CONFERENCE REPORT

Research Symposium on

The Growth and Development of MSMEs in Zimbabwe

University of Zimbabwe
12 May 2016
Contents

Foreword ................................................................................................................................ 1
Acknowledgements .................................................................................................................. 4
Abstract .................................................................................................................................. 5
Welcome Address ................................................................................................................... 6
by Professor Levi Martin Nyagura

Keynote Address ..................................................................................................................... 7
by Guest of Honour: Hon. Minister S. G. G. Nyoni (MP)

Introduction ................................................................................................................... .......... 9
Background: SMEs Challenges in Africa and lessons for Zimbabwe .............................................. 10

SESSION 1
The Growth and Sustainability of SMEs in Kenya: A Development Agenda .............................. 13
Micheni Muriithi
Zimbabwe’s Agriculture Past, Present and Future .................................................................... 16
Mandivamba Rukuni
Success (Growth) Requires Perseverance .................................................................................... 18
Mr C. Jokonya

SESSION 2
Gender Issue Related to MSMEs ............................................................................................ 21
Unionising the Informal Sector Implications and Challenges for MSMEs ................................. 22
Market Structures as barriers for MSMEs growth ...................................................................... 26
The Performance of Informal Sector Enterprises: Evidence from Zimbabwe’s Metal Sector ...... 28
MSMES Incentive Scheme in Zimbabwe: Impact and Implications ........................................... 29

BREAKAWAY SESSIONS
The Way Forward ....................................................................................................................... 34
Dr. P.C.F. Mupambireyi Acting Chair Business Studies Department

Vote of Thanks ........................................................................................................................... 34
Dr. A. Mhizha (Deputy Dean Commerce)

Conclusions and Recommendations ......................................................................................... 35
References ................................................................................................................................ 37
Annex: Programme .................................................................................................................... 38
Foreword

This report highlights the role that Micro-small and medium sized enterprises (SMEs) play for growth and development in Zimbabwe. MSMEs are categorised into three entities: micro firms that employ 1-9 employees; small firms that employ 10-50 employees and; medium firms that employ 50-250 employees. In what Fjose et al (2010) describe as a representative economy the share of firms would be 90 percent in the micro category; 8 percent in the small; 1.5 percent in the medium and 0.5 in the large firm category. Furthermore, the share of employment makes interesting reading: micro commands 30 percent of the share of employment; small 20 percent; medium 10 percent and large 40 percent. However, when the levels of employment attributable to the SMEs sector are under discussion, a figure of 5.4 million Zimbabweans are reckoned to be employed in this sector and it is generally understood to encompass the micro-sector which includes the informal sector. The report, is essentially a discussion of three closely related subjects.

Role of the Informal Sector

The informal sector is that sector which encompasses both legal and illegal business ventures. New entrants arrive because they have been retrenched, or due to the barrier of corruption and red tape, they have deemed it more profitable to stay in the shadows thereby avoiding the taxation and other onerous regulations.

Although, encumbered with low productivity than their erstwhile larger companies, small firms in the informal sector have lower overheads, tend to be more innovative and thrive relatively better during a decline in the business environment. Generally, small business benefit as the depressed business environment leads to consumers eyeing products of micro firms.

The corollary would, of course be that as the business environment recovers, shifting of resources from micro-to the small to medium and large firms would lift the productivity, as well as, tax revenues to the fiscus. Generally, employment in the SMEs sector, is part-time.

In outlook, micro-firms typically generate subsistence level revenues. Micro-firms often struggle with fluctuating revenues, red tape complexity, lack of knowledge and relevant competencies. Medium sized firms, access to sufficient amounts of risk capital, access to technology and access to stable electricity may be more of a challenge primarily due to weakly functioning financial markets and lack of reliable electricity supply are the most important obstacles for MSME entry, growth investment.

Role of SMEs in Zimbabwe

The role of SMEs in the Zimbabwe economy and their pivotal role in its restructuring, meeting and satisfying local demand for services, allowing space for increased specialisation and supporting larger firms with inputs and services remains largely a black box. Clearly, when
SMEs grow, the economy also grows. Through these roles SMEs rise to become engines that sustain growth for long term development. The majority of SMEs are micro firms which are often not part of the formal economy and the majority are in the services sector. It follows therefore, that SMEs could benefit from large companies outsourcing supporting services and stimulate growth in the SME segment. Furthermore, SMEs that are closely associated with larger corporations tend to be faster growing (Luetkenhorst, 2004). SMEs are crucial in the transformation of economies into a strong service sector (Lake et al. 2010). A key component of the economic growth is structural transformation. Economists have long witnessed that the structure of GDP and employment alters as a country grows and develops. A generally accepted fact is that eventually the share of agriculture in GDP and employment declines whilst the share of manufacturing and services rises during the industrialisation process. Economic transformation, is premised on structural change, which refers to the different arrangements of productive activity in the economy and different distributions of productive factors among various sectors of the economy (Machlup, 1991:76 in Silva and Teixeira, 2008:275). SMEs play a crucial role of shifting resources from mature sectors to the new sectors supporting demand for services through emergence of new firms supplying the new demand in competition with older companies.

However, growth in Zimbabwe can be attributed to increased investment, more favourable raw material prices and an improved business environment. Unfortunately, due to the Global financial crises of 2007-2008 prices of raw materials have collapsed as the Chinese economy slows down. Investment in Zimbabwe has been abysmal. Observe how the growth and investment outlook changed dramatically during 2012. The investment to GDP ratio declined to about 13.5 percent in 2012; 13.0 percent in 2013; and then fell sharply to 7.0 percent in 2014.

**Challenges and Obstacles**

Thirdly, there are challenges and obstacles to growth in Zimbabwe. They face their fair share of red tape, corruption, complex entry legislation and find few or no incentives to become or remain active in the formal part of the economy. Moving out of the formal economy, has its own consequences, access to finance, new market opportunities and public sector services is severely hampered. Access to finance at an appropriate interest rate is a major obstacle with the majority of Greenfield start-ups being funded by friends and relatives. Yet rural poverty could be ended by appropriate interventions through the use of solidarity group lending models examples of which include the Grameen bank, Latin American solidarity group models; community managed loan funds; village banking and community managed revolving funds. Zimbabwe is a low-income, food-deficit country, ranked 156 out of 187 countries (UNDP 2013). Currently, 72 percent of the population lives below the national poverty line (less than USD$ 1.25 per day).

ZIMSTAT further reported that 62.6 percent of Zimbabwean households were deemed poor. Whereas, 16.2 percent of households were in extreme poverty. The majority of the poor resided in rural areas (deteriorating from 62 percent in 2003 to 76.0 percent in 2014)
comparison to urban areas (38.2 percent). The results also highlighted that 30.4 percent of the rural population are extremely poor compared to only 5.6 percent in urban areas. These statistics highlight the importance of innovative finance structures and the need to grow SMEs. Hence the need for this symposium.

Finance is important when existing ventures need to exploit growth opportunities and to reach a larger equilibrium size.

World Bank studies consistently rank Sub-Saharan Africa as a region where it is difficult to do business ranked 139 (Doing Business 2010).

**Growth Opportunities**

Growth opportunities are severely hampered by access to finance. Recent research (Nhavira 2016) indicates that businesses consider access to finance and electricity as the most important challenges when operating and developing a business in Zimbabwe.

These problems are not unique to Zimbabwe but are endemic in Sub-Saharan Africa. SME share of employment in Sub-Saharan Africa ranges from Malawi 39 percent to Zimbabwe 15 percent in 2010 (Fjose 2010). Recent available data indicates that Zimbabwe SME share of employment now stands at 60 percent and account for 70 percent of GDP (MTP 2013).
Acknowledgements

This is the report of the Research Symposium, 2016, which was held at the University of Zimbabwe in Harare on the 12th of May 2016. The Business Studies Department of the University of Zimbabwe, the event organisers, in collaboration with the Ministry of Small to Medium Sized Enterprises and the World Bank would like to thank all those who graced this occasion.

Dr John Nhavira would like to express his gratitude to the United Nations Development Programme, African Capacity Building Foundation, Zimbabwe Chamber of Small Businesses and the Small Miners Association.

Finally, gratitude is due to the speakers who contributed greatly to a lively debate on the subject matter and shared their research findings and their experience. Furthermore, gratitude is due all the individuals and institutions represented at the event for their attendance and participation. In a special way, gratitude is also due to the rapporteurs: F. Sithole, G. Gowere and T. Mapuranga.
Abstract

“Planning for SMEs without consulting SME’s themselves is detrimental to the development and growth of SMEs”. Hence against this key statement, this report shall provide the key conclusions, proceedings and evaluations on the growth and development of MSMEs.
Welcome Address

by Professor Levi Martin Nyagura
Vice Chancellor, University of Zimbabwe

Salutations

The Guest of Honour, Mrs Sithembiso Nyoni, MP, The Minister of Small to Medium Enterprises and Cooperative Development;

The Country Manager, World Bank, Mrs C. Nuamah;

Your Excellencies, here present;

Distinguished guests;

University of Zimbabwe staff;

Ladies and Gentlemen

It gives me great pleasure to welcome you all to the University of Zimbabwe. I wish to extend a very special welcome to the Honourable ministers who have graced this occasion. A special welcome is extended to the World Bank Country Manager Mrs C. Nuamah.

The function day is an opportune time to renew contacts and discuss problems of mutual interest with delegates. It is gratifying to note that the theme of this symposium is growth and development of Micro to Small Medium Enterprises (MSMEs) in Zimbabwe.

The University’s role is that of a catalyst and facilitator in social transformation through stimulating innovation, provoking introspection and debate and most importantly to be a bridge that translates theory into practice. Moreover, the University is ready to participate and collaborate with others to create a more inclusive society and a new economic order.

Guest of Honour, the University works diligently to fulfil its vision of empowering the country to achieve its development goals.

I strongly believe that the conversations today will provide new insights in the development and growth of MSMEs in Zimbabwe.

I wish to thank the organising team for their untiring efforts to make this symposium a memorable one.

Finally, I wish you a productive symposium.

I Thank You.
I am honoured to be invited to this landmark Research Symposium on “Growth and Development of MSMEs in Zimbabwe” It is my great pleasure to address subject experts, practitioners and academics on the matter of small and medium enterprises which have become the anchor of Zimbabwe’s economy, employing some 5.4 million Zimbabweans and contributing about 70 percent to GDP. I thank, the University of Zimbabwe for taking the lead and hosting this important conference and the World Bank for their sponsorship.

I am indeed happy to speak a few words on this important subject. Globally, MSMEs are recognised for their ability to absorb labour in situations where increasing numbers of new entrants are coming onto the labour market while both the public sector and the private formal economy are shrinking.

This research symposium underscores the fact that Zimbabwe must drive its own development. The international community should support, in various ways, our diverse endeavours because it is in our mutual interest to transform Zimbabwe and Africa into a more prosperous, welcoming and secure place. However, danger looms over the horizon- should Zimbabwe not create the right conditions for development, then any quantity of external support is doomed to failure and social upheaval will be our lot.

Make no mistake. This research symposium, in my opinion, is in the nature of a call to action. A call that will demonstrate that we are serious about turning the vision of a strong and prosperous Zimbabwe into a reality.
Business is normally born in humility. You have to be a humble person indeed to set-up-shop, start small and grow the business day by day until it becomes a multinational corporation. Like Christ, business was (is) cradled in a manger. Yet business is over all. Business makes busy factories and happy homes. We want to manufacture goods and sell goods and live in peace

My hope and that of Zimbabwe is the development and nurturing of more and more entrepreneurs. There is a fundamental need to invest in entrepreneurship education and training programmes. To this end several African governments have developed entrepreneurial development programmes as a deliberate attempt to solve youth unemployment and ensure economic growth. These programmes have inculcated an ethos and culture of entrepreneurship into the very fabric of society in which they have been planted. Progress will be slow unless we can transform the vision/mentality from pursuit of white collar jobs and to the vision of innovation and immortality through empire building that would endure — handed down to the sons, daughters and grandchildren for generations to come. Entrepreneurship provides that impetus

It follows therefore, that MSMEs growth and development in Zimbabwe is critical to the alleviation of poverty and the large unemployment conundrum particularly among women and youth.

As the Minister of Small and Medium Enterprises and Cooperative Development, I welcome and support any initiative directed at contributing to entrepreneurship as this ensures that our graduates from high schools, colleges and university will find employment. On our part, we would like to see primary and high schools receive enterprise education as part of the curriculum and as well as see enhancement of entrepreneurial skills of students and community members in partnership with universities.

Moreover, it has always been recognised that national development pivots critically upon the supply of high and middle level labour. In Zimbabwe, the issue of mass unemployment and chronic underemployment among educated youth increasingly dominates policy discussions on education and employment and the developmental prospects of the country. Although, stories abound of Zimbabwean graduates who are selling airtime, driving taxis or running tuckshops, these should be regarded as stepping stones to larger scale ventures. Our role as policy makers is to facilitate that transformation through the creation of an enabling environment. I trust that this symposium will add to the policy options available.

In this vein I congratulate University of Zimbabwe, The Ministry of Small and Medium Enterprises and Cooperative Development and the World Bank for taking such a bold and visionary step. I further understand that subject to availability of funding, the University intends to hold a series of workshops directly targeted at the community (MSMES) with a view to enhance their entrepreneurial/managerial skills and to track their development over a period.

In conclusion, together through appropriate entrepreneurial education, small businesses and cooperatives we shall build a new Zimbabwe.

I thank you!!

---

Conference Report on The Growth and Development of MSMEs in Zimbabwe
Introduction

Some of the key moments of the one day research symposium included the Minister of Small Medium Enterprises and Cooperative Development presentation. She emphasized that SMEs cannot grow if we approached them with the piecemeal methodology, these firms need to be assisted holistically and eight pillars to guide researchers were given if SMEs are to grow. This report shall provide the key conclusions of the proceedings, evaluations given by the discussants and recommendations for Zimbabwe SMEs to grow.
Background:
SMEs Challenges in Africa and lessons for Zimbabwe

Mrs C. Nuamah, Country Manager from the World Bank Group started by giving a brief background on SMEs and gave lessons to be drawn by Zimbabwe. The presentation emphasized on the significance of inclusion (making the market economy work for everyone), employment creation (creation of good jobs) and market dynamism (creativity can come from everywhere) as part of the objectives.

SMEs are important as they contribute to GDP as shown in the graph below:

![Figure 1: SMEs Sector’s Contribution to GDP](image)

As shown by the graph, in low income countries SMEs contribute 16%, while in middle income countries contribute 39% and lastly in high income countries SMEs contribute the largest percentage (51%) to GDP. It is imperative for Zimbabwe to note that SMEs are an important driver of growth in output so policy makers should at designing policies that lead to the growth of SMEs.
Figure 2: SMEs and Share of Total Employment

Figure 2 shows that SMEs contribute significantly to the employment levels of a country. In high income countries SMEs have the largest share of total employment (58%), followed by middle income countries with 38% and lastly low income countries with 12%. Against this note, Zimbabwean policy makers should see that the SME business environment is favourable as SMEs are an important driver of sustainable economic development.

In order to boost the growth of SMEs, the following tools should be taken into account;

i. Financing lines of credit (hence Solving the credit gap without more distortions)

ii. Reducing costs of doing business (Helping the state address biases against small business)

iii. Raising performance of enterprises (Direct or intermediary-based support to SMEs to improve productivity and bankability)

iv. Creating linkages (Support for sectors and larger firms to promote inclusion of SMEs in the value chains)

Lessons to be learnt

• Too many components, needed to be more strategic on which regulatory processes to start with

• SME development offices had to be eventually fiscally sustainable
• Matching grants program was very time consuming and costly to set up
• Firm selection needed to be transparent and overtly non-political
• Need strong linkages with the financial sector (to achieve bankability)
• SME support also needs to develop exit strategies

**Discussant:** Mr Udo Etu Kudo gave the following categories of SMEs:
• Export oriented SMEs
• SMEs that support transport sector and storage firms
• Domestic market oriented
• Cottage enterprise

These classifications were followed by the following questions:
• How can we help category 3 and 4 SMEs?
• How do we get private sector to loan SMEs?
The Growth and Sustainability of SMEs in Kenya: A Development Agenda

Micheni Muriithi

Abstract

As the world economy continues to move towards increased integration, some of the greatest opportunities for Small-to-Medium Sized Enterprises (SMEs) will derive from their ability to participate in the global marketplace while sustainably increasing their competitiveness. It is generally accepted that SMEs are crucial contributors to job creation, income generation and the development of innovation.

In the case of Kenya, the Government has invested heavily in boosting the sector by setting up an independent Authority to look into matters of SMEs. The Kenya Vision 2030 is the Country’s development blueprint covering the period 2008-2030. It aims in making Kenya a Middle Income Country by 2030 and SMEs are key on its agenda, to achieve this objective.

The paper will seek to illustrate and share SME Business development in Kenya with particular reference to Strategic Planning for SMEs Growth and Sustainability. The following key components will be addressed: Creation of a conducive working environment; Enhancement of technical and entrepreneurial skills; Promotion of gender and vulnerable groups; Enhancement and mobilization of resources; Market Access and; Value chain addition. Furthermore, the paper will also, seek to share good practices and highlight key achievements in SMES in Kenya.

The Growth and Sustainability of SMEs in Kenya: A Development Agenda.

Mr M. Muriithi the First Secretary of the Embassy of the Republic of Kenya presented on the Growth and Sustainability of SMEs in Kenya: A Development Agenda. The scope of the presentation was as follows; Kenya in brief, Revitalization of the Kenyan economy, a look at SMEs in Kenya, the financing role of government, business environment, global partnerships such as UNIDO and conclusions.

A look at SMEs in Kenya

The speaker noted that SMEs in Kenya fall under the informal sector. The sector employs around 80% of the working population in Kenya (12 million people) and has currently received a lot of government attention. The SMEs sector employs over 600 thousand people...
Conference Report on The Growth and Development of MSMEs in Zimbabwe

annually. There is a Governmental thrust of Creating a conducive working environment; Enhancement of technical and entrepreneurial skills among SMEs; Promotion of Gender and Vulnerable Groups; Enhancement and Mobilization of Resources; Market Access and Value Chain Addition. (Training of SMEs in order to equip them with technical aspects of managing their businesses, marketing, resource mobilization skills so as to improve market access and protect the legal rights of SMEs.)

**Financing role of the government**

It was indicated that most of the SMEs are owned by the youth hence access to financing and affordable credit is a big challenge. Against this background the speaker noted that the Kenyan government has ensured financial inclusion of SMEs. There has been formation of Youth Enterprise Fund and Women Enterprise fund, with the interest rate levels as low as 1%.

**Business environment**

The speaker noted that the business environment in Kenya through contributions internally enables centralisation and mobilization of resources. This is whereby the government can channel funds to companies inorder to improve productivity through acquiring premises at affordable prices.

**Global partnerships: UNIDO**

Kenya has collaborated with the United Nations, industrial development organisation in a program called subcontracting partnership exchange experience, a program specifically meant to empower SMEs. SMEs are benchmarked through a tool that focus on aspects of their business from financing, processing, work environment and employee perspective.

**Conclusion**

In conclusion the speaker noted that, world economy continues to move towards increased progression. There is need to give SMEs competitive advantage and open up markets for them. SMEs contribute to the growth of other industries. For example, the ICT take up through innovations such as M-PESA has facilitated cooperatives to save funds and also farmers can transact through this platform. Kenya is also focusing on increasing integration and competiveness. Facilitating peacekeeping missions in countries such as Sudan is also helping to keep their market for exports.

**Discussions: Questions and Answers**

Chair: Mr Udo Etu Kudo, Economic Advisor UNDP

Mr Udo Etu Kudo came up with a summary of questions:
• **Why are SMEs important?**
  — Contribution to GDP, for example in Kenya (12-14%)
  — Innovation and generation of new ideas
  — Human development (urbanization)
  — Expanding or developing value chains

• **Challenges being faced by SMEs?**
  — Insufficient capital
  — Inexperienced entrepreneurs
  — Inability to separate business finance from personal finance
  — Stiff competition from big companies
  — Punitive taxes

• **How can we help SMEs?**
  — Making available soft loans
  — Government banks which require no collateral
  — Tax incentives
  — Training
  — Increasing market access

• **Lessons we can apply to Zimbabwe**
  — Improve on access to finance
  — Improving on ease of doing business

**General Discussion Questions**

**Question 1:** 80% of the youths are employed in the SMEs in Kenya. Which sectors are they employed in, and what about the other 20%?

**Answer:** The 80% is employed in the agricultural sector and mobile sector whilst the 20% in the clothing industry and transport industry.

**Question 2:** How has been the capital problem handled in Kenya so as to help address the same problem in Zimbabwe?

**Answer:** There has been established the youth development fund within commercial banks and it is encouraged that Zimbabwe do probably the same.

**Question 3:** Do you have SMEs in Kenya that have come up with new areas of discovery or who have been innovative?
Zimbabwe’s Agriculture Past, Present and Future

Mandivamba Rukuni

Abstract

Agriculture will continue to be the backbone of the economy at least until about the 2030s, when it is expected that Zimbabwe will have transitioned into an urban-industrial society, with the majority of its citizens leaving in urban areas. Zimbabwe’s modern history (150 years of colonial and post-colonial) is largely a story of how agriculture and land as issues have singularly shaped its history and future. The issue of land and agriculture has recently captured the emotional and creative imagination of the Zimbabweans in particular, and the whole world in general. And that is why I am writing here to provide the reader with a framework and storyline that may lead to a better understanding and interpretation of the events and stories that have occurred over the modern era of agriculture. The evolution of agriculture in Zimbabwe was structured as Pre-colonial period up to 1890, 1890-1950-foundations of large scale (white) agriculture are put in place, 1950-2000- Large scale agriculture most viable, 1980-1990- Smallholder agriculture proven viable, 1990- 2008: Decline of the economy and agriculture and the radical land redistribution programme, 2010-2013- Agriculture under the Medium Term Plan of the GNU, 2014-Present Agriculture under ZIMASSET. Zimbabwe’s history proved that both small and large farms can be productive, viable, and can contribute significantly to economic and national development if provided with sufficient public and private investment. Conversely, both small and large farms will fail in times of political turmoil and economic distress. For example in the first ten years of Independence, economic policy embraced both commercial farms and smallholders. It is not a matter of size, but rather a matter of political commitment, Zimbabwe should now pick up the pieces and craft policies and programmes that support productivity, competitiveness and viability for significant numbers of farmers across all categories of farms. Not all farmers will farm profitably, rather what the nation needs in order to pursue an effective agriculture-led economic development, is as much as possible, to have a significantly large proportion of viable farmers across all categories of farm types who are strongly integrated into the market and industrial economy. There is need to invest into the 7 major prime mover investments which succeeded in the past in promoting large scale agriculture in the colonial period and smallholder agriculture in the first decade of independence as follows: Land development investments, New technology, Human capital, Rural finance, Biological and physical capital, Farmer support institutions, Favourable economic policy environment.

A representative presented on behalf of Prof. M. Rukuni. The presenter started by giving an outline on the evolution of agriculture in Zimbabwe which includes the precolonial period (1890-1950s), 1950-80 period (lots of growth in large-scale commercial farming), independence period (smallholder farmers proving to be very viable) and the 2014 to present agriculture is under ZIMASSET and has potential.

Raising productivity levels in the agriculture sector was considered to be vital for output to increase. Both small and large scale farmers could be productive if they properly managed
their farms. The nation of Zimbabwe needs to pursue export led growth and the contribution of agriculture is essential since it is interlinked with the industrial sector.

Prime movers of Zimbabwe agriculture development include:

- Land development
- New technology (hybrid maize varieties)
- Human capital development (through agriculture colleges and on the job training)
- Effective farmer support institutions
- A favourable economic environment

**Challenges**

- Mobilizing private and public investment
- Depressed prices leading to less profits
- Unresolved land issue
- Lack of financing
- With massive urbanisation agriculture is viewed as unattractive to young people

**Future of land:** Smallholder (A1 and Communal) farmers have an essential role to play in sustaining agriculture in its stage of development. Secondly industrialization could be achieved if output by these smallholder farmers was increasing so as to improve competitiveness in terms of quality of products produced in the industry.

Zimbabwe is going back to being a factor driven economy, and huge imports are coming from countries such as South Africa, which in a sense has culminated to deindustrialization.

Today, since most youth are moving out of agriculture there is increased demand for agriculture processed foods. Therefore, value addition can help create more jobs in this sector (for example in Botswana they sell vegetables which would be cut already making it easy for bachelors with less time to prepare food). Innovative financing strategies were viewed as essential for sustainability of this sector.

**Discussant:** Dr Nyandoro brought out the issue of Africa’s resource curse as another important area of study. This is to question why Zimbabwe remains poor despite its resource endowment. SMEs and smallholder farmers are very significant and an important question was to find out the prospects that existed to achieve industrial development. His suggestion was that of amalgamation of SMEs.
Mr C. Jokonya the Chief Executive at Imperial Refrigeration who is one of our own Zimbabwe success stories in terms of business enterprising shared on the importance of perseverance in running businesses. He first challenged people to think like champions emphasizing that poverty was in our attitude although we have a well-to-do country. It is important to train our entrepreneurs to persevere because tough times are part and parcel of the business environment but of much importance is to come up as a victor from those challenges. Through reading other people success stories a few business gurus (Wang Jianlin, Bill Gates, and Steve Jobs) were mentioned so as to challenge our own entrepreneurs in Zimbabwe. Giving reference to Proverbs 23:7 the challenge was for small enterprises to think big so that their tomorrow would be big since some of the successful business mentioned started in backyards and garages but later on employed huge number of people.

One of the challenge mentioned was on how SMEs spend their monies after making profits. Business leaders should reinvest their profits, they should think of the other employees’ welfare apart from themselves. Therefore saving is important so as to buffer yourselves in tough times. Small firms need to grow so as to contribute to the treasury and an example given was the Dulian Wanda Group in China which has assets worth more than 350 billion and their contribution to government revenue is enormous (around 35 billion).

**Nuggets to remember:**

A. Winners never quit

B. Winners are capable

C. Everyone has the potential for being a winner

D. Have a desire to succeed and to achieve a goal

**Recommendations**

— Always develop a plan of action (critical path analysis)
— Try to do something
— Visualization — the change you want to see in yourself
— Commit towards a positive attitude — never allow people who talk of negatives
— Take risk to achieve desired goal (you cannot keep repeating the same thing and expect different results)
— Pure perseverance separates successful entrepreneurs from non-successful ones

**Discussant:** Mr Matanhire added that businessman should not go with the trends but should be creative. The copycat business culture where you here sayings in Shona like “Zvihuta wava nazvo here” meaning are you into the business of quail birds since they are trending should be aborted. He added that success comes from sweat and being determined
is a vital cog. Our culture is our source of competitive advantage as Zimbabweans, thus, let’s embrace our culture.

Questions and Answer Session (Mr Udo Etu Kudo)
1. In terms of developing SMEs to have a right attitude: What facilities are there for tenable development and capacitating their development?
2. What were the failures you had to endure and situations where felt like quitting? (Directed to Mr Jokonya)
3. How to engage more people to be merchandisers?
4. Link between agriculture reforms and opportunities to reform Zimbabwe?

Responses from the Panel
i. The fast track land reform was meant to proffer opportunities for farmers by giving them bigger farms but this proved to be difficult since managing those farms was a challenge for many.

ii. Mr Jokonya mentioned about wrong decision he had to endure such as investment in a bank where he lost a million dollars, but as a business leader you need to move on and think of your others especially employees who have been loyal for many years.

iii. Sustainable facilities: In running a business the requirements (routines) are the same for running small or big business. There is need for us to be disciplined when running our MSMEs for example in paying back the money borrowed. When people are paying back loans this allows banks to offer more loans to others who want to enter the business of selling products.

Minister of Small Medium Enterprises and Cooperative Development Remarks
Hon. Minister Thembise Nyoni started by outlining that without research no sector can grow. This was an alert message to the researchers, if SMEs are to grow. Zimbabwe has its own success stories and we also need to look into those when giving recommendations to our own SMEs.

SMEs cannot grow if we approach them with the piecemeal methodology, they need to be assisted holistically.

8 pillars to guide researchers if SMEs are to grow
1st Pillar: educating our people — in the spirit of entrepreneurship (using our greatest which is our brains)

2nd Pillar: Enabling environment (need to revise the Company’s Act)
Question of contribution of SME’s to the economy comes into play. Some are still articulating SME’s with the old language, economists were challenged to craft language to suit SMEs. Informal sector firms are taking more home than factory workers and yet they do not consider them as jobs. Let look at examples of women doing hairdressing, manicure and pedicure taking in around $30 a day.

**What is a job? Redefine jobs to include them in our statistics.**

3rd Pillar: Technology transfer and development by the Universities for our SMEs (for example peanut butter making machines)

4th Pillar: Research on what are markets for SMEs. How can they be accommodated in the market? (Are markets only for big firms and not for small firms?)

5th Pillar: Development financing for SMEs.

6th Pillar: There is need to finance infrastructure development. There is need for mobile infrastructure for vendors to keep cities clean and to provide a decent workspace. The funders do not understand that SMEs are part of the economy and they form a vital cog to its success.

7th Pillar: Linking between small companies and big companies. Dual economy is not good for development. Big companies should grow by linking up with small companies.

8th Pillar: Business Support Services

**Conclusion**

In conclusion, the Minister posed a question on which models produce sustainable SMEs. These include the following:

i. In Zimbabwe SMEs that grow are family based businesses for example in Chitungwiza a woman who started making peanut butter in her kitchen later on the husband joined her because the business was producing more income than the husband’s salary contribution. Other examples included a family which was given a tender to supply furniture to Midlands State University.

ii. Women run SMEs grow better than men run SMEs. Women know how to take care of businesses than men for example in both lodges and five star hospitality centres are run by women.

iii. SMEs meant for women (inheritance plan). Men and women need to come up with an inheritance plan because many people are dying with the secrets of how their businesses are run. The end results is the death of such enterprises.

On a closing note the Minister said that, “SMEs are the foundation for authentic indigenization”. In alleviating poverty we need to create our own wealth. SMEs have created around 5, 6million jobs and reduced the number of children going in the streets.
Mrs B. Bango the Executive Director of Empretec presented on the relationship between gender and MSMEs. The issues raised were the need for sufficient support for women in terms of funding. Women are more affected by poverty therefore when you support MSMEs you are supporting women since a large number of MSMEs are owned by women. Also economic challenges are dealt with at a broader level if MSMEs are supported and social ills such as prostitution can be reduced.

Discussant: Professor Manyeruke added that family support was important in the success of MSMEs. The family is seen as a source of emotional support and financial support among many other contributions. It is important to support women in traditional roles such as hairdressing, pedicure and manicure because some of them are bringing in lots of cash to provide for their families.
Unionising the Informal Sector Implications and Challenges for MSMEs

A representative of behalf of Mr J. Moyo the Secretary General of ZCTU, Wisdom Malaya started by giving the structure of the presentation; background to the informal economy in Zimbabwe, organising the informal economy in Zimbabwe, challenges in organising the informal economy workers, Importance of organising the informal economy, organising in the informal economy and the role of Government in organising the informal economy.

Background to the Informal Economy in Zimbabwe
The speaker noted that at the advent of independence in 1980, Zimbabwe inherited a relatively small informal economy. The informal economy was relatively small due to the fact that the informal economy in Zimbabwe was largely carved out by the dual and enclave nature of the inherited economy.

Furthermore, he noted as well that the legacy of settler colonial policies that refused to accept that there was unemployment in the country (noting labour shortages), the presence of the informal economy and created a reserve labour supply in rural areas. The same policies controlled African urban settlements and economic activity through apartheid-style policies that inhibited free movement from rural to urban areas.

The post-independence government could not afford to ignore the informal economy and unemployment, and in its first official economic policy statement Growth with Equity (Government of Zimbabwe, 1981) immediately identified generation of employment as one of its major immediate objectives. It officially acknowledged the existence of the informal economy and scrapped away the restrictive migration laws, thus enabling the activities therein to become more visible and grow.

Due to the failure to land formal economy jobs, such persons had to make do with secondary jobs in the informal economy.

Organising the Informal Economy in Zimbabwe
The speaker noted that the Zimbabwean economy has become an almost totally informalised economy due to the continuous shrinking of the formal economy. The formal economy shrinking rate is alarming as justified by the (ZimStat Labour Force Survey Of 2014), which states that the informal economy employment has consistently grown to 94.5%. This has resulted in serious deterioration of living standards for ordinary Zimbabweans where 62.6% of the total households are living in poverty.

The informal economy has become highly invaded by multi skilled players who are even shifting their carrier skills to any how trading as a way to at list earn a living. The place of work has shifted and therefore the transitioning of the Informal Economy is key for sustainable economic development, which a part of the trade union movement to do.
Challenges in Organising the Informal Economy Workers

The speaker noted that Trade unions and other workers’ organizations face many challenges in organizing in the informal economy. Challenges are political / conceptual and practical, external and internal, with many trade unions lacking the experience, openness, skills, resources or political will to seriously take on the challenge of organizing informal workers.

The speaker identified the following challenges; legal and regulatory framework, economic development policies, leadership, resources, political interference, cultural norms, negative attitudes from trade unions, lack of self-identity as ‘workers’, isolation from each other and lack of time to participate.

Importance of Organising the Informal Economy

The following were identified by the speaker as key factors why there is the need to organise the informal economy; Recognition by Government, voice and representation, policy influence and interventions, skills training and education, access to credit and savings facilities, developing leaders, means for informal workers to affiliate internationally and enjoy international solidarity, research and data gathering, community assistance programmes and international, regional and local alliances.

Organising in the informal economy

The speaker noted that it is important to note that when addressing the organisation of informal economy workers one has to ensure the two categories of workers are addressed. The first category is informal workers in the informal establishments and the second category is informal workers in formal establishments.

i. Organising informal workers in informal enterprises: With regards to the first category of workers (informal workers in informal enterprises), there are three ways in which the informal economy can be organised. These are: Trade Unions and Associations, Cooperatives and NGOs and Community-Based Organizations.

ii. Organising informal workers in formal enterprises: With regards to the second category of workers (informal workers in formal enterprises), it is important for the trade unions to organise the workers, to achieve the following: help build up membership, particularly at a time when trade unions are losing members through retrenchment and deregulation; make trade unions more representative; strengthen the bargaining position of trade unions, in some sector casual workers are more than permanent workers; improve the human power base of the trade union; improve the union’s financial and resource base; and reduce ignorance about trade unions and their role.

The speaker also noted that organising such workers can be undertaken if trade unions:

• education and training on the decent work agenda (workers’ rights, contracts as provided by the labour legislation (contract periods, types of contracts, probation and termination periods of contracts) job creation, social protection and social dialogue).
• strengthening workers’ committees through education on their roles and responsibilities in respecting and supporting informal workers’ initiatives;

• strengthening trade union monitoring mechanisms at the workplace to ensure decent work;

• Trade unions should engage legislators and Members of Parliament on promoting policies that do not criminalise the informal work.

The Role of Government in Organising the Informal Economy

The speaker noted the government’s role is imperative in organising the informal economy as it should take care of the following:

• Enact the necessary legislation (national and at local authority levels) that protects workers in the informal economy;

• Fully support the enforcement of core ILO Conventions, not just as policy but through implementation in all their programmes;

• Fight for additional safeguards for informal economy workers, as they are even more vulnerable than others. All workers should have the same rights, regardless of whether they are in the formal or informal economy and a single level of basic labour protection should apply to all;

• Decriminalise the informal work and incorporate them in the developmental strategies.

• Ensure economic policy should also link tax and financial incentives given to small and medium-sized enterprises conditioned on enforcing labour standards and trade union rights. And since the organization of informal economy workers is in the public’s best interest in every society, all relevant public policies should be used to encourage such organizations;

• Provide increased financial support for infrastructure. Poor infrastructure, including roads, drainage and communications facilities weakens the productivity of informal economy workers and hence their ability to expand and succeed; and

• Education and training programmes can be powerful tools for improving the life of informal economy workers. But, they can only help if government and other vocational training policies are made more relevant to the needs of informal economy workers who often have very little schooling. Special courses should be designed for illiterate or semi-literate people. Also, formal training costs are expensive and need to be made affordable to effectively increase skill levels.

Discussant: Mr F. Gwavuya noted that labour is a very important factor of production, whether in the informal sector or formal sector. As much as organising the informal sector is important, there is need to respect the fundamental human rights and in this case the labour laws. The current labour law is very controversial, it gives the employer power to dismiss the employee without notice or paying salary. Some sections of the labour law should be revisited
as no investor would want to invest in a country where labour rights are violated. Therefore, there is need to push the legislative agenda where one can derive rights from the constitution.
Market Structures as barriers for MSMEs growth

Dr Sena started by outlining the salient features of his presentation. He introduced by saying that imperfect competition in the country had seen some business operating as wholesalers on one side and retailers on the other, thereby creating a monopolistic competition. Informal traders are selling their goods everywhere in the streets, especially on doorways of registered formal traders’ shops.

Wholesalers have joined the practice by selling their goods on both wholesale and retail basis. Their retail prices are far much lower than those charged by MSMEs in the retail industry who would have ordered their wares from them. These practices create a monopolistic market where upcoming businesses are forced to die within their infancy.

**Business Environment and Growth**

Market imperfections and institutional failures impede the growth of MSMEs, thus justifying the need for government interventions. Thus, a favourable business environment for all firms, large and small can never be ignored.

Well-defined property rights, effective contract enforcement, well regulated, managed, and coordinated supply chain and firm access to finance characterize a business environment that is conducive to competition and private commercial transactions. MSMEs in Zimbabwe deserve policy makers’ attention so as to improve the playing field between firms of different sizes.

Entry regulations, measured as the cost of registering a firm, hampered the creation of new firms, while regulations fostering property rights protection and access to finance enhance entry of firms. Therefore, a poor business environment in Zimbabwe affected the performance of the MSME sector, because restrictions and market imperfections dampen competition and slow firm growth.

**Ease to Doing Business Ratings**

For Zimbabwe the number of procedures entrepreneurs can expect to go through to start up and formally operate an industrial or commercial business is 9 and it will take the total number of 90 days to register a firm. The procedures can increase and decrease depending on the type of business.

**The Legal and Regulatory Framework**

Unfair competition arising from the high cost of doing business in the informal sector in Zimbabwe is a serious challenge for MSMEs, especially small sellers and producers. Competition from companies operating in the non-official sector is has been a serious challenge affecting both registered MSMEs in Zimbabwean. Due to savings on registration, licensing costs as well as tax evasion, non-official MSME companies gain a substantial cost advantage.
Access to Industrial Operating Land

There is a large unsatisfied demand for industrial land, hence these informal traders end up doing their businesses in undesignated areas such as the verandas of registered companies some of which are upcoming MSMEs. His paper intended to establish the real ownership structures as far as land ownership is concerned.

Conclusion and Recommendation

SMEs are discouraged from expanding their operations due to high tax rates which is a serious constraint on their growth and development. MSMEs are also facing the challenge of accessing finance due to high collateral requirements and exorbitant interest rates of up to ±50% popularly known as (chimbadzo). SMEs also lacked the appropriate skills and poor training.

Recommendations from the paper:

• The Zimbabwean government should through the Ministry of MSMEs make a greater effort to enforce the implementation of the policy framework by all stakeholders,
• The government should strive to improve the country’s business climate, which is currently not conducive to the development of the MSMEs sector.
• Policy makers should strengthen the legislative and regulatory framework for the creation and development of MSMEs
• Operating licenses for wholesalers should be limited to wholesaling and those for retailers to retailing, no customers should go straight to wholesalers for buying single items
• The government should improve SMEs’ access to financing by deepening the reforms of the banking system. These measures should include a reform of interest rates, collateral requirements, and the credit registration system
• Monitoring and evaluation so that the government can improve through lessons learnt

Questions

What is the best practice in Africa in terms of regulations involved in starting a business?

The office of the President said the 90 days were being slashed to 21 days, need for consideration in this presentation.
Dr. Zhou, a lecturer at the University of Zimbabwe Economics Department, examined the factors affecting informal firms growth which were categorised as following:

- **individual determinants** — entrepreneur background factors,
- **organizational determinants** — firm attributes,
- **environmental determinants** — government policy and city regulations.

Literature showed factors indicating firm growth include sales, total production, production capacity, employment and market share. However, sales and employment are mainly used to measure firm growth.

He analyzed the econometric model: $S_i = \alpha + \beta X + \mu_i$

where $S_i$ is the dependent variable representing sales growth and $X_i$ is a set of explanatory variables thought to capture the growth of informal firms.

The conclusions from his findings were that individual determinants have no influence on firm growth. Organizational determinants such as access to loans were found significant in determining firm growth and environmental determinants such as government policy also important in influencing growth of the firm.

He recommended that informal firms need assistance with loans and identification of markets for their products and the government should develop policies that are conducive to the operations of informal firms.

**Discussant:** Dr N. Kaseke mentioned that endogenous factors were important determinants of firm growth. These include management knowhow and skills. Another issue which was raised was on the use of sales as a measure of firm growth since the majority of small firms do not practice prudential record keeping.
MSMES Incentive Scheme in Zimbabwe: Impact and Implications

Mr. R.M.C. Hove Secretary General of Zimbabwe Chamber of small business, made a presentation on MSMES incentive scheme in Zimbabwe: impact and implications. He mentioned that incentive schemes included grants to small enterprises and the impact would be increased employment levels since small firms are capable of employing around 25 employees and this will result in increased economic growth.

The creation and active role of the Ministry of Small to Medium enterprises was seen an incentive to the viability of small to medium enterprises. The main issue raised was that planning for SMEs without consulting SME’s was detrimental to the development and growth of SMEs.

Government was advised to undertake tax reforms since the taxes are seen as punitive and not conducive for the viability of SMEs. Tax reduction implies increased revenue and tax base and improved economic growth if we apply concepts such as the Laffer curve in economics.

Start-up costs need to be reduced since in some instances $600 was needed to get certain papers. Therefore, incentives for those starting up firms which assist government in solving its unemployment problem were vital and regulations which derailed growth and development of SMEs need to be revised.

Small firms need a work space and land to build their infrastructure. Therefore the Ministry of Local Governance should not be in conflict with the Ministry of Small to Medium Enterprises when it comes to the issue of providing workspaces to the small enterprises because in their eyes they are viewing vendors as junk.

The resentment for paying taxes was the issue that ZIMRA and other councils were only taking taxes from firms but not providing the required services such as clean ablution facilities among many other human needs for a good working environment.

**Discussant:** Prof. G. Dzinomwa

Comments: The Ministry itself was viewed as an incentive which is true as seen in the involvement of the Ministry in initiating growth of SMEs. He however pointed out that visibility lacked visibility. The success stories of small firms in Zimbabwe were well publicised and the incentives capabilities were limited.

The MSMEs also need to be trained to develop bankable projects, project management which includes record keeping skills should be adhered to.
Industry specific incentives such as energy source could provide a good hand for SMEs development.

Link between government and applied research from universities was supported as a good way forward as in countries such as the USA where research takes a greater share of company’s income for continual improvement of the firms.

**Discussions: Questions and Answers**

Mr Barassou Diawara (ACBF)

1. What is the best practice in registration?
2. Why are we sceptical about these small firms?
3. In literature, others put age$^2$ and size$^2$ because productivity would be reducing at later stages in life, so why not include this in the study (addressed to Dr Zhou)
4. In the sample there were 647 firms but in the observations there were 413 firms, you did not tell us why you suddenly changed?
5. In terms of experience, is it sector specific or cumulative in general? (addressed to Dr Zhou’s paper)
BREAKAWAY SESSIONS

Two groups were formed, the development part was chaired by Dr Chimanikire standing in for Professor Manyeruke. Then the growth part was chaired by Dr Makochekenwa.

Development Group

Question: In the development of SMEs, what should be done to capacitate them?

Development and growth from an economics perspective are inseparable. Development addresses qualitative aspects of the growth itself.

Critical Resolutions

- Record keeping techniques should be taught to the managers of small firms since it is a vital cog to their survival and in understanding the cost structures. It also helps them to distinguish between personal and business finances.
- Strategies to build customer relations and maintaining your customers was suggested as important for the development of these firms
- The media could increase visibility of the incentives in the sector so that people venture into MSMEs
- Development of skills so as to come up with bankable projects and to undertake feasibility studies
- Project management skills so that capital does not go down the drain were seen as vital
- Gold sector needs incentives for artisanal miners who are increasing the output of gold
- Packaging of products by the SMEs needed to be improved
- Capacity building was viewed as important
- Studies needed to be carried out to understand the sector needs
- Government should provide an enabling environment
- Monitoring and evaluation was also seen to be key
- NGOs can also assist in capacity building and strategic partnerships

Growth Group

Discussion Questions

Question 1: How can farmers grow their output and export as SMEs and move away from peasant farming? (This was directed to Prince Kuipa from the Zimbabwe Farmers Union.)

Question 2: How can the youth be involved in SMEs in the growth of the economy? (Directed to Kudzai Musangu a final year student.)
Conference Report on The Growth and Development of MSMEs in Zimbabwe

**Question 3:** How do we successfully mainstream this SMEs into the Zimbabwean economy, formally or legally? (Takavada PhD Economics Student)

**Question 4:** How can small miners and artisanal miners contribute to growth through employment revenue? (Wellington Takavarasha ZMF Chief Executive Officer.)

**Question 5:** Taking experience from other countries what can we learn, what steps or support can the Ministry of SMEs bring in the next 5yrs. (Directed to Barnabas Musango — Ministry of Small Medium Enterprises.)

**Possible solutions**

**Question 1 Solutions**

1) greater need for capacity building for Zimbabwe, there is low productivity across all commodities
2. reducing the high transactional cost
3) increase diversification
4) cost of doing business should be lowered
5) improve the quality products, and increase their access to formal markets
6) Access of market information through the use of ICT, this eliminates information asymmetry

**Question 2 Solutions**

— Training by developing a character of any entrepreneurship spirit and culture
— Leadership training
— Changing the mindset

**Question 3 Solutions**

— Rationalize
— Anti-corruption drive
— Low marginal rates and simplified tax regime
— Flexible banking requirements tailor made for SMEs
— Restructure Zimtrade and capacitate the SMEs

**Question 4 Solutions**

— Access to finance
— Policy review since the current does not take into account small miners and the 1963 policy framework is the one being used currently
— Farmer-mining relationship are essential since most farm areas are mining areas so there is need to negotiate
Question 5 Solutions

— Looking at policy regulation (reviewing and amending)
— Discrimination exercise so as to make aware of their importance
— Enhance the training, managerial, technical skills
— Common facilities where SMEs access markets and finance
— Incubation centre with India where 24-hour trade will be offered so there is need to continue and establish more of such centres
— Expansion of exhibition centres such as ZITF and agricultural shows
— Infrastructure provision and improvement
The Way Forward

Dr. P.C.F. Mupambireyi Acting Chair Business Studies Department

1) More interaction with the Ministry of SMEs guided by the 8 areas mentioned in the Minister’s presentation

2) Trying to create incubation centre for these SMEs, some of which came up involuntarily because of circumstances

Vote of Thanks

Dr. A. Mhizha (Deputy Dean Commerce)
Conclusions and Recommendations

The purpose of the research Symposium was to foster a deeper understanding of Small Businesses and their financial needs, through learning from international best practices. The recommendations emanating from the discussion would shape new policies in line with ZIM ASSET and the Ten Point Plan for Economic Growth that would lead to a meaningful turnaround of the economy, including substantial reductions in poverty.

International lessons

Adopting a market economy is pivotal to development, the more inclusive it is the better the outcomes will be. The market economy must have objectives such as job creation and must be facilitated to become dynamic through the elimination of onerous regulations and legislation. In such an environment, no one must be denied financial services including loans.

Contribution of SMEs

The contribution of SMEs to Gross Domestic Product (GDP) can be significantly large thereby warranting the close attention of policy makers in a bid to leverage them to generate rapid economic growth. As a consequence of the significant contribution to GDP, SMEs also play a large role in the share of total employment. It follows therefore, that any serious attempt to create employment without addressing ease of entry and finance of SMEs will result in failure.

Categorisation

SMEs should be classified/organised as follows in order to facilitate the targeting of policies to achieve specific measurable goals: Export oriented; transport and storage; domestic market oriented and cottage enterprises to name a few.

Informal sector

Due to the structure of the local economy, the majority of SMEs are in the informal sector. Typically, the working environment is not conducive and most of the work is conducted under the sun.

Government interventions

Interventions by Kenya government have included: the enhancement of technical skills not only among SMEs but to the extent of introducing entrepreneurial education from primary to tertiary institutions; focus the promotion of gender, youth and vulnerable groups; escalating the mobilisation of resources to create funds for Greenfield ventures, engaging in partnerships with global players such as UNIDO. Moreover, gender, youth and vulnerable group funds are placed with several commercial banks and disbursed at arm’s length.
Agriculture

Land reform was a good initiative which floundered when the beneficiaries faced challenges in managing them. Financing became a formidable challenge due to various issues pertaining to land tenure and human capacity constraints.

However, the fact remains that an export led growth strategy is the appropriate one for Zimbabwe since agriculture is linked to the industrial sector.

Organising the informal sector

In order to give the informal sector direction and impetus, it is imperative that it be organised in some way. This will facilitate identification of businesses about to make the transition to formality. It will also give the informal sector a face and a voice that can speak to the issues keeping them in the shadows. Tax burden is one of those issues as the tax rates are regarded as high and the tax collector- ZIMRA heavy handed. Furthermore, being organised it is possible to impart certain critical life skills to them and may eventually lead to access to finance.

Recommendations

The following recommendations were highlighted.

Development Group

Capacity building needed in order to build human capacity in SMEs. Government to provide incentives to artisanal miners and SMEs in general and maintain an enabling environment. Monitoring and evaluation of policies and their effects to be conducted periodically.

Growth Group

Capacity building an imperative as there is low productivity across all sectors and quality of products low. Moreover, tax rates too high and low marginal rates and a more simplified tax regime necessary to stimulate growth. Flexible banking requirements based on mutual trust and relationship to suit SMEs. Mining policy (1963) should be reviewed to take into account small miners who are a recent phenomenon in Zimbabwe. Access to markets critical for growth.

Areas for Further Research

The eight pillars to guide researchers were enunciated by the Minister of Small to Medium Enterprises and Cooperative Development.
References


Nhavira JDG 2016 Findings of Survey on SME Financing and Barriers to Growth (forthcoming)


### PROGRAMME

**PROGRAMME DIRECTOR: Dr J D NHAVIRA**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:00-08:30</td>
<td>REGISTRATION/TEA/COFFEE</td>
</tr>
<tr>
<td>08:30-08:45</td>
<td><strong>Plenary Sessions</strong>&lt;br&gt;Welcome, Objectives and Introduction: Dr. S. Gumbe Dean Faculty of Commerce</td>
</tr>
<tr>
<td>08:45-08:55</td>
<td><strong>Opening Remarks</strong>&lt;br&gt;Prof. L. Nyagura, Vice-Chancellor University of Zimbabwe</td>
</tr>
<tr>
<td>08:56-09:10</td>
<td><strong>Remarks and Introduction of Guest of Honour</strong>&lt;br&gt;Ms. E. Ndlovu, Permanent Secretary, Ministry of SMECD</td>
</tr>
<tr>
<td>09:10-09:25</td>
<td><strong>Official Opening Key Note Address</strong>&lt;br&gt;Hon. S. Nyoni (MP), Minister of Small Medium Enterprises and Co-operative Development</td>
</tr>
<tr>
<td>09:25-09:35</td>
<td><strong>SMEs Challenges in Africa and Lessons for Zimbabwe</strong>&lt;br&gt;Speaker: Ms. C. Nuamah, Country Manager, The World Bank Group</td>
</tr>
<tr>
<td>09:35-09:45</td>
<td><strong>The Growth and Sustainability of SMEs in Kenya: A Development Agenda</strong>&lt;br&gt;Speaker: Mr. Micheni Muriithi First Secretary, Embassy of the Republic of Kenya</td>
</tr>
<tr>
<td>09:45-10:05</td>
<td><strong>Discussions: Questions and Answers</strong>&lt;br&gt;Chair: Mr Udo Etu Kudo Economic Advisor UNDP</td>
</tr>
<tr>
<td>10:05-10:15</td>
<td><strong>Zimbabwe’s Agriculture Past, Present and Future</strong>&lt;br&gt;Speaker: Prof. M. Rukuni, Agriculture Consultant&lt;br&gt;Discussant: Dr M. Nyandoro</td>
</tr>
<tr>
<td>10:15-10:25</td>
<td><strong>Success (Growth) requires Perseverance</strong>&lt;br&gt;Speaker: Mr Callisto Jokonya, Chief Executive, Imperial Refrigeration&lt;br&gt;Discussant: Mr Matanhire</td>
</tr>
<tr>
<td>10:25-11:00</td>
<td><strong>Discussions: Questions and answers</strong>&lt;br&gt;Chair: Mr Udo Etu Kudo, Economic Advisor UNDP</td>
</tr>
<tr>
<td>11:15-11:30</td>
<td><strong>TEA</strong></td>
</tr>
<tr>
<td>11:30-11:40</td>
<td><strong>Session Chair: Mr Barassou Diawara ACBF</strong></td>
</tr>
<tr>
<td>11:30-11:40</td>
<td><strong>Gender issues related to MSMEs</strong>&lt;br&gt;Speaker: Mrs B. Bango, Executive Director, Empretec.&lt;br&gt;Discussant: Prof. Manyeruke</td>
</tr>
</tbody>
</table>
## Conference Report on The Growth and Development of MSMEs in Zimbabwe

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Speaker/Discussant</th>
</tr>
</thead>
</table>
| 11:40-11:50 | **Unionising the informal sector implications and challenges for MSMES** | Speaker: Mr J. Moyo, Secretary General, ZCTU  
Discussant: Mr F. Gwavuya                                                          |
| 11:50-12:00 | **Market structures as Barriers to MSMES growth**                     | Speaker: Dr S. Sena, UZ Business Studies Dept                                      |
| 1200-12:10  | **The performance of informal sector enterprises: evidence from Zimbabwe’s metal sector** | Speaker: Dr Zhou UZ, Economics Dept.  
Discussant: Dr N. Kaseke                                                             |
| 12:10-12:20 | **MSMES incentive scheme in Zimbabwe: impact and implications**       | Speaker: Mr RMC Hove, President Zimbabwe Chamber of Small Businesses  
Discussant: Prof. G. Dzinomwa                                                      |
| 12:20-13:00 | **Discussions: Questions and Answers**                                | Mr Barassou Diawara, African Capacity Building Foundation (ACBF)                   |
| 13:00-14:00 | **LUNCH**                                                             |                                                                                   |
|             | **BREAKAWAY SESSIONS**                                               |                                                                                   |
| 15:30-16:30 | **Plenary Session**                                                   |                                                                                   |
| 15:30-15:50 | **Presentation by the 2 thematic area Chairs:**                       | Growth: Dr A. Makochekanwa  
Development: Dr D. Chimanikire  
To the Hon. Minister of SMECD                                                           |
| 15:50-16:00 | **The Way Forward**                                                   | PFC Mupambireyi, Acting Chair, Business Studies                                    |
| 16:00-16:20 | **CLOSING CEREMONY**                                                 | Speaker: Hon. S. Nyoni (MP), Minister of Small Medium Enterprises and Co-operative Development |
| 16:20-16:30 | **Vote of Thanks**                                                   | Dr. A. Mhizha, Deputy Dean Commerce                                               |
| 16:30-16:45 | **TEA**                                                              |                                                                                   |