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**INFORMAL ENTREPRENEURSHIP AND POVERTY ALLEVIATION AMONG POOR
HOUSEHOLDS IN CHITUNGWIZA MUNICIPALITY, ZIMBABWE**

BY

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201105360

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SUPERVISOR: PROFESSOR P.T. TANGA

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DECLARATION

I, **CONSTANCE GUNHIDZIRAI** declare that, this research project entitled: **Informal Entrepreneurship and Poverty Alleviation among poor households in Chitungwiza Municipality, Zimbabwe** is a product of my own work and has not been done or submitted in other University. The materials used in this dissertation have been cited and referenced appropriately.



Constance

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DEDICATIONS

This research project is dedicated to my late father Samuel Gunhidzirai. Although I was still very young, I remember you always emphasized the importance of education. Your motivation and encouragement contributed to the success of this research.



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ABSTRACT

The aim of this study was to assess the effectiveness of informal activities in alleviating household poverty in Chitungwiza high density suburb located close to Harare the capital city of Zimbabwe. Many households are vulnerable to poverty; therefore, they are embarking on informal activities as sources of livelihoods. The Sustainable Livelihood Approach and Resilience theory were used as theoretical frameworks that underpin this study. The triangulation approach of both qualitative and quantitative was used in soliciting data. Questionnaire and interview guides were instruments used in collecting data from a sample of 133 informal entrepreneurs and six key informants (social workers, municipal officials and community development practitioner) from Chitungwiza Municipality. The findings show that the dominant informal activities done in Chitungwiza are cross-border trading, foreign currency exchange, various home industries, street vending and urban farming. These livelihoods are providing a source of employment and income to many families. The findings show that informal activities are a source of income for many households. There is a huge influx of people into this sector because of the instability of the formal economy. The perception of informal activities in poverty reduction depended on the livelihood one is embarking on. For some, it is for improving their living conditions while for the majority, it is to meet their daily needs. The study recommended the government of Zimbabwe to include people from grassroots in consultative process of policy formulation and implementation. Also entrepreneurial activities should be included in the national budget as they have proved to be the most viable and sustainable economic activities for poverty alleviation.

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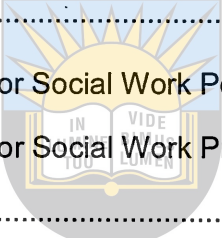
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LIST OF ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
BAZ	Bankers Association of Zimbabwe
CBT	Cross-border Trading
DFID	Development for International Development
ESAPs	Economic Structural Adjustment Programmes
FAO	Food Agricultural Organization
FDIs	Foreign Direct Investments
FTLRP	Fast Track Land Reform Programme
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GNP	Gross National Product
HIV	Human Immunodeficiency virus
ILO	International Labour Organisation
IPC	Informal Passenger Courier
IMF	International Monetary Fund
MDC	Movement for Democratic Change
MERP	Millennium Economic Recovery Plan
NERP	National Economic Recovery Programme
NGOs	Non-Government Organizations

RA	Resilience Approach
RSCS	Rotation Service and Credit Schemes
SLA	Sustainable Livelihood Approach
STERP	Short Term Economic Recovery Policy
TCPL	Total Consumption Poverty Line
UNICEF	United Nations International Children's Fund
UREC	University Research Ethics Committee
WB	World Bank
WFP	World Food Programme
ZANU PF	Zimbabwe African National Union Patriotic Front
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZCBA	Zimbabwe Cross-border Association
ZCBTA	Zimbabwe Cross-border Trade Association
ZDI	Zimbabwe Democratic Institute
ZIMASSET	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMPREST	Zimbabwe Programme for Economic and Social Transformation
ZIMSTATS	Zimbabwe National Statistics Agency

CHAPTER ONE

GENERAL OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Informal entrepreneurship is an old phenomenon which is currently evolving in different ways world-wide. Unlike in other countries, in Zimbabwe it has become the dominant form of economy in which many households are now relying on to earn income. Therefore, this study focuses on assessing informal entrepreneurship as a poverty alleviation strategy among poor households in Seke suburb of Chitungwiza municipality in Zimbabwe. Therefore; this chapter provides the general overview of the study. This is well elaborated in the following sections: background of the study, research problem, research questions, research aim and objective, significance of the study, delineation and scope of the study and definition of key concepts/ terms.

1.2 BACKGROUND TO THE STUDY

In developing countries, the economies are based on the formal and informal sector. According to Sinha and Kanbur (2012) as cited in Njaya (2014:94a), the terms *formal* and *informal* have been misused by being used interchangeably in policy circles. Failure of the formal economy to create employment for the masses has led to the growth and expansion of the informal sector. Previously, many governments used to thwart the informal sector because it was regarded as the “cash in market”, “black” market, “shadow economy” where counterfeit goods were manufactured; bribery was widespread, selling of illegal goods and corruption rampant (Sandada, 2014). However, individuals conduct legitimate businesses and provide standardised goods and service to the consumer; therefore, this led to the modification of the term *informal sector* to *informal entrepreneurship*.

Studies conducted by Chirisa in (2009) and Dube and Chirisa (2012) revealed that, they are a huge numbers of entrepreneurial activities being done in urban areas in order to earn an income in cash or kind for a living. These include: street vending, cobblers, hawkers, foreign currency exchange, cross-border traders, various home industries

such as salons, renting out rooms to tenants, part-time jobs, urban farming, carpentry, sculptors, brick molding and street car washing (ZEPARU, 2014:12).

Informal entrepreneurship is expanding rapidly in developing countries as a source of livelihood for generating income (Rukamann, 2007). This sector represents a movement of poor individuals who are working out means of breaking the chain of poverty in both rural and urban areas (De Soto, 2000). These individuals are embarking on different activities in which they provide goods and service directly to consumers.

Contrary to the above statement, William and Nadin (2012), as cited by Sandada (2014:1), assert that, both the poor and working class are involved in informal entrepreneurship. They substantiated this claim with statistics that show: 70 % of the working class in Sub-Saharan countries are in the informal sector in North Africa (62 %), Latin America (60%), Asia (59%) and Europe 77%. This shows that entrepreneurial activities are a vital source of livelihoods in many households. In Sub-Saharan Africa, poverty levels are increasing, and for the last 25years, the number of poor households has doubled for half the population living below the poverty datum line (International Labour Organization, 2008). This is further perpetuated by lack of job creation by many governments, which led individuals to use their skills and capabilities in entrepreneurship. In support of the above statement, Grant (2015:145) asserts that in Africa, quite a number of urban residents “work outside of the formal economy, live in informal housing and conduct business without using banks”. This shows that informal entrepreneurship dominates a large part economy.

There are a lot of entrepreneurial activities done by individuals in urban cities. This is supported by the Southern African Migration Programme (2014:2) which observes that, informal activities have become the “the big stories in African cities”. The reason is that the cost of living is high, and all goods and services are monetarized in order to survive, which leads to scrambling and hustling for survival.

Khavul et al. (2009) view informal entrepreneurs as a series of network which include family ties who work together in making ends meet through recognizing and exploiting opportunities in their social environment. However, Webb et al. (2009), is of the view

that family is not a vital source of venturing in entrepreneurship since it does not automatically guide the ventures strategic.

Informal entrepreneurial activities in Zimbabwe started way back in 1980s though it was done on a small scale. According to Gumbo (2013), these activities constituted less than 10% of the national labour market. The period after 1980 was accompanied by events that led to the growth of this sector. The adoption of Economic Structural Adjustment Programme by the governments of developing countries spearheaded this sector. This led to the adoption of economic reforms such as deregulation, liberalization devaluation of the national currencies and reduction in government spending (Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) and Bankers Association of Zimbabwe, 2014:12). This intended to boost economic growth and economic development simultaneously but it failed and this led to the growth of informal entrepreneurship. Chirisa (2009) asserts that, since the inception of ESAP they caused more harm than good and perpetuated poverty in Zimbabwe.

Potts (2006:289) denotes that, the working class were negatively affected by the ESAP as their wages and salaries were reduced and they were rampant retrenchments. This drove them to join informal entrepreneurship as it was the only economic activity which was viable. In support of the above argument, Njaya (2014:19b) holds that, in Zimbabwe informal sector is the largest employer since the collapse of the formal economy and it is alleviating poverty amongst vulnerable groups in communities.

The ESAP period had detrimental effects to both rural and urban dwellers. People from the marginal areas migrated to the cities in search of better economic opportunities. While the urbanites were economically crippled because of lack of employment, retrenchments and cut in salaries, rural dwellers suffered too since breadwinners in urban cities have been either retrenched or dismissed from work. Rukamann and Meshram, (2007) denote that, informal entrepreneurship became a refugee camp for the poverty stricken households.

However, Chirisa (2009:258) tends to differ and argues that "It is not that jobs were non-existent, but the existing formal jobs were not commensurately remunerated as result

households were pushed by accelerating poverty to venture in the informal entrepreneur in-order to substantiate household income". Following this argument, it can be safely argued that this has led to the recognition of informal activities as a source of livelihood in most urban areas in Zimbabwe.

The other factor that contributed to the venturing of poor households in informal activities was the effects of Fast Track Land Reform Program (FTLRP) in 1998-2000. This programme gave permission to the liberation war veterans to grab land from the white farmers. This led the eviction of white farmers out of their farms in an inhuman and degrading way without any form of compensation (Chigwenya and Mudzengerere, 2013a).

This act of land grab, draws attention worldwide and the International community was not happy about it especially the former colonial power Britain. The manner in which the FTLRP was conducted received international condemnation which saw the country being removed from the list of recipient of foreign aid and immediate economic sanctions were imposed by the International Monetary Fund and World Bank. Ndiweni et al. (2014:1) argues that, the 1998-2008 is regarded as a lost decade by various scholars because poverty levels increased rapidly which gave rise to the growth and expansion of the informal economies in various urban areas countrywide.

Furthermore, the daunting effects of FTLRP contributed to decline in the economy as the country was hit by unseen hyperinflation in the history of mankind. The consequences of such an exercise robbed the country off its (FDIs) Foreign Direct Investments, as investors took their business operations to other countries such as South Africa and Botswana due to the hostility of both economic and political environment (Chigwenya and Mudzengerere, 2013b). The decline in the mainstream economy and devaluation of the local currency exacerbates high unemployment rates, lowered national and gross domestic product and increased household poverty. Arguably, these situations drove several households into entrepreneurial activities as it was the only source of employment-creation left after the collapse of formal economy. In addition, this shows that many individuals are working extremely hard to make ends meet for their households. Embarking on these informal activities shows their effort in

alleviating poverty. Therefore, informal and micro-enterprise economic activities are the second largest source of livelihood strategies following agriculture. The following section seeks to unpack the challenges and reasons that breed informal entrepreneurship in Seke as poverty alleviation strategies aimed at increasing household income.

1.3 PROBLEM STATEMENT

For about a decade, Zimbabwe was hit by a deteriorating economy fuelled by poor economic and political policies which saw the country being dragged into the deep mud of an economic recession. This led to imposed economic sanctions by the international community and international organization such as the International Monetary Fund and World Bank (Tamukamoyo, 2009). Furthermore, this led to escalating unemployment, hyper-inflation and increased household poverty. The failure of the government to rejuvenate the ailing economy impacted negatively on households as they could not provide basic necessities to their families. As a result, numerous families sought refuge by venturing in informal entrepreneurial activities as alternative strategies of alleviating poverty. In Seke suburbs, Chitungwiza Municipality, these activities are known as *misika sika* “black markets”. The dominant activities include street trading, backyard salons, poultry, part time jobs, cross-border trading and foreign currency exchange, just to mention a few.

These livelihood activities are household-centred with the sole purpose of meeting social-economic needs. However, they are not sustainable due to underfunding, harsh municipal laws and stiff market competition, hence poverty is still prevalent in Zimbabwe. A report by UNICEF (2013) shows that 78 percent of Zimbabweans are living in “absolute poverty” with half of the population living below the poverty datum line with an estimate of 3, 5 million children being undernourished. Therefore, this study sought to assess the effectiveness of informal activities in reducing household poverty.

1.4 RESEARCH QUESTIONS

The research was guided by the following research questions:

- Which gender and age groups are involved in informal entrepreneurship?

- What are the dominant forms of informal activities engaged in by members of poor households?
- How effective are informal activities in alleviating poverty?
- What role is being played by the local government in assisting informal entrepreneurial activities?

1.5 RESEARCH AIM AND OBJECTIVES

The aim of the study was to assess the informal entrepreneurship as a livelihood source in alleviating poverty to poor households in Seke suburbs, Chitungwiza Municipality in Zimbabwe.

The following objectives guided the study:

- To explore gender and age profile of informal entrepreneurs.
- To assess the nature and type of informal activities engaged in by these poor households.
- To determine the extent to which these informal activities or entrepreneurship serve as poverty alleviation strategies.
- To assess how the informal entrepreneurship is regulated in Chitungwiza Municipality.

1.6 SIGNIFICANCE OF THE STUDY

In recent years, many studies on informal entrepreneur have been conducted and have failed to address the persistent poverty in poor households in urban areas. This study is, therefore, unique since it assessed the effectiveness of informal entrepreneurship as a poverty reduction strategy implemented by informal entrepreneurs in meeting their socio-economic needs. The research will contribute positively to the existing body of knowledge on informal entrepreneurship.

This study will facilitate the transfer of knowledge about sustainability of resources and assets to informal entrepreneurs in order for their activities to continuously alleviate

poverty. The findings and recommendations will assist policy makers, the Ministry of Public Works and Social Welfare, Municipality of Chitungwiza and Non-Governmental Organisations who are responsible for the welfare of people and community development. Furthermore, this will assist them in identifying the needs of informal entrepreneurs when drafting legal policies and frameworks for informal entrepreneurship.

1.7 DELIENATION AND SCOPE OF THE STUDY

Chitungwiza is a town located 25kms south of Harare, the capital of Zimbabwe. This town is made up of 3 townships that were joined together which are: Seke, Zengeza and St Mary's in 1978; in 1981, it was recognized as a Municipality (Parliament of Zimbabwe, 2005). The land in Chitungwiza is divided into residential areas, Industrial site and shopping Centers (Parliament of Zimbabwe, 2005). The study was conducted in Seke which is sub-divided into locations/ residential areas starting from Unit (A- P); some of these locations have extensions which are the new residential areas.

According to ZIMSTATS (2012:16), the population of Chitungwiza Municipality is 356840 of which 47, 2% are males and 52, 8 % are females. Chitungwiza is a high density, area and 98% of the residents are Zimbabwean while only 2 percent are foreigners from other countries such as Mozambique and Malawi (ZIMSTATS, 2012:9). The most spoken language by people in Chitungwiza is Shona, and it is amongst many others languages that have been made official by the Government (Constitution of Zimbabwe Amendment (20) of 2013). There are a number of Government Primary and High schools in each location and for the past decade, many private schools and Colleges have emanated (both registered and un-registered with the Ministry of Education).

The economically active population in Seke District is employed in Chitungwiza Industrial Site, the surrounding shopping centers, Mbare and in Harare (Parliament of Zimbabwe, 2005). Since the year 2000, Zimbabwe has been experiencing economic instability which had led to de-industrialization, retrenchment and job losses; therefore, this population has resorted to Informal Entrepreneurship as a source of income. In

support of the above argument, ZIMSTATS (2014) notes that informal sector is playing a vital role in job creation for the unemployed.

The researcher chose Seke District as a case study because she was familiar with the Informal Entrepreneurial activities that are currently taking place. Furthermore, the researcher was born and bred in Seke before migrating temporarily to South Africa in pursuit of academic studies, hence she is accustomed to that environment and its politics. It is against this solid background that the researcher was able to easily mobilize the subjects to participate in the survey since they speak the same language, thus bridging the communication barrier.

This study focused on Informal Entrepreneurship as a poverty reducing strategy in Zimbabwe because she had noted that the crumbling formal economy has led to the growth and expansion of entrepreneurial activities. These activities are a source of employment and income to individuals who could not be absorbed into the formal economy. Therefore, they embark on various livelihood activities such as street vending, shoemaking, brick-laying, craft manufacturing, cross-border trading, foreign currency exchange and various home industries. This study focused on the effectiveness of Informal entrepreneurial activities in alleviating household poverty in Seke suburbs, Chitungwiza Municipality, Zimbabwe.

1.8 DEFINITION OF KEY TERMS

1.8.1. Entrepreneur

An Entrepreneur is defined as a business-minded person who is a risk taker, a conceiver and an organizer of a venture in pursuit of profit gains (Action coach, 2015). Adenutsi (2009:21) endorses that an entrepreneur identifies new business opportunities and mobilises economic resources to initiate a new business or regenerate an existing business, under risky and uncertain conditions, for the purpose of making profit under private ownership. Furthermore, their start-up capital comes from family and personal accounts. In this study, entrepreneur refers to individuals who are involved in different livelihood strategies such as cross-border trading, money changing, urban farming and vending.

1.8.2 Informal Sector

International Labour Organisation (ILO) (1972) as cited in Devey et al, (2005:226) defines Informal sector as characterised by easy entry, supported by local knowledge, labour-intensive, less reliance on technology, limited formal skills and unregulated operations. In support of the above description, Misati (2007:2) denotes that the objective of informal sector is to generate employment and a source of income for survival. In this study, *informal sector* refers to economy generating activities and projects pursued by poor households as a poverty alleviation strategy.

1.8.3 Poverty

Kachere (2011:34) defines poverty as multi-faced and continuous evolution since it is defined by people in different ways. She remarks further that it is defined according to a person's socio-economic status in society. Freud and Stapafara (2005:45) define poverty as a failure to achieve a minimum standard of living due to lack of income in meeting basic needs. For the purpose of this study, poverty refers to the *"inability of individuals to meet or achieve their basic material and physiological needs which can be measured either as a lack of income, which limits access to food and to education, health, housing, water and sanitation services or by the failure to achieve the desired outcome, such as high quality diet rich in micro nutrients, health status, education attainment and the quality of health, water and the sanitation services received"* (Hazell & Haddad, 2001:12 as cited in Saunyama, 2013).

1.8.4 Livelihoods

Krantz (2001) posits that, "A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a mean of living". A livelihood is sustainable if it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base". Therefore, people's capabilities and available resources, when harnessed comprehensively, became a source of livelihood for poverty alleviation.

According to Scoones (1998) and Bebbington (1999), as cited in Olsson et al. (2013:4), livelihoods are assets such as “financial, natural, cultural capital and physical” which when combined provide a source of income. In support, Tanga (2009:9) defines livelihoods as sources of income. Turner (2001), as cited in Tanga (2009), categorises sources of income as land for cultivation, assets such as livestock, food security, health, skills capabilities and. In this study, livelihood refers to economic strategies embarked on by poor households in alleviating poverty.

1.9 STRUCTURE OF THE DISSERTATION

Chapter 1: Introduction

This chapter provides a general introduction of the study in terms of background, problem statement, and research questions, rationale of the study and objectives, as well as the significance of the study.

Chapter 2: Literature review

The focus of this chapter is the review of literature on empirical and theoretical studies on the topic.

Chapter 3: Research Methodology

This chapter discusses the research design and methodology, scope of the study, consisting of the study area, target population, sampling technique as well as challenges encountered and how these challenges were resolved.

Chapter 4: Data Presentation, Analysis and Discussion

This chapter presents the results/ findings, interprets and analyzes them. Themes of the study are outlined and discussed. It is in this chapter that the researcher determines if the findings are similar or different to those of other researchers.

Chapter 5: Summary of findings, conclusions and recommendations

This chapter provides the summary and conclusion of the study as well as bringing suggestions for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter provided a general overview of this study. It elaborated on the introduction and background of Informal Entrepreneurship, problem statement, research questions, aim and objectives of the study, significance of the study, delineation and scope of the study and definitions of key terms. This chapter reviews literature related to informal entrepreneurship as a poverty reduction strategy by poor households in Zimbabwe. The literature is subdivided into theoretical and empirical literature. The theoretical frameworks which underpin this study are Sustainable Livelihood Approach (SLA) and Resilience Theory. These theories explain the strategies being adopted by informal entrepreneurs in Seke in their effort to fight household poverty. The empirical literature details the overview, nature and forms of informal entrepreneurship in Zimbabwe, specifically in Chitungwiza Municipality.

2.2 LEGISLATIVE FRAMEWORKS ON INFORMAL ENTREPRENEURSHIP IN ZIMBABWE

Zimbabwe has experienced economic instability for more than a decade. The reasons are attributed to internal and external factors which are related to poor governance, corruption and unrealistic economic and social policies. In an effort to resuscitate the bleeding economy, the government has, in the past, implemented a number of policies to redress the socio-economic situation. These policies include: Zimbabwe Programme for Economic and Social Programme (ZIMPREST) of 2006, National Economic Reform Programme (NERP) of 2003, Short-Term Economic Recovery Policy (STERP 1 and 2) of 2009 and the Millennium Economic Recovery Programme (MERP) of 2001 (Zimbabwe Democracy Institute, 2014:3).

The above-mentioned policies promised many improvements on the economy and well-being of people but in reality, they all failed. This was evidenced by the implementation of one policy after another within a short space of 10 years. Furthermore, such policies failed to support informal activities (Mbiriri, 2009:45). This paragraph was a summary of

various economic policies previously implemented by the government to save the economy; however, all of them failed due to improper implementation and under-funding given the ailing economy at the time.

The following paragraphs explain the Indigenization and Economic Empowerment Act (Chapter 14:33) that played a vital role in the formulation of Zimbabwe Agenda for Sustainable Social-Economic Transformation (ZIMASSET). ZIMASSET is an economic blueprint which currently contains provisions for Informal Entrepreneurship as a poverty alleviation strategy

2.2.1 Indigenization and Economic Empowerment Act (Chapter 14:33)

The Zimbabwean Government in 2010 formulated the Indigenization and Economic Empowerment Act as a poverty alleviation strategy (ZEPARU & BAZ, 2014). Indigenization is understood as the involvement of the previously disadvantaged and marginalized individuals in economic activities to allow equal access to the nation's resources. Empowerment is the enhancement of the economic activities done by the local people who are involved in the indigenization (Government of Zimbabwe, 2014). This Act supported the activities of entrepreneurs in growth and development of the economy.

A survey done by Fin Scope (2012) deduced that there are over 2 million formal and informal entrepreneurs in Zimbabwe. This blueprint gave birth to the development of (ZIMASSET) since their foundation is rooted in embracing the concepts of empowerment and enhancement of capabilities in rebuilding the economy. The Ministry of Youth, Indigenization and Economic Empowerment and the Zimbabwe African National Union-Patriotic Front (ZANU PF) played a pivotal role in the formulation and Implementation of Zimbabwe Agenda for Sustainable Social-Economic Transformation (ZIMASSET) in 2013.

2.2.2 Zimbabwe Agenda for Sustainable Social-Economic Transformation (ZIMASSET)

The new economic blueprint (ZIMASSET) was formulated in 2013 after the ZANU PF Party won a landslide victory over the Movement for Democratic Change (MDC) in the

June Presidential Election. This economic framework was formulated through a consultative process with the Zimbabwe African National Union (ZANU PF) leadership, Government officials, people at grassroots, Private Sector and Non-Government Organisation (Government of Zimbabwe, 2014:8). However, a survey conducted in Mashonaland West by the Zimbabwe Democracy Institute (ZDI) in (2014) showed that many people do not have adequate knowledge about (ZIMASSET) and were not involved in the formulation and implementation of this policy.

Clusters that form ZIMASSET

ZIMASSET intends to achieve sustainable development and enhance social equity through indigenization, human empowerment and job creation. This will be achieved through harnessing the country's natural and human resources that are in abundance for the next 5 years starting from October 2014-December 2018 (Government of Zimbabwe, 2014:8). Its vision is to move *"Towards an Empowered Society and a growing Economy"* in order for the country to attain full economic growth and development as well as to restore the country's position as a bread basket for Sub-Saharan Region (Government of Zimbabwe, 2014:9). In that capacity, the policy is based upon 4 clusters which are:

- Food Security and Nutrition;
- Social Service and Poverty eradication;
- Infrastructure and Utilities; and
- Value Addition and Beneficiation

Cluster number two and four play a pivotal role in supporting Informal Entrepreneurial Activities as they seek to increase economic growth which will simultaneously reduce poverty. Cluster number two has 9 key areas which are: access to basic health services, Indigenization and economic empowerment, Access to water and sanitation, Infrastructure, Access to land and agricultural inputs, Employment creation, Gender mainstreaming, Information communication technology and resource mobilization (Government of Zimbabwe, 2014: 63-75). The key area of indigenization and economic

empowerment encourage individuals' participation on the informal sector in order for them to benefit from the vast resources in the country and to be economically independent. Furthermore, when people are economically empowered, they have the capacity to provide needs for their households.

Cluster number four focuses on the following key areas: energy and power, agriculture, manufacturing, mining, human capacity building and development, marketing and trade facilitation, tourism product and diversification. It further advocates for the implementation of the following programmes: human capital development, employment creation in both (formal and informal economy) and indigenization and economic empowerment in order to resuscitate the ailing economy and improve the standards of living of the majority of citizens (Government of Zimbabwe, 2014:103-111).

In both Clusters 2 and 4, the Government is trying to integrate informal activities to the main economy. It seeks to assist informal entrepreneurs to be economically empowered so that they will not be recipients of Government and Donor Aid exclusively. In this framework, both the Government and Informal Entrepreneurs have to work together. Therefore, the Ministry of Youth Development, Indigenization and Economic Empowerment is solely responsible for making ZIMASSET accessible to the following vulnerable group of people: young women, youth with disabilities, pupils and students, unemployed youth, out-of-school youths, youth living with HIV and youth in the diaspora (Government of Zimbabwe, 2014:12).

Below are some of the responsibilities the Ministry of Youth Development, Indigenization and Economic Empowerment towards uplifting the lives of youth in Zimbabwe (Government of Zimbabwe, 2014:28):

- Support of youth groups embarking on income-generating projects and provision of extension services;
- Marketing of youth programmes and activities;
- Facilitation of youth exchange programmes;
- Research, monitoring and evaluation of youth activities and

- Entrepreneurship skills training and development.

Since the onset of ZIMASSET in 2013, youth from both rural and urban areas have embarked on different entrepreneurial activities. The policy states that, if the youth project proposals are convincing (provision of sustainability and creation employment in their area), the Ministry of Youth Development, Indigenization and Economic Empowerment will fund them. The funding given will be paid back after a certain period with low interest rates. These projects will be monitored and evaluated by the Ministry. By so doing, ZIMASSET is empowering entrepreneurship both from the formal and informal sector to alleviate poverty through empowering and supporting individual capabilities. This is also assisting households in Chitungwiza Municipality as most of them are into entrepreneurship as a source of income generation.

Critics and the media argue that this blueprint is unrealistic and is doomed to fail just like other blueprints. Mangongera (2013) was quoted in the *Zimbabwean Independent* (2013) explaining that the ZIMASSET is a complete failure because its formulation has not been scientifically proven. This is supported by the growth projection they intend to achieve between 2013-2018. For instance, the projected economic growth should increase to 3.4 percent in 2013, and 6, 1 percent in 2014 and 9, 9 percent in 2018. These unproven statistics clearly prove its failure.

The director of fiscal policy and advisory services in Zimbabwe elaborated during a press conference that ZIMASSET needs 27billion to fund all its projects. The director observed further that 7.5 percent will come from the budget, and 92.7 percent will be mobilized from external sources (Herald Newspaper: 05 February, 2014; Zimbabwe Democracy Institute, 2014:3). Considering the government has failed to raise 3.8 billion for the national budget of 2016, it is clear that ZIMASSET's goals are unrealistic.

Zwizwai (2014) agrees with Mangongera (2013) when he ascertains that the cash strapped government is falling to pay salaries of civil servants; that is clear testimony that ZIMASSET will fail because of lack of funding. The failure of this blueprint will hit hard the Informal Entrepreneurs who need support, both financial and physical, from the

Ministry of Local government and public works and Ministry of Small and Medium enterprises.

Although ZIMASSET seems to be a sophisticated economic policy, it does little to assist informal entrepreneurs due to lack of strategic direction, underfunding of informal activities and the harsh prevailing political and economic environment. The question, however, remains: What about the other sectors of the economy such as Industry, Mining and Agriculture? This question shows why the Informal Entrepreneurship in Zimbabwe is common, but with little success as a result of no funding from the state or the private sector.

2.3 THEORETICAL FRAMEWORKS

This study is anchored on two theories, namely: sustainable livelihood approach and resilience theory. They are discussed below in detail.

2.3.1 Sustainable Livelihood Approach

This study is underpinned by the Sustainable Livelihood Approach (SLA). Various authors allude that the concept of SLA appeared in research literature around the 1980s. Sustainable livelihood is a broad concept that debates the inter-relationship between poverty and social, political and economic environment (Scoones, 1998). The Sustainable livelihood framework was developed by Robert Chambers in the 1980s at the Institute of Development studies. Kollmar and Gamper (2002) assert that Chambers (1995) came up with the idea of "*Sustainable livelihood*" with the sole purpose of enhancing social and economic development to less developed countries which are characterised by high levels of poverty.

According to Chambers and Conway (1992:7), livelihoods refers to "*capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation and which contributes net benefits to other livelihoods at the local and global levels and in the short and long-term*". These statements show that livelihoods are significant in poverty alleviation. More scholars

such as Chambers and Conway believe this framework is specifically suitable for rural dwellers although it was recently modified to suit both semi-urban and urban dwellers in fighting poverty (Beall & Kanji, 1999; Moser, 1996; Tacoli, 1998).

The Sustainable livelihood framework forms the backbone of the Sustainable Livelihood Approach. This theory was further developed by British Development for International Development (DFID) to comprehensively tackle poverty. The SLA was first presented at Brundtland Commission on Environment and Development in Brazil 1987 as a result of persistent poverty in developing countries. It was during this conference that the concept of sustainable development was raised to be a world-wide political agenda. Therefore, SLA was to be implemented in the development practice by private organizations, governments and other stakeholders to alleviate absolute poverty.

In this conference, poverty was viewed as multi-faceted and multi-dimensional that should be addressed from all angles to enhance human growth and development. World Commission on Environment and Development (1987A:43) asserts that this framework is a powerful weapon to enhance self-reliance and sustainability of poor households in developing countries. The Global Sustainable Development Framework (1999) defined SLA as comprising people capabilities and assets including social and material resources for when harnessed, they enhance human development and conserve their natural environment (Department for International Development, 1997).

The Department for International Development (1999A) claims that a livelihood is considered sustainable when it has the ability to withstand and recover from stressors and shockers and still enhance assets for the present and future without overusing natural resources. This shows that livelihoods play a significant role in human development. The SLA supports human development contrary to economic growth, thus it is highly favoured by Neo-liberalists such as Amartya Sen.

Knutsson (2006:90) denotes that SLA is trans-disciplinary as it is a relevant practice, theory and policy. This approach is an analytical tool since it has a clear vision of a holistic approach in understanding the complexities of livelihoods and identifying best possible intervention strategies of alleviating poverty (Farrington et al, 2002:91).

Therefore, from 1997 onwards, the Sustainable livelihood approach was incorporated in various developmental programmes of the DFD (Kollmar & Gamper, 2002). Furthermore, International organizations such as Oxfam, Care and United Nation Development Programme adopted it in their poverty reduction programs (Solesburg, 2003).

2.3.1.2 Principles of Sustainable Livelihood Approach

The following are principles of SLA:

- The first principle states that SLA embraces people's strength. This means it calls for the interwoven of individual's capabilities and their assets to form sustainable income-generating projects (United Nations Development Programmes, 1999);
- The second principle is dynamic and adaptable. It views this framework as having the ability to understand vigorous nature of livelihoods. Furthermore, it responds hastily to change in the environment through the development of adaptive strategies. United Nations Development Programmes (1999) propound that a SLA has the ability to recover from stressors and shocks over a long period of time;
- The third principle views SLA as people centered. This means the total well-being of people is of outmost importance. Furthermore, it views people as energetic actors in the process of development since it lures their skills, knowledge and survival strategies in the attainment of human development (United Nations Development Programmes 1998);
- The fourth principle views SLA as household and community centered. It denotes that people contribute a lot in the sustainability of their household and community through the roles and responsibilities they play in poverty alleviation (Moser, 1996). In support, Douglass (1998) and Chambers (1995) concur that households rely on social capital and network obligations, thus establishing livelihood strategies for the betterment of their well-being.

- The fifth principle views SLA as holistic. This means it seeks to understand people, the nature of their problems and needs in totality.
- The sixth principle calls for partnership between the public and private sectors and other stakeholders in assisting entrepreneurs activities to be viable and sustainable.

2.3.1.3 Sustainable livelihood approach SLA

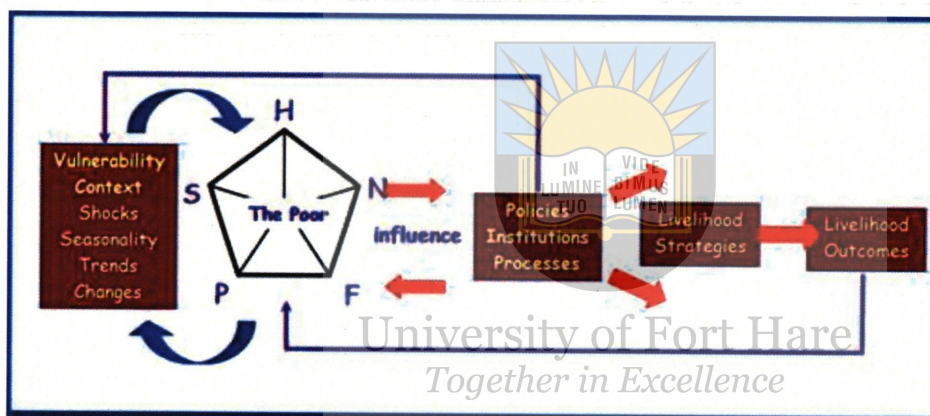


Fig. 2.1: Sustainable livelihood framework **Source: (IFAD, 2015)**

The SLA diagram above shows that poor people are affected by many variables which make them vulnerable to poverty. These factors may be brought up by instability or malfunction in a system such as economic, social or political issues. Furthermore, this diagram shows that it is the role of Government, private sectors and other stakeholders to ensure that they formulate frameworks and policies that are pro-poor. By so doing, they will be supporting informal entrepreneurial activities.

2.3.1.4 Applicability of SLA in this study

SLA fits into this study because many households in Zimbabwe are using available resources in their social environment and their abilities to support livelihoods to generate income. However, in the process of doing that, they are encountering challenges. Therefore, this approach seeks to address and combat those forces so that individual livelihoods can be sustainable to support their household needs.

2.3.1.5 Advantages of SLA

There are several advantages of SLA which makes it a suitable framework to inform informal entrepreneurship in Chitungwiza municipality. This approach enhances human development and by so doing, helps a lot in alleviating poverty. It is a recent and empirically approved tool in understanding the perplexities of poor households. Murray (2001:7) observes several advantages of this approach. SLA understands the means of livelihoods in the present and future context. This approach upholds a rapport relationship between an individual, household and community in alleviating poverty. It further recognises the need to surpass boundaries between separate sectors such as rural versus urban and informal versus formal. It also views the need to investigate inter-relationships among different activities that form a household livelihood. Lastly, it encourages poor people to be self-dependent and reliant instead of being recipients from public and private sector welfare programmes (Murray, 2001:7).

2.3.1.6 Criticism of SLA

Critical scholars argue that this theory does not show explicitly the inter-relationship between people, poverty and their environment. Morse et al, (2009) maintain that SLA does not explain how people become poor or survive poverty. Following this line of argument, the invisibility of people in this framework shows that it focuses more on the capabilities, assets and activities (Morse et al., 2009). Furthermore, this approach is silent on the issue of gender, power and social dominance in different cultures, which this has a great impact in African communities as assets and economic opportunities are distributed through gender and benefits males more than females (Ludi & Slater, 2008).

Moreover, the SLA does not explicitly show the role of donor agencies and Non-Government Organizations (NGOs) in the development policies and programs to alleviate poverty. This is of paramount importance because the government has to work closely in partnership with these stakeholders to come up with comprehensive policies and programs that tackle poverty at all levels in both urban and rural communities (Morse et al., 2009).

2.3.2 RESILIENCE THEORY

Many authors provide different conflicting versions on the evolution of Resilience Theory. Van Brenda (2001:2) reasons that resilience theory has been evolving over the past 70-80 years and subjecting itself to renaissance over the previous two or three decades. Greene et al. (2003) refer to resilience as a theory that can inform action. These authors regard the theory as a concept that changes people's focus from the breakdown and disorder emanating from exposures to stressful environments, to individual characteristics' and social processes associated with either normal or unexpected psycho-social development (Van Brenda, 2001:2; Greene et al., 2003).

In support of the above argument, European Union Factsheets (2015:2) defines resilience as: *"the ability of an individual, a household, a community, a country or a region to withstand, cope, adapt, and quickly recover from stresses and shocks such as violence, conflict, drought and other natural disasters without compromising long term development"*. Crawford et al (2006:355) add that resilience involves the search for knowledge about the processes which can contribute to positive adaptation and development in the context of adversity and disadvantage.

Brand and Jax (2007) view resilience as a concept found in sustainability which is applied in different disciplines to understand the socio-ecologically systems. Resilience is seen as a theory of change which understands how multifaceted systems changes, how they engross disturbances and how the actors withstand it (Janssen et al., 2006). Therefore, resilience is defined in social-ecological system as the ability of a system to engross disturbance and restructure itself while experiencing change in order to maintain its function, identity, feedback and structure (Walker et al., 2004). Adger et al. (2005) observes that resilience in social-ecological systems integrates a variety of mechanisms used for adapting to change, stressors and sudden shocks.

2.3.2.1 Applicability of Resilience theory in this study

This approach speaks to the day-to-day challenges faced by Informal Entrepreneurs in Chitungwiza Municipality. These individuals are often caught violating Municipal laws and face a lot of persecution, pay high fines or have their goods confiscated as a way of

driving them out of the urban areas. This traumatizes them and often leads to stress-related diseases such as cancer and heart attacks as a result of high blood pressure.

Furthermore, in this study, the Resilience Theory complements Sustainable Livelihood Approach (SLA) since it addresses individuals, communities, and families in societies who seek to empower and sustain themselves in their entrepreneurial endeavors. The above-mentioned groups of people are the ones engaging in informal entrepreneurship to support struggling families in Zimbabwe at the height of high unemployment rates. These theories have a central theme in common, which is to assist individuals in poverty alleviation.

2.3.2.2 Criticism of Resilience Theory

Many authors assert that resilience is a half-baked theory because it fails to articulate causes of Informal Entrepreneurship. Walker et al. (2006:2) explain that *“Resilience ideas do not comprise a theory intended to explain the behavior of social-ecological systems, and might be termed a resilience framework or resilience”*. In support, Carpenter and Brock (2008:1) add that *“resilience is a broad, multifaceted, and loosely organized cluster of concepts, each one related to some aspect of the interplay of transformation and persistence”*. This shows that resilience does not come down to a single testable theory or hypothesis.

2.4 EMPIRICAL LITERATURE REVIEW

2.4.1 OVERVIEW OF INFORMAL ENTREPRENEURSHIP IN DEVELOPING COUNTRIES

In most developing countries, the informal sector was previously not recognised due to the formal sector which provided jobs and income to the majority of people. Therefore, many governments drafted policies that crushed the informal economy as it was regarded as illegal and a stumbling block to the expansion of the formal sector. In contrast, Tamukamoyo (2009:331) points out that *“informal and formal economies are not separate economies or distinct but rather they coexist within an intensely segmented single economy”*. Therefore, to discard the informal sector would be a big error as it plays a pivotal role in economic growth and development. There are a

number of factors that led to the emergence of Informal Entrepreneurship in developing countries, and these include the failure of Economic Structural Adjustment Programs (ESAPs) implemented by developing countries in the 1980s and Global Financial Crisis 2000.

2.4.1.2 Failure of the Structural Adjustment Programmes

ESAPs are economic reforms that were formulated by the International Monetary Fund (IMF) and World Bank (WB) in developing countries in order to attain economic growth through restructuring the macro- economic policies (Thorne, 2010:1). The main purpose of these economic reforms, according to WB and IMF, were to integrate the economies of developing countries into the global economic system (Geo-Jaja, 2001:32). Countries that adopted economic reforms were from Latin America, Asia and 34 African countries.

These economic reforms were embodied in Neo-liberal ideologies which stated that for a country to attain economic growth, it had to cut government spending in the public services, privatisation of public sector, liberalisation of the market and removal of price controls (Edelman & Haugerud, 2005:7). Developing countries had to agree to these conditions in order to obtain loans from IMF, WB or other donor agencies (Milward, 2000:25). They thought attaining economic growth would simultaneous lead to economic development and poverty alleviation (Thorne, 2005). The conditionalities were detrimental to the economies and lives of many people; therefore, many authors attest that ESAP did more harm than the good it intended to achieve.

The economic reforms increased poverty and weakened both urban and rural livelihood, and this stimulated informal entrepreneurship (Benjamin, 2007). A case study of Zambia in the Sub-Sahara region showed that many organizations downsized a large number of employees in order to cut salary costs and increase profit, and this led to work burnout for the employees who remained - which caused stress related diseases (Muuka, 2002). Furthermore, those that were retrenched sought support from informal entrepreneurs for them to provide basic needs to their household (Muuka, 2002). The reforms left many people more vulnerable to poverty.

The increase in poverty levels led many people to venture in different informal activities for survival. In support of the above argument, Osirim (2003) contends that African countries, in the past century, were involved more in agriculture; however, they have now embarked in informal and small enterprises as their second form of livelihood. Chen (2001) is of the view that informal activities are largely done in urban areas and have created jobs for people in developing countries (Africa and Asia) and at least a quarter for people in Latin America.

In the West African Region, a case study of Nigeria showed the impact of the ESAPs on the economy as well as the well-being of the people. In 1986, Nigeria embarked on opening markets, devaluation of the national currency and reduction of subsidies since it was granted a loan from IMF and WB (Wright, 1998:112 as cited in Thorne, 2005). The majority of Nigerians condemn the conditionality of government loans although the government tried to make it appear as if it was their *home grown* economic strategies of boosting their economy (Thorne, 2005:11). By so doing, it was a clear that, "...*the African leaders are neo-colonial vassalage representing the interest, and under the control of the UN and other donors*" (Amzat & Olutayo, 2009:243). Furthermore, the objectives of the ESAPs were intended to address macro-economic challenges facing the economy and had nothing to do with the issue of reducing poverty (Okome, 1998:275 as cited in Thorne, 2005).

According to Thorne (2005:14-15), the ESAPs contributed to the de-industrialization of local industries, increased poverty as privatization led to increase in costs and scarcity of food as production was centralized for export and retrenchments of workers. Azmat and Olutayo (2009:243) state that Nigeria suffered a lot in agreeing to the conditionalities of the IMF and WB just like many other African countries. The authors endorse further that women, children and rural and urban poor populations suffered a lot as a result of these conditionalities and embarked on the informal sector as an alternative poverty alleviation strategy.

In South Asia, Bangladesh was a recipient of the economic reforms from WB and IMF. These reforms perpetuated poverty and failed to stimulate economic growth. The reduction of government spending on public amenities (schools and health sector)

greatly affected the poor because they could not afford to attain public services because of privatisation. A large number of children could not go to school, and child mortality increased (Mohammed, 1999). Furthermore, there were large number of employees who were retrenched due to privatisation, and this made the informal sector to expand rapidly although it was never recognised by the Bangladesh Government (Rushidan, 2000).

2.4.1.3 Global Financial Crisis

The Global Financial Crisis (GFC) of 2007 started in America and spread through the rest of the continents. It was the second worst economic downturn that greatly affected the world after the Great Depression in the 1930s. In 2007, the sub-prime mortgage dealer gave loans to individuals who did not qualify and had no solid income to buy houses. This led to the collapse of the American Housing markets which affected the American Financial sector, especially the banking system; this also affected the financial markets overseas as the US Dollar is the International currency in Global trade (Havemann, 2008). This had detrimental economic effects on developing countries that were now integrated in global trade through their acceptance of the Economic Structural Adjustment Programs (Thorne, 2005). These developing countries in Africa, Latin America and Asia were integrated in the global market as “producers” of raw materials of agriculture and minerals. This had negative effects on their economies as they solely relied on exports, and their commodities fetched low prices in the market because of the fall of the US dollar.

In the Asian continent, Pakistan’s economy was negatively affected by the GFC. Its economy is based on agriculture; therefore, the decline in exchange rates led to a drastic increase of food and agriculture inputs. The increase in interest rates led to a decrease in capital investment, and this forced foreign companies to retrench employees while others left the country in search of better economic environments that are profitable (Amna et al., 2015:15). Furthermore, this affected the well-being of households and increased poverty as household income for basic necessities declined.

According to International Labour Organisation (2014), the GFC perpetuated an increase in unemployment in the formal economy. A case study of Ghana shows that in

Accra, 53 percent of the formal workforce sought refuge in the informal entrepreneurs as agriculture output declined and its industries collapsed (Cohen et al., 2010). This shows that the informal sector plays a pivotal role in times of economic instability. This is supported by Bhowmik (2005) who concurs that during the Asian Crisis of (1998), more workforces ventured into informal activities for survival.

In the Sub-Saharan continent, South Africa also experienced a sharp decline of income during this period of GFC in the mining and manufacturing sector. This affected the economy and the well-being of people as the prices of minerals declined. The reduction in income to the employees led them to engage in economic activities to substantiate income (Council for the Development of Social Science Research in Africa, 2012). This shows that *"Informal employment tends to expand during economic crises or downturns"* (Chen, Venek & Heintz, and 2006:132).

2.4.2 OVERVIEW OF INFORMAL ENTREPRENEURSHIP IN ZIMBABWE

Zimbabwe obtained its Independence in 1980, and the government worked tirelessly to revamp the economy and improve the living standards of the people (Chirau, 2012). During this period, the health, agriculture, education and economy sectors were progressing fast. In Africa, Zimbabwe was known as the bread basket in Sub-Sahara Region. Sachikonye (2002:130) asserts that this was attributed to a vibrant diversified economy and large number of human resource.

2.4.2.1 Economic structural adjustment programmes (ESAPs)

The government of Zimbabwe adopted the Economic Structural Adjustment Programmes in the 1990s. These economic reforms were embodied with the views of Neo-Liberalist which seek to stimulate economic growth. These policies included de-regulation of the economy, market liberalisation and devaluation of the national currency Zimbabwe Policy Analysis and Research Unit and Bankers Association of Zimbabwe (ZEPURA) (2014:12). After adopting these policies, the government projected that there will be an increase in Gross domestic Product (GDP) by 5 percent yearly, a decrease in budget deficit of 5 percent by 1995 and a decrease in inflation and increase in export by 5,4 percent annually (OPEV, 1997; Bond, 2007:167).

These economic reforms shifted government focus from “*the interventionist approach to a market driven economy*” (Kanyeze, 2004:277). Various authors asserted that this economic downturn was caused by state incompetence and mismanagement of resources while others argue that it was caused by imperialist countries (Bratton & Masunungure, 2011; Clemens & Moss, 2005). These economic reforms brought much suffering to the people and had devastating effects on the economy. Ncube (2010:67) states that the ESAPs resulted in the decline of formal employment as local industries were thwarted out of business by Multi-National Companies and intra-urban and rural-urban migration increased and there was high retrenchment in the public sectors.

Moreover, the price for goods and services increased as price control regulations were relaxed and the health care services improved because of privatisation but was too expensive for the poor people to afford (Bond & Manyanya, 2003:37). The decrease in Gross Domestic Product, high inflation, increase in basic commodities and collapse of the formal economy drove people into the informal sector for survival (Crush et al., 2015:40; ZEPURA, 2014:12).

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The period of the adoption of ESAPs perpetuated urban poverty because of monetarisation of goods and services many people could not afford since they were either unemployed or retrenched (Tevera & Chikanda, 2000). The issue of meeting household needs moved from being provided by a single person to all household members' participation. This drove vulnerable men and women to seek refuge in informal entrepreneurship in order to sustain their families. ZEPURA (2014) denotes that these entrepreneurial activities were sub-divided into three forms which are: small-scale production enterprises, petty trading and distribution activities and non-tradable service sector.

OPEV (1997:22) asserts that households dominated in informal entrepreneurship as a poverty reduction strategy, with women and children dominating in this sector. According to Labour Force Survey (2012), female entrepreneurs accounted for 50,3 percent of those who were employed in the informal sector engaging in livelihood activities at homes and on the streets, whereas 40.7 percent were males who embarked on entrepreneurial activities such as carpentry, welding and transport industry.

The ESAPs led to the emergence of informal entrepreneurship, locally known in vernacular as “*musika sika*”, meaning informal activities. This led to an increase in diversification of livelihood strategies such as vending, petty trade, cross-border trading and home industries, just to mention a few (Tamukamoyo, 2009:97). These statements reflect that informal activities play a pivotal role in sustaining and providing needs of many households. In contrast, Mhone (1995) argues that the influx of informal entrepreneurs saturated the market as the majority of entrepreneurs were engaged in the same livelihoods which increased competition, leading to reduced profits gains. Therefore, entrepreneurial activities were just making ends meet for poor households and not entirely alleviating household poverty.

2.4.2.2 The Fast Track Land Reform Program (FTLRP) of (1998-2000)

The issue of land redistribution in Zimbabwe has been a hotly debated topic over the past 20 years when the country obtained its independence in 1980 (Mlambo, 2005). In 1998, the liberation war veterans began protesting to the government about the issue of land redistribution. These liberation war heroes wanted the government to redistribute the land which they had fought for since independence as much of the land was still in the hands of few white people. Raftopoulos (2004:7) described that the land question became “*the sole central signifier of national redress*”. In year 2000, there was a Third *Chimurenga* which was termed (Land grabbing) by the war veterans. This war was fought to remove white farmers from their land and relocating it to themselves.

The gruesome manner in which white farmers were evicted out of their farms without any compensation harmed the commercial agriculture in Zimbabwe. The actions emanating from the land grab presented the country as politically unstable for investment. Chigwenya and Mudzengerere (2013c) and Ndiweni et al., (2014:1) argue that due to bad governance, Zimbabwe was hit by economic sanctions which cost the country as it lost its borrowing power from IMF, World Bank and other International Donor Agencies. These sanctions crippled the economy and increased unemployment and poverty among poor households. Kamete (2009) observes that land grabbing worsened the economy as the country had not yet recovered from effects of neo-liberal

policies. The untimely implementation of FTRLRP damaged the economy of the country and reduced production in the agricultural sector.

Furthermore, the National Agriculture Production Output declined significantly during the land grabbing era as there was a fall in production from 70 percent to 20 percent of cash crops such as cotton, tobacco and soya beans (Mitlin & Chikwete, 2001:86; Richardson, 2007:471). This had a severe impact on the sustainability of agriculture industries and the economy as a whole as the country depended on agriculture as the main source of revenue to finance government spending. The devastating consequences of FTLRP affected households as food security levels declined leaving families vulnerable to high levels of poverty. Ndiweni (2014:1) denotes that this period is regarded as a “lost decade” by many scholars because it perpetuated poverty and forced many people into the informal sector. These scenarios clearly explain that the fall in the economy gave rise to the growth of the informal sector.

Reports published by the FAO/WFP (2007:8) stated that agricultural exports decreased from 39 percent in 2000 to 21 percent in 2006. Such a decline perpetuated retrenchments, downsizing of employees as well as food shortages. This led to the rise in entrepreneurial activities to gain income as poverty was increasing. Poverty Assessment Reports done in 2003 by the United Nations Development Programmes (2008:18) showed that “an estimated 72% of the population was living below the Total Consumption Poverty Line (TCPL) as compared to the 55% in 1995.

Both males and females were now engaged in selling basic commodities such as bread, meat, cooking oil, washing powder, salt and sugar in the street. This led to the rise of the Black market. The entrepreneurs charged exorbitant prices on basic commodities as they were not available in retail outlets. Those individuals who were connected to the manufacturing companies made a lot of profit as they would buy them at low prices and triple the prices in the streets (Chirau, 2012).

2.4.2.3 Black Friday

The liberation war heroes, popularly known as comrades, ex-combatants or war veterans, were given an unbudgeted 50,000 Zimbabwean dollars each as a token of

appreciation for liberating the country by the ZANU PF ruling Government. This generosity led to the devaluation of the Zimbabwean dollar. Furthermore, it led to the crashing of stock market in November 1997, and this was known as “black Friday” (Munda, 2007). The devaluation of the currency triggered hyper- inflation coupled with the scarcity of basic commodities.

Many foreign direct investors (FDIs) fled the country, thousands of people became unemployed and others migrated to other countries such as South Africa and Botswana in search of greener pastures. In supermarkets and retail outlets, shop owners started to demand foreign currency (rands & pulas) in purchasing of goods and services. This led to long queues in banks as people were exchanging currency in an effort to escape the escalating hyper-inflation. The decline in the country’s economy saw various opportunists seizing the moment to enrich themselves by indulging in foreign currency trade in the streets as it was profitable and viable towards increasing household income. This newly established and lucrative form of informal entrepreneurship was known as “money changers” or ‘sparteleni’. Mupedziswa and Gumbo (2001) viewed informal activities as “employment havens”, since these were the sole providers of income to many households. Drawing conclusions from the above views, informal entrepreneurship brought hope to the majority of struggling Zimbabweans since it was easier to join, and it was sustainable in improving household income and reinvigorate the standards of living of the poor people.

2.4.2.4 Operation Restore Order (*Murambatsvina*) 2005

From 1990 onwards, Zimbabwe has been facing a lot of political and economic instability as result of bad economic and political decisions. Vambe (2008) queries how instead of creating conducive programmes and policies to revamp the diminishing economy, the government inflicted more harm than good through embarking on the Operation Restore Order popularly known as ‘Murambatsvina’ in the vernacular ‘Shona’ language. ZEPARU (2014) observes that this operation was conducted prior to the launching of the Hawkers Act in 2003, which gave permission to the Municipal Police to eradicate all informal activities in urban areas. This programme was exercised in 2005 between May to July (Potts, 2006:274).

Bracking (2005:341) added that all the resources (economic, physical and social) of the urban poor were destroyed as a result of the exercise. This led to the destruction of people's livelihoods such as shacks, spazza shops and home industries; street vendors were arrested, vending structures demolished, their goods confiscated and flea markets destroyed (Bratton & Masunungure, 2006:24). The Ministry of Public Service and Local Government justified this process as restoring order in urban areas.

This increased urban poverty as the only source of income for many people was destroyed. Chirisa (2007) argues that the supporters of Operation Restore Order believed that this program restored order in urban areas, ignoring the fact that the exercise increased poverty in many urban households. Mbiriri (2009:45) admits that Operation Restore Order was the most destructive program ever implemented by the government as only 20 percent of the population was employed in the Public Sector while 80 percent was in the informal sector. Therefore, from 2007 onwards, a large number of frustrated urbanites were seeking economic and political refugee in neighbouring countries such as South Africa (United Nations High Commissioners for Refugees, 2007).

In an attempt to cover what most critics term 'gross inhuman acts', the Minister of Public Service and Local Government justified this deed arguing that " *The government insists that all sweeps and demolitions have been made to ride the country from chaotic nature of the unregulated market and to clear up the blurred distinctions between informal and formal sector. For an economy cannot be run by the informal sector*" (Government of Zimbabwe, 2005:45). In contrast Marolenga, (2005:4) disagrees with the government and argues that 50 percent of the gross domestic product was being generated in the informal sector, and thousands of people were earning a living in this sector. This shows that although informal activities were bringing disorder in towns and cities, they contributed a lot to the well-being of the people and the economy as a whole.

Bratton and Masunungure (2006:36) contend that "despite attacks on the livelihoods, the self-reliant occupants of this sector...quickly tried to recover". This shows the pivotal role of informal entrepreneurship as a poverty alleviation strategy for the poor. The

resilience of the people is a testimony to their determination in alleviating household poverty.

2.4.3 THE NATURE AND FORM OF INFORMAL ACTIVITIES

There are a number of livelihoods activities implemented in Zimbabwe as poverty alleviation strategies by poor households. These entrepreneurial activities are a provider of income to many households for meeting their basic needs (food, shelter and clothing). The following entrepreneurial activities are commonly practiced in Zimbabwe: urban farming, street-vending, cross-border trading, foreign currency exchange and home industries, just to mention a few.

In Zimbabwe, both males and females are involved in entrepreneurial activities. However, women constitute a larger number than men. A report by United Nations Development Programmes revealed that about 70 percent of the 1, 3 billion people in Africa are women and are living below the poverty datum line on less than \$1 per day (Chestan & Khun, 2002). These statistics show the extent to which women are determined to fight poverty and increase household income. Chirisa (2009:5) concurs that the decline of the Zimbabwean economy greatly affected women and forcibly drove them in large numbers to join informal entrepreneurship as compared to men.

2.4.3.1 Urban farming

Urban agricultural production is one of the most popular entrepreneurial activities in the urban areas of Zimbabwe. Urban agriculture refers to the “production of food and non-food plants and tree crops and animal husbandry both within (intra) and fringing (peri) built urban areas for household consumption as well as for sale to the rapidly growing urban population”(Mougeot, 2006:103). The United Nations Development Programmes (2006) as cited in Zezza and Tasciotti (2010) defines urban agriculture as “.... An industry that produces, processes and markets food and fuel, largely in response to the daily demand of consumers within a town, city or metropolis, on land and water dispersed throughout the urban and peri-urban area, applying intensive production methods, using and reusing natural resources and urban wastes, to yield a diversity of crops and livestock”. This means that urban farmers are responsible for producing goods that are needed on a daily basis by urban dwellers.

Urban farming plays a pivotal role in providing a source of employment and income to many vulnerable households. In Chitungwiza Municipality, urban farming is practiced on wet and unused lands in *Mayambara*, *Chibuku Stadium* and *Seke rural area*. Households specialize in growing crops such as maize, vegetables, sweet potatoes, tomatoes and onions, just to mention a few. These agriculture outputs are being grown for household consumption and for sale to other individuals (Parliament of Zimbabwe, 2005).

Besides growing of crops for domestic consumption, many entrepreneurs are also engaged in animal husbandry, and this includes breeding rabbits and chicken. This practice is not only done in the urban towns of Zimbabwe but also in other developing countries. For instance, in Latin America, Mexico City poultry is done at the backyards of homes, and a family can manage to keep up to 60 pigs and chickens which they feed with household waste, stale bread and vegetables waste (FAO, 2001; Zezza & Tasciotti, 2010). These scenarios entail that urban agriculture is a source of income-generating project practiced by various entrepreneurs with the intention of increasing household income and generating employment.

At the height of high unemployment in Zimbabwe, urban farming has become a popular livelihood activity in many urban areas. Hunger and poverty are dominant in most urban areas; therefore, urban farmers grow maize in large quantities as it is the staple food. This is supported by a case study of high density areas in Harare reveals that farmers are ploughing maize extensively and have adopted alternatives forms of storing it to last them annually (Kutiwa et al., 2010). In support of the above argument, Marongwe (2003) contends that some of the low density residential areas are now being classified as agro-residential because they practice urban farming at a large scale. The increase in urban farming reflects that households are increasing food security by engaging in urban farming as an alternative source for generating income and employment given the current economic situation in Zimbabwe.

Many urban farmers have self-allocated land for themselves so that they engage in urban farming. Various authors have put forward different reasons that may have led the poor urbanites in self-allocating land which is the official duty of the municipalities

not individuals. Marongwe (2003b) is of the view that the self-allocation of land in urban areas has been spearheaded by the fast track land reform (FTLRP) program of early 2000. The ill-timed FTLRP exacerbated land grabs in unregulated urban areas since urban residents perceived it as a right to allocate land to themselves as the liberations war veterans had forcefully distributed land to themselves.

It is important to highlight that since 2010, urban farming has been under threat from emerging new housing cooperatives that are claiming ownership of the land. In an interview to the residents about the land issue done by Kwaramba, a journalist from the *Zimbabwean Newspaper* in (2010), one resident, Emilia (Grandmother) says, “ I have been depending on urban farming for a long time but no longer do the farming because houses have taken over”. This response indicates that the need to construct houses has overridden the livelihoods of the poor, leaving them vulnerable to absolute poverty.

2.4.3.2 Street vendors

The escalating poverty and decline in the mainstream economy in Zimbabwe left urban farming to breed another livelihood strategy in the form of street vending in most urban areas countrywide. Witt (2000) and Manganga (2007) define street vendors as individuals who operate in unregulated economy selling commodities in streets and on pavements along the road. Njaya (2014:94) elaborates that street vendors are “stationary or static vendors who occupy public urban space: pavements, roads, parks, and alleyways using temporary stalls” These individuals play a vital role in the distribution of various goods and services in urban areas.

In Chitungwiza Municipality, there are two forms of street vendors, namely: white collar and green collar vendors. Chirisa (2007) defines green collar vendors as individuals who specialize in selling perishable goods such as tomatoes, vegetables, maize, and peanuts. The white collar vendors are those who specialize in selling of household utensils, clothing, stationaries, pirated music, airtime, newspapers and movie discs. Green collar vendors buy their commodities from the local urban farmers while white collar vendors buy from Harare and the cross-border traders (Chirisa, 2007).

Njaya (2014b:95) reiterates that some of trade by vendors includes: “*haircut, hair plaiting, manicure and pedicure, car wash, bicycle repair, cell phone unlocking and installation of internet and WhatsApp on cell phones and mending*”. These informal entrepreneurs operate their business at *Makoni, Zvido, Jambanja* and Town Centre, all in Chitungwiza municipality. In support, Crush et al. (2015) contend that street trading is dominated by women as they are the ones who cater for the well-being of the households.

The majority of vendors operate without licenses of trade and in undesignated areas in Chitungwiza municipality, which contributes to constant conflict and harassment by the Municipal Police (Kamete, 2004). In Seke, green vendors allocated themselves a market for their produce on the community sports fields, and the Municipal Police had to forcefully remove them. These informal entrepreneurs are resilient. The European Union Factsheets (2015:2) defines resilience as a process whereby people adapt and cope from the disturbing situation. This indicates that these people have no other alternatives of earning household income, and they resort to informal entrepreneurship although it has its own challenges.

Moreover, many street vendors practice nocturnal vending as a strategy of hiding from the Municipal Police. Kamete (2010) defines nocturnal as a form of resistance whereby vendors hide themselves during the day and start operating after working hours when the Municipal Police have knocked off from work. However, in many instances, these informal entrepreneurs that operate after hours are involved in the sale of illegal commodities.

StreetNet (2005) as cited by (Tanga, 2005) cautions that the Zimbabwean government views street trading as a “hiding place for criminals, people engaged in illegal activities, and those who do not practice hygiene, thereby spoiling the image of the towns and country”. This is the main reason why Municipal Police and street traders are antagonistic towards each other. A study done by Bhowkim (2005) revealed that it is difficult for any government to get rid of street traders because they enjoy large profits in the street, which make them comfortable and often resist relocation.

In Zimbabwe, street trading is dominated by women; however, due to high levels of unemployment and increased retrenchments, men have joined women in this livelihood. Manyanhire (2010) asserts that the issue of unemployment has pushed males to venture into street trading to ensure the survival of their households. However, females are still dominating this activity as most of them are single parents because of divorce, separation, death of spouses and husbands due to HIV/AIDS and other illness (Chirisa, 2007). The entrepreneurial activity of selling commodities and goods in streets is not peculiar to Zimbabwe only. A case study of Lesotho by Tanga (2005) showed that both males and females are involved in street trading as a livelihood strategy for poverty alleviation.

It is fundamental to highlight that the circumstances that push individuals into street trading are the same in developing countries, with the dominant factor being unemployment. For example, in Lesotho, Street trading is largely dominated by females as males are working in the South African mines and local textile industries (Tanga, 2005). The de-industrialization of many factories in Lesotho and retrenchments of employees in South African mines forced male counterparts to become active participants in street trading to secure income for their households (Tanga, 2005). These arguments entail street trading though it is dominated by women; men are also involved in this entrepreneurial activity since it is the only viable and most sustainable way of earning an income.

In South Africa, street trading is also done as a means of increasing income. The International Labor Organization (2003) noted that limited employment opportunities have forced people to earn a living in the street; hence the government has passed out less oppressive policies contrary to those passed by the apartheid regime. These policies allow people to operate freely in the designated areas which are meant for entrepreneurship. In contrast, the Municipal authorities in Zimbabwe formulate policies which seek to thwart street traders, and this is testified by the Operation Restore Order/ clean-up campaign and constant evictions by the Municipal police and Zimbabwe Republic Police (Sachikonye, 2002).

Drawing comparisons of relevant cases of informal entrepreneurship, one can identify several distinct factors that ignite entrepreneurship and its sustainability. For instance, street vendors in Zimbabwe are resilient because vending is their only source of income generation. Scholars such as Bromley, 2000; Crossa, 2009; Lindell, 2010 as cited in Njaya (2014:94b) observed that street vendors use various strategies such as “quite” forms of resistance, whistling to alert each other when police are encroaching, open protest and hiding their goods at corners. These police evading strategies paint a positive picture that, street trading although not formally recognized by the government it is indeed assisting in meeting the basic necessities of households who are engaged in this activity.

2.4.3.3 Cross-border trading (CBT)

The shrinking of the economy led to the growth and expansion of CBT in Zimbabwe because previously, only a few people were engaged in cross-border activities. Tekere (2001:19) claims that the other factors which led to influx of CBT were “the exchange rate, the ease of getting a visa, vast resources at disposal by the traders and the stable economic and political conditions prevailing in trade partner economies”. These are the factors that mainly pushed individuals into CBT. In an effort to expand their activities, the cross-border traders conduct their business in Sub-Saharan countries, especially in Botswana, Mozambique and South Africa, East and West Africa and recently, they have expanded the trade to Asia such as China (Nunaz, 2009).

In Chitungwiza Municipality, the most favoured destination of cross-border traders is South Africa. Cross-border traders are engaged in exporting and importing of commodities. The most imported commodities are clothing, footwear, blankets, accessories, washing powder, cooking oil, washing soap and rice. These are largely for reselling although some are used for household consumption. The exported commodities include printed fabric, agricultural products such as peanuts and sweet potatoes, bedding covers, woven fabrics and sculptures (Chagonda, 2012). The influx of CBT to South Africa is attributed to the high demand of Zimbabwean products, its close proximity to Zimbabwe, its stable economy and the high value of their currency

(Mukwedeya, 2011). All these sentiments explain the influx of CBT as a livelihood strategy for income generating.

Cross-border trading, as a livelihood strategy for poverty alleviation, is also practiced in many developing countries, especially in Africa. Cross-border traders travel from one region to another in search for markets to sell their goods or to buy goods for resell back home. Crush et al. (2015:30) explain that a survey conducted by Southern Africa Migration Programme (SAMP) on cross-border traders from Zimbabwe and Mozambique who travel to South Africa showed that 27 percent of Mozambican nationals buy goods for sale at home while 1 percent carries goods for sale to South Africa. In contrast, 27 percent of Zimbabweans buy goods for sale at home while 21 percent carries the goods for sale to South Africa. Based on the above statistics, CBT has found its roots, especially in struggling economies as evidence has pointed out that foreign nationals are at the forefront of buying and selling or moving goods in between countries, which seems to be vibrant forms of generating income to sustain households.

Ogalo (2010) conducted research in East Africa which showed that CBT is now being conducted by people from different political and social backgrounds. He reiterated further that the most dominant group of people who joined this entrepreneurial activity are the university graduates who are unemployed. In Zimbabwe, previously, cross-border traders were those individuals with little or no source of income. However, with the shrinking of the economy, even those in professional jobs such as teachers and nurses are seen engaging in this business to supplement their income (Nyatanga et al., 2000).

In his study, Ogalo (2010) discovered that women dominated CBT as huge numbers were seen engaging in this entrepreneurial activity. Muzvidziwa (2007) concurs with Ogalo when he maintains that women are active members in CBT since it provides a source of income to their households. He further acknowledges that the income obtained is used to invest in children's well-being (health and education). These attempts reflected that CBT is playing a pivotal role in the well-being and upkeep of children in many families in Chitungwiza and various other parts in the country.

As the economic downturn became inevitable, many workers either left their jobs involuntarily or were, retrenched, and household income declined significantly. With the intention of legalising CBT, Women cross-border traders in Zimbabwe collaborated and formed the Zimbabwe Cross-border Traders Association (ZCBTA) in 2000 to support each other economically and socially. The main functions of this Association are to uphold its members' interest, link its members with other associations that will assist them in creating small businesses. It also advocates for an enabling trading environment both regionally and international (Crush et al., 2015). The attempt to legalize or expose CBT as an entrepreneurial activity in Zimbabwe was an important strategy in avoiding harassment from police or tax authorities who often question the legality of such businesses as many entrepreneurs are popularly known for tax evasion.

The growth of CBT as a source of livelihood welcomed a number of challenges, amongst them the acquiring of legal travelling documents by entrepreneurs. In Zimbabwe, the process of applying for a passport is tiresome. Rutherford (2008:38), in his study of Zimbabwean cross-border traders to South Africa, showed that most cross-border traders travel without valid travelling documents with the assistance of "maguma-guma" or smugglers and often fall victim to rape, murder and having their personal items stolen. Crush et al., (2015:5) describe these smugglers as "malaitshas" which refers to Informal Passenger Courier (IPC) because they smuggle illegal goods, border jumpers and remittance to and from Zimbabwe and South Africa. For instance, in Chitungwiza Municipality, the *mapostori* (man of the white garments) are the "malaitshas" who operate this business of smuggling goods and people (Crush et al., 2015).

In *Manicaland* Province, women cross-border traders use the *Mutare* Border Post to travel to Mozambique. The (IPC) charges customers high fees for smuggling in products like cerevita cereal, mazoe orange crush, sterilized bottled milk and cigarettes, which are in demand in Mozambique. In return, they smuggle in food commodities such as rice, second hand clothes, shoes and bags (Duri, 2010:138). These actions show that CBT is a viable source of livelihood in poverty reduction.

In his study on CBT, Tawanda (2014) discovered that the Zimbabwe Cross-border Association (ZCBA) is of the view that government is not supporting the informal sector adequately. They pointed out that theoretically, there are a lot of policies and frameworks devised to support informal economy, but practically these are invisible. This is hindering their economic activities to be profitable because some of the challenges they are facing need government intervention (such as reduction in custom duties). This negatively affects their efforts of fighting household poverty.

2.4.3.4 Foreign currency exchange

The expansion of cross-border Trading and the introduction of Dollarization/ Multi Currencies in 2008, after the collapse of the Zimbabwean Currency, led to the rise of Foreign Currency Exchange as a source of livelihood. Chirisa (2012) affirms that the exchange of foreign currency worldwide is done through the Banking Sectors and Foreign Currency Bureau Exchange; however, in Zimbabwe, it is conducted in streets. This started in Harare at the 4th Road Port Centre (International Bus Terminus) and spread out to other cities and towns.

Hlohla (2008) claims that both men and women are involved in this activity and it is sustaining their households needs. In Chitungwiza Municipality, foreign currency dealers operate in *Makoni* spazza shops in the locations and in the Town Centre shopping Centre. The establishment of Chitungwiza Road Port (International Bus Terminus terminus) in 2014 led to the increase in foreign currency dealers.

Many explanations have been put forward in trying to explain how ordinary Zimbabweans got hold of large sums of foreign currency they traded in streets. Tamukamoyo (2009:145) is of the view that these foreign currency dealers' money source comes from "some of the most powerful figures in Zimbabwe believed to be heading cartels dominating the trade in hard currency and diamonds". These foreign currency dealers are known as the "Zimbabwe Mobile, Bureau de Change" as cited in the Sunday Mail (2006).

The most traded currencies are the South African Rand and Botswana Pula because they are in demand by cross-border traders who travel to Sub-Saharan countries. In

Chitungwiza Municipality, this activity was first introduced by the “*Mapostori*” who are the Informal Passenger Couriers (smuggle people without legal documents to foreign countries). These people got hold of large sums of Rand and Pula through exporting remittances to Zimbabwe and the exorbitant fees they charge from smuggling in cross-border traders who do not have adequate travelling documents. Foreign currency dealers offer exchange rates which are higher than those offered by the Commercial Banks, hence they attract many customers. Therefore, foreign currency exchange is a livelihood activity which is generating income to those who are engaged in this business (Makochekanwa, 2010).

2.4.3.5 Home industries

The ever-increasing poverty levels in Zimbabwe are forcing many households to engage in different livelihoods for employment creation and income generation. Zimbabwe Statistics (ZIMSTATS) report for 2015 indicated that about 94, 5 percent of the 6, 3 million economically active people are earning far below poverty datum line and are surviving on informal sector. This unchecked increase in poverty led to the proliferation of home industries which are contributing significantly to the welfare of households and the economy as a whole.

A number of home based industrial activities such as backyard salons, clothing factories, shoe repairmen, carpentry, electrical gadgets repairmen and honey and peanut butter production are engaged in by entrepreneurs. The Municipality of Chitungwiza has designated areas such as ‘*Chikwanha*’ market and ‘*Makoni*’ shopping area where entrepreneurs can officiate their businesses. However, other entrepreneurs, due to maximizing profits, have resorted to using their backyards for operations (Ndiweni et al., 2014).

The Chikwanha market was established for informal entrepreneurs who reside in any of the three Constituencies in Chitungwiza which are Seke, St Mary’s and Zengeza. These informal entrepreneurs are involved in carpentry, welding, vegetable sales, electrical and motor vehicle repairing services. A report by African Development Bank (ADB) (2015) indicates that 80 percent of the employed people are in the informal sector, with the remaining 20 percent either in government or private sector. The other most

prominent entrepreneurial activities are backyard salons for hair cutting and plaiting. In the past, they used to operate in luxurious and upmarket towns, but due to the shrinking economy, have resorted to establishing their business at home to cut rental fees. Entrepreneurs have earned their reputation in informal business, and most have obtained loyal clients, so by operating from home, they are increasing their profit margin. These statements show that home industries are playing an essential role in income generation for the vulnerable and urban poor people in Chitungwiza municipality.

2.4.4 SOURCES OF INCOME TO FINANCE ENTREPRENEURIAL ACTIVITIES

Informal entrepreneurs have devised their own means of financing and boosting their activities through Rotation Services and Credit Schemes, Remittances and family finance and labour. They have resorted to this form of accumulating initial capital and boosting their livelihoods because they are regarded as risk-takers by Credit Financial Institutes and the Banking Sector because they do not have collateral security to qualify for loans (Mupedziswa & Gumbo, 2001:67).

2.4.4.1 Rotation Services and Credit Scheme (RSCS)

Informal entrepreneurs have embarked on the formation of Rotation Service and Credit Scheme as a strategy for mobilizing income to start up and boost their entrepreneurial activities. Khan and Lightfoot (2008:58) define the Rotation Services and Credit Scheme as an Association that is formed to act as an informal financial institution to informal entrepreneurs through each member's contribution. The services offered by this kind of Association include: borrowing loans, handing out food hampers and giving each other an opportunity of expanding and boosting their activities.

Rotation Services and Credit Scheme is a process whereby entrepreneurs who are engaged in the same activities (like a group of vendors or carpenters) form their own group in which they agree to pay a certain amount of money per week or per month to be given to one or two individual to boost their operations. This whole process circulates until everyone gets a turn to be given money to boost his /her business.

This form of Association is founded on solid social relationships and trust, hence one can only be a member if other members trust him/ her or have been invited by someone within the association. Members from the same Association can also take a loan from other members on condition that the loan is going to be used for business expansion and boosting. Khan and Lightfoot (2008:58) reiterate that these credit schemes are an easy way of funding informal entrepreneurial projects as they have no interest and no administrative costs attached to them. They not only rotate money but also offer support with food hampers. The food hamper is given to the person who is receiving money on that month or week. The hamper includes basic necessities such as cooking oil, rice, sugar, washing powder, salt and juice. In that capacity, Rotation Services and Credit Schemes play a vital role in boosting livelihoods and increasing food security in vulnerable households in Seke (Khan and Lightfoot, 2008).

2.4.4.2 Remittances

The decline of the economy and political instability in Zimbabwe led to an influx of people into diaspora in search of greener pastures. The shortage of employment forced many people to live and work abroad in Africa, Europe, Asia and America. These individuals are playing a significant role in the well-being of their families and relatives back home through sending remittances. The World Bank (2007) in Chirau (2012) defines remittances as cash and commodities sent by workers in the diaspora on short and long-term basis.

A study conducted by Mupedziswa (2009:87) proves that Zimbabweans in the diaspora provide foreign remittances that are sustaining and expanding the informal activities. Mupedziswa (2009) asserts that the majority of Zimbabweans working in South Africa sent remittances that amount to R 4, 9 billion per year and, thus, an average of US 4 million per day. The recipients of the remittances do not only use these to cater for household basic needs but also to invest in income generating projects (Mbiriri, 2009:54). These income generating projects include home industries and flea markets.

2.4.4.3 Family finance and labour

Mupedziswa and Gumbo (2001:56) state that entrepreneurs finance their business through family income and use family labour for the operations of their entrepreneurial

activities. There is a division of labour in the households as other members provide cash injections into the business while others offer their labour for day-to-day operation. In support of the argument, Zuin (2004:23) reasons that informal entrepreneurial activities rely on domestic labour from family. This means every member in a household contributes to the livelihood within their household.

2.4.5 CHALLENGES FACING INFORMAL ENTREPRENEURS

2.4.5.1 Lack of private sector intervention

Munyanyi (2013:5) admits that the private sector (NGOs, Community Based Organizations, Multinational Corporations, Pressure groups) is failing to support informal entrepreneurs in Zimbabwe. They do not assist them either with loans or business knowledge because they lack collateral security or even with workshops on how to start up economic generating projects that are sustainable. Lack of private sector intervention in informal entrepreneurship has contributed to the inability of informal entrepreneurs to alleviate poverty.

2.4.5.2 Lack of access to information

Suri and Townsend (2010) observe that the information gap is a barrier to successful informal entrepreneurship in Zimbabwe. Remarkably, there is improvement in access to Information Communication Technology (ICTs) in most parts of the country and in the African continent as a whole. Despite the abundance of cell phones and social networks to preach the entrepreneurial gospel, most informal entrepreneurs are still encountering the obstacle of access to detailed and reliable entrepreneurial information. Munyanyi (2013) believes that many informal entrepreneurs in Zimbabwe have the capacity to expand; however, their efforts are incapacitated by their failure to obtain the right information, which is a recipe for successful entrepreneurship and poverty eradication in vulnerable households.

2.4.5.3 Failed government economic policies

Ndiweni and Verhoeven (2013:3) argue that the failed or unrealistic government economic policies fuelled the informal sector in Zimbabwe. Despite acknowledging the significance of informal entrepreneurship through establishing the Ministry of Small and

Medium Enterprises, the government is still grappling with funding challenges (Ndiweni & Verhoeven, 2013). In the view of Maseko et al, (2012:58) informal entrepreneurs require extensive and consistent financial support from the government to spearhead their activities. Maseko et al. (2012:58) reiterates further that informal entrepreneurs need support in research, marketing, financial management, information technology and quality assurance. These factors are vital in enhancing informal entrepreneurship in the country. Structural transformational and emergence of productive entrepreneurship, in the words of Brixton (2010) are vehicles which can be used to regenerate employment and uplift the standards of citizens in Zimbabwe.

2.4.5.4 Infrastructural challenges

The Chitungwiza Municipality Bulletin (2012:4) points out that Chitungwiza municipality have persistently failed to address the health and environmental challenges emanating from raw sewage as a result of pipe leakages and bursts. These challenges have compromised the health of many residents and various informal entrepreneurs in the suburb as they are leading to diarrhoea and typhoid.

It states further that the municipality has shown signs of weaknesses through its administrative structures such as engineering to control sewer and reticulation services which have been barriers to achieving sound informal entrepreneurship. Most informal entrepreneurs are failing to find suitable places to trade or those with designated trading places are fast losing their client base due to poor sanitation on their marketing stalls (Chitungwiza Municipality Bulletin, 2012). For example, toilets in the town centre shopping area, Chikwanha market and Makoni shopping area last had running water more than 5 years ago.

2.4.5.5 Effects of climate change

Mabeza and Mawere (2012:47) reiterate that the effects of climate change in Zimbabwe have impacted negatively on urban farming as an entrepreneurial activity in Seke. Mawere (2011) posits that recent research expresses serious concerns on the rate at which the world is undergoing what he termed "serious "climate change due to the rise in global temperatures." The IPCC (2001) reveals that the Third Assessment Report of the Intergovernmental Panel on Climate Change found out that the global average

temperatures will increase by 1.4 degrees to 5.8 degrees Celsius between 1990 and 2100, unless the level of gas emissions is reduced in Zimbabwe. For instance, the effects of climate change manifest themselves in Chinyanga and Fumisi villages in Seke communal lands where agricultural production has been relegated to ashes due to poor production.

Mabeza and Mawere (2012), in their study, proved that land in Seke rural areas was no longer arable to support urban farming due to climate change. The Harare Metrological Department (2007) concurs when it states that the annual rainfalls in Seke have declined significantly to about 545.9mm per annum in contrast to other seasons where it used to receive higher above that amount. From the above statements, it is depicted that crop production declined in Fumisi and Chinyanga since water reservoirs were depleted. This posed a threat to household income and food security for urban farmers.

2.4.6 GOVERNMENT RESPONSE TO INFORMAL ENTREPRENEURSHIP

The government of Zimbabwe in the previous years was against Informal Entrepreneurship since it was perceived as illegal and not contributing to the growth of the economy. This was shown in 2005 when they embarked on Operation *Murambatsvina* (Clean out trash) to get rid of all informal activities in towns and cities. Crush et al. (2015:40) state that all urban informalities were destroyed, which included squatter camps, illegal markets and home industries. By so doing, the government destroyed people's property and their livelihoods, thus perpetuating urban poverty.

In Chitungwiza, the impact of Operation Restore Order was devastating as many people lost their livelihoods which were their only source of income. The Municipal Police went on rampage destroying spazza shops, illegal cottages, backyard salons and other home industries of the poor and vulnerable urbanites (ZEPARU, 2014). This operation did more harm than good to the well-being of people as it destroyed their sources of income, and many people were left homeless.

In Zimbabwe, the past has a tendency of repeating itself, as evidenced in June 2015, when the Ministry of Public Service and Local Government, in alliance with the City of Harare, embarked on an order and cleanliness (Operation restore Order) or

"Murambatsvina" "in the native Shona language to restore sanity to the once "Sunshine City" of Harare which they argue that it had been polluted by street vendors. The effects were devastating because the street traders lost their livelihoods which were a source of income for their households. Informal entrepreneurs such as money changers and vendors were harassed, arrested and some had their goods destroyed and confiscated by the marauding Chitungwiza Municipal police in conjunction with deployed employees from the local government Ministry (Daily Newspaper, 2015).

Evidence of Municipal police's unethical conduct manifested itself in Seke, Makoni and the Town Centre shopping areas where the Municipal Police harshly drove out informal entrepreneurs from their livelihoods. The international community, media and private sector widely condemned this operation, and it shows that in Zimbabwe, informal entrepreneurship has a long way to go to be embraced in the economy. However, the vendors operating in Seke were adamant as they adopted an "I don't care or brave attitude" of a *gandanga* (liberation war veteran); despite their torture and harassment, they are still selling their goods in the streets. Relevant literature in Zimbabwe has shown that Informal entrepreneurship still finds it hard to be fully integrated in the main economy although it remains an unstoppable and viable poverty reduction strategy in the collapsing economy (The Zimbabwean Newspaper: 2015).

In contrast to the repressive approach by the Zimbabwean government, other Sub-Saharan countries embrace the informal sector and have taken initiatives to integrate it into the mainstream economy. Some typical examples of these governments are of Mozambique and Malawi which have embraced informal entrepreneurship and implemented a tolerant approach (Crush et al., 2015:40). The rationale behind accepting informal entrepreneurship rests on the fact that informal entrepreneurship leads to employment creation and is a source of income generating for poor households. Following this line of argument; therefore, these countries embrace informal entrepreneurship as an effective strategy for poverty alleviation.

In these countries, harassment of informal entrepreneurs occurs only on the basis that they are engaging in illegal activities. In the words of Crush et al. (2015), the government of Mozambique, in contrast to its counterpart Zimbabwean government,

has formalized the informal activities through allowing vendors to rent on designated sites of markets instead of operating anywhere they deem necessary (Manyanhirire, 2010).

2.4.7 IMPACT OF INFORMAL ENTREPRENEURSHIP ON THE ECONOMY

The informal sector has not been warmly embraced by the government of Zimbabwe as an important key player in the growth and development of the economy. A study conducted by Chidoko et al. (2011) shows that informal activities have a positive impact on the economy. They noted four main areas of growth which are:

- Increase in Growth domestic product: De-industrialisation and lack of employment has paved way for individuals who are entrepreneurial minded to engage in the production and distribution services. Chidoko et al. (2011) argue that entrepreneurs' involvement in the economy has led to an increase in the production of goods and services to the consumers;
- Job creation: The collapse of the formal sector in Zimbabwe has led to the rapid growing of the informal sector as a source of Employment Avenue (Chidoko et al., 2011). Skilled, unskilled and semi-skilled individuals are embarking on different livelihoods strategies to earn income. The government has recognised the importance of informal sector through the establishment of the Ministry of Small and Medium Enterprises which has a sub-organ called 'Small Enterprises Development Corporation' that works with informal entrepreneurs (Ministry of Small and Medium Enterprises Development, 2002);
- Increased investment: The informal sector is providing a source of income to many households. Therefore, these households are re-investing their profits into the business as a way of expanding it to be sustainable (Chidoko et al, 2011); and
- Other contribution: Peoples engagement in livelihood strategies has led to a decrease in crime rates and petty theft, rural-urban migration and poverty levels (Chidoko et al., 2011). This is a positive contribution which has been spearheaded by people's initiatives in fighting poverty.

2.4.8 GAPS IDENTIFIED IN LITERATURE

There are a number of studies on Informal Entrepreneurship that have been carried out in African countries. In Zimbabwe, South Africa and Ghana, prominent writers are Tavonga Njaya in 2014 and 2015, Sandada Maxwell in 2014, John Takunda Chirau in 2012, Zimbabwe Economic Policies Analysis, Research Unit (ZEPURA) and Bankers Association of Zimbabwe (BAZ) in 2014, Rodreck Mupedziswa and Pertunia Gumbo in 2001, Tatenda Churchill Saunyama in 2013, Lesley Elizabeth Johnson in 2013, Christian William Callaghan in 2009 and Malose Matshekga in 2012.

The review of relevant literature on Informal Entrepreneurship shows that many case studies were drawn from big cities such as Harare and Bulawayo in Zimbabwe, Johannesburg, Pretoria and Cape Town in South Africa and Accra in Ghana. The reason is that authors perceive urbanites as a vibrant group of people who are persistent in fighting poverty since life in urban areas is monetized and commodified. Therefore, they embark on various informal activities to earn household income for meeting their family needs. Although related literature suggests that informal entrepreneurship is rampant in major cities, the current study distinguishes itself from the notion as it used a case study of Chitungwiza Municipality which is a satellite town for Harare. In Chitungwiza Municipality, the focus of the study was in Seke, a suburb which shows that entrepreneurship can be done also in smaller cities due to the prevalence of urban poverty.

Furthermore, studies carried out in Zimbabwe showed that informal entrepreneurship lacks funding and support from government and other relevant stakeholders in the country. Moreover, this study is unique and distinct on the grounds that it has been carried out at a time when the government of Zimbabwe is embracing Informal Entrepreneurship as a livelihood strategy of alleviating poverty.

In an attempt to support informal entrepreneurship, the government formulated and implemented a blueprint entitled 'Zimbabwe Agenda for Sustainable Social Economic Transformation' (ZIMASSET) which promotes entrepreneurship. It is imperative to highlight that the effectiveness of government intervention strategies in uplifting informal entrepreneurship is extensively shown in the findings of the study.

Lastly, the population of the study used in informal entrepreneurship studies carried in Zimbabwe comprised informal entrepreneurs only. However, this study is different because it includes both entrepreneurs, Social Workers, Municipal Officials and Community Development practitioners. This is because they play a vital role in supporting informal entrepreneurship in Zimbabwe. This can be through providing loans, flexible municipal rules and regulations, formulation and implementation of frameworks and legal policies that embrace informal entrepreneurship.

2.4.9 CONCLUSION

The chapter reviewed theoretical and empirical literature related to Informal Entrepreneurship. The theoretical framework of Sustainable Livelihood Approach and Resilience Approach were explained in detail on how they fit into this study. The nature and forms of various entrepreneurial activities, the entrepreneurs' source of income and challenges they face were also reiterated in this chapter. This study observed that the government response to informal entrepreneurship has changed as compared to the past, and this is supported through the formulation and implementation of ZIMASSET that is the only blueprint which makes provision for informal entrepreneurship. However, the impact of this blueprint on the informal sector is shown in due course. Furthermore, if the government fulfills its obligations, as cited in the ZIMASSET the economy, will be rebooted, and households will be alleviated from poverty. The next chapter describes the Research Methodology used in this study

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter explained the theoretical and empirical literature which relates to this study. The theoretical frameworks which underpinned this study are the Sustainable Livelihood Approach (SLA) and Resilience Approach (RA). The current chapter explains how the research was carried out, data collected and analyzed. The research methodology used in this study is elaborated on and includes the scope of the study, descriptive of study site, research paradigm, research approach and research design, population and sampling, data collection instrument, validity and reliability for quantitative data, qualitative data trustworthiness, delimitations, strengths of the study and ethical principles observed in this study.

3.2 SCOPE OF THE STUDY

This study focused on Informal Entrepreneurship as a poverty reduction strategy in Zimbabwe. Poor households are involved in various informal entrepreneurial activities such as street vending, cross-border trading, foreign currency exchange and home industries to earn a living at the peak of high unemployment in Zimbabwe. The researcher assessed whether informal entrepreneurial activities are effective in alleviating poverty.

3.3 AREA OF STUDY

Chitungwiza is a town located 25km south of Harare, the capital of Zimbabwe. This town is made up of 3 townships and these are: Seke, Zengeza and St Mary's. In 1978 and in 1981, Chitungwiza was recognized as a Municipality (Parliament of Zimbabwe, 2005). The land in Chitungwiza is divided into residential areas, Industrial site and shopping Centers (Parliament of Zimbabwe, 2005). This study was conducted in Seke, which is sub-divided into locations/ residential areas which starts from Unit (A- P); some of these locations have got extensions which are the newly residential areas.

According to ZIMSTATS (2012:16), the population of Chitungwiza Municipality is 356840 of which 47, 2% are males and 52, 8 % are females. Chitungwiza is a high density, area

and 98% of the residents are Zimbabwean while only 2 percent are foreigners from other countries such as Mozambique and Malawi (ZIMSTATS, 2012:9). The most spoken language by people in Chitungwiza is Shona, and it is amongst many others languages that have been made official by the Government (Constitution of Zimbabwe Amendment (20) of 2013).

There are a number of Government Primary and High schools in each location and for the past decade, many private schools and Colleges have emanated (both registered and un-registered with the Ministry of Education). Parents and guardians in Chitungwiza have to decide whether their children should attend public or private schools, and this is also determined by level of their income.

The economically active population in Seke District is employed in Chitungwiza Industrial Site, the surrounding shopping centers, Mbare and in Harare (Parliament of Zimbabwe, 2005). Since the year 2000, Zimbabwe has been experiencing economic instability which had led to de-industrialization, retrenchment and job losses; therefore, this population has resorted to Informal Entrepreneurship as a source of income. In support of the above argument, ZIMSTATS (2014) notes that informal sector is playing a vital role in job creation for the unemployed.

The researcher chose Seke District as a case study because she was familiar with the Informal Entrepreneurial activities that are currently taking place. Furthermore, the researcher was born and bred Seke before migrating temporarily to South Africa in pursuit of academic studies, hence she is accustomed to that environment and its politics. It is against this solid background that the researcher was able to easily mobilize the subjects to participate in the survey since they speak the same language, thus bridging the communication barrier.

3.4 RESEARCH PARADIGMS

There is no single definition for research paradigm in Social Science studies. Jonker and Pennink (2010) in Wahyuni (2012:69) define research paradigm as a group of vital assumptions and philosophies on how the world is perceived, and this becomes a rational framework in understanding behaviour that guides researchers. Guba and

Lincoln (1994:5) view research paradigm as a “*basic belief system or world views that guides the investigation*”. On the other hand, Neumann (2014:96) contends that a research paradigm is “A general organizing framework for theory and research that include basic assumptions, key issues, models of quality research, and methods of answering questions”.

Wahyuni (2012) denotes that most researchers are implicit on the philosophical background of the paradigm they adopt since it has an impact on the research output. In addition, Lewis and Thornhill (2009) assert that it is vital to understand and critically analyze the paradigm to be applied in the study since it influences how the researcher frames and understands the phenomenon. There are three types of paradigms, and these are constructivism, positivism and critical realism.

In social science research, constructivism and positivism are often used by researchers as they seek to explain how qualitative and quantitative approach fit in a research study (Neuman, 2006). This study applied both positivism and constructivism paradigm. These paradigms interpret ontology and epistemology in a different manner. According to Trochim (2000) as cited in Krauss (2005), epistemology is the philosophy of knowledge while ontology is a philosophy of reality. These two paradigms fitted into the nature of this study because they used a triangulation of qualitative and quantitative approach.

3.4.1 Constructivism paradigm

Constructivism paradigm was founded on the philosophical ideas of Max Weber and Wilhem Diltthey. This paradigm is based on qualitative research and integrates philosophical assumptions of epistemology and ontology in understanding reality and social phenomena in their natural context (Neuman, 2006). The Constructivism paradigm is grounded in multi-realities since it understands reality as constructed by individual's perceptions and social actors (Wahyuni, 2012). There are four factors that define reality, and these are people's interactions, language, social interaction and belief systems (Neuman, 2006:89). In support, Hennink et al. (2011) affirm that human perspectives and experiences are different, which proves that social reality has multiple perspectives.

Neuman (2006:89) observes that social interactions with different people allow for a different understanding of the same notion in the same social context; therefore, what is understandable to mean something to one individual may differ to the other person. Furthermore, language allows people to reason and see the outside world in a different way *"Language cannot connect to the essential way but contains a world view that colors how people see and experience the world"* (Neuman, 2014:105). To that end, language dictates what people see.

Constructivism integrates assumptions of epistemology in discovering and understanding knowledge. There are various ways in which constructivists can best understand a phenomenon, and these are through observation in natural setting, the researcher can be part of the group or organization under study and the researcher can learn their culture and beliefs (Krauss, 2005). This is what distinguishes qualitative and quantitative studies, for the latter seeks to understand a phenomenon from one point of view then generalize it to a larger context (Krauss, 2005). Al Zeera (2001) in Krauss (2005) endorses that epistemology views the researchers as subjective because they interact with the participants. Therefore, their findings are reliable because they are emanating from an interactive process.

Constructivists integrate ontological assumptions in understanding the reality. Qualitative researchers believe in multi-realities in understanding a phenomena for people's perceptions, and experiences are different thus their understanding of the same notion will be different (Krauss, 2005; Guba & Lincoln, 1985).

3.4.2 Positivism paradigm

The positivism paradigm was founded on the philosophical ideas of August Comte in 1798-1856 who argued that acceptable knowledge is based on science (Neuman, 2014:97). In his philosophical ideas, human behaviour is best understood through observation and reasoning (Guba & Lincoln, 1994). Collier (2005:328) as cited in Neuman (2014:97) denotes that positivism paradigm upholds the application of natural science to social sciences in order to obtain data that is value-free. Positivists are of the view that the goal of knowledge is to describe the social phenomenon and people's

experiences; therefore knowledge and findings that cannot be observed or measured should be discarded (Trochim, 2000; Krauss, 2005).

In support, Wahyuni (2012) asserts that positivists use the lens of natural science in understanding social phenomena because they believe findings gathered through scientific methods are value free and un-biased. Healy and Perry (2000), as cited in Krauss (2005), are of the view that quantitative researchers view the world through a "one way mirror"; therefore, the use of multi-dimensional ways as applied in qualitative studies in understanding the world does not produce the untapped knowledge.

The positivism paradigm is used in quantitative research studies and the philosophical assumptions of epistemology and ontology explain what and how the quantitative researcher should do in obtaining reliable and valid data. Neuman (2014:98) expounds that positivists embrace a realist ontology which explains that reality exists in the world independently from humans, their intellects and interpretations. He noted further that reality is only waiting to be discovered through observation and measurements, which forms the basis of natural science. This means that the quantitative researcher understands social phenomenon thoroughly application of natural science theories and assumptions only (Neuman, 2014).

Furthermore, positivist researchers embrace a realist epistemology which views that the world of science exists and needs people who are observant in order to tap out knowledge without using their inner thoughts but through observation and measurements (Neuman, 2014). These quantitative researchers regard knowledge that is scientifically proven as valid and that knowledge which is not based on any scientific methods should be discarded. Therefore, to positivist researchers, qualitative researchers do not add value to the philosophy of knowledge.

According to Trochim (2000), as cited in Krauss (2005), the following are epistemology assumptions that embody positivism paradigm. A positivist applies empiricism, which is the use of science in understanding phenomena. Henning (2004:17) concurs that positivists view human behaviour as passive and controlled by external environment; therefore, empiricism has an important role in explaining a phenomenon. Quantitative

researchers are not involved in their studies in contrast to qualitative researchers who are fully involved in order to have an extensive understanding of the social problem (Healy & Perry, 2000; Krauss, 2005).

Moreover, positivists use deductive reasoning in guessing theories that suit their study in order to better understand the research problem. The positivists generalize the research findings and this is termed *nomothetic* by Neuman (2011). This is a process whereby the research findings are generalized by different researchers who focus on the same problem at different natural settings and also apply the same statistical tests and research methodology in order to come up with similar results (Creswell, 2009).

The Ontological assumption that embodies positivism paradigm denotes that reality is viewed as external and objective (Al Zeera, 2001 as cited in Krauss, 2005). It is imperative to highlight that only scientific methods, numbers and statistics should be used in generating qualitative data which brings forth research findings that are valid and reliable.



3.4.3 Applicability of Positivism and Constructivism paradigms in this study

These paradigms were suitable for this study because informal entrepreneurship is broad and currently expanding. Therefore, in order to grasp its effectiveness in reducing household poverty, both scientific and non-scientific methods were incorporated in this study. This explains why both survey questionnaires and in-depth interviews were used in soliciting data from participants of this study.

The importance of applying both paradigms was that they provided different dimensions in understanding Informal Entrepreneurship as a poverty reduction strategy. Although their interpretation of epistemology and ontology differs, that did not affect the study because these different dimensions were not contenders but complement each other in providing a clear understanding of informal entrepreneurship in alleviating poverty.

3.5 RESEARCH APPROACHES

Creswell (2008) defines research approach as strategies and techniques that extend phases from a wider assumption to a comprehensive method of interpreting, collecting and analyzing data. A researcher chooses a specific research approach to use in a

study for a number of reasons and amongst them are: the nature of research problem and the readers of the study or his or her practical experience with that approach (Creswell, 2003). In Social Science Research, there are three approaches used by researchers, and these are qualitative, quantitative and mixed methods. This study used a mixed method approach (qualitative and quantitative) in holistically understanding informal entrepreneurship in Chitungwiza Municipality.

3.5.1 Mixed method approach /triangulation

In this study, both qualitative and quantitative were applied, and this is called a mixed method approach. Bulsara (2015) terms it “multi-methodology or triangulation”. Mixed methods approach is defined as the gathering, examining and collaborating of qualitative and quantitative data in a single research study (Creswell & Plano Clark, 2007:5). There are many types of triangulations, namely: triangulation of measure, triangulation of observers, triangulation of theory and triangulation of methods (Neuman, 2006:149-150).

In this study, triangulation of research methods was used whereby qualitative and quantitative approach were integrated. In social science research, it is advocated to analyze a phenomenon from different angles rather than from a single direction in order to attain a holistic understanding (Neuman, 2006:149). Furthermore, Neuman (2006:151) observes that the nature of qualitative and quantitative data is different, for qualitative data is soft and comprises “*impressions, words, sentences, photos, symbols...*” while quantitative data is hard since it comprises of “*numbers and statistic*” Although qualitative and quantitative approaches are different in many ways, they both complement each other in their quest to understand a phenomena. In support Newman and Benz (1998) as cited in Creswell (2009) are of the view that qualitative and quantitative approaches are not contradictory to each other because they denote diverse ends on a continuum.

3.5.2 Quantitative approach

Shafeek (2009:79) defines quantitative approach as an investigation of a phenomenon through testing a theory which can be measured numerically and analyzed statistically.

Quantitative approach understands knowledge and reality from the positivist perspectives. Therefore, it is based on science to understand and predict people's experiences and if scientific methods are not applied in social research, this means the findings are regarded as invalid (Creswell, 2003).

Quantitative approach is grounded by a number of assumptions. The first assumption is that it is based on positivism, which is the application of natural sciences in social science research in order to obtain value free data (Neuman, 2014). Quantitative researchers use numbers in describing a social context. The quantitative research designs used in data collection are surveys and experiments, which gathers data on programmed instruments that produce numbers and statistics (Leedy & Ormrod, 2013).

3.5.3 Qualitative approach

De Vos et al. (2011:640) define qualitative approach as a way of describing and understanding a phenomenon from the participants' viewpoints in order to have a broader understanding of the complex situation. Huntter and Bailey (2011:8-9) describe qualitative approach as a method used by researchers to examine people's experiences in detail by using a specific set of research methods such as in-depth interviews, focus group discussions and observations. The main focus of qualitative research studies is to understand, examine and clarify complex situations in their natural settings (Leedy & Ormrod, 2010:135).

Qualitative researchers understand knowledge and reality from the constructivism perspective. Creswell (2003) purports that reality in qualitative studies is subjective; therefore, the following methods of inquiry: case study, observations and ethnography are used. Kumar (2011:104) asserts that qualitative research is grounded with deductive reasoning which holds that when the assumptions and theories perfectly fit in study the conclusions and findings will be reliable. Velez (2008) declares that it discards generalization of findings to a large population since reality and social environment are interpreted differently according to individuals' experiences and perceptions. The data collected qualitatively was analyzed into themes and categories that were linked to the research questions in this study.

3.5.4 Advantages of triangulation

Ormrod and Leedy (2013:259) reason that triangulation allows the researcher to tackle the research problem holistically. It allows the strengths of qualitative approach to overcome weaknesses of quantitative and vice versa, and this is called the principle of complementary (Creswell, 2007; Ormrod and Leedy, 2013). Furthermore, it allows all types of questions to be answered because some research questions have to be answered qualitatively and others quantitatively; the use of both open and closed ended question was advantageous to this study (Leedy & Ormrod, 2013). Lastly, triangulation provides a solid evidence for conclusion through merging and corroborating both qualitative and quantitative findings, for words and pictures add meaning to numbers, and numbers will add meaning to words and pictures (Johnson & Onwuegbuzie, 2004:21).

3.5.5. Disadvantages of triangulation

Triangulation is a challenging approach to apply in a single study. Johnson and Onwuegbuzie (2004:21) admit that the researcher must be knowledgeable of each approach, its underlying assumptions and how these fit into the study for, if the researcher has inadequate knowledge of the approaches, this would lead to biased research findings.

Triangulation is time-consuming. Johnson and Onwuegbuzie (2004:21) and Velez (2008) observe that, the researcher will have to use more than two research designs and this requires a lot of time to construct a questionnaire and interview guide which is understandable and clear to the participants. Lastly, a lot of time will be needed in analysing both the qualitative and quantitative data into meaningful, reliable, valid and trustworthy findings.

3.5.6 Applicability of triangulation to this study

Informal entrepreneurship is expanding rapidly into different forms, hence the use of qualitative and quantitative approaches gives a better understanding to the readers. In this study, triangulation was utilized because it responds to the research questions. Babbie (2010) states that research questions which begin with *how* and *which* are descriptive in nature and require a quantitative approach. Those questions that begin

with *what* and *why* are explorative in nature and require qualitative approach. Therefore, the use of triangulation allows the study to be flexible since the researcher has liberty to use both open and closed-ended question. Many studies are now employing triangulation in order to outweigh the weakness of one approach with the advantages of the other approach. A study by Shava (2013) used this approach, and it was effective in collecting data.

3.6 RESEARCH DESIGNS

Various authors define research design in different ways, but one thing they have in common is that research design should answer a research problem of the study. Keringer (1986:279) as cited in Kumar (2011:94) defines research design as *“....a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problem. It indicates an outline of what the investigator will do from writing the hypotheses and their operational implications to the final analysis of the data....”* Cooper and Schindler (2011) define research design as a blue print used for gathering answers to research questions of the study. There are two forms of research designs, and these are qualitative and quantitative.

The qualitative and quantitative research designs are divided into two categories depending on the form of information they gather. The qualitative research designs gather information from pictures and words whilst quantitative research designs gather information from numbers (Neuman, 2014:46). Qualitative research designs are not specific and differ in their structural depth. Examples of qualitative research designs are case study, participant observation, interviews, and longitudinal studies and cross-sectional studies. Quantitative research designs are specific and have the same structural depth, and examples of quantitative research designs are experiments, non-reactive and surveys (Kumar, 2011). The research designs that underpin this study are interviews and surveys.

3.6.1 Survey

A survey is a quantitative research design used to collect numeric data. Leedy and Ormrod (2013:189) define survey research as a method of soliciting information about people, their experiences, attitudes, behaviour and beliefs through asking them different

questions and tabulating their responses. Neuman (2014:317) points out that surveys are underpinned by a positivist paradigm that embraces empiricism (the application of scientific methods in obtaining factual data). A survey seeks to collect original data for descriptive purposes (Stangor, 2011).

There are different types of surveys namely: web survey, experiment and questionnaire survey. This study used a questionnaire survey as a quantitative research design. A questionnaire survey gathers numerical information, measures, scrutinizes and generalizes it to the larger population (Thornhill, 2007). A survey applies a cross-sectional design to collect data with the use of a questionnaire or structured interviews (Bryman, 2004:43). In this study, a semi-structured questionnaire was used as a data collection instrument.

3.6.2 Advantages and disadvantages of questionnaire survey

The advantage of using a questionnaire survey is that allows the researcher to collect information from a large population, hence it easy to generalize the research findings (Wyse, 2012). Neuman (2014) reiterates that the advantage of a questionnaire survey is that data cannot be manipulated, for example, the data collected from experiments. The disadvantage of questionnaire surveys is that the respondents may not provide honest answers as they do not want to present themselves in a negative manner (Neuman, 2014).

3.6.3 Interviews

An interview is a qualitative research design which seeks to collect data in form of words and pictures. Kumar (2011:144) defines an interview as *"Any person-to person interaction either face to face or otherwise between two or more individuals with a specific purpose"*. Burns (1997:329) as cited in Kumar (2011) elaborated that an interview is a verbal communication which is conducted through face-to-face or over a telephone in which the interviewer seeks to elicit information from the interviewee. In this study, face-to-face interviews were conducted with the key informants (Social Workers, Community Development Practitioners' and Municipal Officials).

3.6.4 Advantages and disadvantages of interviews

The advantage of using interviews is that the researcher can build rapport with participants and this allows them to participate freely and be involved in the study. It also allows the interviewee to probe for more information through asking open-ended questions (Leedy & Ormrod, 2010). Furthermore, interviews led to a high response rate as in this case, they were conducted face-to-face (Leedy & Ormrod, 2010). In this study, the disadvantages of interviews were that they were time-consuming since a lot of people were interviewed. They were also expensive to administer as the researcher incurred huge travelling costs (Leedy & Ormrod, 2010:188).

3.6.5 Reasons for using a questionnaire survey and interviews in this study

A questionnaire survey research was suitable for this study because the researcher needed to solicit more information on informal entrepreneurship from a large population. This allowed the researcher to conceptualize Informal Entrepreneurship holistically from different perspectives. An interview research design was used in this study since the researcher needed to obtain vital information from key informants. A study by Moyo (2011) used both questionnaire survey and interviews and this was effective for data collection.

3.7 POPULATION

Leedy and Ormrod (2013) define population as the totality of all subjects that conform to a set of specifications, comprising the entire group of persons that are of interest to the researcher and to whom the research results can be generalized. According to De Vos et al. (2011), population is a set of entities where all the measurements of interest to the researcher are represented. The population of this study constituted Informal Entrepreneurs who were: the cross-border traders, foreign currency dealers, street vendors and urban farmers, Social Workers, Municipal Officials and Community Development Practitioners in Seke, Chitungwiza Municipality.

3.8 SAMPLE AND SAMPLING STRATEGY

Leedy and Ormrod (2010:204) define a sample as a sub-section of the population that are engaged in data collection. De Vos et al (2011) define a sample as a small portion

of the total set of object, events or persons who, together, comprise the focus of the study. In this study, the sample was made up of (156) participants. This was divided into two groups, the first group had 150 participants in the survey group, and the second group had 6 participants for the interviews. Systematic and purposive sampling methods were used in selecting the target population.

3.8.1 Systematic sampling

In this study, systematic sampling was used to select the Informal Entrepreneurs to participate in the survey. Systematic sampling was used for quantitative research studies (Babbie, 2009). Systematic sampling falls under the probability sample where every individual in the population has an equal opportunity of being selected as part of the study (Neuman, 2014:258). It is defined as a method that adopts a simple random sampling at the beginning in order to establish a sampling interval that will create “a *quasi -random selection method*” (Neuman, 2014:258). The researcher first applied a simple random sample in selecting the first respondent and then the rest were chosen through using sampling interval.

Sampling interval informs the researcher on how to select respondents (Neuman, 2014). In this study, the researcher selected the 1st respondent, and the remaining (150) were selected after counting every 5th person in the population of Informal Entrepreneurs. The researcher chose this sampling technique to ensure that every Informal Entrepreneur in Seke, Chitungwiza Municipality had an equal opportunity of being selected. Furthermore, respondents who operated in the same area tend to influence each other when filling out questionnaires, so using systematic sampling it paved a distance between one respondent to the other.

3.8.2 Purposive sampling

Purposive sampling is used in naturalistic/ qualitative research studies. Purposive sampling falls under non-probability framework, which means not everyone in the population can be part of the study (Barbie, 2009). Purposive sampling is defined as a process whereby individuals are chosen to be part of the study based on their ability to have vast information in answering research questions of the study (Teddlie & Yu,

2007:77). It is also called judgemental sampling because the researcher selects only cases/ participants that are experts in that study area (Neuman, 2014:274).

For the purposes of this study, the researcher selected participants who are experts in the area of Informal Entrepreneurship and poverty alleviation strategies in Chitungwiza Municipality. These experts were the Municipal Officials, Social Workers and Community Development Practitioners. The researcher chose purposive sampling for this study because she needed to understand the roles, functions and responsibilities of Non-Governmental Organisations and the Department of Local Government and Social Welfare in Informal Entrepreneurship.

3.9 DATA COLLECTION INSTRUMENTS AND ADMINISTRATION

Data collection instruments are techniques used to collect data from participants and respondents of the study. Since this study used both qualitative and quantitative research designs, the instruments were an in-depth interview guide and a semi-structured questionnaire.



3.9.1 In-depth Interview guide

An interview guide was used as an instrument in collecting qualitative data. Cohen and Cabtree (2006) assert that it gives freedom to participants to express their views and thoughts. In this study, individual interviews were conducted among Social Workers, Community development Practitioners and Municipal Officials.

The semi-structured interview guide consisted of 16 questions which were open ended. It was sub-divided into 4 sections which were as follows:

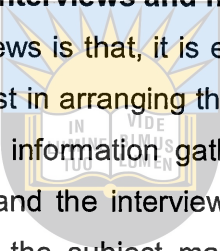
- **Section A:** Overview of Informal Entrepreneurship in Chitungwiza.
- **Section B:** Informal Entrepreneurship Policies and Frameworks
- **Section C:** Informal Entrepreneurship as a Poverty Reduction Strategy
- **Section D:** Challenges facing the key informants in working with informal entrepreneurs

3.9.1.1 Advantages of in-depth interviews

De Vos (2005) affirms the following as the advantages of an interview guide as an instrument of data collection. Firstly, it has a higher respondent rate. Furthermore, it allows the researcher to probe for more information and clarify where the participants' views are ambiguous. Kumar (2011) states that an interview guide is more suitable for complex phenomena hence it fits well in this study of Informal entrepreneurship which is highly fluidity. Lastly, an in-depth interview guide allows the researcher to gain a deeper understanding of Informal Entrepreneurship in Zimbabwe from the key informants.

3.9.1.2 Disadvantages of in-depth interviews and how to overcome them

The disadvantage of in-depth interviews is that, it is expensive because the researcher will incur telephone and travelling cost in arranging the meeting (De Vos, 2005). Kumar (2011) contends that the quality of information gathered depends on the quality of interaction between the interviewer and the interviewee. Therefore, in cases whereby the interviewee is not interested in the subject matter, he or she may give biased information.


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In overcoming the challenges above, the researcher walked on foot to the interviewees' workplaces as they were located in her home town. The researcher asked the authorities at the Department of Public Works for permission to conduct the interviews on the same day to minimise time. An interview guide was suitable for this study because the researcher sought to gather vital information from the key informants hence using this form of instrument solicited more information from these experts.

3.9.2. Semi-structured questionnaire

Leedy and Ormrod (2011) define a questionnaire as an instrument for data collection which is outside physical reach of the researcher. These authors state that for valid and reliable quantitative data to be collected, the researcher should structure a questionnaire in the simplest form and in a language that is understandable by respondents. A semi-structured questionnaire has both the features of a structured and un-structured questionnaire. This means it uses both open and closed-ended questions in soliciting information from respondents.

Downey (2010) elaborates that open-ended questions allow the respondents to express their feelings and thoughts freely and fully while closed-ended questions allows for a specific answer. The semi-structured questionnaire for this study consisted of 39 open and closed-ended questions. These were sub-divided into five sections as follows:

- **Section A:** Demographics of Informal Entrepreneurs.
- **Section B:** Employment background of the entrepreneur.
- **Section C:** Informal Activities done by Informal Entrepreneurs
- **Section D:** Effectiveness of Informal activities in reducing poverty.
- **Section E:** Role of Government and NGOs in supporting Informal Entrepreneurs.
- **Section F:** Challenges facing Informal entrepreneurs.

The researcher personally administered the questionnaires to the respondents in order to make sure that all questions are responded to.

3.9.2.1 Advantages of semi-structured questionnaires

The main advantage of using a semi-structured questionnaire is that the respondents' response rate is high as the questionnaire offers anonymity (Kumar, 2011). Furthermore, it allows the researcher to gather more data from the population of the study. Lastly, the researcher clarifies to the respondents on the questions that are ambiguous (Leedy & Ormrod, 2011).

3.9.2.2 Disadvantages of questionnaire and how to overcome them

A questionnaire is limited to individuals who can read and write (Kumar, 2011). Babbie (2008) states that if the questions are ambiguous or not clear, the respondents may not answer them. In an effort to overcome these challenges, the researcher explained to the respondents in vernacular language the questions they did not understand. For those who could not write, the researcher filled in the questionnaire on their. A semi-structured questionnaire was suitable for this study because the researcher needed to gather different opinions and perspectives of the informal entrepreneurship.

3.10 RELIABILITY AND VALIDITY FOR QUANTITATIVE DATA COLLECTION INSTRUMENT

Reliability and validity are applied in scientific studies to measure the trustworthiness of research findings (Leedy & Ormrod 2013). There are various forms of standardised measurements used for quantitative data. Below is an explanation on how quantitative findings were tested for validity and reliability in this study.

3.10.1 Reliability for quantitative data collection instrument

Reliability refers to the consistency in results yielded by the same instruments when the unit being measured has not changed (Leedy & Ormrod, 2013:91). There are three ways of testing reliability in quantitative data, that is, test- retest, inter-rater and internal consistency. For the purposes of this study, inter-rater reliability was used. By definition, inter-rater reliability refers to when more than one individual evaluate the same object and reproduce similar judgements (Leedy & Ormrod, 2013:91). The quantitative data obtained in this study was analysed through the Statistical Package for Social Sciences (SPSS) software. In order to test the reliability of the research findings, the researcher allowed two statisticians to run the same results in order to ascertain the trustworthiness of the findings.

3.10.2 Validity for quantitative data collection instrument

Validity refers to accuracy and significant of the research study (Leedy & Ormrod, 2010). In order to determine validity of a study, the researcher should ensure that the research findings should be generalized in other social contexts, and the conclusions should be drawn strictly from the data provided by the respondents (Leedy & Ormrod, 2010:97). There are various ways of ensuring validity for quantitative study, and these are through content validity, construct validity and external validity. For the purpose of this study, external validity was applied.

External validity refers to the “*extent to which its results apply to situations beyond the study itself.....*” (Leedy & Ormrod 2010:99). In this study, a multi-method approach which falls under external validity was used to test for trustworthiness of quantitative data. In this study, a mixed method approach of qualitative and quantitative was used to ensure that the research problem is holistically scrutinized. The advantage of applying

this approach was that it embraced the principle of complementary which states that the strengths of the other approach will be used to overcome the weakness of the other approach and vice versa (Creswell, 2007).

3.11 DATA TRUSTWORTHINESS FOR QUALITATIVE DATA COLLECTION INSTRUMENTS

Qualitative and quantitative studies do not have the same evaluation criterion in ensuring the accuracy of their data because their approaches are underpinned by different methodologies and philosophical assumptions. A quantitative approach uses internal validity, external validity, and objectivity and constructs validity in determining data trustworthiness. Qualitative approach has its own strategies which are contrary to those used in quantitative. Guba and Lincoln (1982:3-4) point out that *"internal validity should be replaced by credibility, external validity by transferability, reliability by dependability and objectivity by conformability"* in quantitative and qualitative studies. In determining the trustworthiness of qualitative data, the following strategies were applied: credibility, dependability, conformability and transferability in this study (Anney, 2014; Schwandt, 2007).

3.11.1 Credibility

Credibility refers to the magnitude at which data collected and analysed is believable (Leedy & Ormrod, 2010). The authors further explain that validity of qualitative data is subjective since there are multiple realities constructed by different people in their social context. Therefore, it is every reader's position to evaluate the credibility of the study based on their own understanding. In support of the above argument, Smith and Ragan (2005) observe that there is no single reality, for every person constructs his or her person reality. To this end, in qualitative studies reality is relative as it depends on the meaning people construct in their social context.

Scholars (such as Graneheim & Lundman, 2004; Lincoln and Guba, 1985) remark that credibility verifies whether the findings signify plausible information collected from the subject's original version of understanding phenomena. Babbie (2009) is of the view that credibility is similar to internal validity used in quantitative studies in which the researcher seeks to view how the research findings match reality.

There are various forms of checking credibility for qualitative findings which are: member checking, multiple sources of data collection and pilot testing of instruments. In this study, the researcher used multiple sources in data collection. This entails the use of triangulation of qualitative and quantitative approaches. Onwuegbuzie and Leech (2007:239) define triangulation as the use of multiple theories, methods and sources to gain substantiating evidence. The advantage of using this strategy is that, it is embodied by the principle of complimentary.

3.11.2 Dependability

Dependability is referred to as "*the stability of findings over time*" (Bitsch, 2005:86). It involves the researcher assessing and analysing the recommendations, findings and interpretations of the study (Cohen et al., 2011). Dependability refers to the replication of findings with the same participants in the same environment and still brings similar results (Babbie, 2009:278). It is similar to reliability used in quantitative studies whereby the research findings should maintain consistency when being observed under same circumstance (Lincoln & Guba, 1985).

There are various forms of testing dependability of findings, which are: coding and re-coding and peer examination. In this study, the researcher used peer examination. Peer examination refers to when the researcher discusses the research process, data analysis and findings with unbiased colleagues who have experience in qualitative studies (Anney, 2014:279). Furthermore, it requires the researcher to be honest in elucidating all the research processes and methods so that the peers can analyse it reflexively (Bitsch, 2005). In this study, the researcher used postgraduate students who are doing doctoral studies in Social work at the University of Fort Hare and who have experience in qualitative studies.

3.11.3 Conformability

Conformability refers to the extent at which research findings can be verified and corroborated by other researchers (Baxter & Eyles, 1997). It seeks to ensure that data and interpretation of the findings were not falsified by the researcher (Tobin & Begley, 2004:392). In this study, the researcher outlined clearly how the data was collected and

analysed so that readers may test conformability of the findings. There are various strategies used to assess conformability which are data audit and triangulation.

In this study, triangulation was applied in testing conformability of the study. There are many types of triangulation, namely: triangulation of measure, triangulation of observers, triangulation of theory and triangulation of methods (Neuman, 2006:149-150). In this study, the triangulation method was used in which qualitative and quantitative were integrated.

3.11.4 Transferability

Transferability is similar to external validity which seeks to uncover whether the findings of a study can be generalized in other context (Anney, 2014:227). Generalization is a challenge in qualitative studies as people have multi-interpretation on the same social phenomena (Guba & Lincoln, 1985). There are various ways of testing for transferability, and these are through using thick descriptions via the use of *verbatim* quotations of participants and through using a detailed description of research context.

In this study, the researcher applied a detailed description of the research context. This involves describing thoroughly the research methods and assumptions underpinning the study (Babbie, 2009). In the same vein, Anney (2014:278) views the detailed description of research context as explaining the research processes from the methodology used, data instruments, data collection, study context to the finalisation of the last report. In this study, the researcher outlined clearly how this research was carried out.

3.11.5. Table (1) linking research questions to sources and methods and justification

Research question	Sources and Methods	Justification
To profile the gender and age of informal entrepreneurship	Informal entrepreneurs: Semi-structured	Questionnaire helped in determining the different groups of people in the particular industry and the various

	questionnaire	strategies they engage as part of informal entrepreneurship
What are the forms of informal activities being done by poor households in alleviating poverty?	Informal entrepreneurs: Semi-structured questionnaire	By engaging informal entrepreneurs the researcher acquired so much information on the types and nature of livelihood strategies used by informal entrepreneurs and also the sustainability of the strategies can be numerically verified.
How successful are the informal activities in alleviating poverty?	Informal entrepreneurs: Semi-structured questionnaire were be used	The respondents determined the standards of their own living whether they have improved or they are still the same (impoverished)
What role is being played by the local government in assisting informal entrepreneurial activities to be sustainable?	Key informants (social workers, community development officials and municipal officials: In-depth interviews	The sustainability and effectiveness of government and private sector strategies in assisting informal entrepreneurs was assessed

3.12 DATA ANALYSIS PROCESS AND METHOD

In this study both semi-structured questionnaire and in-depth interview guides were used in collecting data from the participants of the study. However, the interview guide complemented the semi-structured questionnaire, hence both qualitative and quantitative data was collected. The researcher analyzed quantitative data using the quantitative data analysis method which uses the application of standardized statistical procedures. Quantitative data coding is whereby large amounts of data are compacted

to small data which is readable, understandable and can be easily interpreted (De Vos, 2005).

The quantitative data obtained from the participants was coded on excel package. The Department of Statistics at the University of Fort Hare assisted in entering and running data on Statistic Package for the Social Sciences (SPSS) software. The SPSS package provides the means for testing the statistical implications of contingency table (Bailey, 2001). The results of quantitative data were presented in forms of bar graphs and pie charts. The percentages attached to the bar graphs and pie charts formed the principal basis of comparison amongst the variables that were analyzed.

Since qualitative data complemented the quantitative data, its findings were presented in a form of direct quotations from the participants. The research questions of this study formed the major headings where both qualitative and quantitative finding were presented. The research questions were used to guide the presentation of the findings in a clearer and understandable manner because they sought to answer the research problem of the study

3.13 DELIMITATION OF THE STUDY

This study was focused on Informal Entrepreneurship as a Poverty Alleviation Strategy for poor households. The participants of the study were Informal Entrepreneurs (urban farmer, cross-border traders, foreign currency dealers, street traders and those individuals who are doing backyard industries, Social Workers, Community Development Practitioners and Municipal Officials). The data collection took place in Seke, Chitungwiza Municipality in Zimbabwe. The reason for choosing this case study was that there are various informal entrepreneurial activities done, and the researcher knows this area very well.

3.14 STRENGTHS OF THIS STUDY

The strengths of this study rests on the notion that it was based on a triangulation of qualitative and quantitative research designs. Neuman (2006:149) concurs that triangulation allows the research problem to be tackled from different viewpoints through both words and numbers. Furthermore, this allowed for a universal understanding of

Informal Entrepreneurship which is highly fluidity in nature as individuals are embarking on different strategies to fight poverty.

3.15 LIMITATIONS OF THE STUDY

The study encountered a number of challenges which the researcher devised strategies to minimise them. There were financial constraints regarding travelling costs to the Departments and Organisations of the key informants, stationery cost for printing 150 questionnaires and telephone costs incurred when arranging the interview dates. Secondly, the researcher did not manage to interview 150 participants because the data was saturated; therefore, only 133 participants took part in the questionnaire survey. Thirdly, the participants were reluctant to express their thoughts and opinions freely due to the nature of the politics in Zimbabwe. Fourthly, some respondents did not fill in some parts of the questionnaires for different reasons. The researcher could not force them because it would have been a violation of social science ethics, hence when coding in excel, there were some spaces with missing data. Fifthly, the majority of the respondents were too busy serving their customers, so they did not want to fill in the questionnaires and preferred that the researcher ask the questions; they answered and the researcher recorded these down. Lastly, since this project lacked adequate funding, the data collection period was prolonged due to lack of enough finances to cover the expenses.

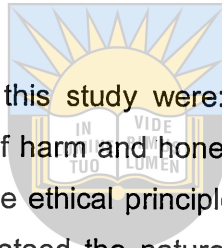
In overcoming the above mentioned challenges, the researcher:

- Minimized travel cost by walking on foot to the Departments and Organisations where interviews were conducted;
- The researcher self-administered the questionnaires;
- The researcher started doing field work earlier on the 4th of November 2015; and
- The researcher printed one questionnaire and photocopied the rest in order to minimise cost of printing.

3.16 ETHICAL CONSIDERATIONS

The researcher acquired an ethical clearance before commencing data collection from the (UREC) University Research Ethics Committee situated at Govan Mbeki Research & Development Centre at University of Fort Hare. Furthermore, the researcher adhered to ethical principles that govern the Social Sciences Research and Ethical protocols of the University of Fort Hare which state that plagiarism is an academic offence that attracts legal prosecution. According to De Vos (2005:7), ethics are a set of moral principles which are suggested by an individual or group and are widely accepted because they offer rules and behavioural expectations about the most acceptable conduct towards the subjects.

The ethical principles observed in this study were: voluntary participation, informed consent, confidentiality, avoidance of harm and honesty. The subjects who took part in this study were informed about these ethical principles. They signed informed consent forms to show that they had understood the nature of the study and were willing to participate voluntarily. Below is a full description of the ethical principles observed in this study.



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3.16.1 Voluntary participation

By definition, voluntary participation refers to when subjects personally make a choice of being involved in the study without any form of force or coercion (Babbie, 2009:521). This principle was upheld in order for the study to collect unbiased data from the subject. In conducting a qualitative or quantitative research study, the researcher can invade people's lives when he/she ask questions pertaining to their lives. In this sense, when participants are coerced to participate, they will leave out important information as this will affect the research findings and conclusions. In this study, the subjects voluntarily participated in the study without any form of manipulation.

3.16.2 Informed Consent

Leedy and Ormrod (2013:105) affirm that informed consent involves the subjects being thoroughly informed about the nature of the study. In this study, the subjects were informed about aims and objectives of the study and how it was conducted. The participants in this study (Informal Entrepreneurs and Social Workers, Community

Development, Practitioners and Municipal Officials) signed the informed consent forms to show that they understood the nature of the study.

Babbie (2001:474) endorses that deception involves deliberately withholding information or offering incorrect information to assure participation of subjects who would otherwise possibly refuse to be part of the study. This has detrimental effect to the findings and conclusions because the subjects usually give false information or drop out during interviews and survey.

3.16.3 Confidentiality and anonymity

The researcher upheld confidentiality and anonymity in this study. The subjects were informed of the two forms of confidentiality which is relative and absolute (Babbie, 2009). The subjects were informed that absolute confidentiality was applicable since the results will be published. However, they were assured the information they provided will be used for academic purposes only and will not be shared to any other persons.

Furthermore, in attempt to protect the participant's right to privacy, their names were represented by pseudo names in data presentation and findings. Leedy and Ormrod (2013:108) emphasize that pseudo- names should be used in research to ensure anonymity of the subjects as it prevents them from being victimized by other researchers.

3.16.4 Avoidance of harm

Avoidance of harm is whereby the subjects are informed beforehand about any potential impact of the investigation on their emotionally, physical and mental well-being (De Vos et. al., 2002:58). Qualitative studies have an effect of harming the subjects through intriguing past experience that were not so pleasant (De Vos et.al, 2002:73). Those subjects who felt that being involved in this study will affect them in were free to withdraw.

3.16.5 Honesty

Leedy and Ormrod (2013:108) state that researchers must report the findings truthfully *"...in a complete and honest fashion"*. In this study, the researcher cited all sources used in the study, and the paraphrased ideas from other authors were acknowledged. In

support of the above statement (Leedy and Ormrod, 2013:108) argue that, *“Any use of another person’s ideas or words demands full acknowledgement: otherwise, it constitutes plagiarism and documentary theft”*. The researcher avoided plagiarism as it is highly condemned in the University of Fort Hare ethical protocols. All scholarly work used in the study were referenced accordingly to avoid prosecution on grounds of academic theft.

The researcher did not falsify the qualitative and quantitative research findings in data analysis. The results were reported in their original context as propounded by subjects on the semi-structured questionnaire and semi-structured interview guide. The researcher did not tamper or manipulate the data to suit her own conclusions.

3.17 CONCLUSION

This chapter described the research methodology that was used in collecting and analysing data. The researcher explained the research process of this study which included the research paradigms, research approach, research design, population and sampling, validity and reliability for quantitative data, qualitative data trustworthiness, delimitations, strengths and limitations and ethical principles. This chapter also elaborated on the strengths and weaknesses of the research methodology that was chosen for this study. The researcher outlined the strategies used to overcome those weaknesses. The next chapter focuses on the presentation of findings and outlines qualitative and quantitative data gathered from the discussions is presented using thematic analysis and graphs and pie charts.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF THE FINDINGS

4.1 INTRODUCTION

The previous chapter elaborated on how the research was carried out. It thoroughly explained how the researcher implemented the research methodology practically during data collection. This chapter outlines how the data obtained from the field work was analysed. The massive quantitative data was coded on Microsoft excel package and run by Statistical Package for Social Sciences (SPSS) software. The results were presented on bar charts and pie charts, and qualitative data was analysed as supplementary to the quantitative data. The qualitative findings were analysed in a way that their contextual and original character was preserved, and this was done simultaneously with the quantitative data.

4.2 PRESENTATION OF QUANTITATIVE AND QUALITATIVE FINDINGS

4.2.1 Demographic profiles of respondent involved in informal entrepreneurship

The study sought to find out the gender, age group, educational level of those who are involved in informal activities in Zimbabwe as well as the reasons for their involvement.

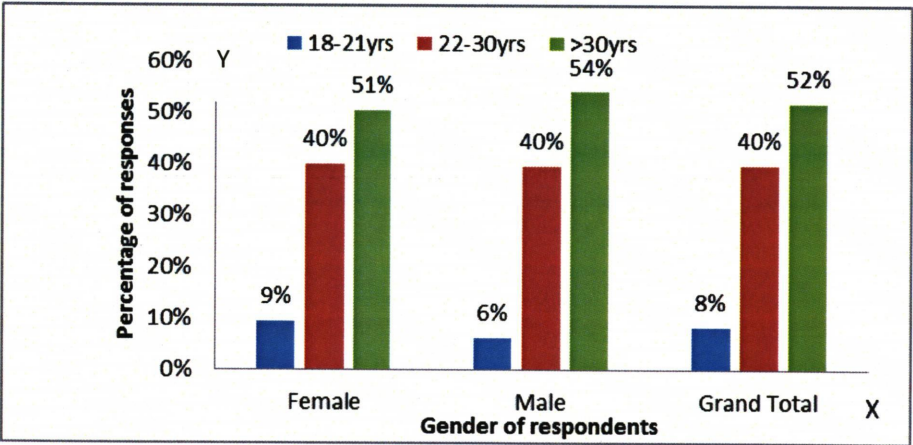


Figure 1: Age group distributions across gender of respondents

Figure 1 shows that there are various age groups categorized by gender of the respondents who took part in this study. The bar graph indicates that 52% of 133

respondents who took part in this study were above 30 years, 40% were aged between 22-30 years, and 8 % were aged between 18-21years. It also shows that both males and females took part in this study. The results above reflect that individuals between the age group of 18-21; 9% were females and 8 % were males. Furthermore, regarding individuals between the age group of 22-30, 40% were females and 40% were males. Lastly, the age group of individuals between 30 years and above expressed that 51% were females while 54 were males.

A Social worker mentioned that:

All adults of different age groups visit their Department for assistance in their informal activities. The frequent visitors are above 30 years.

A Community Development Practitioner elaborated that:

People between the age group of 22-30 years are the ones most interested to venture in informal entrepreneurship.

A Municipal Official stated that: *Together in Excellence*

All age groups are facing different social ills and are eager to get loans to sustain their income generating projects. As a result they pay a visit to the Department of Housing and Infrastructure because it is responsible for the improvement of the well-being of the residence in this Municipality.

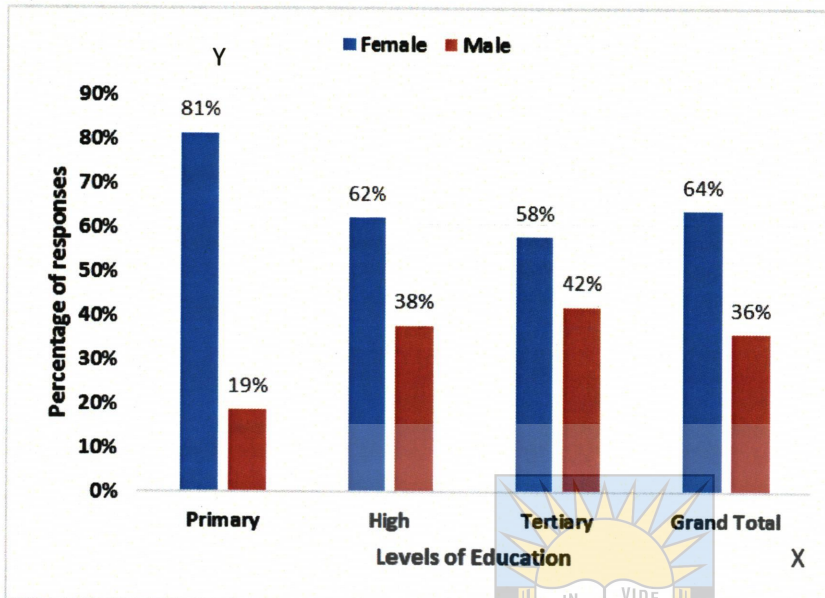


Figure 2: Educational level distributions across gender of respondents

During data collection procedure, the researcher noted that the level of education for the respondents varied from one person to another. The graph above shows three different levels of education (primary, high school and tertiary) that were used to classify the respondents. The findings revealed that 64% of females attended schooling contrary to 36% of the male counterparts. The findings indicate that 81% of females and 19% of males attended primary level. Furthermore, 62% of females and 38% of males attended high school level. Lastly, 58% of females and 42% of males attended tertiary institutions.

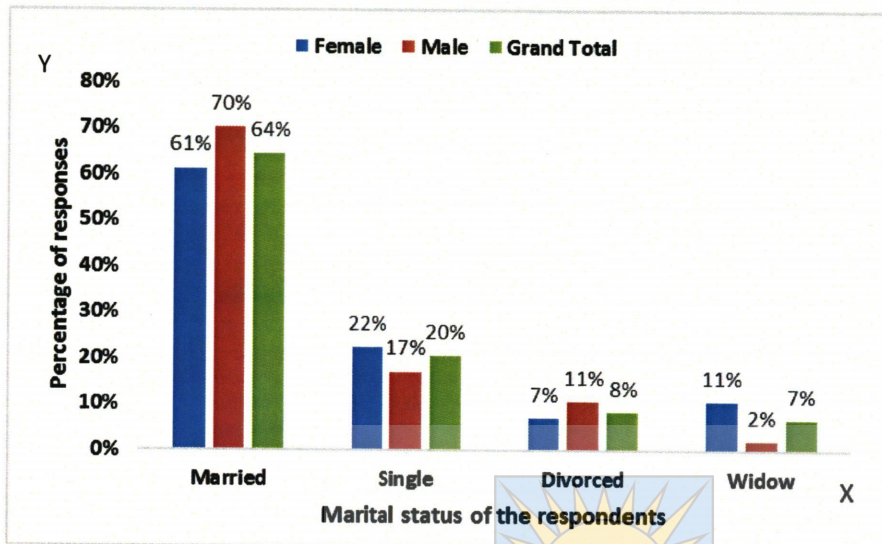


Figure 3: Marital status of respondents by gender

The above graph shows the marital status of the respondents by their gender. The marital status was classified in this study to include those who are married, single, divorced and widowed. This study showed that 64% of respondents are married, 20% are single, 8% are divorced and 7% are widow. These percentages, when classified according to gender, showed that 70% of males and 61% of females are married. This graph indicates that 22% of female and 17% of male entrepreneurs are single. Furthermore, 11% of males and 7% of females are divorced. Lastly, 11% of females widows, and 2% of males are widows.

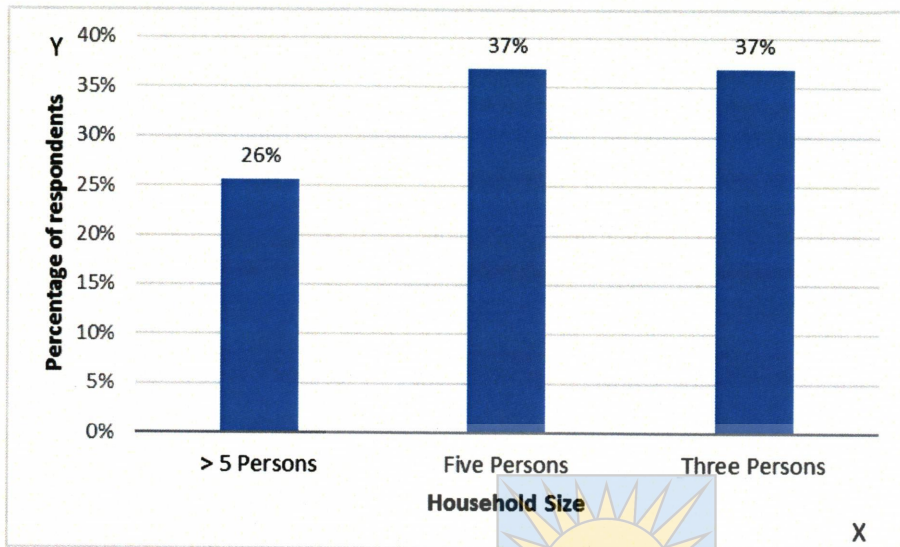


Figure 4: Household size

The bar graph shows that 37% of the participants explained that household members are between 1-3 while 26% shows that household membership is above 5. Lastly, 37 % agreed that they live in a household with people between 3-5.

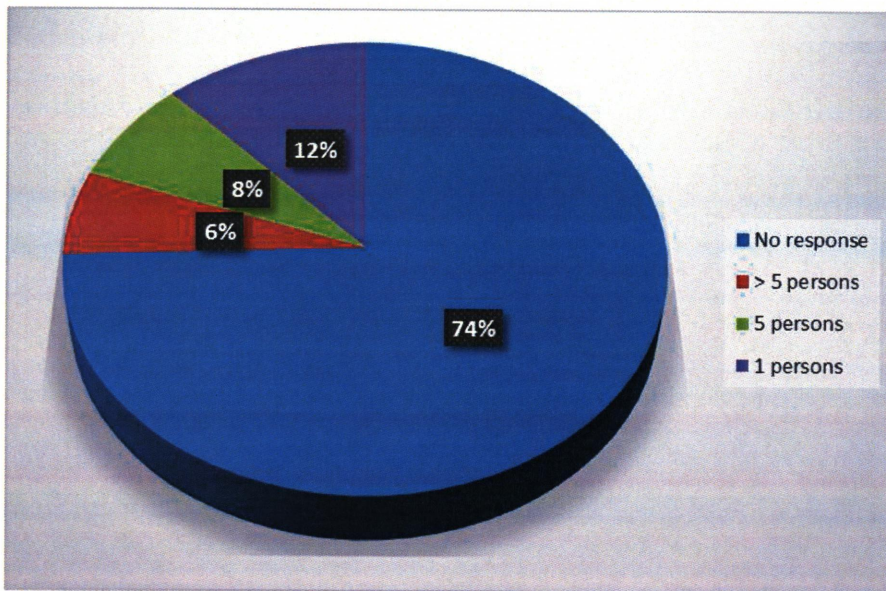


Figure 5: Household members in formal sector

The pie chart above shows that 74% of the participants responded that none of their household's members are employed in the formal sector while 12% elaborated that only one person is employed in the formal sector. On the other hand, 8% noted that 5 persons within their households are in the formal sector. Lastly, 6% agreed that there are above 5 people employed in the formal sector.

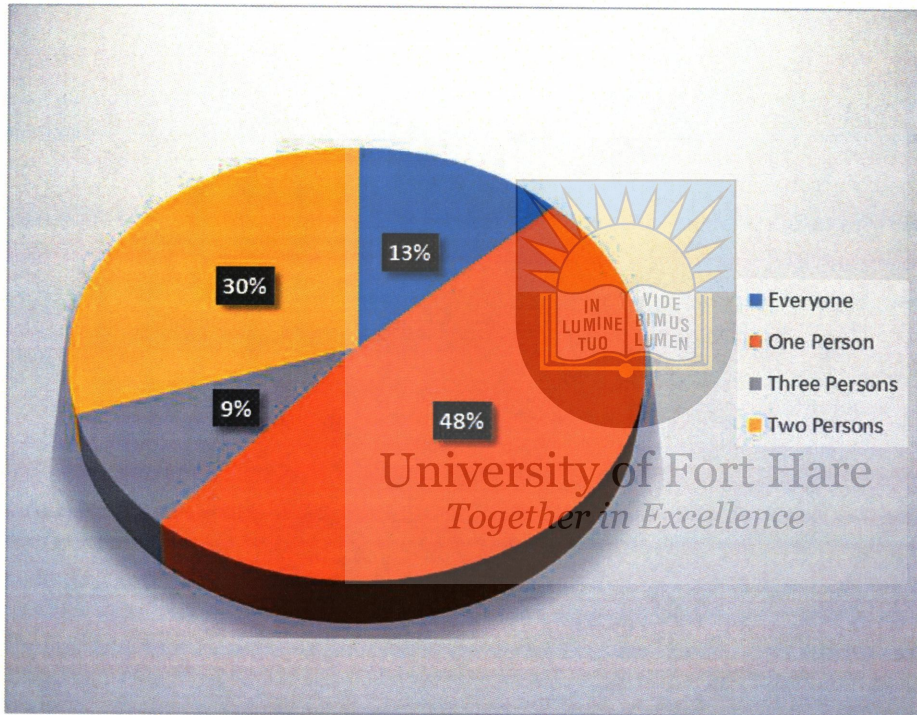


Figure 6: Household members in informal entrepreneurship

The pie chart above reveals that 48% of the participants admitted that they were the only people involved in informal activities in their households. In addition, 13% alluded that every individual within a certain household is involved in different forms of informal activities while 30% indicated that only 2 people were in the informal entrepreneurship. Lastly, 9% noted that 3 people in their household were employed in the informal entrepreneurship.

4.2.2 Employment background of respondents and reasons for engaging in informal activities

The employment background of informal entrepreneurs was important in this study because it explained the economic situation prevailing in Chitungwiza Municipality. It also widened the researcher's mind in understanding the key factors that triggered individuals to join informal entrepreneurship as a livelihood strategy that is used to meet household basic needs.

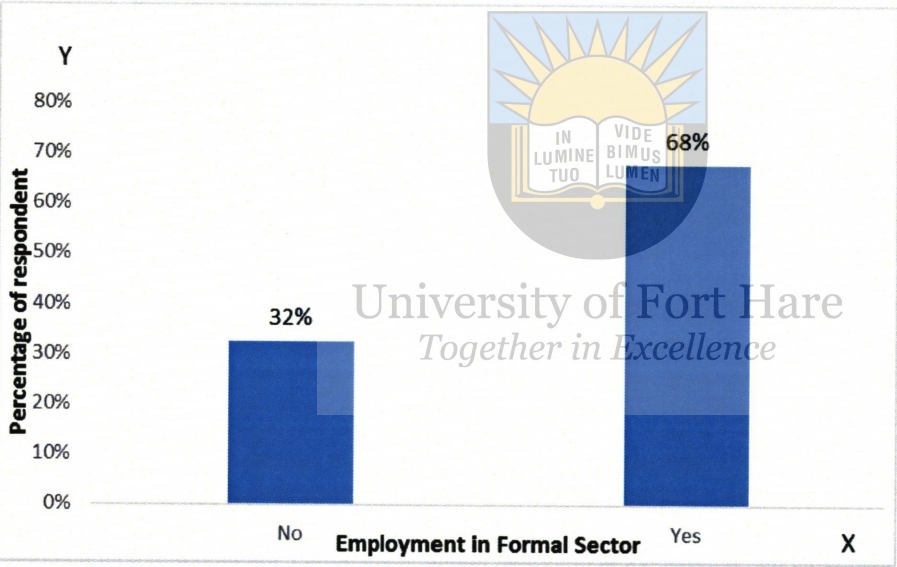


Figure 7: Entrepreneurs who were employed in the formal sector

The bar graph above shows that 68% of the participants were once employed in the formal sector while 32% never worked in the formal sector.

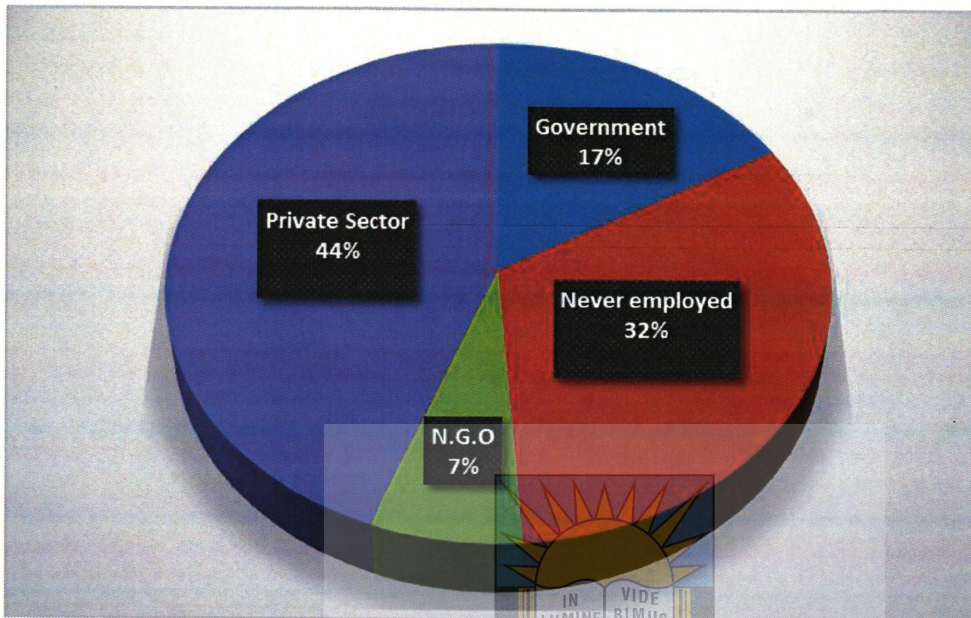


Figure 8: Previous employment sectors of entrepreneurs

The above pie chart describes the employment history of the respondents before they started engaging in informal entrepreneurship. It indicates that 44% of the respondents once worked in the private sector, 32% were never employment by any organization, 17% were once employed in the Government, and 7% were employed in Non-Government Organization. These statistics provide a rationale for venturing into informal entrepreneurship to support households and earn income.

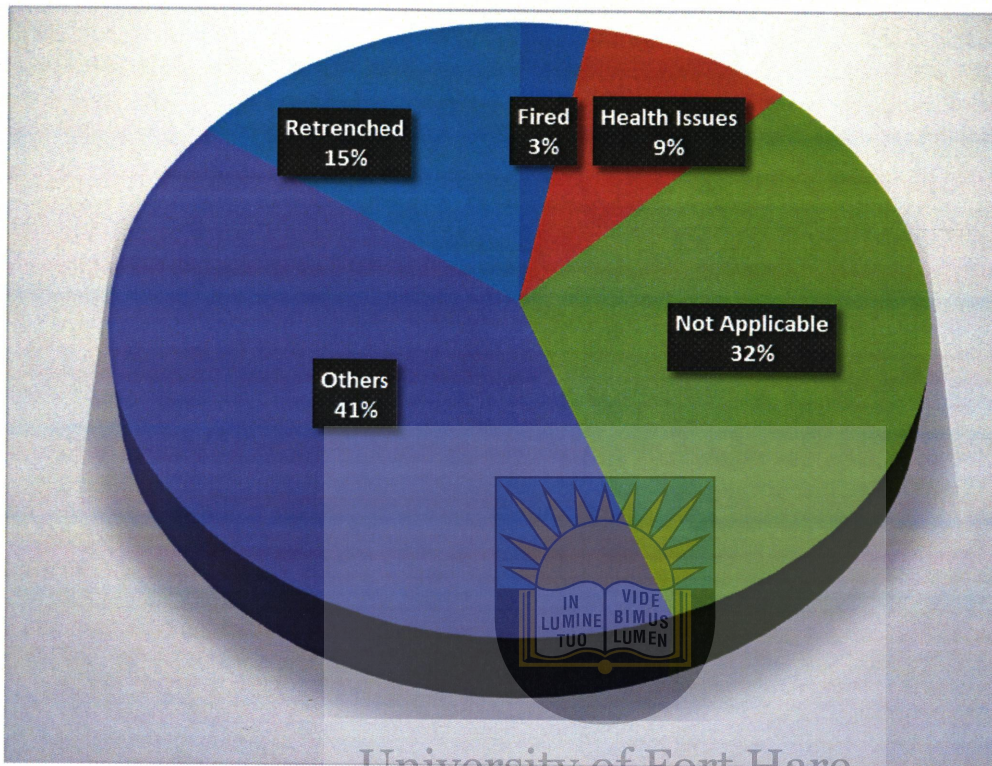


Figure 9: Reasons for respondents leaving previous jobs

The pie chart above shows the reasons given by informal entrepreneurs for leaving their previous employment. The chart indicates that 41% of the respondents regarded this information as private and were not keen to share it. In addition, 32% were never employed, hence this question was not applicable to them while 15 % elaborated that they were retrenched, 9% had health related issues, and 3 % were fired.

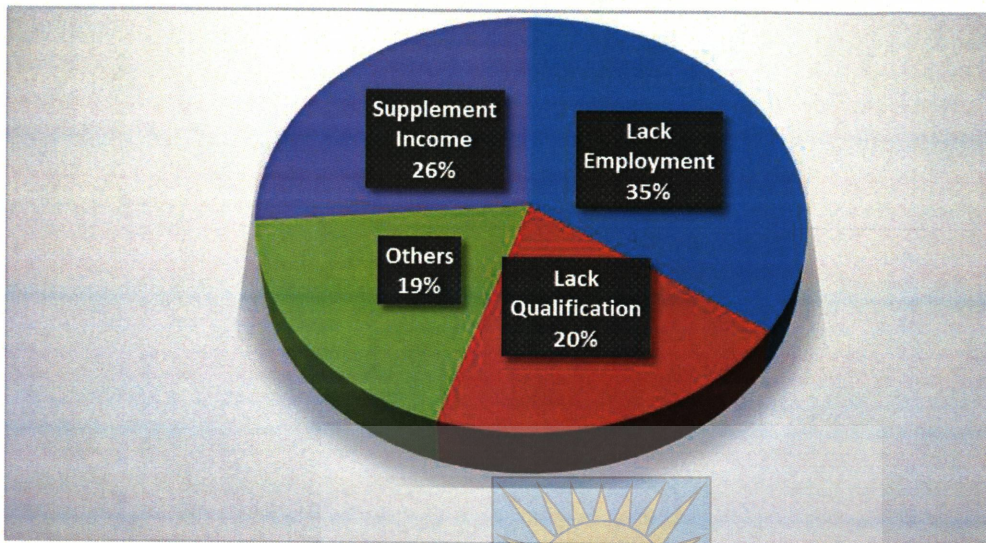


Figure 10: Respondents' reasons for engaging in informal entrepreneurship

The respondents provided various reasons that drove them into informal entrepreneurship. The pie chart shows that 35% of the study population elaborated that lack of employment led them to informal entrepreneurship whereas 26% stated that they wanted to supplement their income, while 20% mentioned that lack of qualification caused them to engage in these activities, and 19 % did not want to disclose their reasons.

4.2.3 The dominant forms of informal activities engaged in by members of poor households

One of the research questions was to find out the dominant activities that poor households are involved in. The key informants of the study (Social Workers, Community Development Practitioners and Municipal Officials) mentioned some of the common informal activities in Chitungwiza Municipality. This is presented in figure 11 below and outlines the informal activities that underpinned this study.



Figure 11: Informal products for vending

A Municipal Official stated that:

Street vending of various goods and services such as agriculture products, second hand clothing and cellphone accessories just to mention a few. In addition, foreign currency exchange and mobile food outlets.

A Community Development Practitioner elaborated that:

Vending, brick laying, poultry, urban farming, carpentry, commercial sex work, land scalping, shoe making and local transport business are the commonly done livelihood activities by households.

A Social Worker indicated that:

Street vending, cross-border trading and commercial sex work are the dominant informal activities in Chitungwiza.

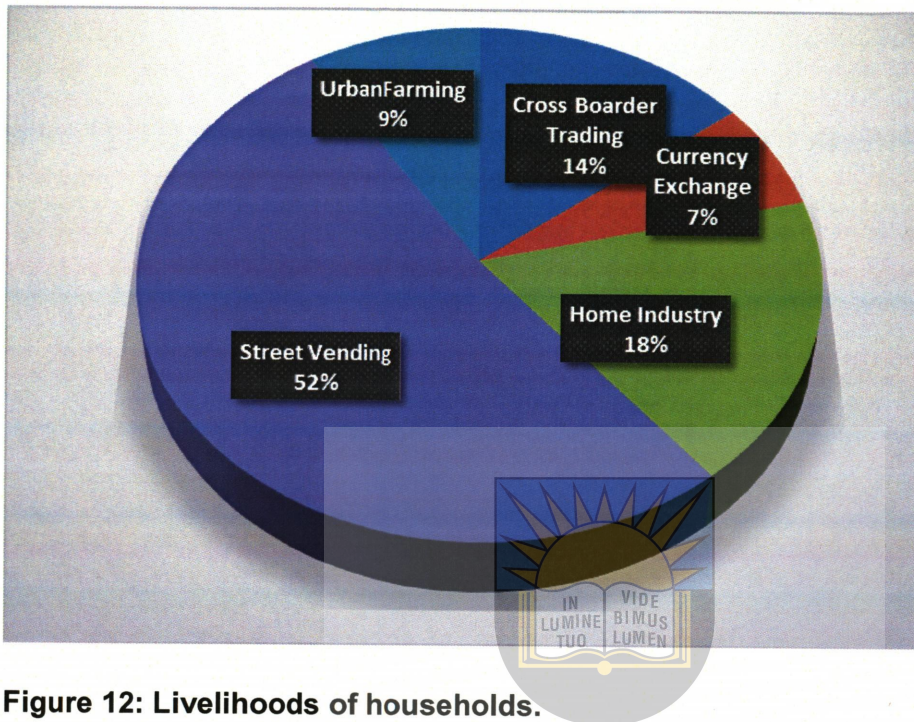


Figure 12: Livelihoods of households.

4.2.3.1 Livelihoods of households

The pie chart above shows informal entrepreneurial activities in Chitungwiza Municipality. These activities are poverty reduction strategies by poor households. The chart indicates that 52% of the participants are into street vending, 18% are into home industries, 14% are into cross-border trading, 9% are into urban farming, and 7% are into foreign currency exchange.

4.2.3.1.1 Street vending as a livelihood

In Seke, Chitungwiza Municipality, 52% of informal entrepreneurs are involved in street vending. These street vendors provide a wide range of goods and services to their customer. The green vendors sell produce (like tomatoes, beans, sorghum, rapoko, millet, sweet potatoes, onions, potatoes, green pepper, lemon, butternut, fruits carrots, vegetables and carrots). The white vendors are involved in selling (hair pieces, cosmetic products, meat, cell phone accessories eggs, drinks, paraffin, firewood, petroleum gas, clothing and foot ware).

White vendors state that:

I enjoy my profession as a green vendor because when customers do not buy my products, I do not get a loss, since I consume them in my household. I may not have other needs in life but I know that I will never sleep hungry

I sell cosmetics (perfumes, face powder, vanishing cream, and Chinese facial products), braids, hair pieces, towels, sandals, hand bags, wallets and sun glasses.

4.2.3.1.2 Urban farming

The study established that urban farming as a livelihood and entrepreneurial activity commonly practised by the inhabitants of Chitungwiza Municipality is assisting a lot in bridging the poverty gap. The survey has shown that various households are involved in growing crops like maize, vegetables, sweet potatoes, groundnuts, tomatoes, onions, carrots and green peppers. The majority of urban farmers explained that these crops are for sale to the green vendors and some for domestic consumption within their households.

The findings reflected that urban farming constitutes 9% of informal entrepreneurs in Seke, Chitungwiza Municipality. These include maize, vegetables, sweet potatoes, groundnuts, tomatoes, onions, carrots and green peppers. The farmers maintain that these crops are grown for sale to the green vendors and others are for household consumption.

Farmers states that:

I occupied this piece of land since 1994 because it was idle. Together with my family we specialise in growing and selling vegetables, tomatoes and onions. My older children are the ones who sell the produces. The breakages we use for household consumption.

I am a widower and a war veteran. This land was given to me by my party (ZANU PF). Farming is the main source of income for my

family. I managed to provide for my family and send my children to school by growing and selling maize and sweet potatoes.

The photo below supports the above findings.

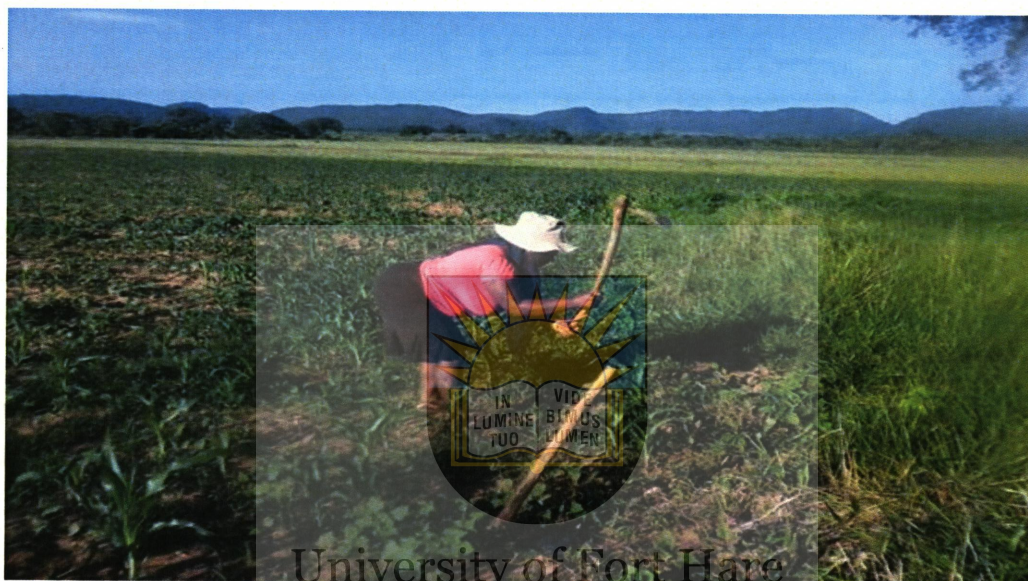


Photo was taken in Seke rural area by Gunhidzirai C.

Figure 13: Urban farming as entrepreneurial strategy

I grow all crops that suit the season and it's for consumption mainly though a sell to neighbours around. This piece of land is my residential stand which I have resorted it for farming since I do not have money to build a main house.

4.2.3.1.3 Cross-border Trading as a livelihood strategy

Cross-border trading is another vital activity in Seke, Chitungwiza Municipality. It constitutes 14% of the population who took part in this study. Favourable destinations for cross-border traders are South Africa, Zambia, Tanzania, Democratic Republic of Congo, Angola and Mozambique. The commodities they import include (mabhero e bhutsu ne hembe) second hand shoes and clothes, hand bags, cosmetic (skin lightening products), electronic gadgets, household, furniture, blankets, accessories and satchels.

Cross-border traders added that:

I am a cross-border trader to South Africa who imports and exports household goods. I started this at a tender age and I was a border jumper because it was difficult to have a passport. Cross-border trading used to be profitable long back as I managed to meet the basic needs of my family, build a house and brought furniture.

I joined cross-border trading in 2013 when the company I was working failed to pay my salary for quite some time. I import second hand clothes and shoes from Mozambique. It's very profitable because times are hard in Zimbabwe and people cannot afford to buy new clothes and shoes.

When I finished school my uncle in Botswana took me there to work. After a while I realised buying and selling of clothes and handy bags was more profitable than working in supermarkets. I now have 15years doing this job of cross-border trading.

4.2.3.1.4 Foreign currency exchange as a livelihood

In an attempt to mitigate the higher levels of poverty in the staggering economy in Zimbabwe, money changers 'esiphatheleni', foreign currency changers as they are popularly known are engaged in money trading as a form of informal entrepreneurship. The researcher discovered that in Chitungwiza Municipality foreign currency exchanging is rampant among young, old males and females. Much foreign currency deals are at *Makoni* shopping centre, corner shops, Town Centre, Roadport Centre, *Chikwanha* and *Jambanja* market centres.

These informal entrepreneurs trade currencies such as meticaais, rands, pula and sterling pound to the US dollar. The entrepreneurs make small or huge profits by selling mainly US dollars to returning Zimbabwean emigrants and selling rands to those people travelling to South Africa. Such forms of trade enable the money changers to sustain in business and support their households in Chitungwiza municipality.

In this study, findings have revealed that foreign currency dealers account for 7% of the total population that participated in this study. The popular trade in foreign currencies on the street are meticaais, rands, pula and the US dollar. Many foreign currency deals are done at Makoni shopping centre, corner shops, Town Centre, Roadport Centre, Chikwanha and Jambanja market centres.

Foreign currency dealers elaborated that:

I have been a money changer since the fall of the Zimbabwe currency in 2007. This is a lucrative business and though it requires large start-up capital. I deal with all forms of foreign currencies (rands, pula, kwacha and United States Dollar. My customers are the cross-border traders and families that receive remittances from abroad.

I buy and sell the Mozambique currency (Meticias). I saw a gap on the market that, they are few forex currency dealers' who trade this currency. The high demand of second hand clothes and shoes in Zimbabwe makes me enjoy large profits.

I am a mobile foreign currency dealer. I trade in rands, pula and meticaais and United States Dollar. I have been in this business for more than 9 years. I increase my rates to attract customers so that they will not go to Banks for foreign currency exchange

4.2.3.1.5 Home industries as livelihoods

In this study, home industries constitute 18% of informal entrepreneurial activities by poor households in Seke, Chitungwiza Municipality. These individuals engage in many different projects that produce goods and services to their consumers. The most common projects include poultry (chicken, rabbits and quails), shoe making and repairing, spazza shops, furniture manufacturing, coffin making, building materials, repairmen (bicycles), clothing factory, tomb stone curving, salons and soap, peanut butter and honey manufacturing.

Home industries owners stated that:

I previously worked at Doves Morgans funeral parlour before starting my own business. I make coffins for a living. My coffins are cheap as compared to those sold at Nyaradzo and Doves Morgan funeral parlours that are why I enjoy more profits.

I invested my pension in building and stocking this spaza shop which is run by my son. All the people around knows that they can buy anything in my shop because the stock is always available and in abundance to meet their demand.

The photo below supports the above findings.

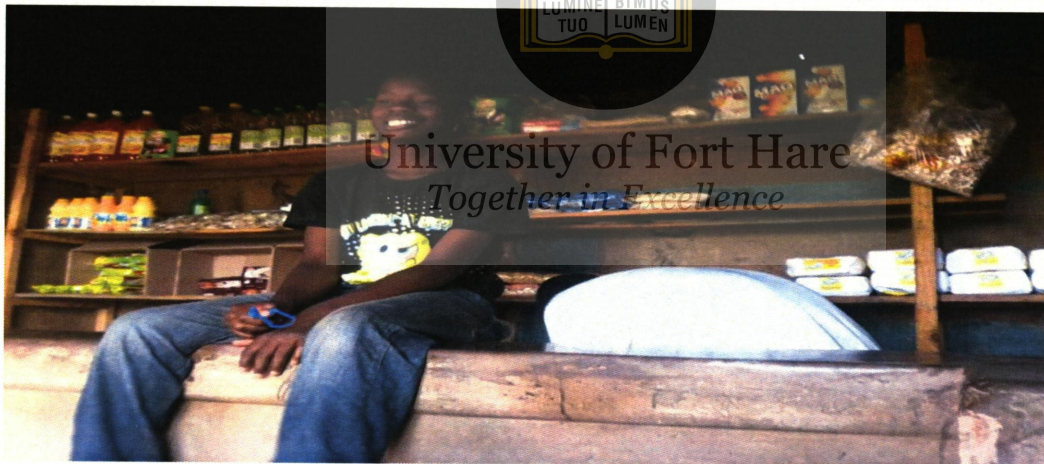


Photo was taken in Unit D, Seke by Gunhidzirai, C.

Figure 14: Spazza shop as entrepreneurial business

I am a qualified carpenter who manufactures household furniture including sofas, kitchen units, wardrobes, coffee tables and room dividers. I also provide services of repairing broken furniture of the people in this area. I work with two gentlemen who are my assistants.

The photo below supports the above findings



Photo was taken in Unit, Seke by Gunhidzirai, C

Figure 15: Carpentry & Craftwork as entrepreneurship strategies

I have been into chicken poultry for over 7yrs now and I recently diversified in keeping quails for the past 5 months. I keep 120 broiler and 50 quails and per day I get 4/5 crates of eggs. Those chicken and quails are for sale and also for consumption.

4.2.3.2 Overview of Informal entrepreneurship in Chitungwiza Municipality

This section unpacks the historical evolvement of informal entrepreneurship in Chitungwiza Municipality. This will help the readers of the study to have a broader understanding of what drove people into the informal sector. This information is of significance to policy makers in redressing poverty issues.

A Social Worker noted that:

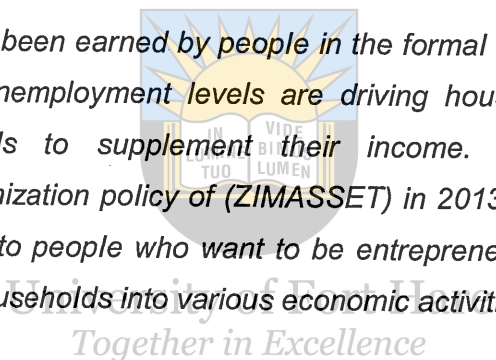
The fall in value of the Zimbabwean currency between 1995-1996 simultaneously led to the fall of the formal economy and the birth of informal activities in Chitungwiza.

A Municipal Official stated that:

The closure of Con textiles and Dairy Board Zimbabwe branch in Zengeza Constituency in 2001, led many families to venture into buying and selling of commodities to earn an income. A lot of people were employed in this light industrial area and its demise was detrimental for the well-being of many families hence refugee was found in engaging in informal entrepreneurship

A Community Development Practitioner indicated that:

Low incomes have been earned by people in the formal sector and the accelerating unemployment levels are driving households in different livelihoods to supplement their income. Also, the pronounced indigenization policy of (ZIMASSET) in 2013 promised loans and support to people who want to be entrepreneurs hence this drove many households into various economic activities.



4.2.3.3 Informal entrepreneurship as an economic activity and its dynamics

The pie charts and bar graphs below explain informal entrepreneurship as a source of business. In a general understanding, people engage in business (small, medium or large corporation) with the aim of making profit. These people are known as “capitalists”. Informal entrepreneurs are capitalist in nature because they seek to gain an income from the activities they are doing. As a form of business, this sub-theme explains its target customers, area of operation, and years of experience, source of income, long- term business plans and advantages and disadvantages of their economic generating activities. The following bar graphs and pie charts elaborate more.

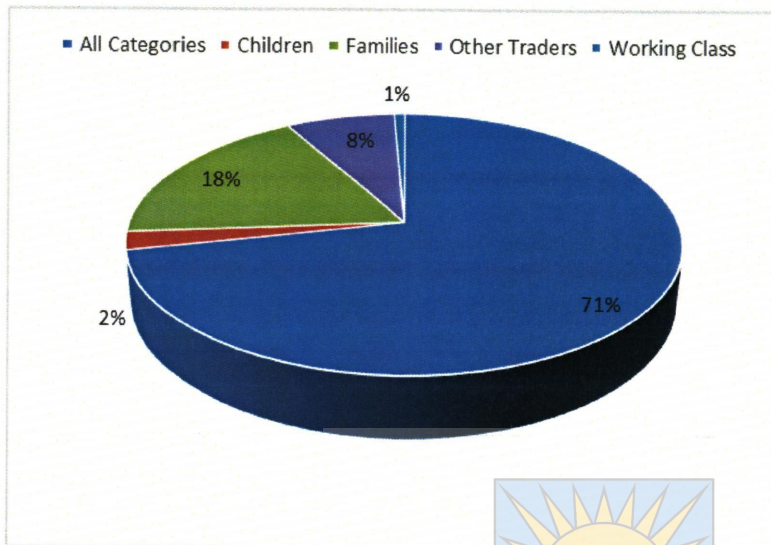


Figure 16: Target customers of respondents

The pie chart above describes the types of customers who receive services and buy commodities from informal entrepreneurs in Seke suburbs of Chitungwiza Municipality. These customers are classified because of the nature of goods and services they receive from the entrepreneurs. The pie chart shows that 71% of the customers include all categories of the mentioned customers, while 18% are families, 8% are other traders, 2% are children and 1% is the working class.

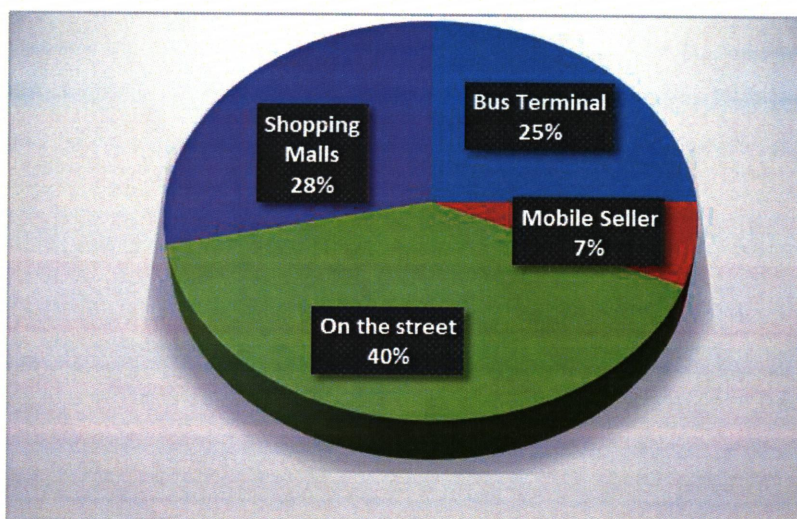


Figure 17: Areas of operation

This study has depicted that entrepreneurial activities are a source of employment; hence these individuals have strategic areas where they operate their business on a daily basis. The pie chart above elaborates that 40% of the entrepreneurs offer their goods and services on the street while 28% operate in shopping malls, 25% operate from bus terminals and 7% are mobile sellers. The areas they operate in are strategically chosen due to their proximity to their customers,

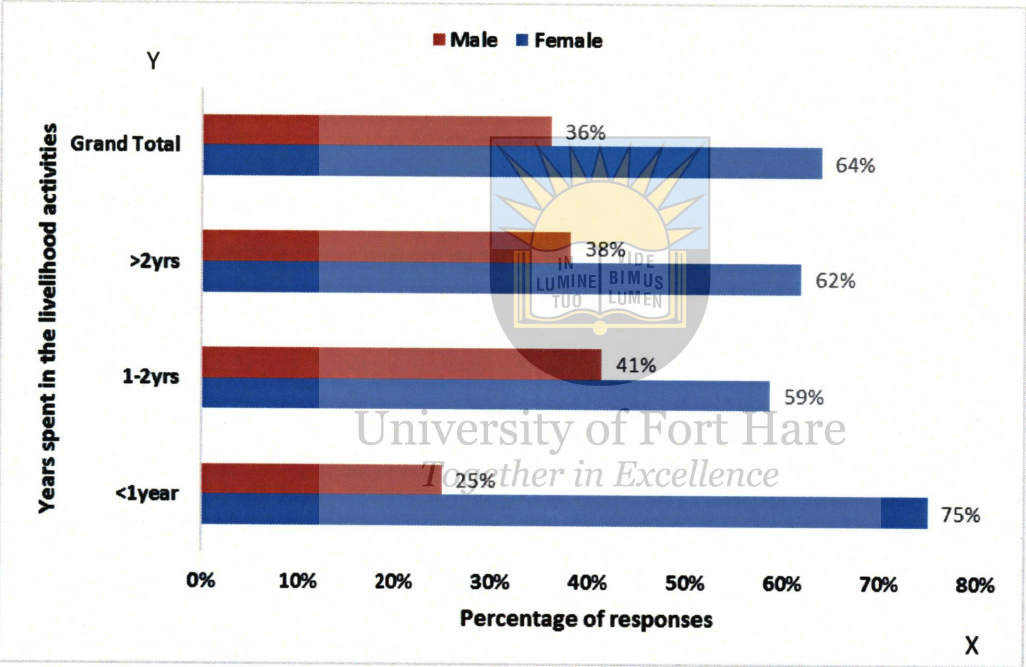


Figure 18: Respondents' years of experience in business

The graph above shows that 64% of females have more years of experience in informal entrepreneurship as compared to males who make up 36% of the participants. The graph further shows that 75% of female and 25% of male are below 1 year experience in this sector. Furthermore, 59% of females and 41% of males have 1-2 years of experience. Lastly, 62% of females and 38% of males are above 3 years in operation.

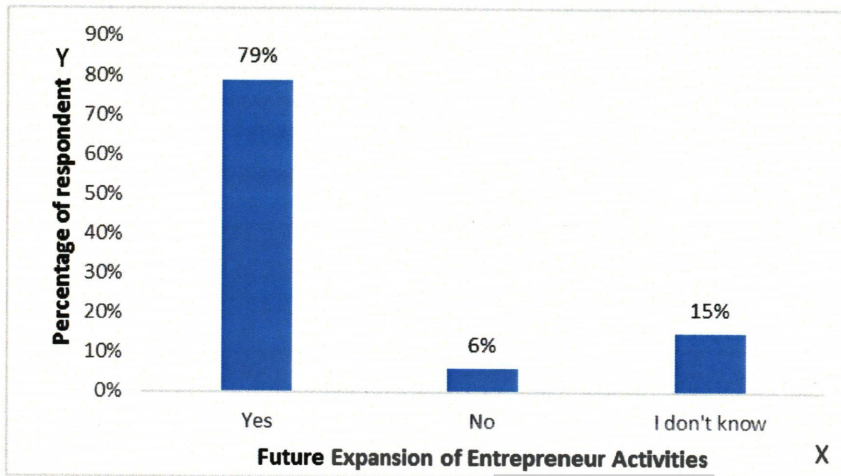


Figure 19: Plans to expand entrepreneurial activities

The graph above shows that 79% of the entrepreneurs would like to expand their businesses while 6% do not want to expand their informal activities. Lastly, 15% have not thought about expanding their entrepreneurial activities.

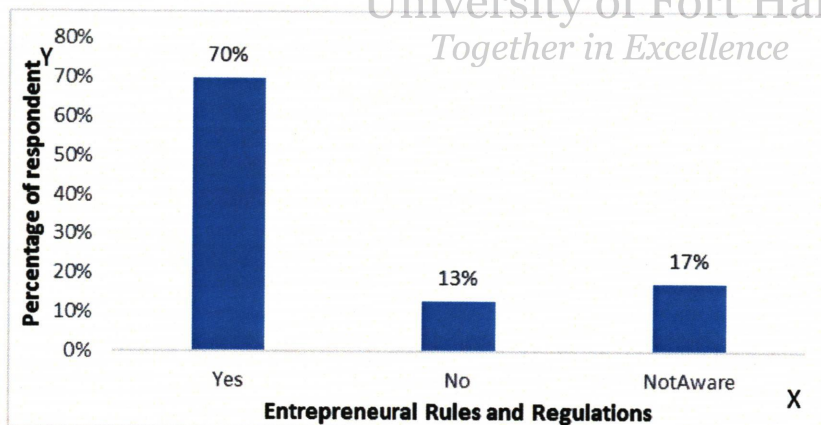


Figure 20: Rules and regulation in entrepreneurial activities

The responses show that 70% of informal entrepreneurs agreed that there are rules and regulations to be adhered to in their area of operation, 13% indicated that they do not know them while 17% elaborated that they are not aware of any rules or regulations.

Informal entrepreneurs stated that:

The Chitungwiza Municipality demands that we pay levies on a monthly basis for operating in this area. The levies depends on the goods and services you sale. For us green vendors we pay \$1 USD per day while white vendors pay \$2 per day.

Failure to pay leads to confiscation of your goods. Here at Chikwanha market if you are found to be causing environmental and air pollution you will be evicted from your premises. Theft is prohibited and if you are caught stealing, you will die in people's hands.

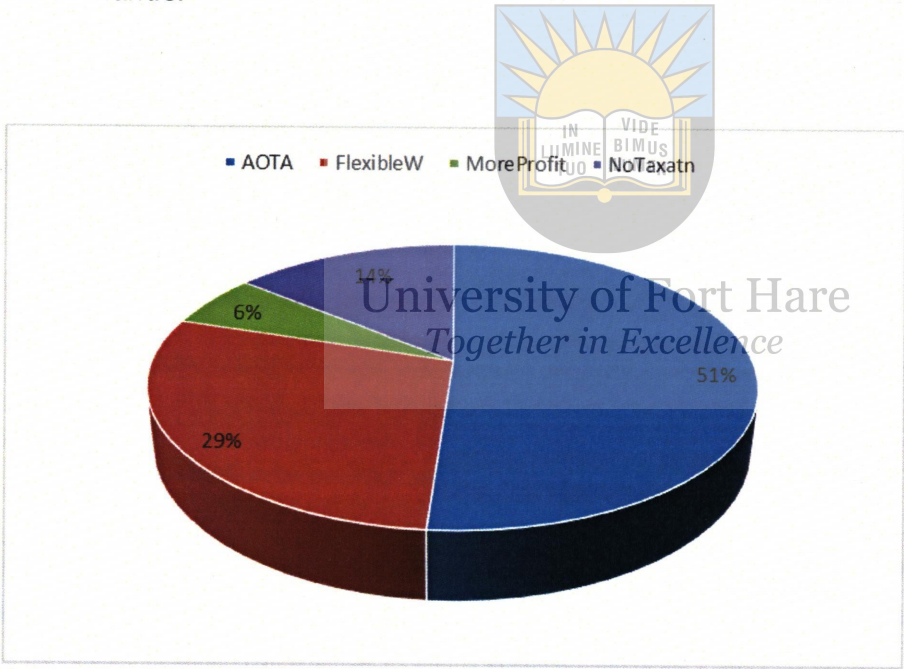


Figure 21: Advantages of being self-employed

Legends: AOTA-All of the Above, FlexibleW -Flexible working condition, MoreProfit-More profitable, NoTaxatn—No taxations.

The pie chart above shows the percentages of respondents who mentioned the advantages of being in this sector; 51% of the informal entrepreneurs indicated that they enjoyed all the advantages mentioned on the survey question while 29% showed that they enjoy having flexible working conditions, 14% enjoyed the freedom of not paying

any form of taxation to the government. Lastly, 6% mentioned that they enjoy the huge amounts of profits they make in this sector.

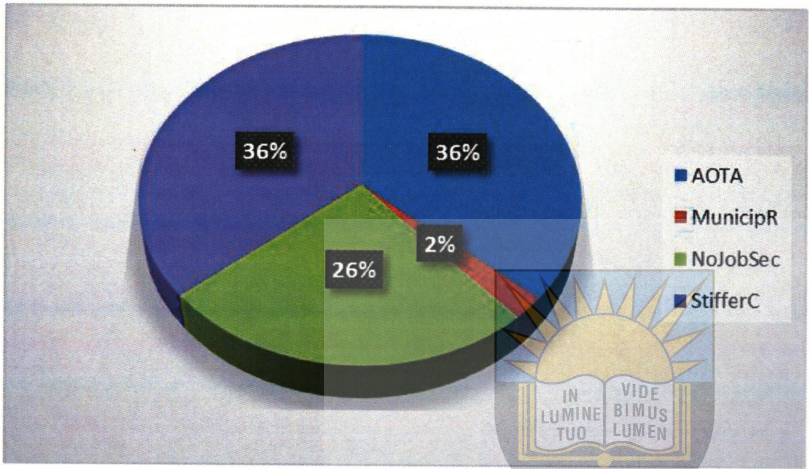


Figure 22: Disadvantages of being self-employed

Legends: AOTA-All of the Above, MunicipR-Municipal raids, NoJobSec- No job security, Stiffer C—Stiffer competition

Every form of employment has its own advantages and disadvantages. In this study, the researcher observed that 36% of informal entrepreneurs were facing stiff competition and 36% were also facing all of the above-mentioned disadvantages. Lack of job security accumulated to 26% while municipal raids made up 2%.

4.2.3.4 Capitalization and income

In Chitungwiza Municipality, it is not easy to start up an entrepreneurial activity because of lack of funding. This is further aggravated by the fact that financial institutions regard informal entrepreneurs as risk borrowers because they lack collateral security. Furthermore, loan sharks provide high interest rates, which make it difficult for entrepreneurs to take because failure to pay they risk their goods being confiscated. The dominant form of obtaining a starting capital is from credit schemes, personal funds, remittances, friends and relatives. Moreover the profits they obtain per month

differ based on the entrepreneurial activity one is embarking on; some get a lot of profits while others get very little.

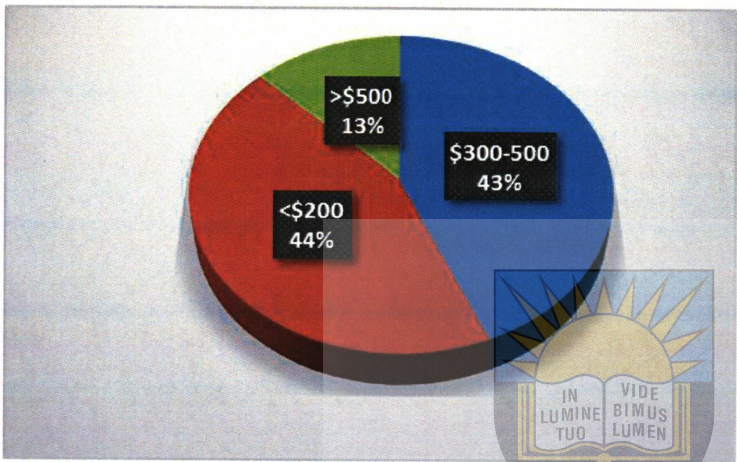


Figure 23: Monthly income of respondents

Legends: <\$200-Monthly Income less than US\$200, <\$300-500-Monthly between \$300-500, >\$500-Monthly Income greater than US\$500

As a source of employment activity, informal entrepreneurship is providing income to many households. The income generated depends on the livelihood activity one is doing. The pie chart above shows the profits entrepreneurs are making at the end of the month from their day-to-day operations. The figures above indicate that 44% of informal entrepreneurs in Seke, Chitungwiza Municipality are gaining profit of less than \$200 per month. Furthermore, 43% of informal entrepreneurs are gaining moderate profits which range between \$300-500 per month while 13% of informal entrepreneurs are gaining a profit of \$500 and above per month.

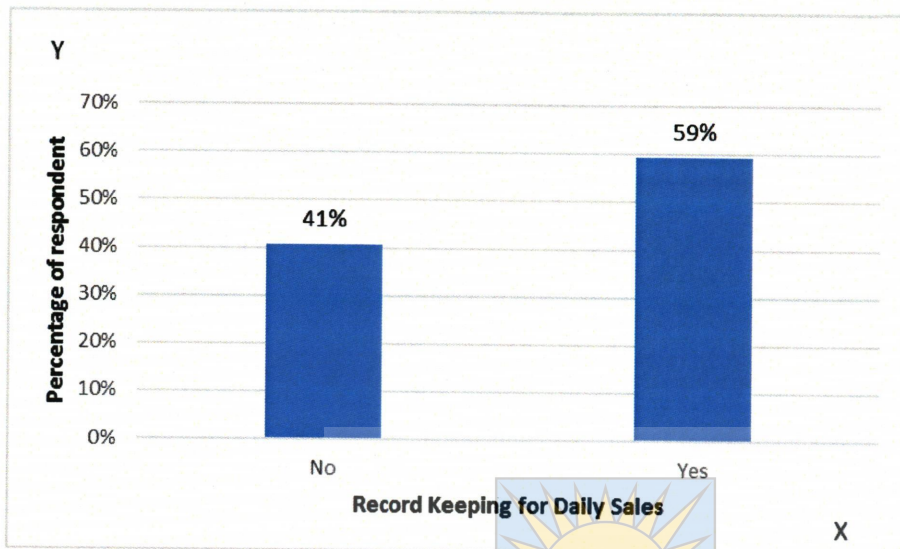


Figure 24: Record keeping for daily sales

The bar graph above shows that 41% of informal entrepreneurs do not write down their daily sales, and 59% agreed that they write down their daily sales for accountability purposes.

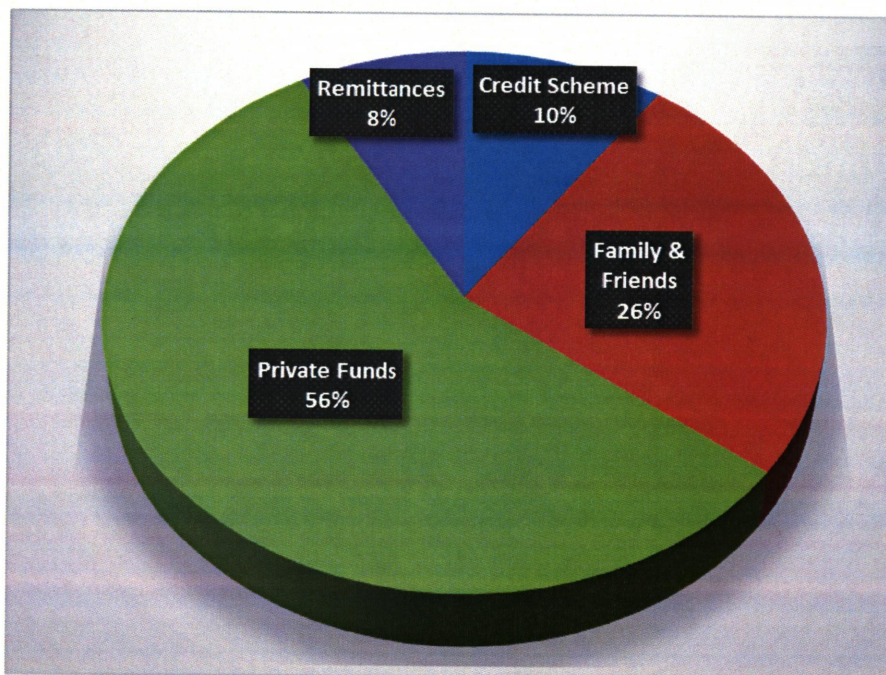


Figure 25: Sources of Capital for entrepreneurial activities

The pie chart above elaborates on the methods used to accomplish startup capital by the informal entrepreneurs. It shows that 56% noted that they used their own private funds such as (savings, pension or retrenchment package) to fund the business, 26% elaborated that they were loaned by family and friends, while 10% indicated that they borrowed from credit schemes. Lastly, 8% mentioned that they used part of the remittances sent by families and relatives in diaspora.

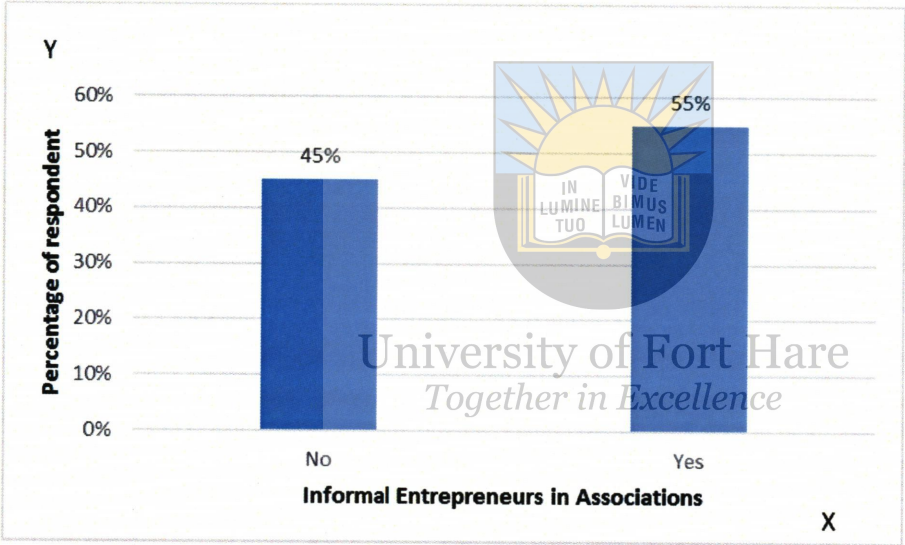


Figure 26: Informal entrepreneurs in Associations

The graph above shows that 55% of the participants agreed that they are in associations that are linked to their livelihoods while 45% indicated that they are not affiliated with any associations.

Informal entrepreneurs elaborated that:

We are a group of 5 women in our stokvel. Each week every individual contributes \$20 and it is given to one of us. This round rotates until everyone has an opportunity to receive the full donation. This money assist me in increasing stocks and I sometimes use this

money to cater for household rentals and utility bills when I am broke.

As carpenters our business require a lot of capital injection. We formed the Chikwanha entrepreneurs Association which has currently 23 members. Our association has its own structures and every individual deposits \$100 per month. This money is used to develop infrastructures and do some renovations in our working area. Members are allowed to borrow on condition that it's going to be used for business purpose only.

We are a group of 10 women and men. Each member contributes \$10 per week for the food hamper and \$150 dollars per month. After every 3months we buy groceries and we share it equally amongst ourselves. Every month one member obtains \$1500 and it rotates until everyone gets that same amount. The food hamper increase my household food security and the monetary donation allows me to accumulate more foreign currency for my business expansion.

4.2.4 Informal entrepreneurship in poverty reduction

The perceptions of the respondents, based on their entrepreneurship as a poverty reduction mechanism, are presented as well as the changes in their living conditions, improvements in food consumption and access to health facilities. The bar graph below shows the responses of individuals on how entrepreneurial activities are assisting them in alleviating poverty. The main aim of their engagement in informal entrepreneurship is to earn an income for meeting their household needs.

4.2.4.1. Perceptions of entrepreneurship as a poverty reduction

This study sought to establish whether the respondents, through involvement in informal activities or entrepreneurship, could reduce poverty among their households. The findings are presented under this sub-section.

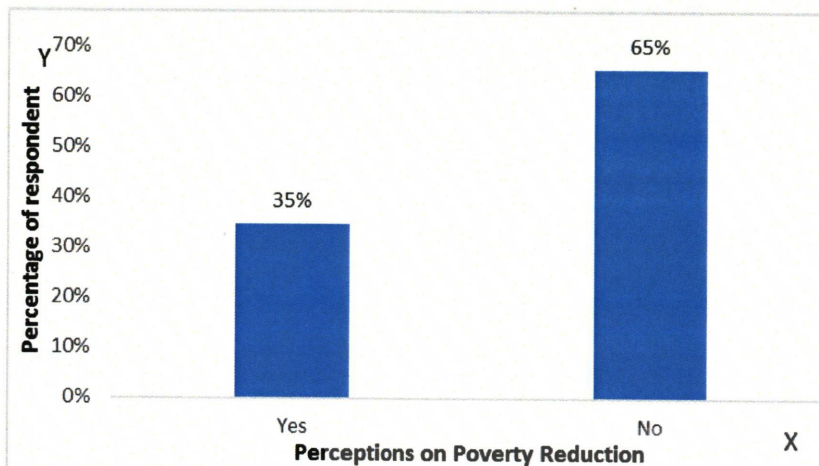


Figure 27: Perceptions on poverty reduction

A general question was asked to the respondents on whether informal activities in Chitungwiza Municipality are reducing poverty or not. The informal activities referred to are street vending cross-border trading, home industries and foreign currency exchange. The findings indicated that 35% of the 133 respondents interviewed argued that informal activities are reducing poverty while 65% differ that informal activities are not reducing poverty.

Informal entrepreneurs elaborated that:

Foreign currency trade is a lucrative business. I afford my family to eat nice food and my children go to a private school, what more would I want in life. In general I can say people are surviving and they are doing big developments as you can see the houses that are being built and cars that are being driven here in Chitungwiza. These are testimonies that informal activities are paying off well.

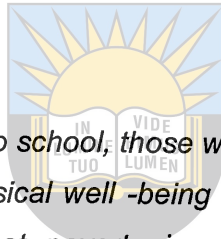
Informal entrepreneurship is no longer profitable as in the previous years because everyone is now entrepreneur. We are just surviving from hand to mouth paying rentals and buying food. Therefore we are still living in poverty.

As for us green vendors we are in absolute poverty. Most of us earn not more than \$5 per day. We have families and relatives who depend on us for food, shelter, education and other necessities. We are not working to reduce poverty but to survive only

If you go around locations such as Unit D, L, E and L you will see that that are living in dilapidated houses, children are going to school on empty stomach but the parents are doing different informal activities. This shows that poverty is still there and is affecting the well- being of families.

A Social Worker elaborated that:

Many children are not going to school, those who are sick are being nursed at home and the physical well -being of elderly people are deteriorating. This shows that poverty is still persisting in this Municipality because households are lacking access and means to basic needs.



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Community development practitioner said:

Alleviating poverty in Chitungwiza is still a long way to go, because almost everyone is engaged in entrepreneurial activities and it's no longer profitable. Adults frequently visit our offices asking for food, school bursaries and clothes for their children.

The above responses commonly agree that informal entrepreneurship is fast losing its momentum or popularity as a poverty alleviation strategy due to increased competition from other entrepreneurs. The informal sector is no longer lucrative due to retrenchments in the public and private sector. Many people soon entered the informal industry which is already infested, thereby increasing competition of the same range of products thus losing the clientele of customer base to those already in the industry.

4.2.4.1.1 Improvements in households

The researcher sought to understand the improvements in households of informal entrepreneurs. This information was essential for the study because it determined whether informal activities were meeting households' needs. Those improvements are categorized and elaborated below in the sub-sections: changes living conditions, household changes in food consumption and access to health services.

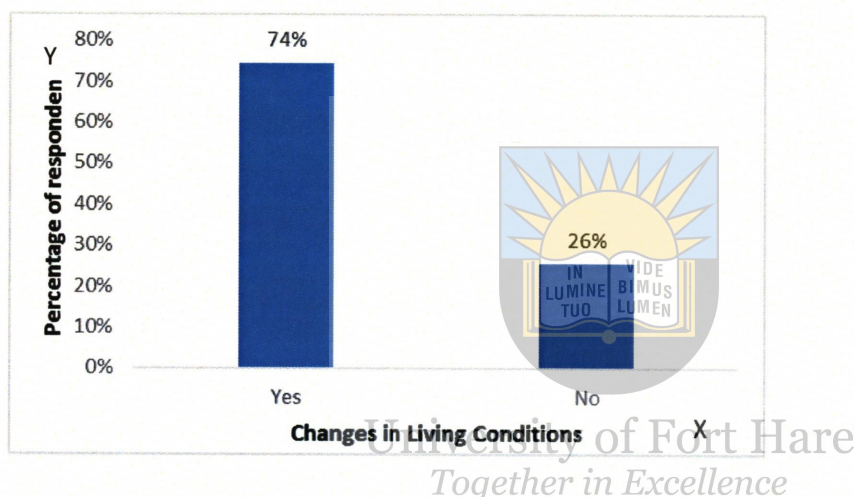


Figure 28: Changes in living conditions

The findings reported that 74% of the responded argued that there are positive changes in their living conditions since they started engaging in informal entrepreneurship while 26% argued that they have seen no change in their living conditions.

Respondents who benefitted said:

When I relocated from Marondera to Chitungwiza in 2000 I was renting two rooms but now I am a landlord although I have not yet finished building my house. I also managed to buy a small truck for use in my business.

I am able to buy clothing wear, food and to provide better education for my children. As a single parent I am doing very well in the upkeep of my children.

I have not made any simple development since 2012 such as buying household property. My children wear second hand clothes and attend public school such where teachers are no longer serious in their profession.

A Social Worker stated that:

Food consumption and rental bills are being afforded by entrepreneurs because they are the major needs they have to provide for their families. However access to education and health services is far-fetched. Most parents and guardians visit our office to seek bursaries for their children and letters so that they can get free treatment from the public hospitals.

The respondents who did not benefit lamented that:

There are no changes in my life for the past 3 years as a vendor. I earn less than \$300 per month and it has to cover all my household needs. As a widower who's supporting 3 children i find it difficult to manage the family with the little income i have.

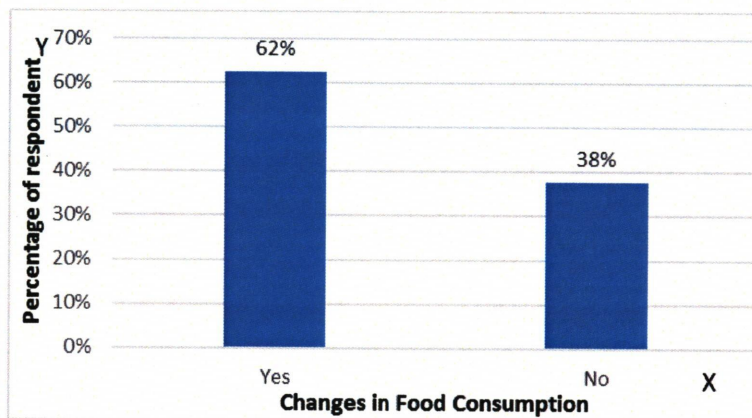


Figure 29: households' changes in food consumption

The researcher wanted to know whether there are diet changes in the households of informal entrepreneurs. The findings indicated that 62% agreed to have experienced a

change in food consumption such as eating a balanced diet while 38% agreed that there is no change in their diet.

Informal entrepreneurs noted that:

I may not be able to make huge investments or buy tangible assets but one thing that I afford is to eat a balanced meal every day. These chickens are for sale and for consumption.

My family is guaranteed never go to bed on an empty stomach. Every day I go to "Chikwanha" green market, I always bring tomatoes, fruits and meat for my family. If the customers do not buy from me, I do not lose anything because I will cook those produces for my family.

My families eat the same food everyday bread with peanut butter/ jam and pap with vegetables and chicken. As a parent it pains me so much to fail to provide adequate food to my children that they can eat and go to the toilet.

My children know that, they don't have freedom to choose what to eat. If they do not like what is cooked they will go to bed hungry. I earn less than \$200 per month and if combined with my wife part time income, it's not enough to cover rental, amenities, school fees and to eat luxurious food. We only eat to have energy for work.

A Social Worker maintained that:

We often receive reports on children who faint because of hunger at school, physically not well and who are under nourished. This shows that, they are lacking a balanced diet and a proper medical care.

A community development practitioner stated that:

Food and clothing parents and care giver are providing but better education and having accessing to health services is unattainable because they are expensive.

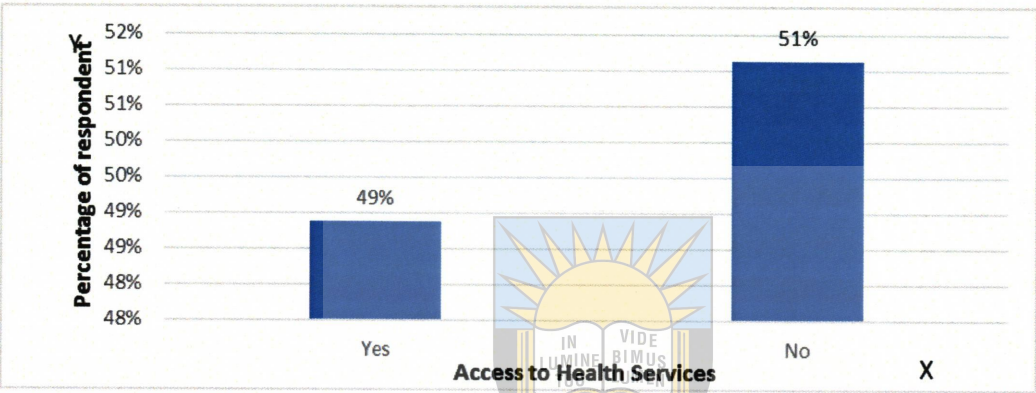


Figure 30: Access to health services

The researcher intended to get information on whether informal entrepreneurs and their households can afford to access health services. These services include: medical treatment and dental check-ups. The findings showed that 49% of the respondents can access health services while 51% cannot afford to access health services.

The respondents revealed that:

When my children fell ill I take them to the prophets for spiritual healing because hospitals are too expensive. Imagine a child below 5years is now paying for treatment; surely the priorities of our government are misplaced.

I travel over 2000km by road to Cape Town every week so that I earn an income for my family. Their well-being is of paramount importance to me. When it comes to their education, food and health I do not comprise my children deserve better.

I cannot even afford to provide adequate food and clothing for my family; just imagine how I can afford health services if consultation is \$15. I have learnt to put something in God's hands for he is the one who gives good health.

4.2.5 Challenges in Informal entrepreneurship

Informal entrepreneurs in Chitungwiza Municipality are facing a lot of challenges in their day-to-day running of informal activities. The respondents argued that these challenges hinder their day-to-day living and consequently, it affects their effort in poverty alleviation. Furthermore, the local Government, Department of Social Welfare and NGOs are facing challenges in implementing their programs and services to informal entrepreneurs.

4.2.5.1 Challenges faced by informal entrepreneurs

At the peak of high unemployment and poverty, informal entrepreneurship has been widely embraced by several struggling households; however, several challenges are being met in an effort to generate household income.

The following groups (urban farmers, cross-border traders, foreign exchange dealers, and street traders) who engage in these activities claim that:

The Zimbabwe Revenue Authority (ZIMRA) is making our lives very difficult and unbearable. Everything that we import they want u to pay duty even the basic commodities. I have resorted to paying the bus conductors extra money so that they can bribe the ZIMRA Officials at Mussina Border Post. The bus conductors demand a lot of money but it's worth it as compared to unscrupulous customers who always bring fake note and coins that look almost like the original. I was once out of business for some months when a female cross-border trader defrauded me of R22000 when she gave me \$2000 USD fake notes. I have recently resorted to the use of a torch scanner which detects fake money.

In this business, I experience a lot of witchcraft (black magic) and robbery. If you conduct some transactions with clients who use black magic they will wipe of your money and replace it with old Zimbabwean dollar. Also we are always mugged by thieves who know that we deal in foreign currency. However, I personally anoints my money with oil on a daily basis.

There is no proper sanitation in this area, toilets are blocked, no tap water, garbage bins are not collected and the sewage pipes are bursting. Flies are all over our green products and this makes our customer vulnerable to diarrhoea and typhoid.



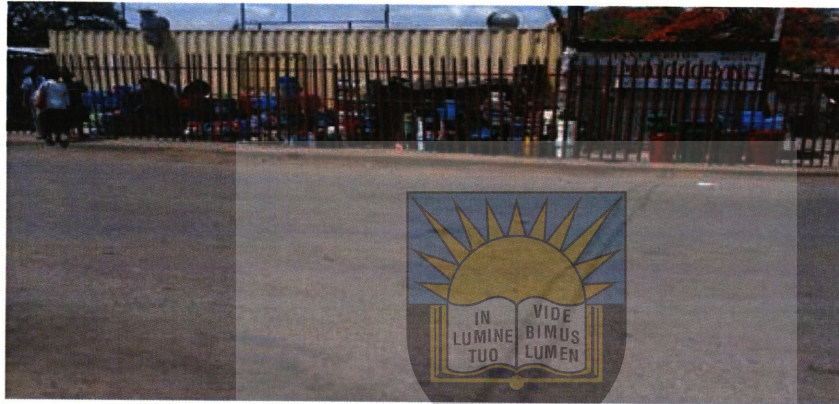
Figure 31: Shows lack of sanitation in informal entrepreneurship



Photos by Gunhidzirai, C. at Chikwanha Market Centre

Figure 32: Poor Sanitation & infrastructure in vending zones

I do not have a proper shelter in which I can protect myself and my goods from extreme weather conditions'. Most of the times i have flue throughout the year and my products are affected by extreme sun and rain. I can't put a permanent structure because we are prohibited by Municipality that is why we put these temporary shacks.



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Figure 33: lack of proper infrastructure to conduct informal entrepreneurship



Figure 34: Overpopulation in trading areas

Photos taken at Makoni Shopping Centre by Gunhidzirai, C.

The continuous power cuts are affecting my business because I need electricity to manufacture my home dividers couches, and

wardrobe and kitchen units. I cannot afford to use a generator because petrol and diesel are expensive. It would be much helpful if they give us a time table for load shedding so that we can work for our families.

Thieves are a problem in my area of business. I now sleep during the day because at night I will be guarding my chicken outside. They once stole 250 broilers so I does not take chances nowadays.

Competition is now stiff in this business and it has negatively affected my profit margins'. I used to sell a crate of eggs for \$4,00 USD but I reduced to \$3,00, a full chicken used to be \$8,00 USD but now its \$6,00 USD.

The Municipality only raids and harass us when we sell our goods and services at the entrance of established legal retail outlets.

If you tell the Municipal Police that you do not have their daily levies on consecutive days, it's like swallowing a bone you cannot chew. They will confiscate your goods or charge you an interest rate of half the amount of what you were supposed to pay.

A Community development Practitioner reported that:

Informal traders who visit our organisation complain about harassments and bribery from the Municipal Police. The reasons being they do not have trading licences and are operating in an undesignated areas.

One Municipal Official was of the opinion that:

Informal traders complain about high levies being charged for trading licence. Also they elaborate that the whole process is complicated and it takes 8-10 months to final get the trading licence.

As reported by a Social Worker:

Most traders who visit our Department will be seeking loans to start up or boost their projects.

4.2.5.2 Challenges facing by Municipality, Department of Social Welfare and NGOs in informal entrepreneurship

A Social Worker stated that:

The Department of Social Welfare no longer receive funding for Community Work from the Government, hence we cannot assist households financially in their informal entrepreneurial activities. This hinders their initiatives because capital is the major resource needed to kick starts their projects.

A Municipal Official noted that:

The majority of informal traders do not abide with the rules and regulations that govern this Municipality. Hence they are always clashes of vendors and municipal police because they do not want to obtain hawkers licences and observe environmental regulations.

A Community Development Practitioner noted that:

There is growing lack of commitment to finish workshop trainings by individuals who come for assistance at our premises. These individuals come to seek loans for projects and we have to train them in their project niche before we dispatch the loan. Some training requires 2/3 months. Therefore; along the way they stop attending and we cannot provide them because we are not convinced their project will be sustainable.

4.2.6 Role of Government and NGOs in informal entrepreneurship

The researcher conducted in-depth interviews with (2) Social Workers, (2) Community Development Practitioners and (2) Municipal Officials from Chitungwiza Municipality.

The essence of the interviews was to gather more information concerning informal entrepreneurship and the role they are playing in supporting individuals, groups and families who are earning a living in this sector.

It was maintained by a Social Worker that:

As the Department of Social Welfare we are advocates of informal traders in the Parliament during formulation of socio-economic policies and frameworks. In 2013 we advocated for financial assistance to informal traders during the formulation of indigenization policy (Zimbabwe Agenda for Sustainable Social Economic Transformation). This was successful because the Ministry of Youth, Indigenization and Economic Empowerment agreed to finance informal traders on the ground that their projects will be sustainable.

One Community Development Practitioner reported that:

We provide networks and referrals to informal traders. We work with partner organisations such as Southern Africa Dialogue (SAODI, Leonard Cheshire Community based Organisation, Young Africa, Youth Development Centre and Kubatana Organisation. They offer training and conduct workshops with groups of people who are doing projects that are in line with their Organisation.

A Municipality Official stated that:

We provide workshops to vulnerable man and women through our Department of Corporate Services, Housing and Infrastructure Development. These workshops are on garment making, detergents manufacturing and poultry farming. After completion they will receive start-up capital from the Ministry of Youth, Indigenization and Economic Empowerment. They will be working closely with projects evaluators from their Districts.

4.2.6.1 Government and N.G.O. support and services offered to informal entrepreneurs

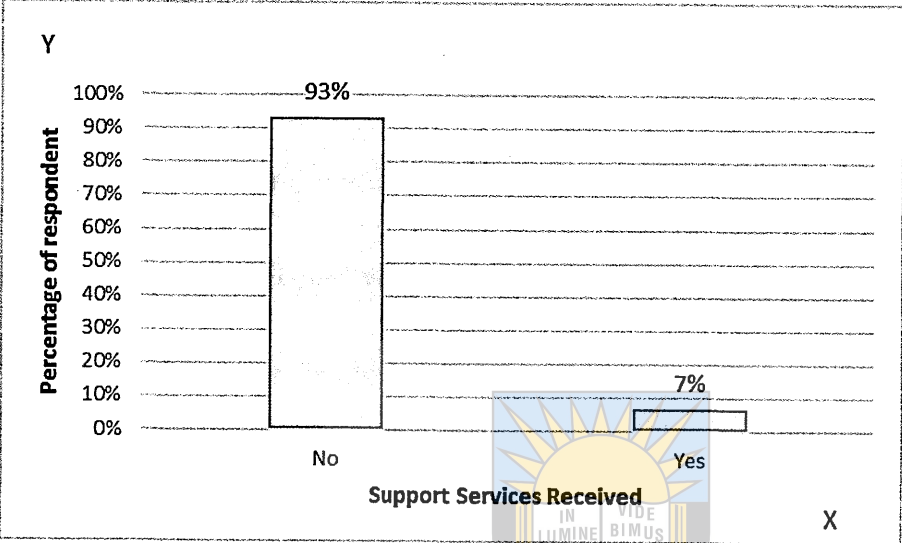


Figure 35: Support / services received by informal entrepreneurs

From the graph above, it can be observed that 93 % of informal entrepreneurs have not obtained any form of support from the Government and NGOs in Chitungwiza Municipality. It was only 3% who agreed to have received support from the above mentioned stakeholders.

Some of the entrepreneurs hold that:

I visited Young Africa Zimbabwe, to ask for assistance in improving the quality of my furniture that I manufacture. They allowed me to enrol for a 3 months course which I attended 3 days per week. This greatly improved my outputs production.

As a group of 8 women, we approached the Department of Social Welfare Services for monetary assistance in expanding Quails poultry. We only heard 100 quails; we wanted to increase them up to 250. The Department assisted us in writing a proposal for funding in order to get a loan under the ZIMASSET policy frame

work. We are still waiting for the response and we are positive that we will be given something.

4.2.6.2 Policies and frameworks for informal entrepreneurship

The Zimbabwe Agenda for Sustainable Social-Economic Transformation (2013) and Indigenization and Economic Empowerment Act (2010) are the only economic blue prints that intended to integrate informal entrepreneurship into the mainstream economy. These policies and frameworks are formulated out of a consultative process with all relevant stakeholders who make the policies irrelevant hence failing to eradicate poverty among vulnerable groups in communities. This requires a shift in policy making as the government expects various government departments and NGOs to implement the policies they are not consulted in.

Although the role of Department of Social Welfare, Municipality of Chitungwiza, Life Empowerment Zimbabwe and Youth Advocacy Zimbabwe is to implement those policies, in some ways, it has harmed informal entrepreneurship since the policies lack public voice on what exactly the entrepreneurs want to stimulate their activities for poverty alleviation. It has been a growing understanding that NGOs implement policies of their Donor Agencies in order to get funding and other resources they need. However, in an effort to support informal entrepreneurs in 2013, both (Government departments, local government) and NGOs have been offering assistance to the informal traders as stipulated in the Zimbabwe Agenda for Sustainable Social-Economic Transformation blue print. This action was a step ahead towards promoting informal entrepreneurship although critics condemn this on the side of government as vote buying.

The people in Chitungwiza have mixed feelings over the effectiveness of ZIMASSET in assisting informal entrepreneurship. Some view it as a positive mindset in contrast to others. Some question the broadness of the economic framework which is not supported by funding. However, the main purpose of this policy is to assist informal traders.

Some participants lamented that:

Since 2013 we have been promised loans to boost our projects but up to now nothing has come up. ZIMASSET is just like other previous empowerment policies that are good on paper but not applicable to the real situation.

The policies that support informal traders always benefits Government Officials, Councillors and ZANU PF supporters. If you are not connected you will not gain anything and if you don't attend the meeting you will be left out.

The Government do not consult us in policy formulation. This ZIMASSET is popular because it was a campaigning strategy for ZANU PF in 2013 and I wonder if people really know what it is all about.

Informal traders want short cuts that's why they are not patient to follow all the procedures to access funding from ZIMASSET project. I am a beneficiary of a commercial stand and this has really expanded my business and now I am an employer of 10 people.

The above statements show ZIMASSET as an economic blueprint meant to resuscitate both urban and rural livelihoods due to its highly politicised nature. It seems from the results that the policy works better for those who swear allegiance to the present government and vice versa. Critics often regard the policy as miscalculated and ill-timed given the current economic downtrend the country is facing such as high unemployment. For the policy to be successful, it requires huge funding (for instance, funding the Industrial sector) as industries are closing at an enormous rate due to Indigenisation policies that claim 51% of profits to the local and 49% to the investors. To a larger extent, success from ZIMASSET is still to be witnessed in poverty alleviation due to the complexities associated with the policy.

4.2.6.3 Rules and regulations in informal entrepreneurship

Informal activities are governed by rules and regulations from the Chitungwiza Municipality. These rules and regulations are to assist entrepreneurs in their endeavors as well as preserve sanity of the town. For informal traders to operate their activities around Chitungwiza, they have to adhere to the following regulations:

Municipal Officials stated that:

In order for one to operate a business or an income generating project such as a spazza shop or flea market in Chitungwiza, one must have a hawker's license. Those who sale and provide goods and services on the street are required to pay for daily levies depending on the nature of goods and services they are selling. These levies and license fees are a source of revenue to the Municipality which they use in providing infrastructure and sanitation in designated selling areas.

Environment regulations are to be observed by informal traders in Chitungwiza Municipality. These includes the Natural Resources Act (Chapter 20:13), the Atmospheric Pollution Prevention Act (Chapter 20:03), the Hazardous Substances and Articles Act (Chapter 15:05). Any entrepreneur in informal activities that violates the above Environment Acts are prosecuted, their goods will be confiscated and they will pay heavy penalty/ fine.

4.2.7 DISCUSSION OF THE FINDINGS

Through the analysis of the findings of the study, it can be depicted that more females are engaged in informal entrepreneurial activities as compared to men. A closer scrutiny makes one to argue that gender bias is still prevalent in the current labour market as more females are involved informal activities than males. These findings augur well with a study conducted by Ndiweni (2014) which observes that there are more females who are single and widowed as compared to men. The results from Ndiweni (2014:3) also show that women dominate in informal entrepreneurship probably due to

misconceptions by men that streets vending, among other informal entrepreneurial activities, are female jobs.

In his study of Bulawayo Metropolitan, Sandana (2014) discovered that 55% of women and 45% of males are involved in various entrepreneurial activities. In contrast, a study of Harare Metropolitan by Sandana (2014:6) indicated that males dominate informal activities with 60, 5 % and women accumulating to 39, 5%. This distinct comparison draws some critical explanations that men in Zimbabwe are beginning to appreciate informal entrepreneurship as a livelihood and household coping strategy, hence they joined in huge numbers. This point bridges a gap in terms of patriarchal views where men previously perceive petty jobs such as selling products as women-designated jobs. Moreover, the increased number of men participating in informal entrepreneurship entails the improved standards of living as household income increases.

It is imperative to highlight further that the trends in the actors of which gender dominates informal entrepreneurship varies from one place to another. Such forms of change differ from place to place and highly depend on the forms of entrepreneurial activities being done in that area. To a larger extent, evidence from this study has shown that women in Chitungwiza municipality are the forefront of informal entrepreneurship due to limited employment opportunities; therefore, informal entrepreneurship remains the only sustainable livelihood strategy to improve household income.

The findings also revealed that informal entrepreneurship in Chitungwiza Municipality is dominated by individuals who are 30 years and above, and they are mostly married. This shows their endeavors in trying to meet the needs of their families. Single persons and widows occupy a smaller percentage probably because they are supplementing income of their families or their pensions or government grants. These findings are also supported by Ndiweni (2014) who indicated that 60% of his respondents were married people and above 31years. This shows the resilience of bread winners in trying to fight household poverty by engaging in economic generating activities.

The findings showed that the household sizes of entrepreneurs differ from one family to another as evidenced by the size of different households. This difference in household size depends on the composition of the family; or others live as a nuclear while others as extended families.

Furthermore the results showed that other members in the households are being employed in the formal sector. These members constitute 76%, which means that those who are in informal entrepreneurship are substantiating household income in order to cater for all the necessities needed.

It is noted that the largest number of people in informal entrepreneurship where the ones once employed in the formal sector. This shows that informal entrepreneurship is a livelihood strategy in alleviating poverty. It is supported by the fact that these individual ventured entrepreneurial activities as they viewed it as a source of employment creation and income generating activities.

From the findings, it can be deduced further that many people joined informal entrepreneurship because of various reasons. However, at the peak of unemployment in Zimbabwe, the majority of citizens were forced into informal entrepreneurship by the escalating poverty. This finding is not peculiar to the Zimbabwean situation since in other countries, lack of employment is the dominant factor that drives people into informal entrepreneurship. In another study of informal entrepreneurship in Lesotho by Tanga (2009), it was discovered that a large number of people are venturing in street trading because of lack of employment which breeds untold suffering and poverty. Critically analyzing the results, it remains, arguably, the mandate of the governments to restore economic equality and protect citizens through income generating projects that generate employment.

Critics often argue on the reasons behind informal entrepreneurship in different countries. Common understanding in developing countries, which Zimbabwe is no exception; however, suggests that unemployment is the biggest push factor for many individuals to engage in informal entrepreneurial activities. This view has been indicated in the findings above which show that 32% of people have never been employment in

Chitungwiza Municipality. Others mentioned they wanted to supplement their income, lacked qualification to get a formal job, and other reasons were neutral. These reasons are well corroborated by a similar study done by Tanga (2009:68) in which he elaborates that 70% of the respondents had “no means of livelihood”, 18% wanted to supplement their income, and others had different reasons such as they retrenched or are orphans. Although this study was conducted in Lesotho, its findings draw similar conclusions to the evidence obtained in the study of informal entrepreneurs in Chitungwiza. It shows that there is a common trend or pattern in terms of unemployment since it is the root cause that triggers informal entrepreneurship, especially in third world countries.



The findings revealed that there are various forms of entrepreneurial activities as mentioned by the Social Workers, Community Development Practitioners and Municipal Officials. However the dominant forms in Seke, Chitungwiza Municipality are street vending, which constitutes home industries cross-border trade, urban farming and foreign currency exchange. These informal activities are carried out as a poverty reduction strategy, source of income generating and employment creation by vulnerable people. Njaya (2014:26) further elaborates that street trading, shoe making, urban farming, construction, garment making and food processing are done by many urban entrepreneurs because they require little skills and low capital.

The researcher observed that all entrepreneurial activities are connected to one another. They support each other by providing goods and services for resell. For instance, urban farmers work in collaboration with street vendors (those who sell agricultural products), and cross-border traders work with street vendors (those who sale non-agriculture products and foreign currency dealer. Those who engage in home industries provide goods and services to everyone, including other entrepreneurs and their customers OECD (2002) as cited by Njaya (2014:266) who noted that there are various forms of entrepreneurial activities being done in different countries, regions or even in the same community because people are striving to make ends meet.

Furthermore, it has been discovered that a large number of the participants who took part in this study agreed to have long-term plans for future expansion of their

entrepreneurial activities. This shows their positive mind-set in what they are doing and their determination in making a living in this sector. However, those who do not plan future plans for growth and expansion have been discouraged by the challenges they are facing and the harsh economic environment which is shrinking continuously.

In this study, street trading dominated because it provides goods and services needed on a daily basis by customers. Even in other countries, the most dominant informal activity is street trading. A study done by Khosla (2010) revealed that street vending in Latin America constitute 79% in Hanoi and 65% in Ho Chi Minh City. Another study by Johnson (2014) expanded more on urban farming as a source of livelihood. It can be depicted from these findings that not all livelihoods are done in all countries, but individuals embark on livelihoods that provide goods and services on demand by their customers. In that scenario, therefore, street trading, urban farming and home industries are prominent economic generating activities done in developing countries including Zimbabwe.

The findings reflected that customers of the informal traders are all those who want to buy their wares, and this category indicated 71%. This shows that informal entrepreneurs are business minded people who are thriving to accumulate as much gains as possible thus they are offering all kinds of goods and services to attract customers. The findings also showed that the popular places they operate on are the streets and shopping malls. This is a marketing strategy to lure customers.

The research findings indicated that 51% of entrepreneurs do record keeping of their daily sales while the rest they do not record. To those who record it, it shows how committed they are in entrepreneurial activities since they want every dollar they get to be accountable. In business, an individual must be able to calculate their expenses, sales and loss because they determine the sustainability of their income generating project.

The researcher discovered further that entrepreneurial activities are being funded by private/ personal funds, family and friends, remittances and credit schemes. The findings show that 56% of informal entrepreneurs indicated that they started these

income generating projects with their own savings. This clearly shows why 79% of these individuals have long-term plans of expanding their business. The rationale behind this view is that the informal entrepreneurs do not just see this as a short-term means of alleviating poverty, but they perceive it as a source of employment and more sustainable income generating project. In support, Adenutsi (2009) observes that both informal and formal entrepreneurship should be viewed “as a catalyst” to economic growth and development through job creation, income, empowerment and poverty reduction in an economy”.

Furthermore, many participants agreed to be linked in Associations that are in line with their entrepreneurial activities. These Associations allow members to assist one another financially and in increasing food security in households. Therefore, such kind of Associations plays a pivotal role in the growth and expansion of entrepreneurial activities in Chitungwiza Municipality. Those entrepreneurs who cannot join these Associations could have low sales on a daily basis, hence their monthly profits will be low, and this will hinder them from being part of these associations.

The findings reviewed that 70% of the participants agreed to have the knowledge of rules and regulations of informal entrepreneurship in Chitungwiza while the rest of the participants agreed they are not aware of them. The rules and regulations include subscription on hawker's licenses and payment of daily levies as well as observance of Environment Acts. Their failure to abide with these rules and regulations create enmity between Municipal police and informal vendors; they are always fighting each other, and the informal traders insinuate that they are being harassed and raided for no reasons.

The study established further that informal traders, social workers, community development practitioners and municipal officials encounter various challenges in informal entrepreneurship. These sentiments show that informal sector just like the formal sector has its own complexities in its operations. The above key informants elaborated that the biggest challenge they face in working with entrepreneurs is the availability of adequate capital to assist them and fully provide the services they offer.

The respondents indicated that stiffer competition, municipal raids, high levies and tedious process of applying for a hawkers license, lack of shelter, poor sanitation and theft, just to mention a few. In support of the above argument, a study done by Dzhekova and Williams (2014) in Bulgaria noted that informal traders are faced with lack of capital, a lot of challenges in getting permits and license and high levies, and these prohibit them to transform into the formal sector.

The above findings were corroborated by Ndiweni (2014:6) who ascertains that informal traders in Bulawayo Metropolitan in Zimbabwe encounter the above mentioned challenges and “stiffer competition” is the most dominant in this sector. These findings also tally with the study done by Njaya in (2014d) which indicated that informal traders in Harare Metropolitan municipality trade their goods and services in streets, pavements and on any available open space that they see as lucrative to attract customers, hence they are always in conflict with the municipal police.

Moreover, the findings stated several advantages that informal traders are enjoying in this sector. This is echoed by Sandada (2014:7) who claims that informal traders derive various benefits such as increased household income and improved food security. This study discovered that informal entrepreneurs enjoy flexible working conditions, more profit and no tax. These are the major factors that pull people into informal entrepreneurship. These advantages and easy entry in the sector provide a refuge for many people who are who are seeking to earn an income after encountering unemployment crisis which has affected the private and public sector in Zimbabwe. These findings are similar to those obtained by (Sandada, 2014; Jaramillo, 2009) in their respective studies when they commonly agree that informal entrepreneurs always evade the long arm of the taxman; they look for viable and easy income generating projects to sustain household income and revamp their standards of living.

At the height of economic downturn in Zimbabwe, informal entrepreneurship has stood the test of time to become the most viable and sustainable income generating initiative to support struggling households in Chitungwiza municipality. This study observes that informal entrepreneurship is perceived as an income generating project by poor households. The findings point out that 44% are earning \$200 and below 43% are

earning \$300-500 while 13% are earning above \$500. These results show that informal entrepreneurs are working tirelessly hard in spite of the hindrances they are encountering. The Zimbabwe Statistics (Zimstats) (2016) asserts that the total Consumption Poverty line (TCPL) that a household with an average of 5 people should spend is at least \$552, 00 per month. However, considering the income obtained by informal entrepreneurs per month, the researcher deduced that more households that are relying on informal activities to support their households often lack other basic necessities due to inadequate funds. This scenario shows that informal entrepreneurship has dominated the economic sector of the country since the majority of households, as the study shows, depend on its functionality for survival.

The findings of this study have shown that informal entrepreneurship has a long way to go in alleviating poverty in Chitungwiza Municipality. This is supported by the findings of this study which revealed that 65% of 133 respondents in this study agreed that informal activities are not alleviating poverty. The reasons respondents gave in support of their argument add weight because the informal sector needs to be complimented by the formal sector in order for poverty to be alleviated, economic growth and development to be achieved. Ndhlovu (2011:20) affirms that informal activities are survival strategies by individuals who failed to get employment in formal sector. This shows that their efforts will be focus on meeting the immediate needs that are needed for survival.

The researcher realises further that the issue of poverty alleviation in Chitungwiza depends on the form of informal activity that one is embarking on. The findings indicated that foreign currency dealers, cross-border traders and others in home industries are earning high income in this sector. These individuals are able to provide basic needs (food, clothing, education and health) to their families in contrast to street vendors and urban farmers who are earning a little in their economic activities.

The researcher intended to know the changes in the living conditions of informal entrepreneurs. These changes included food consumption, access to health service and the well-being of their families. The findings showed that 74% of the responded argued that there are changes in their living conditions. The researcher noted that the majority of respondents were explaining changes that were not sustainable to alleviate poverty.

This is supported by the findings which indicated that 62% of households are having a balanced diet, while 51% do not have access to health services.

This shows further that poverty is still persisting in Chitungwiza Municipality as many households are failing to provide all adequate services and basic necessities needed by their families. In contrast, a study done by Kachere (2011:167) indicated that 87% of the participants confirm that they are food secured. This shows that changes in living conditions depend on the income people are getting from their distinct entrepreneurial activities. The more the profit, the better the standard of living and vice versa

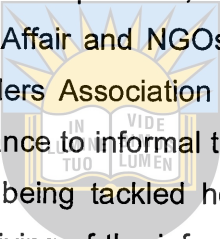
Although informal entrepreneurship has proved be a vibrant and sustainable livelihood, vendors are experiencing high custom duties that are being levied on imports. The study has mentioned several challenges that act as obstacles to poverty alleviation. The findings have revealed that most of the challenges are beyond individuals' capacity to solve them. This means that local government and other related stakeholders have a bigger role to play in creating a conducive economic environment in Chitungwiza municipality. The challenges mentioned above correspond with the study done on street Vendors in Magaba, Harare, Zimbabwe by Chirau (2013:87-104) wherein he cites access to loans, high levies for hawkers' licences and stiffer competition as challenges. These challenges affect the sustainability and growth of entrepreneurial activities, thereby minimizing their chances to alleviate poverty.

The findings indicated that poor sanitation and lack of infrastructural development are a setback to the growth and expansion of informal entrepreneurship. This issue of poor sanitation is a persistent challenge to informal entrepreneurs in urban centres. A study conducted in Entumbane town in Bulawayo Metropolitan by Ndiweni (2014) showed that informal entrepreneurs are exposed to bad weather conditions because of poor infrastructure to protect themselves and their goods.

The findings of this study have reflected that Chitungwiza Municipality, Department of Social Welfare, Youth Advocate Zimbabwe and Life empowerment support organisations are assisting informal entrepreneurs in their economic activities. They offer services to all age groups, and women are said to be frequent visitors to their

organisations. The services they offer are similar and have a mission of assisting informal traders to alleviate household poverty. However, large number of participants agreed that they have not been recipients of any support from these stakeholders while only 7% agreed to have been assisted in their entrepreneurial activities.

The researcher discovered that training, referrals, offering loans and networks are strategies used in assisting informal entrepreneurs to boost and expand their economic activities. The main purpose of these agencies is to support and alleviate poverty among informal entrepreneurs. Tanga (2009:80-81) concurs that in Lesotho, the Basotho Enterprises Development corporation, National Council for Women, Department of Youth and Women's Affairs and NGOs such as Lesotho Manufacturers Association and Lesotho Small Traders Association are providing vocational training, loans, networks and technical assistance to informal traders. This shows that poverty is a persistent phenomenon which is being tackled holistically by government and its stakeholders for improved standard living of the informal entrepreneurs and vulnerable people in communities.

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Moreover, the community development practitioners who have their roots in Non-Government Organisations (NGOs) and the government seem to support informal entrepreneurship in Chitungwiza. However, evidence from this study shows that their role is insignificant due to their limited resources. Very few community development practitioners offer even business knowledge to informal entrepreneurs. Despite their limited role in informal entrepreneurship, it is also imperative to highlight their contribution in conducting referral and networking with other bigger organizations in issues that affect communities at large.

The findings showed that people at grassroots level are not involved in the formulation of policies. The ZIMASSET has only become known because it was well advertised although people were not informed on how it operates and how they will derive benefits from it. Mbiriri (2009:34) and Makaya and Munhande (2008:38) concur with the findings that socio-economic policies and frameworks formulated do not allow for growth and expansion of informal entrepreneurship because other stakeholders are not consulted and do not show visible support.

The issue of Government politicizing everything, including the economic sector, has limited many people in accessing support and finance as they are channelled to loyal supporters or misused by government officials. Therefore, the effectiveness of ZIMASSET in assisting informal traders in poverty alleviation is limited. A study by Nyangaira (2014:12) has shown that 42% of her respondents agreed that the formulation of ZIMASSET was a “top down approach” because there were no adequate consultations and integrative processes to educate the masses and obtain stakeholder opinion, hence it proved a dismal failure. In assessing this policy, the researcher deduced that its goal of supporting informal entrepreneurship and eradicating poverty is unattainable because it has no citizen ownership.

The policy seems to be broad and shows over-ambitiousness on the part of policy makers since to achieve its goals, huge funding is needed, especially in the already diminished industrial sector. Having analysed the impact of this economic policy, ZIMASSET, among other policies implemented previously, failed to yield any economic growth due to under-funding and a high level bureaucracy coupled with corruption. All these challenges work against the advancement of informal entrepreneurship, hence poverty remains a scourge which haunts many citizens in Chitungwiza municipality. Evidence from the study has shown there is a room to improve on the sustainability of informal entrepreneurship in event the government provides funding and opens gates to external funders or stakeholders as a collaborative process to alleviate poverty among households in Chitungwiza municipality.

4.3 CONCLUSION

This chapter focused on reporting, presenting and discussing findings. The qualitative findings were presented in themes while the quantitative findings were presented in forms of bar graphs and pie charts. Evidence from the findings has revealed that informal entrepreneurship, as a poverty alleviation strategy, has a long way to go in improving the living conditions of poor households. The efforts of people in alleviating poverty are being thwarted by the shrinking of the formal economy and other obstacles they are experiencing in their entrepreneurial activities. The findings revealed that

hunger and poverty has been alleviated, but there is still a huge gap in accumulating material wealth and assets.



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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The previous chapter focused on the presentation and discussion of the findings and quantitative and qualitative findings were presented simultaneously. Qualitative data was supplementing the quantitative data. In this chapter, the focus is on the summary of the findings, the various conclusions drawn from the findings and the recommendations deduced from the study. Furthermore, areas of further research are elaborated on in this chapter.

The summary of findings is therefore based on the research questions.

5.2.1 Gender and age of informal traders

In this study, females dominated informal entrepreneurship as compared to males. The researcher noted that the dominant age group in informal entrepreneurship ranges in those above 30 years. This age group is a group of people with families and dependents who have responsibilities for the welfare of their households. Engaging in various entrepreneurial activities reflects their determination in meeting their household needs. The second age group is between 22-30 years. The last age group which has a minimum role in informal entrepreneurship is between 18-21 years.

5.2.2 The dominant forms of informal activities

The escalating levels of unemployment and large-scale de-industrialisation in Chitungwiza Municipality have driven people into informal activities. The economy of Chitungwiza Municipality is currently being governed by informal entrepreneurship. Entrepreneurs are embarking on any activity they perceive to be income generating as a way of sustaining their households. The study observed further that the levels of individual skills and capital determines which informal activity they will be involved in. The most dominant livelihoods are cross-border trading, street trading, urban farming, foreign currency exchange and various home industries. The entrepreneurs are providing a wide range of goods and services that are needed by their consumers. To this end therefore, informal activities are being pursued as income generating projects.

5.2.3 Effectiveness of informal activities in poverty alleviation

In an effort to curb high levels of poverty in Seke, street trading and foreign currency exchange, urban farming, cross-border trading and various home industries were the dominant forms of informal activities as poverty alleviation strategies by poor households in Chitungwiza Municipality. The main purpose of embarking in these informal activities is to generate household income for meeting the basic necessities. These basic needs include food, shelter, clothing, education for children and having access to health services. The researcher noted that not all households have access and means to attain the basic needs mentioned above. The attainment of needs varies from one household to another and also depends on the livelihood one is pursuing. For instance, those in carpentry and foreign currency exchange make a lot of profit than those in street trading and urban farming. The study established that poverty in Chitungwiza is still persistent as many households do not have adequate income to access basic necessities. Therefore, they are living below the poverty datum line, and their families are still vulnerable to household poverty.

5.2.4 The role of local government and the NGOs in informal entrepreneurship

The Chitungwiza Municipality, Department of Social Welfare and Non-Government Organisations such as Youth Advocates Zimbabwe and Life Empowerment Support Organisation are playing a pivotal role in informal entrepreneurship. These organisations understand the depth of household poverty and its negative impact on the well-being, growth and development of people, and they are playing some pivotal roles in assisting informal entrepreneurs. They offer various services such as short-term loans, training of skills, networking and referral of individual entrepreneurs to organisations to assist them.

The above-mentioned organisations are working in close cooperation towards implementing economic initiatives that support informal entrepreneurship to boost the country's economic growth and development. Assisting informal entrepreneurs in various ways and services is an imperative in uplifting the current economic blueprint of Zimbabwe's Agenda for Sustainable Socio-Economic Transformation.

However, the findings also revealed that the people at grassroots have not been integrated by stakeholders during the formulation of policies and framework. This makes informal entrepreneurs passive actors in policies and frameworks that govern their informal activities. The exclusion of other stakeholders in policy formulation has a negative bearing on poverty alleviation since the policies implemented for instance by NGOs are preconceived and failing to curb poverty in communities.

The study established that the municipality implements rules and regulations that guide informal entrepreneurship in Chitungwiza. These include delegating the informal entrepreneurs to obtain hawkers licence and pay their levies. They also inform them to observe environmental management Acts in order to create a sustainable economic working environment for informal entrepreneurship. These regulations are maintaining order and sanity in Chitungwiza Municipality.



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5.3 CONCLUSIONS

There were a number of conclusions drawn from the findings of this study. These are based on the following:

5.3.1 Gender and age of informal traders

The study observed that both males and females are engaged in informal entrepreneurship and other income generating projects as way of reducing household poverty. The entrepreneurial strategies (cross-border trading, money changing, hawking and home industries) enable poor household to improve their income and sustain their livelihoods. Although females outnumber males, their presence in informal entrepreneurial activities confirms their effort in alleviating poverty.

5.3.2 The dominant forms of informal activities

The researcher concluded that the dominant informal activities are street trading, cross-border trading, urban farming, foreign currency exchange and home industries implemented by poor households. These informal activities are a source of income generating projects for poor households and create employment for the unemployed. Households engaged in informal activities have shown, through their efforts, that vulnerable people are not economically disempowered but are innovative and in fighting

poverty. The ability of informal entrepreneurs to harness the resources and opportunities around them shows higher levels of creativity towards revamping the standards of living.

5.3.3 Effectiveness of informal activities in poverty alleviation

Based on the findings of the study, it can be concluded that to a larger extent, informal entrepreneurship is not entirely alleviating poverty in Chitungwiza. This is supported by the findings which showed that the participants' efforts and sacrifices in their informal activities are not tallying with the profits they are earning on a monthly basis. The low profits being earned have a negative impact on the standard of living for households. This means that not all households have adequate means and access to basic necessities such as food, shelter, clothing, education, health services and investment. Therefore, it is concluded that the majority of households in informal entrepreneurship are still living in poverty.

The study discovered that to a lesser extent, informal entrepreneurship is alleviating household poverty. This was supported by few participants who elaborated a positive transformation and improvement in their standard of living. The study also noted that some of the informal activities that are lucrative, require a lot of capital injection and skills, hence those individuals who manage to break through enjoy the advantage of low competition and high profits margin. This allowed them to have means and access to all basic necessities for their households.

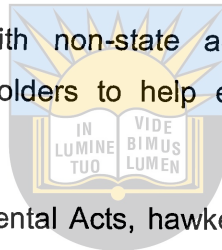
5.3.4 The role of local government and the NGOs in informal entrepreneurship

There are various services that are offered by the Local Government, Non-Government Organisations such as Youth Advocates Zimbabwe and Life Empowerment Support Organisation and Department of Social Welfare to boost informal entrepreneurship in Chitungwiza. These services are assisting entrepreneurs in establishing and in expanding their income generating projects. Providing these services shows their willingness to uplift the standards of living of poor households.

Furthermore, the entrepreneurs are being excluded in formation of policies and frameworks of poverty alleviation such as the current economic blue print of

(ZIMASSET). This has a detrimental effect because entrepreneurs cannot participate fully if they are not integrated. In addition, the fact that they were not consulted means those people who formed those policies and frameworks were formulating policies using their theoretical knowledge (what they know) rather than noting practical knowledge (of what is really happening on the ground from the grassroots people).

By formulating and implementing a half-baked policy or pre-conceived policies has been tantamount to persistence of poverty, hence the policies fail to assist the intended beneficiaries who are the informal entrepreneurs in Chitungwiza municipality. The above scenario calls for increased collaboration of government department such as Department of Social Welfare with non-state actors such as Non-Government Organisations and relevant stakeholders to help each other tackle the rampaging poverty.



Lastly, the regulations on Environmental Acts, hawkers licence and levies imposed by Chitungwiza Municipality are there to safeguard sanity of the town. If entrepreneurs are left uncontrolled in running informal entrepreneurship, there will be chaos, disorder, and land degradation, land and air pollution in the Municipality.

5.4 Lessons learnt from the study

The researcher learnt that individuals are capable of solving challenges they face in life. This was shown by informal entrepreneurs in Chitungwiza who harness their capabilities and resources available in fighting poverty. These individuals use their skills; some even master the skills and use all the resources in their social environment for the betterment of their families. Engaging in informal entrepreneurship shows their will to improve their standard of living. The researcher learnt that individuals are resilient. This is shown by the informal entrepreneurs who face a lot of obstacles in their endeavours and some of these obstacles discourage and demotivate them from moving forward. However, because they know that their family's needs are at stake, they always find means to overcome these.

5.5 RECOMMENDATIONS

Based on the conclusions drawn from this study, the researcher saw it necessary to provide several recommendations drawn from main findings to Chitungwiza municipality on how it can assist informal entrepreneurs on enhancing their business strategies to improve their standards of living. The following recommendations are rendered:

- In the formulation of informal entrepreneurship policies and frameworks, there should be a consultative process whereby all stakeholders will be involved. The stakeholders include entrepreneurs, Local government and Department of Social Welfare. The inclusion of relevant parties instils a sense of “ownership” of that policy or framework on the minds of entrepreneurs.
- The local government should develop infrastructure that supports informal entrepreneurship. This includes building market stalls which will protect traders and their commodities from bad weather and theft. Furthermore, the local authority should provide proper sanitation which includes *inter alia* building and renovating public toilets, collection of garbage and construction of boreholes and tap water. This will reduce health problems such as diarrhoea and typhoid and increase hygiene standards.
- The government should redress the property rights and create a conducive business environment which lures investors. By so doing, they will be reconfiguring the economy, and such an effort will go a long way in regeneration of employment for the many jobless people in Zimbabwe. Such a move will reduce the influx of people into the informal economy, lessen competition amongst traders, increase profit and household income and alleviate household poverty.
- The relevant stakeholders should train informal entrepreneurs in current business management skills so that they can be able to cope, adjust and adapt to the prevailing economic crisis.
- To minimise competition, informal traders should engage in livelihoods that are not widely implemented.

- The government should formulate small and medium enterprise policies and legal frameworks. This will allow all the needs of informal entrepreneurs to be catered for and protected legally, especially from abuse by municipal police.
- The local government should reduce the licence/ hawkers fee to an amount that is reasonable and affordable by informal traders. Furthermore, registration of hawkers licence should be improved so that it does not take a lot of time.
- The government of Zimbabwe should include informal entrepreneurship in their national budget. This will allow the informal entrepreneurs to have access to loan facilities with low interest rates as compared to those offered in the private sector that actually perpetuate poverty instead of assisting them to alleviate poverty.
- Informal entrepreneurs should work with stakeholders such as Environment and Management Agency, Municipal Police in establishing a clean and safe environment for business activities.
- Local government, Department of Social Welfare and Non- Governmental Organizations should also work with Multi-National companies such as Anglo-American, OXFAM and CARE International. Such collaboration with strong financial powerhouses will allow them to source more income to fund their projects, programs, policies for informal entrepreneurship.

5.6 AREAS FOR FURTHER STUDIES

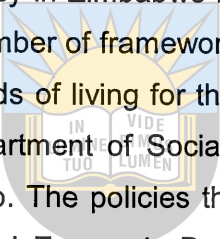
This study established that there are many challenges that are prohibiting informal entrepreneurship in poverty alleviation. The researcher suggests that studies on effectively redressing challenges in informal entrepreneurship to be carried out. Moreover, the researcher noted that all stakeholders should be involved in policy and framework formulation. This calls on further studies on the roles of stakeholder in policy and framework formulation. Moreover, further qualitative studies can be conducted in Zimbabwe to assess the role of non-state actors such as NGOs in alleviating urban poverty despite stringent government regulation.

Based on the results of the study, there is a room for future researchers to challenge government regulations that dictates the development path of non-state actors in alleviating poverty. Finally, upcoming researchers in this field of entrepreneurship can challenge households to increase their creativity and innovation by coming up with other different livelihood strategies that trigger the diversification of informal entrepreneurship.

5.7 IMPLICATION OF THE FINDINGS FOR SOCIAL WORK POLICY AND SOCIAL WORK PRACTISE

5.7.1 Implication of the findings for Social Work Policy

The cornerstone of Social Work Policy in Zimbabwe is centered on improving the well-being of the citizens. There are a number of frameworks that have been formulated and implemented to improve the standards of living for the people and to alleviate poverty. The findings revealed that the Department of Social Welfare does not have its own policies for informal entrepreneurship. The policies they implement are those from the Ministry of Youth, Empowerment and Economic Development and Ministry of Public Works.


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This means that Social Work in Zimbabwe is not adequately playing its role in improving the well-being of the people because their services and programmes are being proposed or forwarded from other Ministries which might not have the same agenda of improving the standards of living for the people since they are concerned with attaining economic growth at the expense of economic development. It can, therefore, be argued that the lack of formulating Social Work policies in Zimbabwe is hindering the effectiveness of informal entrepreneurship in alleviating poverty because the Department of Social Welfare is not airing out their views on how to holistically tackle the issue of poverty. The researcher therefore, suggests that Social Workers should embark on their role as advocates and actually formulate their own policies which have informal entrepreneurs' best interests at heart. This should be done through a consultative process so that the entrepreneurs will embrace the policies/ frameworks that guide their informal activities.

5.7.2 Implication of the findings for Social Work Practise

Social Work Practice in Zimbabwe is implemented on four levels which are individual, groups, families and communities. There are various programmes, projects and workshops which are initiated in order to tackle or readdress societal problems that hinder the attainment of full growth, development and a better standard of living for the people. The findings revealed that the Department of Social Welfare is not adequately assisting informal entrepreneurs in their livelihoods. This was shown through lack of initiating community projects to assist vulnerable people or even offering funding to those that are engaged in various economic projects that are creating employment for other people.

Furthermore, the findings revealed that Social Workers failed to receive adequate funding from the Government to spearhead community development as a strategy to alleviate poverty. As a result, the researcher suggests that Social Workers should practice their role in soliciting resources needed to create sustainable economic viable livelihoods for entrepreneurs. They can do this through fostering relations with private sector organisations such as NGOs, Multi-National Corporations, Pressure Groups and Business people. In so doing, this will assist comprehensively in alleviating poverty.

In conclusion, the role of Social Worker in Zimbabwe is still to be embraced since they seem to be dictated to in terms of development by other Ministries within the government. Therefore, the Social Work Department is required to embark on a paradigm shift from being a welfare organisation into a more developmental driven organisation which meets the demands of the vulnerable groups of people in communities.

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APPENDIX 1: COVER PAGE FOR INTERVIEW GUIDE



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DEPARTMENT OF SOCIAL WORK AND SOCIAL DEVELOPMENT

My name is Constance Gunhidzirai. I am enrolled at the University of Fort Hare where I am pursuing a Master's Degree in Social Work. My dissertation is entitled "Informal entrepreneurship and poverty alleviation among poor households in Chitungwiza Municipality, Zimbabwe". This study seeks to assess informal entrepreneurship as a poverty alleviation strategy being pursued by poor. The participants of this study are Social Workers, Community Development Practitioners and Municipal Officials'

The researcher is kindly requesting for your time and cooperation to respond to the questions in this interview guide. It will only take 20-30 minutes to complete. The researcher will uphold and guarantee confidentiality and anonymity (use of pseudo names on subjects), informed consent (subjects will be informed about the nature of the study and its objectives), voluntary participation (subjects will not be forced to be part of the study) and avoidance of harm (if the study has a negative impact on the mental and emotional wellbeing the subject he or she is free not to be part of it).

The information gathered from the participants will be used for academic purpose only and the interview guide will be destroyed after the data has been analysed. This study will provide useful information to the Policy Makers, Development Practitioners, Department of Public Works and Social Welfare and other stakeholders' i.e. Non - Governmental Organizations in fighting poverty.

Your participation will be greatly appreciated.



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ETHICAL CLEARANCE CERTIFICATE
REC-270710-028-RA Level 01

Certificate Reference Number: TAN061SGUN01

Project title: Informal entrepreneurship and poverty
alleviation among poor households in
Chitungwiza Municipality, Zimbabwe.

Nature of Project: Masters

Principal Researcher: Constance Gunhidzirai
Sub-Investigator:

Supervisor: Prof P.T Tanga
Co-supervisor:

On behalf of the University of Fort Hare's Research Ethics Committee (UREC) I hereby give ethical approval in respect of the undertakings contained in the above-mentioned project and research instrument(s). Should any other instruments be used, these require separate authorization. The Researcher may therefore commence with the research as from the date of this certificate, using the reference number indicated above.

Please note that the UREC must be informed immediately of

- Any material change in the conditions or undertakings mentioned in the document
- Any material breaches of ethical undertakings or events that impact upon the ethical conduct of the research

The Principal Researcher must report to the UREC in the prescribed format, where applicable, annually, and at the end of the project, in respect of ethical compliance.

Special conditions: Research that includes children as per the official regulations of the act must take the following into account:

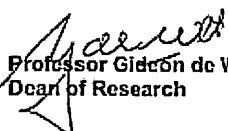
Note: The UREC is aware of the provisions of s71 of the National Health Act 61 of 2003 and that matters pertaining to obtaining the Minister's consent are under discussion and remain unresolved. Nonetheless, as was decided at a meeting between the National Health Research Ethics Committee and stakeholders on 6 June 2013, university ethics committees may continue to grant ethical clearance for research involving children without the Minister's consent, provided that the prescripts of the previous rules have been met. This certificate is granted in terms of this agreement.

The UREC retains the right to

- Withdraw or amend this Ethical Clearance Certificate if
 - Any unethical principal or practices are revealed or suspected
 - Relevant information has been withheld or misrepresented
 - Regulatory changes of whatsoever nature so require
 - The conditions contained in the Certificate have not been adhered to
- Request access to any information or data at any time during the course or after completion of the project.
- In addition to the need to comply with the highest level of ethical conduct principle investigators must report back annually as an evaluation and monitoring mechanism on the progress being made by the research. Such a report must be sent to the Dean of Research's office

The Ethics Committee wished you well in your research.

Yours sincerely


Professor Gideon de Wet
Dean of Research

30 October 2015

APPENDIX 2: INFORMED CONSENT FORM

Title of the Dissertation: Informal entrepreneurship and poverty alleviation among poor households in Chitungwiza Municipality, Zimbabwe.

SECTION A (Researcher)

Researchers name and surname:

Contact Details:

Email addresses.....

SECTION B (Participant)

1. I have read and understand the above mentioned information YES ☐ NO ☐

2. I have been informed about the aim and objectives of this study YES ☐ NO ☐

3. I understand that the researcher is interested in my opinion and honest facts about informal entrepreneurship YES ☐ NO ☐

4. I have voluntarily agreed in taking part in this interview YES ☐ NO ☐

6. I have received a copy of this informed consent form YES ☐ NO ☐

I (participant's name)agree to participate in the above mentioned study.

Date:

APPENDIX 3: IN-DEPTH INTERVIEW GUIDE FOR COMMUNITY DEVELOPERS, MUNICIPAL WORKERS AND SOCIAL WORKERS.

SECTION A: Overview of Informal Entrepreneurship in Chitungwiza Municipality.

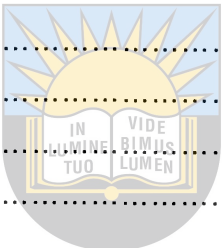
- 1. Which year did informal entrepreneurial activities emerge in this Municipality?
.....
- 2. What causes the majority of poor households to engage in informal entrepreneurship in Chitungwiza?

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- 3. What are the dominant informal entrepreneur activities being done in this Municipality?

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- 4. Which age group and gender visits your Department/ Organization for assistance in their entrepreneurial activities?

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- 5. What form of programs and support services do you offer to informal entrepreneurs?

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SECTION B: Informal Entrepreneurs Policies and Frameworks.

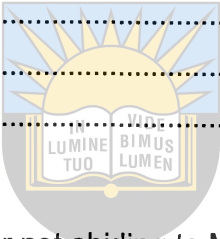
(Questions are 6-8 for Municipal Officials)

6. Are there any rules and regulations that govern informal activities in Chitungwiza Municipality?

.....
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.....

7. Do informal entrepreneurs abide to those Rules and Regulations?

.....
.....
.....
.....



8. What are the consequences for not abiding to Municipal Rules and Regulations?

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.....

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9. Which policies and framework have you recently adopted that seeks to assist informal entrepreneurs in their endeavor?

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10. Do informal entrepreneurs understand the relevant of those policies and framework?

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11.Are there any challenges that you have faced in implementing Policies and Framework of Informal entrepreneurship?

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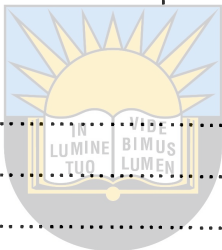
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SECTION C: Informal Entrepreneurship as a poverty reduction strategy

12. What are the grievances of informal entrepreneurs that hinder them in poverty eradication?



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13. What are your perceptions on poverty levels in this Municipality?



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14. Are they changes in the living condition of households?

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SECTION D: Challenges faced in working with Informal Entrepreneur.

15. What are some of the challenges you face in working with Informal entrepreneurs?

Explain.....

.....

.....
.....

16. In your opinion what suggestions or recommendations can you provide to assist informal entrepreneurs to be successful in their activities /business?

Explain.....
.....
.....

Your time and cooperation was highly appreciated.

Prepared by Gunhidzirai. C



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APPENDIX 4: SEMI- STRUCTURED QUESTIONNAIRE FOR STREET TRADERS, CROSS-BORDER TRADERS, HOME INDUSTRIES OWNERS, FOREIGN CURRENCY DEALERS AND URBAN FARMERS.

Instruction: May you please fill in the blank space and tick where appropriate.

SECTION (A): Demographics of Informal Entrepreneurs

1. May you indicate your age group?

1.18-21yrs 2. 22-30yrs 3. 30yrs and above

2. Which gender do you fall in?

1 Female 2. Male

3. What is your marital status?

1. Married 2. Divorced 3. Single parent 4. Widow/Widower

4. What is your highest level of Educational?

1. Primary 2. High 3. Tertiary

5. How many people reside within your households?

1. 1-3 people 2. 4-5 people 3. Above 5

6. How many are employed in the formal sector?

1. 1-3 people 2. 4- 5 people 3. Above 5

7. How many are employed in informal entrepreneurship?

1. 1 2. 2 3. 3 4. Everyone

SECTION (B): Employment background of the entrepreneurs

8. Have you been formally employed before you engaged in informal entrepreneurship?

1. Yes 2. No



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9. If Q8 was Yes, in which sector where you employed in?

1. Government 2. Private Sector 3. Non- Governmental

10. What was the reason for leaving that job?

1. Retrenched 2. Fired 3. Health issues 4. Other reasons specify

11. What is the reason that made you engage in Informal Entrepreneurship?

1. Lack of employment 2. Supplement household income 3. Lack of qualification required in the formal sector 4. Other reasons, specify

SECTION (C): Informal Activities done by Informal Entrepreneurs

12. Which form of livelihood activity do you engage in?

1.Urban Farming	2.Street vending	3.Cross-border traders	4.Foreign Currency dealers	5.Home Industries
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13. What specific products do you sell to your consumers?

.....
.....

14. How are your target customers? (Tick all those apply to you)

1. Children's	2. Other traders	3.Working class	4.Families	5All of the above
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15. Where do you sell your commodities?

1. Shopping areas 2. Mobile seller 3. Bus terminus 4. On the streets

16. How long have you been in your form of livelihood activity?

1. Below 1 year 2. 1-2 years 3 above 3 years

(Questions 17-20 are specifically refers to Urban Farmers)

17. Where do you grow your crops?

.....

.....

18. What types of crops do you grow?

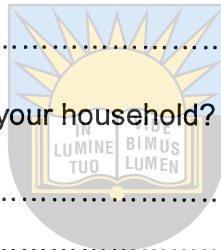
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19. How does urban farming benefit your household?

.....

.....



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(Questions 20-21 are for Foreign Currency Dealers)

20. What form of foreign Currency do you trade in?

.....

.....

21. How do you overcome competition from the legal registered Foreign Currency Bureaux Exchange and Commercial Bank?

.....

.....

22. Are there rules and regulations in the operation of your activity?

1. Yes 2. No 3. Not aware

Explain if your response was (YES)

.....
.....
23. How did you mobilise the capital to start this livelihood activity?

1 Personal fund	2.Borrowed from family and friends	3.Borrowed from credit schemes	4. Remittances'
-----------------	------------------------------------	--------------------------------	-----------------

24. For your day to day operations do you keep record for the money you obtain?

1. Yes 2. No

25. How much profit do you make per month?

1. Below 200 dollars 2. 300-500 dollars 3. Above 500 dollars

26. Do you intend to expand your business in the near future?

1. Yes 2. No 3. I do not know

27. What are the advantages of being self-employed? (Tick all those apply to you)

1. Flexible working conditions	2. More profitable	3. No taxations	4.All of the above
--------------------------------	--------------------	-----------------	--------------------

28. What are the disadvantages of being self -employed? (Tick all those apply to you)

1. Municipal raids	2.Stiffer competition	3. No job security	4.All of the above
--------------------	-----------------------	--------------------	--------------------

Section (D): Effectiveness of Informal activities in reducing poverty

29. Are they changes in your living conditions since you engaged in Informal activities?

1. Yes 2. No

If your response was (YES) explain in details

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.....
.....

30. Have your household experienced changes in food consumption since you began engaging in informal activities?

1. Yes 2. No

If your response was (YES) explain in details

.....
.....
.....

31. Are you able to access health services for all your household members?

1. Yes 2. No

32. In your own assessment are informal activities reducing poverty in Seke, Chitungwiza Municipality?

1. Yes 2. No

Section (E): Role of Government and N.G.Os in supporting Informal Entrepreneurs

33. Have you received any form of support from the Government (Municipality and Department of Social Welfare) and NGOs to sustain or expand your livelihood activity?

1. Yes 2. No

If response was (YES) explain

.....
.....

34. Are you in any Association/s that is linked to your livelihood activity?

1. Yes 2. No

If Q 33 was Yes

Explain how does it benefit you as an informal entrepreneur?

.....

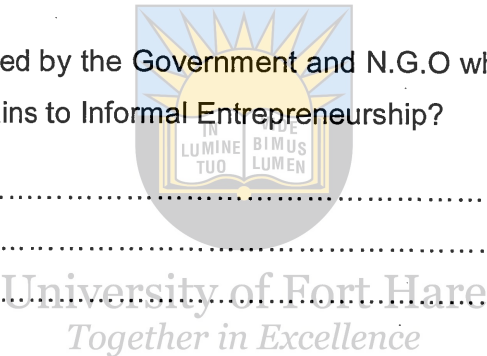
.....

35. Have you been consulted by the Government and N.G.O when they are formulating legal frameworks that pertains to Informal Entrepreneurship?

Explain.....

.....

.....



36. In what ways : Zimbabwe Agenda for Sustainable Social-Economic Transformation (2013) and Indigenization and Economic Empowerment Act (2010) been of beneficial to you as an informal entrepreneur?

Explain

.....

.....

Section (F) Challenges facing Informal entrepreneurs

37. What obstacles do you encounter in your area of business?

Explain.....

.....

38. What are the strategies you embark on to encounter those obstacles?

Explain.....
.....
.....

39. What are the reasons for being raided and harassed by the Municipal police?

Explain.....
.....

Your time and cooperation was highly appreciated.

Prepared and administered by Gunhidzirai. C



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Professional
EDITORS
Group

To whom it may concern:

This document certifies that the dissertation whose title appears below has been edited for proper English language, grammar, punctuation, spelling, and overall style by Rose Masha, a member of the Professional Editors' Group whose qualifications are listed in the footer of this certificate.

Title:

**INFORMAL ENTREPRENEURSHIP AND POVERTY ALLEVIATION
AMONG POOR HOUSEHOLDS IN CHITUNGWIZA MUNICIPALITY,
ZIMBABWE**

University of Fort Hare
Together in Excellence
Authors:

CONSTANCE GUNHIDZIRAI

Date Edited:

21 February 2016

Signed:



Rose Khanyisile Masha

082 770 8892

Bachelor of Library and Information Science, Hons (English Language Teaching), HDE,
MA (Hypermedia in Lang. Learning), PhD (Education)