compete with established large enterprises which enjoy all the benefits of a protected sector. A Gemini baseline survey on Zimbabwean MSEs estimated that over 845 000 such enterprises existed in the country and employed more than 1.5 million people. About two thirds of these enterprises are located in rural areas and most of them are very small and employ an average of 1.8 workers each and about 1% had access to credit facilities. The studies have produced some interesting results, but since most have been confined to large and intermediate urban centres, they have not been able to capture the situation in the small-scale urban centres and rural areas.

MSEs were also provided with assistance by the government as part of a broad strategy to indigenise the economy, generate employment and economically

In Zimbabwe MSEs are dominated by blacks the majority of whom have not been able to transform their enterprises into viable and big organisations. The reasons for this are varied and they include a pervasive lack of training and experience, favourable policy environments and incentive structures.

3. 0 THE STUDY AREA

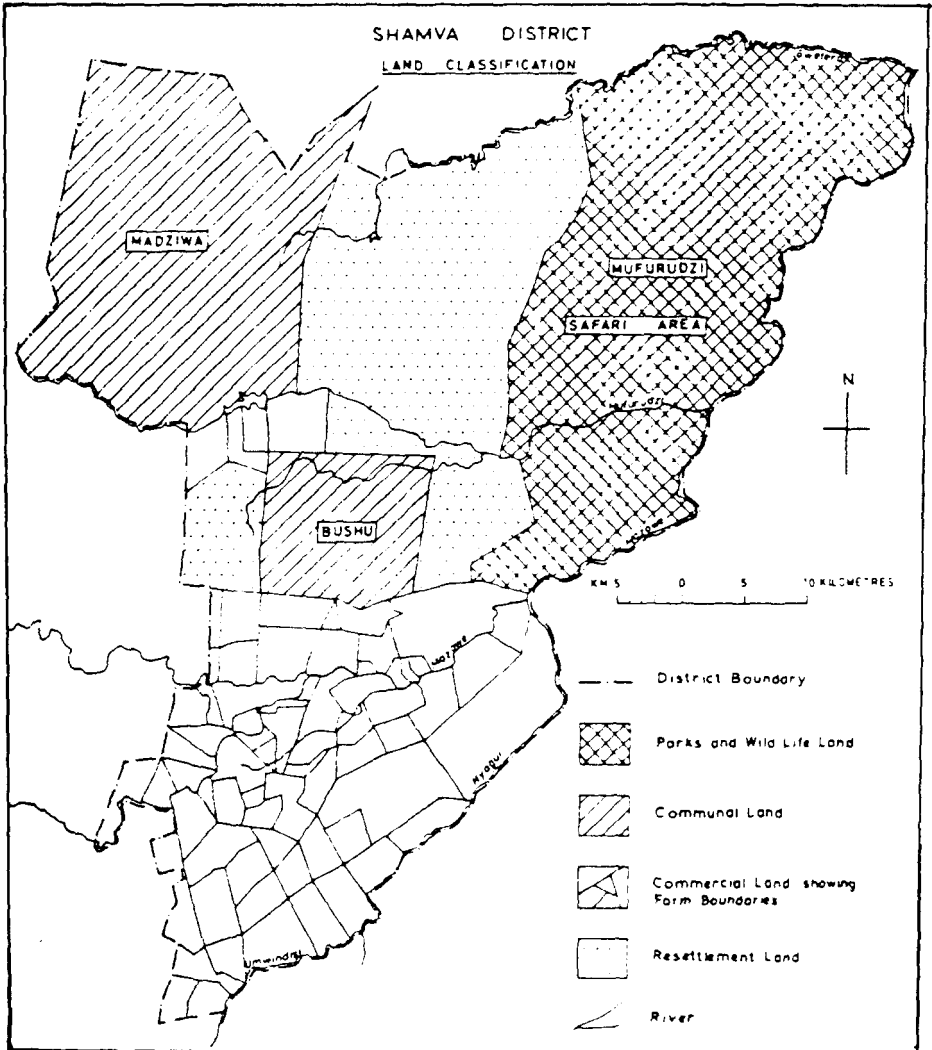
3.1 BACKGROUND

Shamva District is located in the north-eastern area of Mashonaland Central Province about 90 km from Harare and covers an area of 2 666 square kilometres comprising communal lands, resettlement schemes and commercial farms. The remarkable diversity of its land uses, natural resources and MSEs was a major factor in selecting the district as the study area. According to the 1992 Census the population of Shamva District was 93 936 and growing at a rate of 3.03% per annum which makes the 1997 population about 105 000 (Central Statistical Office, 1994). The majority of the people in the district engage in subsistence activities in the agricultural sector and have low purchasing power which limits the growth of commerce and investment. The District is predominantly rural (more than 90% of the population live in rural areas) and agriculture is the dominant economic activity both in terms of employment and contribution to the gross income. Non-farm activities in the district, however, are important because they provide extra income, services and goods for many rural households. Figure 6.2 shows landuse classification in the district. Its proximity to Harare, whose population is over 1.3 million, provides a ready market for the agricultural products of the district. All development is spearheaded through the Chaminuka Rural District Council which is the development authority for the district.

3.2 THE RESOURCE BASE

The district mainly lies in the middle veld with an altitude ranging between 900 and 1500 metres and enjoys a tropical savannah type or tropical savannah woodland climate. The amount of rainfall received during the wet season that stretches from mid-November to mid-March averages about 750mm annually. The district's location in a high rainfall zone is an advantage, for it enjoys both forest and water resources as well as high potential arable land. Geologically the area comprises metamorphic rocks and granite which have given rise to loamy sands that are suitable for cultivation. The district is drained by the Mazowe River and its tributaries such as the Pote, Mfurudzi, Mupfure and Gwetera Rivers. The vegetation of the area falls into the category known as *Grachystegia* woodlands and is dominated by the Mupfuti tree in areas where deforestation has been limited.

Figure 6.2: Land Use Classification in Shamva District



4.0 RESEARCH FINDINGS

4.1 INTRODUCTION

Following an examination in Section II of the major issues pertaining to MSEs in the country, this section provides an analysis of the MSEs data that were collected during the Shamva survey. The focus is on providing a profile and performance of MSEs in the selected wards.

4.2 LOCATION, TYPES AND SIZE OF THE MICRO AND SMALL-SCALE ENTERPRISES

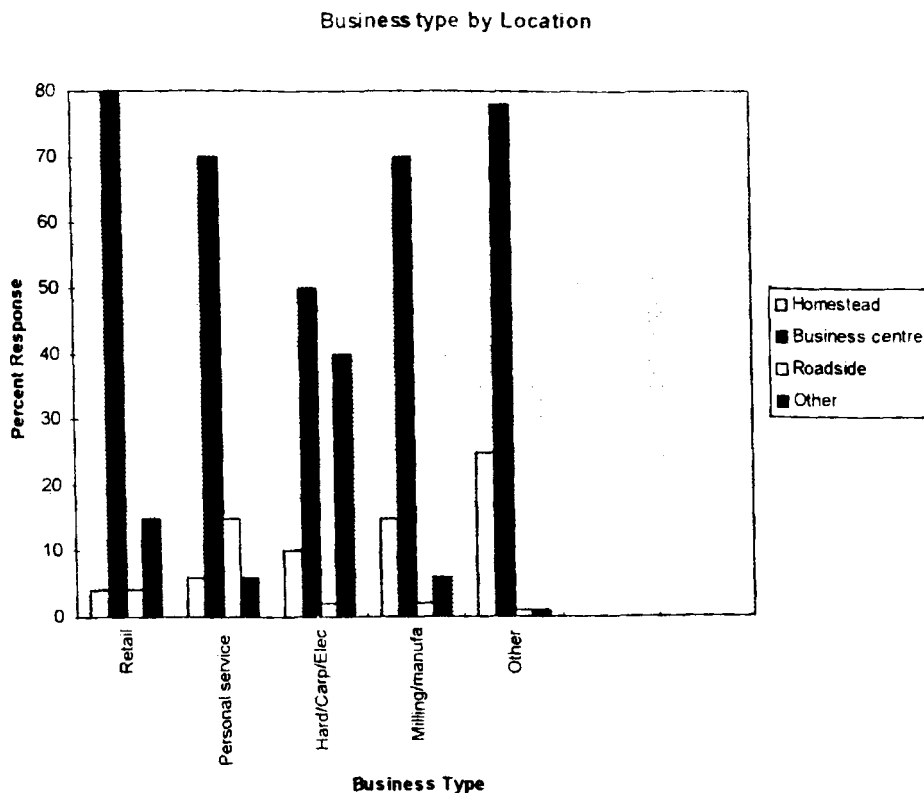
The survey findings indicate that MSEs are a common phenomenon throughout the selected wards in the district. The MSEs are more spatially dispersed than the medium and large scale enterprises which show a high preference for the urban areas such as Shamva Town. MSEs in the study area tend to locate in three rather varied geographical settings: at growth centres/small towns such as Shamva Town, rural service centres such as Mupfure, and rural villages often as isolated shops. The MSEs that are located at growth centres/small towns enjoy better infrastructural facilities such as electricity, piped water and telephones while the village shops in the rural areas lack such facilities. Generally, the village shops and workshops are small in size and provide a limited range of functions with general dealer shops being the most common function. Since MSEs are located throughout the district they are likely to contribute more to the regional development of the district than the large enterprises which have shown a locational preference for Shamva Town and virtually nowhere else in the district. Although the MSEs are found throughout the district they do not, however, exhibit a perfectly even pattern of distribution. Instead they tend to be concentrated along the Bindura-Madziwa-Mount Darwin axis. Among the main factors that explain the pattern the issues of easy accessibility and land-use explain the geographical concentration.

Outside the urban areas, other regions that are characterised by a high incidence of MSEs include training institutions where various trades are learned (such as carpentry, motor mechanics, welding, etc.) are business service centres. The Chaminuka Training Centre, which is run by the government and students, and specialises in carpentry, motor mechanics, agriculture, food and clothing technology, is a case in point. Also, there is a high concentration of MSEs at growth points such as Madziwa and Chakonda. Water and electricity availability are the leading factors accounting for the growth of small-scale enterprises at several former protected villages such as Goora, Mupfure and Chihuri. During a tour of the district it was quite evident that MSEs of various types were a common feature at most business service centres. Tongogara Business Centre had one of the largest concentrations of MSEs in the entire district.

The range of MSEs operating in Shamva District is extensive but more than 80% are engaged in retail or service activities such as retailing of foods, clothing, vehicle repairs, panel beating and hair dressing. These include trade enterprises, service businesses, production and construction enterprises. These are niches in which small producers in the country have historically had a comparative advantage. The trade activities include the licensed shops that are very much part of the formal economy and hawking activities that in many ways demonstrate the resilience of the informal sector. The degree of difficulty to enter the various enterprises is not uniform. For example, it is comparatively easy to engage in hawking activities whereas the petty production sub-sector, including the production of food items, the manufacture of building materials (e.g. door frames and bricks) and furniture, requires relatively long periods of technical skills and capital investment. Similarly service enterprises, such as hairdressing, also require a minimum period of training. The structural characteristics of the enterprises indicate a low level of sophistication of the economic activities involved. Commonly the MSE operator in Shamva District uses basic equipment to produce simple consumer items while operating from a simple shelter which usually is not electrified.

General services followed by business outlets providing personal service are the most dominant activities in retail trade. Figure 6.3 shows that 62.6% of the 115 MSEs in the sample were involved in retail trading while personal service, hardware/carpentry and milling/manufacturing comprised 11.3, 8.7 and 13.9% respectively. 73.9% of all the enterprises were located at business centres while 7.8% were home-based and operated outside the council-designated formal commercial zones. The hammer mills were located close to the residential areas for the main reason that they grind maize grain and require to be close to the market. Only 3.5% of the enterprises, especially those involved in retailing of foodstuffs or provision of personal services, were located on the roadside and operated from simple and ultra-low cost premises made of wood or scrap materials.

Two main factors account for the locational pattern of MSEs in the district: gender and lack of capital. First, the Shamva study concurs with the nationwide Gemini study of 1991 which observed that MSEs operated by women showed a high preference for home-based locations. This is largely attributable to the traditional gender roles of women in the home such as caring for the young children. Second, the survey found that 7.8% of the respondents (both men and women) operated out of their homes because many had problems in securing suitable and affordable business premises. Since most MSE operators do not have fixed property which can be used as collateral security when borrowing funds, sourcing of finance to invest in premises will remain a problem.

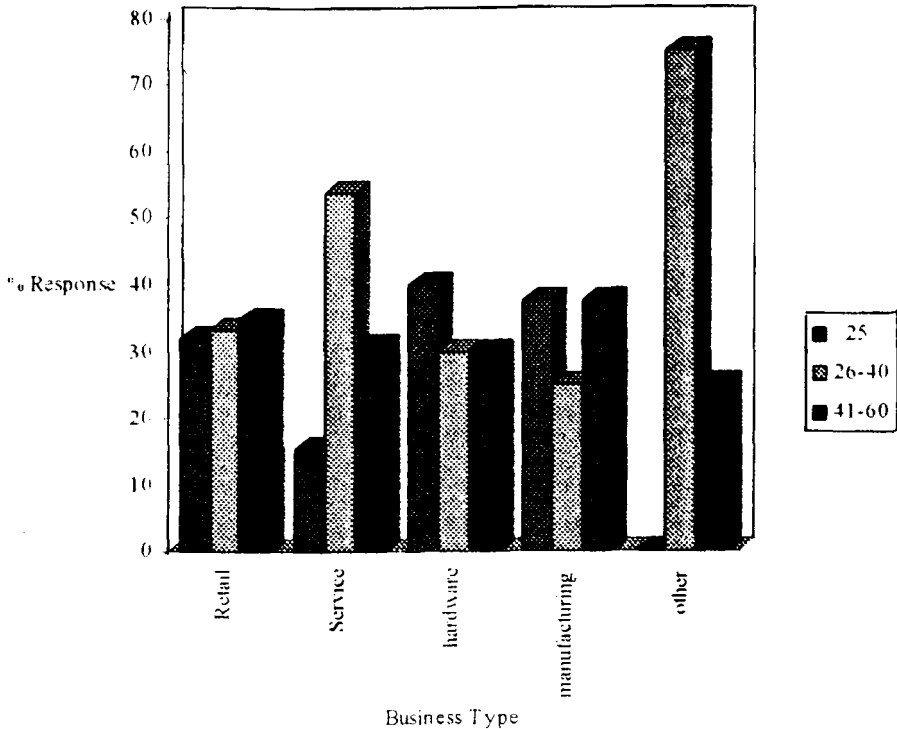
Figure 6.3: Type of Business and Location

Source: Survey Results (1997)

Business Type and Age of Proprietor

Figure 6.4 shows the ages of the proprietors of the various categories of MSEs. It is interesting to note that there is almost an even distribution according to age groups in the retail sector although the 41-60 years age group is dominant. The personal services sector has the lowest percentage (15.4%) of proprietors in the less than 25 years category. This sector is dominated by proprietors in the 26-40 years category. In the hardware and manufacturing sectors there is a fairly even distribution although the less than 25 years group is slightly dominant. The results also show that 30.4% of the proprietors for all business types are aged less than 25 years while 35.7% were within the 26-40 years age group and 33.9% were in the 41-60 age group. Generally the age structure is strikingly similar for the different categories of MSEs.

Figure 6.4: Business Type and Age of Proprietor
Business type by age



Source: Survey Results (1997)

Type of Business and Position of Respondent

During the survey the proprietors or most senior person at each of the MSEs was interviewed. Table 6.2 shows that 40.9% of the respondents were owners of the MSEs, the majority of whom were involved in retail trading. The next largest category of the respondents occupied the post of manager (24.3%), followed by general employees (21.7%) and relatives of the proprietors (13%). The highest number of managers were observed in retail outlets and grinding mills. Although a small percentage of the employees stated that they were related to the proprietors it is most probable that a higher percentage of the employees were in fact relatives of the owners. Payment of heavy fines over unfair dismissal of employees and failure to pay wages at the rate stipulated by minimum wage legislation has forced some MSE operators to employ relatives who are not likely to 'create problems' for the employer.

It is significant that in 41% of the cases the proprietors were present because such figures are much higher than would be the case for large and medium scale enterprises where the proprietors are not likely to be present most of the time. Contrary to what some international literature on MSEs suggest, the enterprises are not predominantly managed by relatives or workers. During the focus group discussions some of the proprietors stated that it was vital for them to be at their retail outlets most of the time in order to minimise the incidences of pilferage by the workers and to provide "a personal touch" to their businesses. The other probable reason why proprietors of MSEs tend to spend fairly long periods of time at their businesses is because they view it as "a job".

Table 6.2: Business Type and Position of Respondent (%)

Business Type	Owner	Manager	Employee	Relative of owner	Row Total	Total
Retail shop	48.9	67.9	48	60	63	54.8
Personal service	8.5	7.1	16	20	13	11.3
Transport related	2.1	0	8	0	3	2.6
Hardware/Carpentry	2.1	3.6	4	0	3	2.6
Milling	10.6	14.3	24	0	15	13
Trading in gold	2.1	0	0	0	1	0.9
Electronics	10.6	3.6	0	6.7	7	6.1
Manufacturing	2.1	0	0	0	1	0.9
Bottlestore	12.8	3.6	0	13.3	9	78
Column Total	47	28	25	15	115	100
Total Percentage	40.9	24.3	21.7	13	115	100

Source: Survey Results (1997)

When asked the question whether they were in business on a full-time or part-time basis 53% of the proprietors mentioned that they were involved full-time (Table 6.3). It is interesting to note that of the various business types hardware/carpentry had the highest number of proprietors working full-time (70%) followed by milling/manufacturing which had 68.8%. At 45.8%, retail trading had the lowest percentage of proprietors involved in full-time management.

Some of the proprietors who are involved in the management of their businesses on a part-time basis mentioned during focus group discussions that they were not making enough money from the business operations and hence had to obtain supplementary income from other sources. It was quite apparent during a workshop to confirm the results held at Chakonda Service Centre and attended by more than 30 MSE operators from the study area that for many,

engaging in MSE activities was more of a 'part-time poverty alleviation strategy' rather than a profit making business venture organised professionally. What is impossible to discern from the available data is whether there is a link between ESAP and the need to look for other income or vice versa. The impacts of ESAP on the MSEs in Shamva District will be explored in greater depth in the section which focuses on the operators' perceptions of ESAP.

Table 6.3: Business Type and Whether Proprietor is in Business Full Time

Business type	RESPONSE			Total %
	Full Time	Part Time	Row Total	
Retail shop		8	3	4.8
Personal service	11.5	11.1	13	11.3
Transport related	3.3	1.9	3	2.6
Hardware/Carpentry	3.3	1.9	3	2.6
Milling	16.4	9.3	15	13
Trading in gold	16	0	1	0
Column Total	1	54	115	100
Total %	53	47	115	100

Source: Survey Results (1997)

Reasons for Venturing into Business

Both economic and stochastic factors help to explain why the proprietors ventured into business. The main economic reasons given for operating MSEs included the need to be in business and make money (42.2%) and to meet the existing demand at the time of going into business (21.1%). It was noted during focus group discussions that demand had diminished during the past three years largely because of hardships associated with ESAP and increased travel opportunities to nearby urban centres such as Bindura and Shamva Town, following the liberalisation of the transport sector. For some, the availability of capital for investment and the challenge to use experience obtained during previous employment in the formal sector, were the reasons for venturing into business. Proprietors in this category were dominated by those who owned retail outlets. An interesting group of proprietors are those who became entrepreneurs mainly through stochastic (chance) factors and these comprise 7.8% of the total MSEs interviewed. Proprietors in this category include owners of dry cleaning enterprises, grinding mills, supermarkets, bottlestores and hair saloons who had inherited the business following the death of the original owner or had acquired the business as 'payment in kind' for money owed. For this category of proprietor being in business was never a well calculated and deliberate undertaking but rather an accident. It is very unlikely that these proprietors had undertaken market surveys prior to embarking on business and hence ended up competing for business in fairly saturated markets.

Table 6.4: Reasons for Venturing into Business

Business type	For bus.	By chance	To help people	Had exper.	Had capital	Other	Row Total	Total %
Retail shop	54.3	14.3	55	61.5	66	7	47	52.2
Personal service	11.4	28.6	0	7.7	0	0	8	8.9
Transport related	0	0	10	0	0	8.3	3	3.3
Hardware/Carpentry	0	0	5	15.4	0	0	3	3.3
Milling	8.6	42.9	25	7.7	0	8.3	13	14.4
Trading in gold	0	0	5	0	0	0	1	1.1
Electronics	11.4	0	0	7.7	0	16.7	7	7.8
Manufacturing	2.9	0	0	0	0	0	1	1.1
Bottlestore	11.4	14.3	0	0	33.3	8.3	7	7.8
Column Total	35	7	20	13	3	12	90	100
Total %	38.9	7.8	22.2	14.4	3.3	13.3	90	100

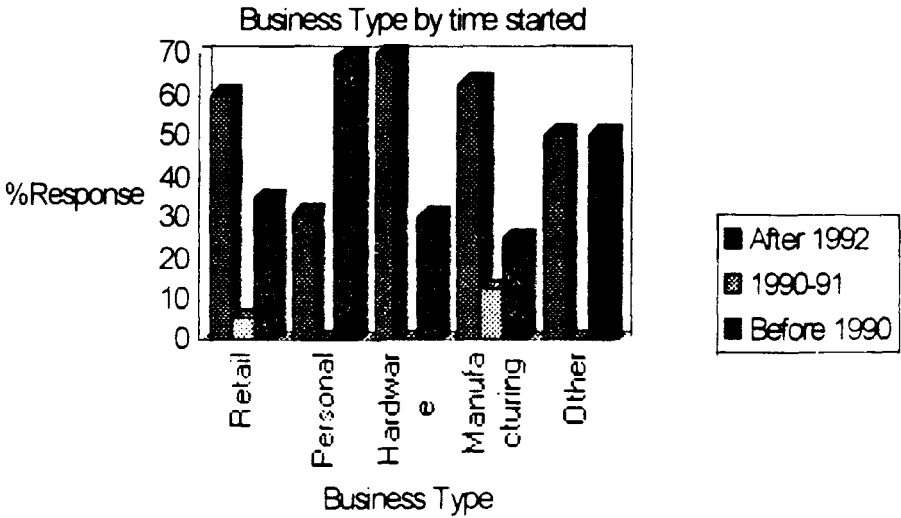
Source: Survey Results (1997)

Length of Period in Operation

Since one of the objectives of the study was to determine the impact of ESAP on the MSEs sector it was important to find out how long the various businesses have been operating. The goal was to determine whether the sector had experienced any growth since the government embarked on its economic reform programme. An assumption was made that where a proprietor had ventured into business after 1991 ESAP could have played a partial role in influencing the decision to be in business. In order to probe further proprietors were asked during focus group discussions whether ESAP had influenced them to engage in business and the responses received indicated that it had although the reasons given in Table 6.4 still remain valid as the immediate rather than the deep-seated causes.

Figure 6.5 shows that only 37.4% of the businesses have been operating before 1990 while only 5.2% began operating during 1990/91. It was quite significant that 57.4% of the businesses started operating after 1992 and the majority of these businesses are involved in retail trading. Figure 6.5 shows that about 70% of the hardware/carpentries, 62% of manufacturing enterprises and 60% of retail outlets started operating after 1992. These three sub-sectors have enjoyed the highest growth rates because they are relatively easy to enter (for example many of the retailing outlets were significantly micro and involved limited amounts of capital investment) or provided "real money making" opportunities as was stated by some of the MSE operators during the focus group discussions. The personal services sub-sector (comprising dry cleaners, photo studios, hair saloons) has experienced the lowest growth since 1992 because the services provided are generally not considered essential and under the difficult economic times that characterise ESAP, have been the first to be dropped from the household budget.

Figure 6.5: Length of Period in Operation



Source: Survey Results (1997)

This finding confirms previous studies which have observed that in countries where ESAP was implemented many families have been compelled to engage in various survival strategies in order to make ends meet (Tevera, 1995). Another explanation for the rapid expansion of MSEs in the district since 1992 is attributable to the fact that ESAP ushered the onset of a less restrictive business environment through the emergence of a more relaxed legislative regime that has allowed business to operate under fewer stifling regulations. Since the introduction of ESAP, for example, residential areas can now be utilised for business undertakings albeit with caveats that such activities require the formal approval of the local authority and must be licensed.

Mode of Acquiring Business

When the respondents were asked how they acquired their businesses 50.4% of the proprietors mentioned that they had started from scratch. Most had used personal savings accumulated from previous employment or other investments. Several had obtained loans from friends and relatives under conditions whereby disbursement was immediate and did not entail any paper work.

Table 6.5 shows that 18.6% had used personal savings to purchase existing businesses. Only 6.2% had inherited their businesses and most of these were in the retailing sub-sector. However, it is important to note that no clear picture

emerges to suggest that some businesses were more likely to be started from scratch than others. It would be misleading to make broad generalisations based on the data available. Several entrepreneurs mentioned that they had started their businesses by investing their pension money, retrenchment packages or savings.

Table 6.5: Business Type and Mode of Acquisition

Business type	Inherited	Established	Purchased	Row Total	Total (%)
Retail shop	28.6	54.4	61.9	63	55.8
Personal service	28.6	14	14.3	13	11.5
Transport related	14.3	1.8	14.3	3	2.7
Hardware/Carpentry	0	0	0	3	2.7
Milling	14.3	10.5	0	13	11.5
Trading in gold	0	0	0	1	0
Column Total	7	5.7	21	113	0
Total %	6.2	50.4	18.6	0	100

Source: Survey Results (1997)

The available data makes it difficult to ascertain whether the mode of business acquisition has any bearing at all on the probability of success. During focus group discussions, however, proprietors who acquired their businesses in various fashions exhibited a uniform set of concerns and problems. One person however, remarked that had he not inherited the general dealer shop from his father he would not have embarked on retailing at all because it is a tricky business that involves long hours of work for meagre profits.

More detailed investigations are required into how it has been possible for many owners of MSEs to start businesses under ESAP when economic hardships are supposedly immense and the cost of borrowing investment capital is high. The role of micro-finance and informal finance mechanisms (e.g. from friends and relatives) needs further exploration. Such loans could be interest free but are often based on the exploitative 'chimbadzwa' whereby interest charged per half-annum is often greater than 70% of the principle borrowed. However, not all proprietors have access to such micro-lending arrangements. During group discussions some of the female operators stated that they were unable to borrow from informal channels without prior approval from their husbands. This is one example showing how important it is to appreciate the role of gender when analysing the constraints facing proprietors of MSEs in Zimbabwe.

4.3 SOCIO-ECONOMIC PROFILE OF THE PROPRIETORS

Gender and MSEs

This section highlights the various ways in which gender has handicapped some female proprietors of MSEs. Survey findings show that women operators of

MSEs face gender specific obstacles such as legal impediments based on the assumption that they do not own property and are not decision makers. During focus group discussions some female proprietors mentioned that they were involved in the management of their businesses on a part-time basis because they needed to create time for other family obligations, such as cooking and working in the fields (in the case of rural women) and reproductive roles (raising children). However, during the workshop at Chakonda Service Centre one female proprietor mentioned that she had no problems juggling the requirements of managing the general dealer shop that she co-owns with her husband who works in Harare, raising her four children and attending to the family field.

Proprietor Type and Educational Level

MSEs in Shamva District are predominantly owned by sole proprietors and only a few by several proprietors. Table 6.6 shows that 86.4% of the MSEs are owned by sole proprietors while the remaining 13.6% belong to several proprietors. However, females operating sole proprietorships accounted for only 15.7% of the total, while males operating sole proprietorships comprised 71.15% of the total. Given the nature of MSEs (e.g. small size) it is not surprising that sole proprietorships abound in the sector. There are also other reasons why many people would want to operate as sole proprietors, for example, the arrangement allows a lot of flexibility and in the event that the business collapses there will not be anybody to blame. However, given the dearth of capital, technical and managerial know-how in the MSEs, it might be prudent to encourage several people to pull up their resources in order to make the operations more viable.

Table 6.6: Education Level by Proprietor Type

Proprietor type	<Grade 7	Grade 7	'O' Level	Dip-loma	Graduate	Other qualifications	Row Total	Total %
Sole prop (female)	28.6	27.3	14.3	10	0	11.5	13	15.7
Sole prop (male)	42.9	54.5	82.1	90	0	69.2	59	71.1
Several props (female)	14.3	0	0	0	0	0	1	1.2
Several props (male)	0	0	0	0	0	7.7	2	2.4
Several props (male & female)	14.3	18.2	3.6	0	100	11.5	8	9.6
Column Total	7	11	28	10	1	26	83	100
Total	8.4	13.3	33.7	12	1.2	31.3	83	100

Source: Survey Results (1997)

Table 6.6 shows that females who own MSEs generally have lower educational qualifications than their male counterparts. Generally, the MSEs operators in Shamva District have low educational qualifications and virtually all of them

had no training in business management. Only 13.2% of the respondents had more than 'O' level educational qualifications although 31.3% stated that they had received other qualifications in technical and business fields. The finding corroborates the generally held view that MSEs play a vital role of providing employment to people who otherwise would have failed to secure jobs because of their limited formal educational qualifications.

During the focus group discussions at least two things became clear. First, that the MSEs in the study area played a crucial role of providing on-the-job training through an informal 'apprenticeship type' of training. Second, it became apparent that the "other" qualifications which some of the respondents mentioned they possessed tended to be too inadequate and were obtained after less than a year of training and hence did not really empower the operators. Lack of formal education is most likely a major impediment that makes the production of documents such as project proposals and cash flows when applying for funding, arduous for the operators.

Various options in business management were assessed and most were found inadequate. Ponesai Vanhu Training Centre in Shamva was found unsuitable in imparting the requisite business skills because they require the beneficiaries to have five 'O' level passes and this renders many proprietors ineligible. The four-day courses organised by SEDCO have the advantage of being offered in Shona but many MSE operators find the Z\$300 fee prohibitive. This section also attempts to examine gender constraints within the MSEs sector in the district.

During the focus group discussions the female operators who attended were some of the most vocal ones who emphasised the point that although they seemed under-represented in most MSEs sector deliberations, they in fact constituted the majority of the people operating in the informal sector. The reason women in the district are not very visible in the MSEs sector is because a lot of them operate from their homes, because it is difficult for them to obtain suitable and affordable business premises and because of pressures of household management responsibilities. They work in such activities because of economic necessity and they seek a ready resource of income which can be generated using limited capital, limited skills and scant support services. For urban and rural women in the district, MSE activities are already playing significant roles in their lives particularly to the welfare of their families.

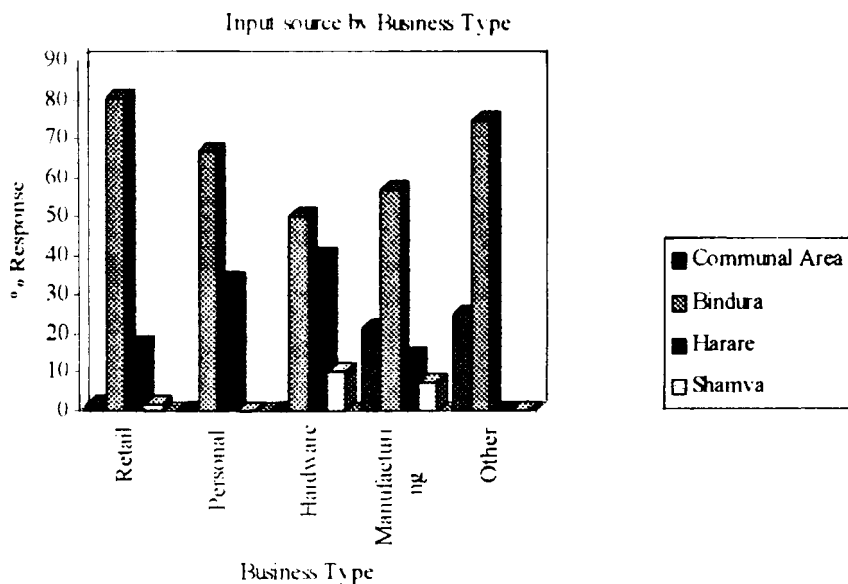
Females operating MSEs experience severe difficulties such as access to credit. Female proprietors reported that it was particularly difficult to secure loans from lending institutions such as SEDCO. The main reason for this is historical and does not seem to be based on the activities that females are involved in. This survey's findings show that both rural and urban women throughout the district engage in a diverse range of activities such as tailoring, crocheting, food catering, vegetable growing, retail selling, brickmaking, cottage industries and soap making.

In order to ameliorate the plight of female MSE operators there is need for policy strategies that take cognisance of the potential role of women in the development of the sector. Special attention needs to be given to policy measures aimed at encouraging female entrepreneurs to take up more MSE activities. Currently, through ZIMBANK which is a state controlled commercial bank, government has made it possible for female entrepreneurs with no collateral to have access to small loans of up to Z\$6 000. However, access to the ZIMBANK money is difficult and not many rural women have benefitted from the programme. During the focus group discussions it was observed that out of the large group of women who attended the meeting only two had been able to access the ZIMBANK money and the majority either did not know about its availability or how to secure it.

4.4 LINKAGES WITH AGRICULTURE AND LARGE-SCALE ENTERPRISES

One of the objectives of the study was to explore the various linkages that exist at multiple levels between MSEs and large and medium-scale enterprises; between MSEs and the agricultural sector; and between MSEs in rural and urban areas. Generally MSEs in many countries have thrived because of the linkages that exist between the above sectors. In this study an attempt was made to examine the linkages by tracing the flow of inputs used in the sector to produce

Figure 6.6: Main Sources of Inputs



Source: Survey Results (1997)

various commodities and services. Demand patterns were examined in order to provide another dimension of the linkages. However, the study revealed that the majority of MSEs sold their products directly to the final consumer and only a small minority sold to commercial business.

The respondents sourced their inputs from the nearby communal area (4.5%), Bindura (72.3%), Harare (20.5%) and Shamva (2.7%). Only the retail shops, grinding mills/milling companies and those trading in gold obtained their inputs from the immediate rural hinterland (Figure 6.6). Apart from the retail shops, which comprised 47.8% of the enterprises that obtained their inputs from Harare, there was no particular dependence on the capital as a source of supplies. The weak forward linkages between rural non-farm enterprises and urban based MSEs and are largely in the form of maize milling which is the staple food of the majority of Zimbabweans especially those residing in the rural areas. Another direct forward production linkage observed is beer-brewing using sorghum. Within rural manufacturing activities most of the inputs are sourced from urban industries. Repair and personal services have strong forward linkages with the urban industrial sector as inputs are sourced from the latter. Likewise, retail trade has forward linkages with the larger urban areas which provide most of the consumer goods that are sold to the rural or small town population.

Linkages between MSEs and the urban based large scale enterprises are limited to items sold by the retailers and material inputs used mostly by MSEs engaged in carpentry and personal services such as hair saloons. For example, sub-contracting by large firms is virtually non-existent. Sub-contracting could stimulate the growth of the upper stratum of MSEs involved in production.

Table 6.7: Reasons for locating in the area (%) (N = 97)

Locational reasons	Frequency (%)
Accessible	21.6
No competition	37.1
Presence of large market	27.8
Availability of rental building	3.1
Total %	100

Source: Survey Results (1997)

There is need to develop linkages between the informal and formal engineering sectors to increase the capacity of both sectors to produce high quality and affordable low to medium scale technologies. Links between the two sectors will need to be strengthened so that each of the sectors concentrates on the production of those products where a comparative advantage exists. Entrepreneurs in the informal sector were not motivated to expand into the formal sector as they regard the taxation levels and regulatory restrictions of the formal sector prohibitive.

The quantitative data generated by the questionnaire survey shows the leading reasons why the MSEs in the study area were located where they were. 37.1% of the respondents were attracted to the sites by the existence of limited competition, 27.8% were attracted by the presence of a large market, 21.6% selected a site that was accessible and only 3.1% were attracted to the site by the availability of rental space. It is interesting to note that the availability and non-availability of a market were an attraction and repulsive force at the same time but for different people.

4.5 GENERAL CONSTRAINTS TO GROWTH OF THE MSEs

Financial, Infrastructural and Regulatory Constraints

The constraints facing MSEs in the study area can be grouped under five broad categories: lack of access to financial resources, a largely restrictive regulatory environment and lack of access to the required infrastructure, limited demand and supply problems. Although organisations such as IBWO, IBDC and SEDCO profess to provide assistance to rural MSEs, very few proprietors were aware of the functions of these institutions or had received assistance from them.

In common with previous Zimbabwean studies conducted before and after the introduction of ESAP, limited access to finance emerged as the biggest constraint to the development of MSEs in the study area. The existing financial institutions have contributed little with regard to the provision of credit to rural MSEs, especially those in the informal sector. On the basis of discussions held by the author with SEDCO, IBDC and IBWO officials it is quite evident that these organisations are disinclined to lend money to MSEs that have no track record, lack collateral security and have limited managerial and technical skills. Survey results show that the sources of start up capital for most enterprises surveyed were not financial institutions but family and own savings (Table 6.8). Only 11% of the MSEs had obtained financial assistance from financial institutions and these did not include a single MSE operated by a female entrepreneur.

Table 6.8: Principal Source of Money Invested in the Business (N = 107)

Principal source of capital	Frequency (%)
Family savings	84.1
Loans from friends	1.9
Loan from money lender	1.9
Retrenchment package	1.9
Other	10.3
Total %	100

Source: Survey Results (1997)

The MSE operators pointed out that financial institutions have high conditions that make it impossible for MSEs to access credit. They require, for instance, comprehensive project proposals, a copy of the business registration certificate, proof of ownership of assets and a named guarantor. They also require MSEs to operate from conventional business premises which means those operating from backyards have enormous problems getting access to credit facilities. These requirements have made life difficult for those who want to operate the MSEs because fulfilling them has been an unattainable challenge. These problems are compounded by the requirements for collateral security, without which no loan applications can be considered. During the focus group discussions two entrepreneurs who had previously attempted to source funds reported that their efforts had been frustrated by the commercial banks which insisted on collateral security prior to loan approval disregarding the fact that their business proposals had already been approved by CIDA and CGC respectively.

The traditional assumptions about these need to be challenged. The financial lending institutions contend that substantial funds are being channelled to the MSEs despite the default rates that are in excess of 35%. Between September 1978 and October 1990 five commercial banks (Barclays Bank of Zimbabwe Ltd, Bank of Credit and Commerce Zimbabwe Limited, ANZ Grindlays Bank Ltd and Zimbabwe Banking Corporation Ltd) received about 3 093 loan applications from small enterprises amounting to Z\$45 million. Out of that total, 1 596 small scale business people were awarded loans totalling \$14.2 million which is an approval rate of 53%. In some cases loans have been rescheduled for up to 34 months and some written off as bad debts. This is a clear indication that besides finance MSEs need other assistance for their survival.

Lack of Knowledge

In addition the financial constraints highlighted above, non-financial constraints also have been an impediment to the development of MSEs. For instance, lack of knowledge about seeking financial and non-financial assistance. Most MSE operators are unfamiliar with financial institutions and the procedures involved in seeking assistance. The survey results showed that 85% of the enterprises sampled did not belong to any business organisation and it is not clear whether those that belong have derived any benefits at all from being members.

The survey shows that only a few entrepreneurs had obtained business training assistance partly because more than 70% were either not aware of the existing training facilities or could not afford to pay for the fees charged. It is evident that many entrepreneurs would benefit from training on how to apply for business loans and manage their small businesses (e.g. basic knowledge of record-keeping, tax and labour laws is almost non-existent). Despite the existence of several organisations that assist MSE operators the information was not available to almost 50% of them. For example, they were not aware that:

- a) EMCOZ in conjunction with the ILO has established the Improve your Business (IYB) programme that provides MSE entrepreneurs with business guidance, management, vocational training, effective ways of adopting technology and maintenance of machinery and equipment;
- b) the Small Enterprise Promotion Unit (SEPO) that was launched by CZI has been gathering information on SSEs regarding sources of finance and providers of management and technical training courses; and
- c) the ZNCC has established a Small Business Support Unit (SBSU) to assist small-scale business people with their project proposals, business training and consultancy services.

Regulatory and Legislative Constraints

One other non-financial factors constraining the development of the MSE in Shamva District has been the restrictive regulatory and legislative framework. During the focus group discussions MSE operators unanimously reported that their business operations were encumbered by the existence of an unfavourable regulatory environment characterised by:

- a) land-use laws that place restrictions on where MSEs can operate from;
- b) complex and time-consuming licensing board registration procedures; and
- c) high licensing fees which were not related to the level of the services provided by the local authorities.

For example, in order to establish a vegetable stall or repair workshop in a specific part of an urban area, the law requires the entrepreneur to acquire land designated for the economic activity planned, prior to securing an operating license. During the focus group discussions entrepreneurs mentioned that constraints such as this one had precluded some MSE entrepreneurs from registering in order to operate legally. Being illegal has the disadvantage that the enterprise does not enjoy a legal status and has practically no access to credit facilities from money lending institutions. According to the provision of the Town and Country Planning Act of 1976, various business activities have to conform to the provision of the Act irrespective of whether the business is registered or not. The establishment of 'people's markets' in urban areas during the past three years has been a positive policy shift whose impact has been to increase the role of MSE operators throughout the country in general and it makes their employees non beneficiaries of that organisation's insurance benefits.

The survey findings show that 92.1% of the entrepreneurs had registered their businesses while only 7.9% had not done so (Table 6.9). It is interesting to note that all the milling/manufacturing MSEs were registered while only 70% of the hardware/carpentry enterprises had been registered. 33.3% mentioned that they had not registered due to the non-availability of funds and a further 33.3% mentioned that they did not think it was necessary for them to register in order to operate their businesses. MSEs provide an ideal environment for engaging in

Table 6.9: Business Type and Whether Registered

Business type	Registered	Not registered	Row Total	Total
Retail shop	57.1	22.2	62	54.4
Personal service	11.4	11.1	13	11.4
Transport related	1.0	22.2	3	2.6
Hardware/Carpentry	1.9	11.1	3	2.6
Milling	14.3	0	15	13.2
Trading in gold	10	0	1	0
Column Total	105	9	114	0
Total %	92.1	7.9	0	100

Source: Survey Results (1997)

Table 7.0: Business Type and Problems Faced

Business Type	Inade- quate capital	Theft	Limited custo- mers	Inade- quate trans- port	Inade- quate Accom- modation	High rent	Other	Row Total	Total
Retail shop	38.1	75	38.5	50	66.7	100	59	61	54.5
Personal service	14.3	25	7.7	0	0	0	11.5	13	11.6
Transport related	4.8	0	7.7	0	0	0	1.6	3	2.7
Hardware/Carpentry	0	0	7.7	25	33.3	0	0	3	2.7
Milling	0	0	15.4	25	0	0	0	14	14
Trading in gold	0	0	0	0	0	0	16	1	1
Column Total	21	8	13	4	3	2	61	112	112
Total	18.8	7.1	11.6	3.6	2.7	1.8	54.5	100	100

Source: Survey Results (1997)

informal practices. Direct observational studies, for example, show that although many MSEs are forced to obtain licences their labour practices are mostly predominantly informal. During focus group discussions it became obvious that most MSE entrepreneurs had not registered with NASA which is a violation of the law.

Entrepreneurs were asked to list the major constraints that hindered the development of their businesses. The three dominant constraints appear to be inadequate capital, limited customers and theft of raw materials and stocks respectively (Table 7.0). Inadequate capital problems were cited by 18% of the proprietors, while limited market and theft were cited by 11.6% and 7.1% of the operators respectively. MSEs share a shrinking market segment and this has caused competition to be intense. The limited demand in the rural areas appeared to be a reflection of the low income base which in turn is a function of the relatively low earnings from the marketing of agricultural produce. While the

abolition of price controls has benefitted farmers, including the small-scale producers in the communal areas, because of the relatively higher prices which they now get for their marketed produce, the increased earnings have not resulted in a significant increase in demand for goods provided by the MSEs. Increases in school fees and hospital fees, medications, basic consumer goods, have considerably eroded disposal incomes (Tevera, 1995).

Problems of inadequate transport, inadequate accommodation and high rent were also cited by 3.6%, 2.7% and 1.8% of the respondents respectively. Most MSEs did not have access to a telephone or electricity. The absence of electricity is a major impediment since this precludes the use of electrical tools which place these enterprises at a disadvantage *vis-à-vis* urban-based MSEs or large enterprises which enjoy limited access to electricity. Increasing incidences of theft by employees were considered to be a constraint by the respondents in the retail and personal services sub-sectors. There is inadequate information for one to conclude that the increasing level of pilferage in recent years is attributable to the adverse effects of ESAP although that would be a reasonable assumption to make.

Notable is the similarity of the range constraints cited by the MSE proprietors in Shamva District and the proprietors interviewed in the national Gemini study in 1991 where it was noted that the four main problems were poor markets, difficult access to credit facilities, procurement of raw materials and equipment. However, unlike the Gemini study the Shamva survey found that theft featured prominently as the third biggest problem encountered by the respondents.

Despite the increased tolerance of the informal sector enterprises since the introduction of ESAP, some operators mentioned during focus group discussions, that certain policies interfered with their operations. Despite the enactment of legislation such as the Small Enterprises Development Corporation (SEDCO) Act of 1984 and the Co-operative Society Bill which provided for financial and technical assistance to SSEs and MSEs and the simplification of the process of registering small enterprises, the sector continues to face extensive controls. Because lending criteria for SEDCO is based on commercial viability and the nature of the business operations, many MSEs do not qualify for assistance. But unlike the commercial banks, SEDCO does not require collateral for loans and this has enabled some SSE operators to access loans. Although in recent years SEDCO has broadened its credit facilities to cover some underprivileged entrepreneurs it has not made any impact and this is demonstrated by the fact that by 1991 only 1% of the over 845 000 SSEs nation-wide had received credit from the organisation (Gemini, 1981).

Institutional Constraints

During focus group discussions it was observed that MSE operators were disenchanted about the passive role of the Chaminuka Rural District Council which, it is alleged, over the years has done little to promote MSEs despite the

fact that since 1996 it has been collecting a unit tax of Z\$500/year/unit (e.g. bottle store or butchery) whose function is ostensibly to develop the land at business service centres. In addition to the unit tax the Rural District Council (RDC) also collects Z\$200/year for the licence and a further Z\$240/year service charge for waste management, roads and sewage.

Most people interviewed mentioned that the RDC had not discharged its responsibility of providing infrastructure such as motorable roads, reliable electricity and water. It appears the Chaminuka Rural District Council, like many RDCs elsewhere throughout the country, has not yet formulated a clear and systematic promotion policy for MSEs. ESAP has had a major impact on the Chaminuka Rural District Council which is the development authority for the Shamva District. The withdrawal of subsidies to Council has caused financial constraints, such as the slowing down of the Public Sector Investment Programme.

Problems with Suppliers

Many rural based MSEs in the study area do not have assets that are attractive to suppliers of goods and inputs. In fact most have not had the opportunity to build up a credit rating, nor to purchase stock in large quantities. This places the rural based MSE at a competitive disadvantage *vis-à-vis* their counterparts in urban areas.

Entrepreneurs' Perceptions of ESAP

This section examines the impacts of ESAP on MSEs in the study area as perceived by the operators. However, the effects have not been uniform on the MSE which is quite heterogeneous. Although most people feel that they are now worse off than they were when ESAP was introduced, some people have been able to withstand the harsh effects better than others. For the middle-income families the coping strategies have included the following forms: moonlighting, sub-letting some of the rooms in the house, cultivation of vegetables and chicken-raising in the backyard and involvement in informal sector activities on a part-time basis (Tevera, 1995). The coping strategies of the low-income groups have been in the following forms: increased involvement in the informal sector activities, walking to work instead of boarding the bus, and resorting to cheaper traditional medicines instead of relying on the expensive western medicines. The effect of the above has been an explosion of MSEs providing a very diverse range of services and goods.

When asked to provide an assessment of ESAP both positive and negative views were expressed although it was quite apparent that most MSE operators had limited appreciation of what the programme was all about apart from rising prices and the increased availability of consumer goods and foreign currency. Several of the respondents viewed ESAP positively, for reasons ranging from improved access to foreign currency and removal of restrictions on the informal

sector. The majority, however, were critical of ESAP for reasons such as high inflation rates. Decontrol of prices and removal of subsidies were found to be very unpopular. According to an Intermediate Technology Zimbabwe study conducted in 1992 on the impact of ESAP on small-scale mining in Shamva District it was observed that unemployment figures in the sub-sector had increased.

It was also reported that with the relaxation of the previously tight controls on wages, hiring and firing had encouraged the growth of small-scale enterprises. For this category of entrepreneurs the previous regulations on hiring and firing had been an obstacle to their operations. Deregulation and free access to imported inputs are key features of ESAP which have boosted the development of MSEs. However, the increased competition resulting from ESAP has also meant that the viability of some MSEs has been threatened as they have had to fight for a limited market. It is not surprising that lack of market was the third biggest constraint cited when MSE operators were asked about problems that were threatening their operations.

Some of the entrepreneurs mentioned that they had been retrenched following the introduction of ESAP but had used their retrenchment packages to start up MSEs. During the focus group discussions a few of the entrepreneurs pointed out that ESAP has the potential to offer a window to the development of MSEs, only if the enterprises are provided with credit facilities and training assistance. Some questioned the logic of trade liberalisation if it simply meant 'dramatic price increases' or increased differentiation within the MSEs sector. The productive small-scale enterprises have grown as high prices have forced many mass produced items produced by the urban-based large scale companies out of reach of most low income households. On the other hand, the lower strata MSEs, such as petty trade, which is based on a 'minimal survival strategy' have been further marginalised.

Table 7.1: Respondents' Perception of ESAP (N = 108)

Perception of ESAP	Frequency (%)
Don't know	8.3
Economic recovery	36.1
General hardships	22.2
More business operators	4.6
Price decontrols	1.9
Drought	1.9
Higher prices	5.6
Retrenchments	7.4
Higher taxes	1.9
Other	11.1
Total %	100

Source: Survey Results (1997)

Generally the MSE operators in the district have mixed feelings about ESAP with 36% thinking that it would result in the recovery of their businesses while another 35% believed that it would result in greater hardships, retrenchments, more business operators and hence the possible collapse of some of the businesses (Table 7.1). Most felt quite helpless about ESAP and did not think that they could do anything to improve the situation. Apart from the negative impacts of ESAP, government's proposal to levy a tax on informal sector activities is likely to stifle an already fragile sector.

The mixed responses from the MSEs operators suggest that although ESAP is generally considered negatively in the sector it has differential impacts. MSEs that are involved in retailing or the provision of non-essential goods and services have suffered more than those that manufacture items which have become the cheaper substitutes for the more expensive goods produced by urban-based large enterprises. MSEs that are involved in the production of building materials (e.g. window and door frames, bricks, etc.), household items (such as tables and chairs) and agricultural implements, stand to benefit because their products are usually much cheaper than those sold by the well established national companies.

4.7 CONCLUSION

The conclusion that can be drawn from the analysis of MSEs in Shamva District is that, despite the various pronouncements by government to assist the sector, there is still a long way to go in order to realise the full potential of the sector. The viability of the MSEs will depend on the existence of markets, marketing information and strategies. Before the introduction of ESAP the sector expanded in the face of a shrinking economy because of its role as a residual source of employment.

What emerged during the focus group discussions was that there were too many constraints which hindered the growth of MSEs in general and particularly those dominated by women. The activities are hampered by lack of capital and technical business training and poor marketing information. MSEs in Shamva District have limited access to land, credit finance, and infrastructure such as industrial and commercial buildings, roads, telecommunications and electricity. Ninety-eight percent of the MSEs are owned by black Zimbabweans. MSE operators in Shamva are supportive of government's efforts to promote industrial activities at growth points. However, they also feel that government should do more to encourage the growth of indigenous enterprises at rural centres and growth points.

Because MSEs exist in specific geographical areas and have significant regional impacts through networks of forward and backward linkages, there is need for policy approaches for this sector that address both the sectoral and spatial issues. Also, a within-sector approach is needed to address the question of which sub-

sectors require attention and which of them are more or less biased toward small medium-size entrepreneurship. At a spatial level, the question of interregional disparities needs to be dealt with, considering which regions have greater or lesser shares of industries where MSEs are significant, and how well they perform *vis-à-vis* the average national performance.

5.0 CONCLUSIONS AND RECOMMENDATIONS: POLICY IMPLICATIONS

5.1 CONCLUSIONS

This exploratory study attempted to examine MSEs in a predominantly rural setting of a country that is structurally adjusting. The broad goal was to determine the specific needs, problems and constraints that must be met in order to promote the growth of these enterprises. Due to lack of quality it is difficult to separate the effects of adjustment policies from other influences on the economy.

The main conclusion from the above analysis can be summarised as follows: MSEs have not experienced significant changes in their organisation since the introduction of ESAP in 1991. ESAP is likely to lead to the marginalisation of MSEs in the district unless constraints posed by lack of credit, unfavourable regulations, weak institutional arrangements, and limited managerial capabilities on the part of the proprietors, are addressed. ESAP seems to have contributed to the proliferation of MSEs in the district. However, there has not been a significant qualitative growth of the MSEs. At the same time no diversification or specialisation has occurred partly because of the constraints highlighted above. The enterprises are facing a real crisis — costs are rising rapidly and yet demand seems to be declining. Overcrowding and market saturation of the traditional trades and sectors has resulted in the displacement of existing small enterprises by the new ones.

The findings indicate that employment generated by the MSEs is minimal and their development has not been strategic in the sense of increased functional complexity. Generally most of the MSEs are enmeshed in poverty and marginality. The general lack of infrastructure such as electricity and water has been one of the major bottlenecks to the development of MSEs in Shamva District. Similarly, the laws governing licensing, zoning and taxation have suppressed the growth of MSEs.

The needs of the MSEs operators include access to finance, information, training, infrastructure and administration and regulatory constraints. MSEs have experienced weak demand as a consequence of the sharp fall in income per capita and of restraints on demand under the programme. Local financial institutions are not keen to give loans to aspiring entrepreneurs who do not have collateral security. As a result, lack of finance on affordable terms is a primary deterrent to indigenous entrepreneurship and this has left MSEs with

no option but to borrow in the informal market where interest rates and risks are considerably higher. However, it is also important to note that MSE operators in the study area have not been applying for loans from financial institutions for reasons ranging from not knowing how to go about sourcing the money to their being generally risk averse which makes them reluctant to borrow from the established financial institutions. However, lending records from five major banks for the period between 1978 and 1990 indicate that on average 50% of all loan applications from SSEs get funded.

5.2 IMPLICATIONS FOR POLICY

What are the specific needs, problems and constraints that need to be met in order to facilitate the growth of the MSEs sector and to ensure that the sector contributes to employment creation, poverty alleviation and regional development? The strong interest in MSE development stems from widespread concern about current unemployment levels and government's inability to provide economic growth. Despite the widely assumed role of MSEs in industrial development, in Shamva District they have not been able to generate significant employment. Government has not formulated specific national legislation on the promotion of MSEs. There is need for the establishment of support services and institutions to encourage the growth of the sector. Also, policies that provide a more enabling environment for indigenous entrepreneurs to operate at intermediate urban centres and growth centres should be pursued.

While the shift away from government regulation of the economy to a more market based policy regime is creating an enabling environment, MSE development requires to be linked to national and regional economic development priorities and strategies. The popularity of MSEs sector among policy makers is based on the assumption that it will generate employment using little investment. The formulation of a comprehensive development strategy for MSEs should take cognisance of the fact that MSEs are heterogeneous and geographically dispersed and their needs are at times sector and area specific.

Policy initiatives towards micro and small-scale enterprises must acknowledge the locational advantages that enterprises based in the large urban areas have over the small-town or rural enterprises. As a result small enterprises development policies should aim to make rural areas and small towns more locational appealing by providing infrastructural and social services. There is need to facilitate the provision of financial schemes that will allow the development of the latent entrepreneurial talent within the MSEs into viable business ventures. Also, the growth of the SSE sector requires that the various institutions dealing with this sector develop a special focus and establish a sustainable mechanism to provide continuous support to small enterprise development. Finally, a national policy on the promotion of MSEs that addresses

issues such as employment creation, rural-urban linkages (e.g. migration and food flows), and production of affordable goods and services is required.

REFERENCES

- Central Statistical Office (1994) *Census 1992: Provincial Profile of Mashonaland Central*, CSO, Harare.
- Chimba, S. (1993) "Laws stifling micro-business", *Business Herald*, Thursday, November 18, p.6.
- Chinamasa, P. (1994) The impacts of regulation and Deregulation on micro and Small Enterprises (MSEs). Paper presented at the workshop on the 1993 USAID Update Survey of Small Businesses in Zimbabwe.
- Chisvo, M. (1993) *Government Spending on Social Services and the Impact of Structural Adjustment in Zimbabwe*, UNICEF, Harare.
- Cornia, G.A. (1987) *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*, Oxford University Press, London.
- Financial Gazette* (1994) 'Micro-business development must be accelerated', April 7.
- Gemini (1991) *Micro and Small-Scale Enterprises in Zimbabwe: Results of a Country-wide Survey*, Gemini Technical Report 25, Michigan State University.
- Government of Zimbabwe (1981) *Growth With Equity: An Economic Policy Statement*, Government Printer, Harare.
- (1982) *Foreign Investment: Policy, Guidelines and Procedures*, Government Printer, Harare.
- (1983) *Transitional National Development Plan 1982/83-1984/85*, Government Printer, Harare.
- (1986) *Republic of Zimbabwe First Five-year National Development Plan, 1986-1990, Volume 1*, Harare, Government Printer.
- (1988) *Republic of Zimbabwe First Five-Year National Development Plan, 1986-1990, Volume 2*, Harare, Government Printer.
- (1994) *Small-Scale Investment: Policy Issues and Options for Local Industries*, Harare.
- (1991) *Zimbabwe: A Framework For Economic Reform (1991-1995)*, Government Printer, Harare.
- Helmsing, A.H.J. (1986) *Rural Industries and Growth Points — Issues in an Ongoing Policy Debate in Zimbabwe*, Occasional Paper No. 2, Department of Rural and Urban Planning, UZ, Harare.
- (1987) *Non-Agricultural Enterprise in the Communal Lands of Zimbabwe. Preliminary Results of a Survey*, Occasional Paper No.11, Department of Rural and Urban Planning, U.Z. Harare.
- Herald (The)* (1994) 'Statistics show increase in unemployment rate', 28 May 1994, p.3.
- ILO (1985) *Informal Sector in Africa*, Geneva.
- Kanji, N. and Jazdowska, N. (1993) 'Structural adjustment and women in Zimbabwe', *Review of African Political Economy*, No. 56, pp 71-76.
- Liedholm, C. (1990) *The Dynamics of Small Scale Industry in Africa and the Role of Policy*, Gemini Working Paper 2, Washington D.C., USAID.
- Maya, R.S. (1989) *Structural adjustment in Zimbabwe: Its Impact on women*, Zimbabwe Institute of Development Studies, Harare.

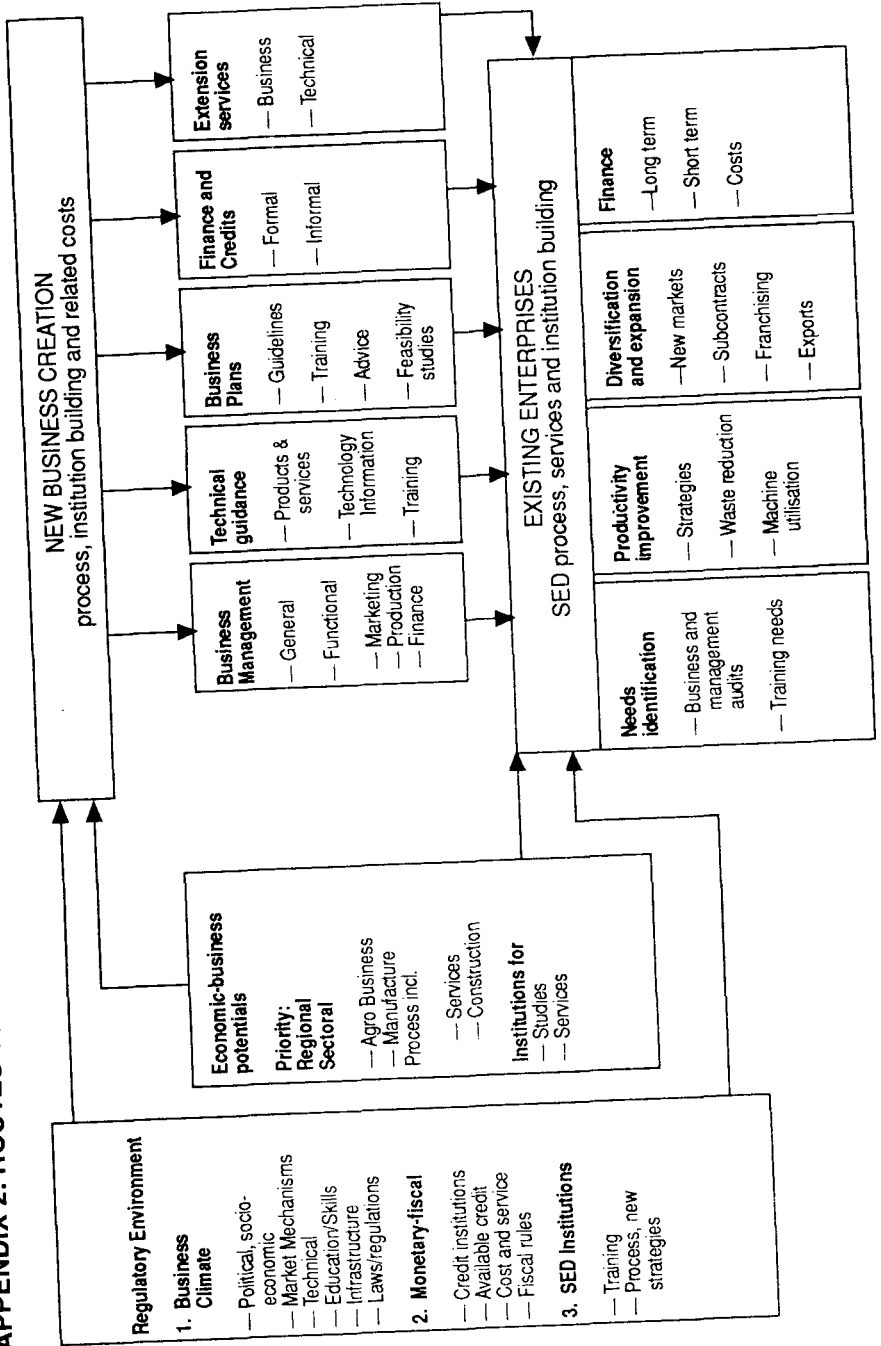
- McPherson, M.A. (1991) Micro and small-scale Enterprises in Zimbabwe: Results of a Countrywide Survey, Gemini Technical Report 25.
- Ministry of Finance, Economic Planning and Development (1987) *Annual Economic Review of Zimbabwe*, Government Printer, Harare.
- Mugambiwa, T. (1991) *An Economic Analysis of Rural Small-Scale Bread, Beer and Brick Making Industries*, ZERO.
- Moyo, S. (1991) Demarcating Small and Medium Scale Enterprises and their needs in Zimbabwe, Zero Working Paper, No 24, Harare.
- (1995) Policy Reforms and Meso-Scale Rural Market Changes in Zimbabwe, Research Proposal Submitted to the Ford Foundation, Harare.
- Osirim, M. (1994) 'Women, Work, and Public Policy: Structural Adjustment and the Informal Sector in Zimbabwe', in E. Kalipeni (ed.) *Population Growth and Environmental Degradation in Southern Africa*, Lynne Rienner, London, pp. 61-84.
- Parliamentary Debates (1993) 'Second Report of the Committee on the Indigenisation of the Economy', *Hansard*, 20(4), pp. 2551-2592.
- Pedersen, P.O. (1989) The Role of Small Enterprises and Small Towns in the Developing Countries, CDR Project Paper 89.1, Centre for Development Research, Copenhagen.
- Rasmussen, J. (1992a) The Entrepreneurial Milieu. Enterprise Networks in Small Zimbabwean Towns, Research Report No. 79, Department of Geography, Roskilde University.
- (1992b) 'The Small Enterprise Environment in Zimbabwe: Growing in the shadow of Large Enterprises', *IDS Bulletin*, 23 (3) pp. 21-27.
- (1995) The Local Entrepreneurial Milieu: Enterprise Networks in Small Zimbabwean Towns, Research Report No. 79, Department of Geography, Roskilde University/ Centre for Development Research.
- Riddell, J.B (1992) Things Fall Apart Again: Structural Adjustment Programmes in Sub-Saharan Africa', *The Journal of Modern African Studies*, 30(1), pp. 53-68.
- Tevera, D.S (1993) 'Skill Acquisition in the Urban Informal Sector: The Case of the Micro-Enterprises at Gazaland Shopping Centre in Harare, Zimbabwe', in DSE, *Out-of-School Work and Sustainability in the South — Experiences and Strategies*, DSE, Berlin, pp. 110-116.
- (1994) 'Training and Assistance to Small-scale Enterprises in the urban Informal Sector in Zimbabwe', *Journal of African Association for Literacy and Adult Education*, 8 (1), pp.26-31.
- (1995) 'The Medicine that might kill the Patient: Structural Adjustment and Urban Poverty in Zimbabwe', In Simon, D. et al (eds) *Structurally Adjusted Africa: Poverty, Debt and Basic Needs*, Pluto Press, London, pp 79-90.
- Tevera, D.S. (1996) 'Indigenisation of the Zimbabwean Economy and the Emerging Economic and Socio-Spatial Impacts', *Eastern Africa Social Science Research Review*, Vol. XII, No. 2, pp 1-12.
- ZCTU (1992) 'The ZCTU on Structural Adjustment', *Social Change and Development*, No. 26.

APPENDIX 1: SECTORAL DISTRIBUTION OF SMALL ENTERPRISES IN ZIMBABWE (1991)

Sector	Urban		Rural		Total	
	%	abs. (.000)	%	abs. (.000)	%	abs. (.000)
Food, beverage, tobacco	0.5	1.4	10.4	59.8	7.2	60.9
of these beer brewing	0.0	—	8.5	48.9	5.8	49.0
Textile, clothing and leather	54.6	147.6	23.3	134.0	33.3	281.5
of these						
dress-making and tailoring	15.5	41.9	4.8	27.6	8.2	69.3
knitting	19.6	53.0	8.7	50.0	12.2	103.1
crocheting	14.1	38.1	6.5	37.4	8.9	75.2
Wood and wood processing	3.2	8.7	28.2	162.2	20.2	170.8
of these						
grass, cane and bamboo proc.	1.0	2.7	19.8	113.9	13.8	116.7
wood carving	0.2	0.5	4.9	28.2	3.4	28.7
carpentry + furniture making	1.9	5.1	2.9	16.7	2.6	22.0
Other manufacturing	3.4	9.2	9.3	53.5	7.4	62.6
of these						
pottery	0.1	0.3	2.6	15.0	1.8	15.2
brickmaking	0.0	—	3.0	17.3	2.0	16.9
welding	1.1	3.0	0.4	2.3	0.6	5.1
Repair work	3.0	8.1	0.8	4.6	1.5	12.7
Total manufacturing	64.6	174.7	72.1	414.6	69.7	589.3
Construction	1.4	3.8	5.4	31.1	4.1	34.7
Trade	28.8	77.9	19.7	113.3	22.6	191.1
Service	5.2	14.1	2.8	16.1	3.6	30.4
Total	100.0	270.4	100.0	575.1	100.0	845.4

Source: Gemini (1991)

APPENDIX 2: ROUTES TO SMALL ENTERPRISES DEVELOPMENT





This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 License.

To view a copy of the license please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>

This is a download from the BLDS Digital Library on OpenDocs
<http://opendocs.ids.ac.uk/opendocs/>