



Midlands State University

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FACULTY OF ARTS

DEPARTMENT OF DEVELOPMENT STUDIES

**THE IMPACT OF THE INDIGENISATION POLICY ON SOCIO-ECONOMIC
DEVELOPMENT: A CASE STUDY OF SHAMVA COMMUNITY SHARE
OWNERSHIP TRUST.**

BY

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Dedication

This work is dedicated to my parents, Mr and Mrs Mangwandi. They are my source of inspiration

Abstract

The research focused on the impacts of indigenisation policy on socio-economic development with interest only on Community Share Ownership Trusts / Schemes and using Shamva Community Share Ownership Trust of Shamva district as the case study. Face to face interviews and questionnaires were the instruments used to extract data from the members of the Board of Trustees who were the key informants as well as residents from ward 21, 22 and 23 (Wadzanai Township) and ward 10 and 11 (Chakonda Growth Point) who are the beneficiaries of the scheme. Secondary sources of data such as books, journals and newspapers were also used to gather relevant information. Shamva Community Share Ownership Trust managed to usher in some developments as witnessed by the drilling of boreholes, construction of mothers' waiting shelters, and rehabilitation of clinics and maintenance of roads among others. However the establishment of the scheme also brought some challenges like rising hostilities between local authorities and qualifying companies and retrenchment of workers to mention a few. The schemes has the potential to transform Shamva district but there is a need to correct some realised mistakes

List of Acronyms

BBBEE.....Broad Based Black Economic Empowerment

CEO.....Chief Executive Officer

CRDC.....Chaminuka Rural District Council

CSOT/S.....Community Share Ownership Trust / Schemes

DA.....District Administrator

DYO.....District Youth Officer

MYDIEE.....Ministry of Youth Development Indigenisation
and Economic Empowerment

MDC.....Movement for Democratic Change

RDC.....Rural District Council

SCSOT.....Shamva Community Share Ownership Schemes

ZANU PF.....Zimbabwe African National Union – Patriotic Front

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1.1 INTRODUCTION

Despite claiming independence for more than two decades many African countries have been systematically alienated from owning their God given natural resources. Control over resources has been still dominated by the investors from the former colonial powers. Thus it is bearable to notice that the richest countries on natural resources deposits in Africa are amongst the poorest countries in the world. Therefore with examples being already set by some developed countries, some African countries adopted the indigenisation programmes in order to transfer the control of resources from foreign investors into the hands of native people. South Africa implemented the Broad Based Black Economic Empowerment which was an affirmative action for blacks to take over the control of resources in the country. Nigeria in 1979 adopted the indigenisation ideal through nationalization of BP-Shell oil fields. In 2008 the government of Zimbabwe introduced the Indigenisation and Economic Empowerment Act with the provisions that non-indigenous investors should give 51% share to the indigenous Zimbabweans and 10% of it should be given to Community Share Ownership Schemes for community development.

1.2 BACKGROUND TO THE STUDY

The ideal of indigenisation stems from the idea of socialism which is set on the belief that the resources should equally benefit the rich as well as the poor. Indigenisation came up as way to redress the gap between the rich and the poor or the capitalist and the peasants. In Africa and other former colonised regions like Asia, indigenisation came as a way of correcting the imbalances of the colonial past. In 1969 the Indian government passed the Acquisition and Transfer of Undertaking Act which enabled the government to take over control of the previously foreign owned banks so as to use the banks on best interest of the native people. Indigenisation has been always linked with transferring resources to the poor. In 1975 in

Canada the Jean Lesage administration ordered the selling of foreign owned Potash industries to the local businessmen.

The need for economic empowerment programmes in African countries emerged from the historical marginalization and exclusion of Africans in the mainstream economy during the colonial era (Hagen, 2002) and (Mlambo, 2006). Thus in Africa the ideal of indigenisation was appreciated as a measure to support the vision of nationalism in pursue of pan-Africanism. In South Africa in 1994 after the end of the apartheid regime in which the blacks and the coloured were systematically discriminated from benefitting from the country's vast resources, the administrations of Nelson Mandela, Thabo Mbeki and Jacob Zuma sought to have a form of affirmative action for the black majority. In 2003 South Africa, implemented the Black Economic Empowerment programme (BEE) to redress the inequalities of the Apartheid era by giving the native citizens economic privileges such as mining rights and support. In Tanzania the government introduced the indigenisation program in the mining sector which saw the birth of schemes like the Mwadini Community Diamond Partnership in which the communities received shares from the diamond extraction. In 1969 during Kenneth Kaunda's presidency, Zambia nationalised all copper mines by grabbing them from foreign investors.

In the Zimbabwean context indigenisation dates back to 1979 on the Lancaster house agreement between the Chimurenga leaders including President Robert Mugabe and the British government. The parties agreed for a peaceful land transfer from whites to blacks through the "willing buyer, willing seller" method. The citizens themselves further supported the need to indigenise the economy with the formation of what are known as the "pressure groups" for empowerment such as the Indigenous Business Development Centre (IBDC) 1990, Affirmative Action Group (AAG) 1994 and the Indigenous Business Women's Organisation (IBWO) 1994. To redress the skewed ownership patterns in the economy where

more than 80% of the private sector was foreign owned, the government established the National Investment Trust (NIT) in 1996 to warehouse shares for indigenous Zimbabweans when parastatals were being privatised (Zhou, 2000). The government also established Small Enterprises Development Corporation (SEDCO), Agriculture Rural Development Authority (ARDA) and Zimbabwe Mining Development Corporation (ZMDC) as stand-alone agencies for the promotion of small and medium scale enterprises.

In a bid to deal with discriminatory policies of the colonial regime such as the Land Apportionment Act and Land Husbandry Act the Mugabe administration encouraged and offered financial support to the native Zimbabweans to buy estates from the whites through the willing buyer willing seller policy. According to (Moyo and Skalness, 1990) half of the prime land was in the hands of 5 700 white minority whilst more than 5 million blacks were confined to Tribal Trust Lands (reserves). When the policy proved to be less effective and slow the Mugabe administration introduced the fast track land reform program in 2000. The country witnessed large scale invasion of white owned farms by war veterans joined by the masses (Chaumba et al, 2003). By 2002 about 4.37 million hectares was redistributed to 114,830 households (UNDP, 2002). The total beneficiaries as at July 2013 were 276,620 indigenous households on 12.12 million hectares representing 31% of prime agricultural land, previously controlled by some 3,500 white farmers (Zanu PF Manifesto, 2013).

Therefore in Zimbabwe the indigenisation came after the realisation that the country's vast resources are siphoned out to develop other countries whilst the communities in which the resources are being extracted are remaining undeveloped. The government also realised that the communities in which operations like mining are taking place suffer problems like pollution and spreading of diseases due to chemical used in operations. Thus the communities should have a form of compensation. To this effect the parliament proposed an indigenisation bill in September 2007 and it was passed into law by the President Robert Mugabe on 9th of

March 2008 under the name “Indigenisation and Economic Empowerment Act”. In 2009 the government formed the Ministry of Youth Development, Indigenisation and Economic Empowerment to implement the Act. The ministry was headed by Saviour Kasukuwere from 2009 to 2013, Francis Nhema 2013 to 2015 and is currently under Minister Chris Mushohwe

1.2.1 Indigenisation Policy

The Ministry of Youth Development, Indigenisation and Economic Empowerment defines indigenisation as a deliberate involvement of indigenous Zimbabweans in the economic activities of the country to which prior to 18 April 1980 (national Independence Day), they had no access, so as to ensure equitable ownership of the nation’s resource. According to Indigenisation and Empowerment Act an “indigenous person” is any Zimbabwean who before the 18th of April 1980 was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person. The main concept of the policy is that companies owned by non-indigenous investors that are involved in any business in the country’s 14 different economic sectors should allocate 51% share to the indigenous Zimbabweans. These firms are referred as the qualifying companies. It is that the from 100% clear profit the firm obtain in a year, 51% of it goes to the indigenous Zimbabweans and the investor take the remaining 49%. The 51% share to the indigenous Zimbabweans will then be divided between four programmes which are the National Indigenisation and Economic Empowerment Fund, Community Share Ownership Trust, Employees Share Ownership Trust and Management Share Ownership Trust.

I. National Indigenisation and Economic Empowerment Fund (NIEEF)

The National Indigenisation and Economic Empowerment Fund (NIEEF) is a national scheme established under section 12 of the Indigenisation and Economic Empowerment Act (2008). The scheme took 35% of the 51% shares. Funds accumulated from the shares are

used for national development projects and programs, especially in resource poor areas (Dube, 2013). The main aim of the NIEEF is to establish and support income generating projects across the country among the indigenous Zimbabweans especially the youths. As according to the Indigenisation and Economic Empowerment Act (2008), other objectives of the (NIEEF) are

- To provide financial assistance to indigenous Zimbabweans for the financing of share acquisitions and the warehousing of shares under employee share ownership schemes or trusts and management buy-ins and buy-outs,
- To provide finance for business start-ups, rehabilitation and expansion
- To finance market research in connection with the objectives of the Act
- To finance capacity-building projects on behalf of indigenous Zimbabweans

To this affect the MYDIEE through the Indigenisation and Economic Empowerment Act (2008) section 7 formed the National Indigenisation and Economic Empowerment Board (NIEEB). The Board is responsible for administering the NIEEF funds and implement planned projects national wide.

II. Community Share Ownership Trusts (CSOT)

The Community Share Ownership Trust programme was added into the indigenisation policy in 2010 through of the Indigenisation and Economic Empowerment Act (2010) section 14(b). The CSOT take 10% share from the 51% and use the money for development programs and projects in the community in which the firm is located. The CSOT consist of the governing Board called the Board of Trustees. It consist 5 to 11 members depending on the size of the defined community in relation to the business concerned. The Board is responsible for collecting the funds from the qualifying companies and implement the proposed projects for the community. Before giving shares the CSOT, the firms firstly gave financial donations

known as seed capital which was used to enable the establishment of Schemes and to begin operations. The indigenisation and Economic Empowerment Act (2010) section 14(b) alludes that funds accrued by the scheme should be used in one all of the following:

- Construction and maintenance of schools and other educational institutions.
- Construction and maintenance social services facilities like hospitals and clinics.
- Construction and maintenance of dipping tanks
- Maintenance of roads and construction of bridges.
- Construction of boreholes and other water sanitation works.

III. Employee/ Workers share ownership Trusts (WSOT)

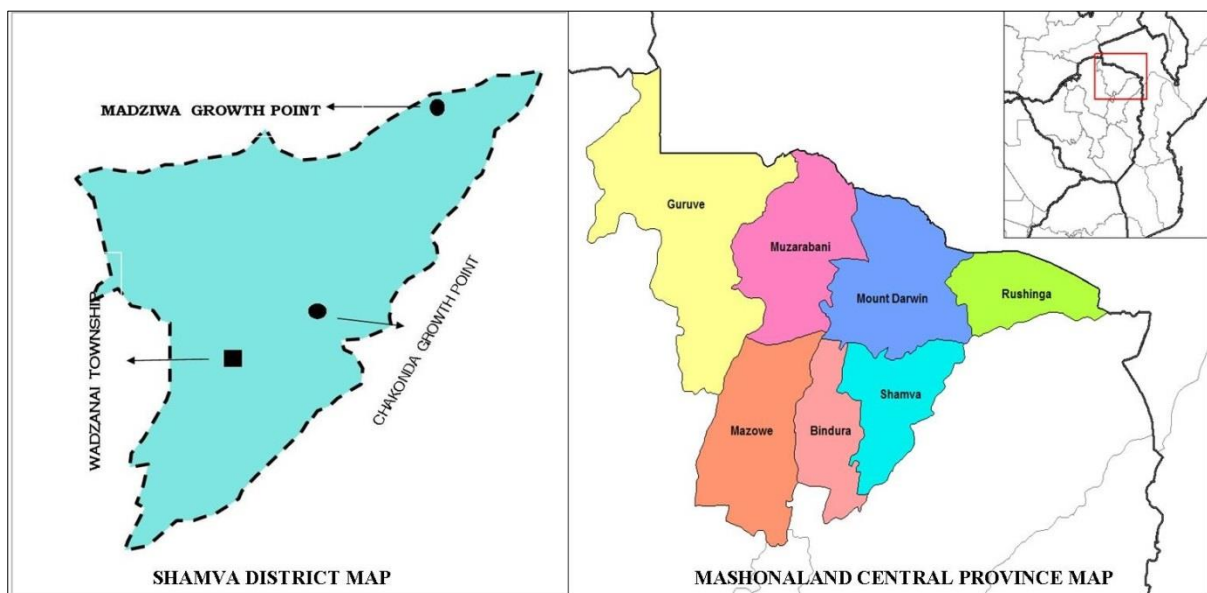
The Employee Share Ownership Trusts were also introduced into the indigenisation policy along with the CSOT in 2010 through section 14 of the Indigenisation and Economic Empowerment Act (2010). WSOT take 5% to a maximum of 28% share of the 51% indigenisation requirement. The main objective of the WSOT is to create an extra income of periodic dividends on top up of their salaries (Dube, 2013). Also it is made for employees to receive a lump sum upon disposal of their shareholding when they retire from a qualifying company.

IV. Management Share Ownership Trust (MSOT)

The Management Share Ownership Trust was also introduced in 2010 through the Indigenisation and Economic Empowerment Act (2010) section 14(a). It states that the managerial employees of the qualifying company acquire not more than 5% of the 51% share. The funds will be used as dividends among the managerial employees.

1.2.2 Background of Study Area

Shamva is a district of 29 wards in the Mashonaland Central province. It is located in the Mazowe valley which is about 89 kilometres north-east of Harare. The district had its boundaries on the east side with Uzumba-Maramba-Pfungwe (UMP) of Mashonaland East, on the west side there is Bindura of Mashonaland Central, on the Southern side there is Murehwa of Mashonaland East and on northern side there is Mount Darwin of Mashonaland Central. The district is administered by Chaminuka Rural District Council (CRDC) which has its main administrative offices in Wadzanai Town Ship and other remote office in Chakonda and Madziwa Growth points.



Source: Parliamentary Survey 2010

Mining and agriculture are the two major economic activities carried out in the district. According to (ZimStat, 2012) 68% of the economically active people in the district are either in one or both these two sectors. The district has fertile land and good rainfall pattern as it is in the climatic region 2. Most of the commercial farms which were previously owned by white farmers have been divided into A1 and A2 farms which are owned native resettled farmers. The most grown crops are tobacco and maize.

In the mining sector, gold is the most common mineral found in the district as Shamva Gold Mine, one of the most producing gold mines in the country is located just 5km from the district's capital, Wadzanai Town Ship. Other vast gold reserves are found across the district and are extracted by registered small scale miners and casual miners as well as the illegal gold panners. A total of 240 small scale gold mines are registered in the district and more than this number are operating without licences (Ministry of Mines, 2014). Due to existence of many small scale mines there are some gold milling companies which work in crushing and processing gold ores for small miners.

1.2.3 Summary of Background

This research is focused on Community Share Ownership Trust (CSOT) which is a programme under the indigenisation policy. The programme's scheme which operates in Shamva District is called Shamva Community Share Ownership Trust and it covers the 29 wards of the Shamva district only.

1.2 STATEMENT OF THE PROBLEM

The Community Share Ownership Trust programme under the Indigenisation policy has been regarded as a measure meant to bring up socio-economic transformation to rural areas that have the resources that are being extracted. The programme had been meant to bring in development through infrastructural development projects and programs that generate income. However despite that the policy has been implemented four years ago, no real transformation has been noticed on the grounds of socio-economic development in Zimbabwe especially in rural areas. Therefore this research seeks to unveil if the Community Share Ownership Trust has attained its aims. Thus this research has been motivated by the need to understand the contributions of the CSOT to socio-economic development using Shamva District as a case study.

1.4 THEORETICAL FRAMEWORK

The Community Share Ownership Trust programme is based on the sustainable livelihoods approach of development. The approach was founded by Robert Chambers. It is based on the thinking that development should be conducted in a bottom to top approach that is development should start from the grass roots or the individuals to the community level and then to the national level. This idea has been the centre of the Community Share Ownership Trust programme. One of the major objectives of the programme is to ensure the provision of facilities and services that will enable indigenous people to sustainably develop their lives. The programme is people centred. It aims at alleviating poverty among the locals especially rural citizens through community based income generating projects, provision of infrastructure that enables acceleration of economic activities and improvement of services like education that will help the individuals to empower themselves.

The sustainable livelihoods approach encompasses that participation must be the driving force to sustainable development. People should be the key actors in identifying and addressing livelihood priorities (FAO, 1992). In the Community Share Ownership Trust, participation plays a pivotal role in planning as well as implementing the projects. The indigenous people who are the beneficiaries are responsible for proposing the projects and in the cases of income generating projects, they are also responsible for implementing and operating the projects. They have the mandate to ensure development of the communities they live in.

The sustainable livelihoods approach issues four key components of sustainable development which are economic, institutional, social and environmental development. On this, the Community Share Ownership Trust programme focuses mainly on two dimensions as the other two are also addressed in other programmes of the indigenisation policy. From the four

components, the program focuses mainly on economic and social development through the establishment income generating projects, construction of schools, hospitals and roads and improvement health and educational services. In 2014, Francis Nhema, the then minister of MYDIEE outlined that Community Share Ownership Schemes were being expected to mainly venture into incoming generating projects using the seed capital so as to make the communities self-reliant in case of the collapse of the qualifying companies (Musarurwa, 2014). Therefore the Community Share Ownership Trust programme can be best understood through the sustainable livelihood approach.

1.5 CONCEPTUAL FRAMEWORK

Most of the indigenisation programmes that have been carried out across the globe were generally characterised by the acquisition of resources by the native people from the hands of foreign investors and acquisition of certain shares from the production proceeds by the government as well as the native majority. Therefore in the world context in this research the term “indigenisation” has been basically used referring to a process whereby a government passes economic affirmation action policies in the favour of the native people and at the expense of the foreigners, so that the country’s resources will mainly benefit the native people than the foreigners. In the Zimbabwean context, the Indigenisation and Economic Empowerment Act (2007) defines Indigenisation as a deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, so as to ensure the equitable ownership of the nation’s resources. Other terms like africanisation and Americanisation have been used in some studies referring to indigenisation in Africa and America.

In order to fully understand the concept of indigenisation there is a need to understand the phrase “indigenous person” as the word “indigenisation” stems from the word “indigenous”.

The Indigenisation and Economic Empowerment Act (2007) defines an “indigenous person” it as any person who, before the 18th of April, 1980, was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person, and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority. Thus non-indigenous people mean people who were not discriminated along with the blacks during the colonial regime and these include the former settlers and their descendants and all foreign investors. In this research the phrase “indigenous person” shall be used referring to the black and native Zimbabweans who reside in Zimbabwe.

The Indigenisation and Economic Empowerment Act also defines community as the residents of the Rural District Council whose natural resources are being exploited by a qualifying businesses and any other persons who are affected by the exploitation of the natural resources in or adjacent to their place of residence. In this research the term community shall refer to an area which is covered by a single Community Share Ownership Scheme. In most cases the area consist one district exception of Mhondoro-Ngezi Community Share Ownership Scheme which covers three different districts.

Socio-economic development refers to two inter-related but different facets thus social development and economic development. Social development is about improving public property and services so as to help the individuals in a society to realize and reach their full potential on their well-being (Brunswick, 2009). It involves improving infrastructure relevant to public good such as schools, hospitals, dams and roads among others. Economic development involves the provision of facilities and services that enables individuals to venture in the economic activities such as trade so as to ensure sustainable development.

1.6 RESEARCH OBJECTIVES

The main objective of the research is to assess the impact of the SCSOT on socio-economic development of Shamva District. The objective will be achieved by also focusing on the following objectives:

- To understand how the programme is being implemented by the Shamva Community Share Ownership Scheme.
- To identify the achievements of the programme thus the socio-economic developments brought in the District.
- To identify the failures well as the challenges being faced by the programme.

1.7 RESEARCH QUESTIONS

The research questions which will help to achieve the purpose of the study are:

1. How does the SCSOT operates?
2. What are the noticeable developments the SCSOT has brought in Shamva District since its establishment?
3. What are failures or the negative impact of the SCSOT?
4. What are the challenges being faced by the scheme in implementing the programme?

1.8 SIGNIFICANCE OF THE STUDY

The research was stimulated by the desire to understand the contributions of the CSOSs on social as well as economic development of Zimbabwe. Therefore this research will help the policy makers to understand the impacts posed by CSOT programme on the development processes. Thus it will be useful in revising and amending the Indigenisation and Economic Empowerment Act in order to make it more effective. The research will be also useful to the

implementing agents such as the Board of Trustees and MYDIEE officials by helping them to realise areas that need to be corrected on implementing the programme. The research will also help students to have practical information about the CSOT programme which will also be useful in coming up with theories and strategies to develop Zimbabwe.

1.9 LITERATURE REVIEW

The indigenisation programs seemed to gain much popularity and attention in Zimbabwe in recent years however the phenomenon of indigenisation has been common long time ago in various countries across the globe. Various case studies across the globe have been used by different scholars in trying to bring out the position of indigenisation on development. In some countries indigenisation programmes were carried out under the name “nationalisation”. However indigenisation and nationalisation are similar in that they both involve the transfer of resource control from foreigners to the local public as well as the government. The 20th and early 21st century has witnessed indigenisation programs being implemented in countries like Argentina, Australia, Canada, Egypt, France, India, Zambia, South Africa and Nigeria among others. However the programmes worked in other countries whilst in other they failed.

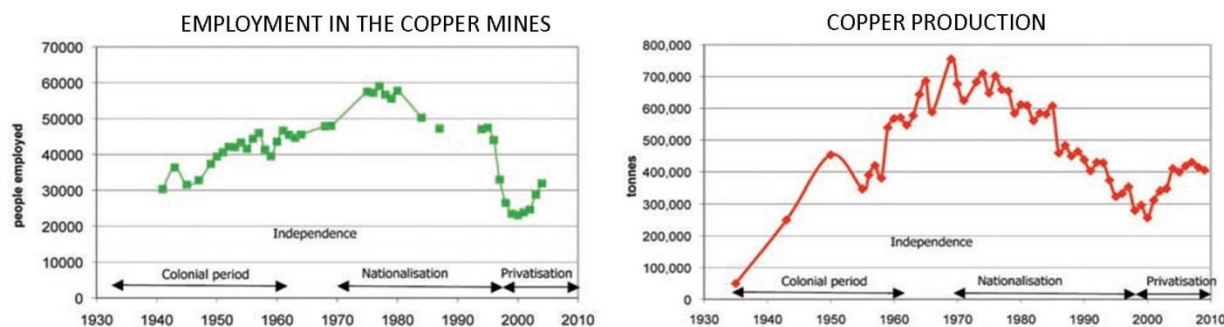
1.9.1 India

In 1969 in India the then prime minister Indira Gandhi passed the Acquisition and Transfer of Undertaking Act. The Act was meant to nationalise the banks from foreign investors into the hands of the state. The British investors by dominated the Indian banking sector as they owned 80% of the banks in the country and serve 85% of the local bankers (Muraleedharan, 2009). In August 1969, 14 foreign banks and 6 other commercial banks in 1980 were nationalised. The state justified the transfer by issuing that it wanted to control the credit delivery especially to the native people. The banking sector during privatisation era thus prior

1969 was friendly to investors, however it lacked the capacity to serve the native poor who were the majority and mainly involved in the small scale agricultural activities. After nationalisation, the Indian banking sector managed to maintain the 4% growth rate per year (Muraleedharan, 2009). Banks were also introduced in rural area and villages which earlier deprived of banking access.

1.9.2 Zambia

In 1969 under the presidency of Kenneth Kaunda, the Zambian Government nationalised Zambia's two main copper producing companies: Roan Selection Trust and Rhodesian Anglo American Corporation. The companies were changed names as the former became Roan Consolidated Mines Ltd and the latter became Nchanga Consolidated Copper Mines Ltd. The State acquired a 51 per cent stake from the companies' productions. However the move had more results to regret. By the mid-1970s, the mines were experiencing poor profitability mainly due to poor management. Kwanga (2001) argues that it was due to the payment of substantial development dividends to the state that reduced the copper mines' ability to re-invest in the infrastructure required to maintain efficient mining thus leading to decline of profits. By 1984 many mining units were being closed. In 1986, Zambia's entire economy was experiencing a great depression with unemployment and foreign debt sharply increasing (Limptlaw, 2011). Inflation also sharply increased and Zambia's external debt ballooned to US\$5.8 billion in 1987 from US\$2.6 billion in 1980 (US Bureau of Mines, 1991). The graph below show how nationalisation impacted on Copper production and employment.



Source: Limptlaw (2011)

Scholars like Limptlaw (2011) and Macfarlane (2004) believe that indigenisation is an improper approach to development and they base this argument on the Zambian example. Contribution of mining to the country's GDP fell from 32.9 per cent in 1973 to about 7.7 per cent in 2003 (Limptlaw, 2011). Lessons from Zambia, shows that indigenisation can be risky because if it fails it can ruin the whole economy.

1.9.3 Nigeria

In 1970 the Nigerian government started the nationalisation of the foreign owned firms. In 1979 the state nationalised British Petroleum (BP) making the state owned oil company: Nigerian National Petroleum Company (NNPC) a partner in the production of Nigeria's largest oil fields. The state claimed 80% share from the productions. Some selected operations like marketing of oil were declared 100% take over by NNPC. Local oil markets like fuel retail stations were sold to Nigerian businessmen. Unlike in Zambia, in Nigeria indigenisation had more benefits to consider. Various scholars like (Unoka, 1991) agree that the programme was successful to a greater extent. Oil extraction increased from 395,835,689 barrels in 1970 to 842,474,109 barrels in 1979 (Genova, 2007). During the 1970s Nigeria became Africa's largest oil-producing country.

According to Wunder (2003) Nigeria decreased its reliance on British consumers and increased its trade with the US and West Africa by 9.85% and 0.5% respectively. Genova (2007) outlines that the wave of nationalization did in fact, give the federal government more control over its trade and influence in the international arena. As a result, Nigeria was able to diversify its trading partners and invite foreign investors from all over the world. Gelb (1988) also argues that Nigeria's move on nationalising oil companies proved highly successful not only by distracting Nigerians from their own economic problems, but also became a major rallying point within the country. Oil became to be appreciated as wealth by the Nigerians

1.9.4. South Africa

In 2003 South Africa embarked on indigenisation through the passing of the Broad Based Black Economic Empowerment Act which introduced the Black Economic Empowerment programme (BEE). The programme was introduced with the vision to “work towards ensuring, through equity and empowerment policies and strategic interventions, that the South African economy is restructured, to enable the meaningful participation of black people, women and rural or under-developed communities in the mainstream economy, in a manner that has a positive impact on employment, income redistribution, and structural re-adjustment and economic growth” (Krüger, 2011).

The programme has also suffered some criticism from different scholars. Kovacevic (2007) believes that the program achieved little in eradicating poverty, increasing employment or fostering economic growth. Mbeki (2011) outlined that it strikes the fatal blow against the emergence of black entrepreneurship by creating a small class of unproductive but wealthy black crony capitalists. Thus the BEE programme failed to reach the targeted people which are the poor South Africans but instead it has been used by the elites to pursue their own

economic interests. Also women were ignored in the programme and in the cases they were involved they did not benefit as much as men (Nkhonjera, 2011).

Studies by various scholars generally agree that indigenisation programmes stimulated disputes and hatred among different social classes. Matunhu (2012) outlined that the programme presents itself as a source of conflict between the capitalist and the poor whom are the majority. In the Zimbabwean context scholars who had researched on the CSOT programme believe that the programme has not yet yielded expected results. The research by Matsa and Masimbit (2014) found that the Tongogara Community Share Ownership Trust (TCSOT) of Shurungwi have been successful in bringing in socio-economic development in the district. In a space of 3 years the Trust has managed to construct schools, drilling boreholes, upgrading and renovating hospital and establishing income generating project.

1.10 RESEARCH METHODOLOGY

Research methodology is a way used by researchers to extract meaning from data (Muswazi and Kanhukamwe, 2003). Bell (1993) outlines that, research methodology suggests the best way of acquiring, analysing and presenting data. Thus in simpler terms research methodology can be referred as an insight into the data collection methods and data collection procedures noting the aspects of collecting data, analysing and presenting it. On this, research methodology will present procedures used in the research in terms of research design, research instruments, population, sampling methods and data collection procedures.

1.10.1 Research Design

Research design is a detailed blue print used to guide the implementation of a research study (Peterson, 2002). It generally shows how the investigation will be carried out. The researcher used the exploratory research design. According to Burns (1998) exploratory research design

is unstructured and informal research undertaken to gain background information about the general nature of the research problem. Exploratory research design has been more favorable on this research in that it allows unstructured and indirect forms of questioning that encourage respondents to release their underlying motivations, beliefs, attitudes and feelings regarding the issues of concern (Stanton, 2010).

1.10.2 Research Method

The researcher used qualitative research method. According to Burns and Grove (2003) qualitative approach is a systematic subjective approach used to describe life experiences and situations to give them meaning. Holloway and Wheeler (2002) also outlines that it is a form of social enquiry that focuses on the way people interpret and make sense of their experience and the world in which they live. The qualitative approach proved to suit and to be more effective on this research as it allows detailed descriptions and provides explanations of processes occurring in a defined context (Miles and Huberman, 1994). It also gives opportunity to observe record and interpret non-verbal communications such as body language and voice intonations. Basically it gives the researcher the room to understand depth of data of the respondents and allows respondents to discuss beyond asked questions thus it helps to gather broader data.

1.10.3 Target Population

Tuckman (1994) defines population as a group of people about which the researcher is interested in gaining information and drawing a conclusion from. In this research the targeted population was made up a total of twenty four respondents. The population comprised the members of SCSOT Board of Trustees (4) and community residents (20).

1.10.4 Sampling Techniques

A sample is a small carefully chosen group of people nominated by the researcher that can represent the expected results for the whole population (Richmond, 1990). The researcher used purposive sampling technique. Purposive sampling involves selecting respondents on the basis of their characteristics, positions and in some cases their location. The method was used to select key informants who were members of SCSOT Board of Trustees and Councilors. The researcher actively selected these respondents on the basis that they are the ones who have detailed information about the SCSOT. Thus they were specifically nominated to participate in the research to enable the researcher to get adequate data about the scheme.

The researcher further used purposive sampling to select the respondents from the community residents. On this the respondents were selected by virtue of their geographical location. A total number of 20 respondents were selected from ward 10, 11, 21, 22 and 23. Four respondents were selected from each ward of which two of them were men and the other two were women. The researcher preferred using purposive sampling because it is less time consuming and it is also cheaper.

1.10.5 Data Collection Instruments

The researcher used face to face interviews and questionnaires to gather data.

Face to Face Interviews

Face to face interviews were used to gather data from the people who were selected through purposive sampling thus the members of SCSOT Board of Trustees, Councilors, the Engineer and Housing and Community Services Manager. These respondents were key informants

with on the research thus it was wise to interviews on them in order to obtain more accurate broader data. The interviews used unstructured questions.

Questionnaires

According to Tuckman (1997) a questionnaire is a document containing questions designed to seek data that is appropriate for analysis. The tool is different from interview in that the respondents read for themselves asked questions and answer them, there is the absents of the conversation between researcher and respondents pertaining questions and answers of the study. Questionnaires were used to gather information from the residents. The questionnaires used structured questions. Structured questionnaires do not necessarily need in-depth knowledge to answer thereby it was good to use them to the residents as most of them only have layman's understanding about the scheme.

Observations

Observation can be defined as a way of gathering data by watching behaviour, events, or noting physical characteristics in their natural setting. Observation allows the researcher to look directly on the discussed issues rather using imaginations. In the research observations were used by the researcher to notice some of the physical developments brought by the SCSOT in the district. The researcher preferred to use observation because they enable capturing accurate and reliable data.

1.10.6 Secondary Data

Secondary data refers to data that have been already researched by other scholars. The researcher used secondary data from different sources which include text books, online documents, journals and newspapers. Secondary data is advantageous to use because it is cheap and can be easily accessed.

1.11 LIMITATIONS OF THE STUDY

The major problem that the researcher would face is failure to have adequate data. There is a possibility that some respondents especially from the sector ministries and local authorities will not disclose the accurate data as the subject of CSOT is believed to have elements of corruption and politics. To solve this, the researcher will try to convince the participants that data they give will be for academic use only and it will be kept confidential.

1.12 ETHICAL CONSIDERATIONS

Crow et al (2006) commented on the ethical considerations outlining that participants should be provided with sufficient and accessible information about the research so that they can make an informed decision as to whether to be involved or not. The researcher will firstly seek the permission from the local authorities of Shamva district the District Administrator's office and Council to carry out the research in the district. The researcher will strive to preserve the confidentiality of information from the respondents. The participants will be assured confidentiality of the information they give and no personal information will be required from them.

CHAPTER 1

AN OVERVIEW OF COMMUNITY SHARE OWNERSHIP TRUST IN ZIMBABWE

2.1 WHAT IS COMMUNITY SHARE OWNERSHIP TRUST?

CSOT are community based schemes established under section 14(b) of the Indigenisation and Economic Empowerment Act 21/2010 (2010). The schemes are based on that, all firms owned by non-indigenous Zimbabweans that are involved in the extraction and exploitation of the country's resources should allocate 10% share to the communities which they operate in as part of 51% indigenisation policy requirement. Therefore in other words CSOT are schemes which receive 10% share from local qualifying companies on behalf of the community and use the money in programmes and projects that lead to community development.

Community, as alluded before refers to the residents of the Rural District Council established in terms of the Rural District Councils Act [*Chapter 29:13*] whose natural resources are being exploited by a qualifying businesses and any other persons who are affected by the exploitation of the natural resources in or adjacent to their place of residence. According to the Indigenisation and Economic Empowerment Act 14/2007 (2008), "natural resources" include

- The air, soil, waters and minerals of Zimbabwe;
- The mammal, bird, fish and other animal life of Zimbabwe;
- The trees, grasses and other vegetation of Zimbabwe;
- The springs, sponges, reed-beds, marshes, swamps and public streams of Zimbabwe;

- Any landscape, scenery or site having aesthetic appeal or scenic value or of historic or archaeological interest.

According to Dube (2013) the main objectives of the Community Share Ownership Trusts are to:

- Enable communities to benefit from their God given resources,
- Involve rural communities in the mainstream economy – the national economy,
- Reinforce the role of communities in economic development by enabling them to make decisions on their development priorities,
- Enable rural communities to hold equity in qualifying businesses or companies

The CSOT scheme comprises the Board of Trustees which is a committee made up of district's local authority personnel and it is the one which is responsible for running the operations of the scheme. The Ministry of Youth Development, Indenisation and Economic Empowerment (MYDIEE) published that the committee should have between 5 to 11 members depending on the size of the defined community in relation to the business concerned. Also under the ministerial directive, within the schemes local chiefs obtain the position of being the chairperson whilst the chairperson of the local council acts as the vice-chairperson and the Chief Executive Officer (CEO) of the local council as the secretary. Other members like the District Administrator (DA), District Youth Officers (DYO) and representatives of other social groups like women and war veterans are included in the Board as committee members.

2.2 COMMUNITY SHARE OWNERSHIP TRUSTS IN ZIMBABWE.

In 2010 the government added the Community Share Ownership Trust into the Indigenisation and Economic Empowerment Act through the statutory instrument 21/2010 section 14(b). After publishing the general notice 114/2011 stating that the qualified companies should establish CSOT schemes in the areas they are located, in February 2011 the MYDIEE started making some follow up in across the country establishing CSOT schemes. Mhondoro-Ngezi, Tongogara and Zimunya-Marange CSOT were the first schemes to be launched and they were officially opened by His excellence president Robert Mugabe and the then minister for MYDIEE Saviour Kasukuwere. By February 2013, 61 CSOT schemes were launched across the country and a total amount of US\$2 billion was pledged by qualifying companies as seed capital towards the establishment of the schemes and by July 2013, US\$23.5 million was already paid up (Zanu PF Manifesto, 2013).

2.3 SECTORS PARTICIPATING IN THE COMMUNITY SHARE OWNERSHIP TRUST

The Indigenisation and Economic Empowerment Act (2008) section 6 indicate that firms that owned by non-indigenous Zimbabweans should cede 51% share of the annual profits to the indigenous Zimbabweans. The term non-indigenous mean people who prior 18 April 1980 were not discriminated by the colonial regime. These people include not only the white settlers but also all foreign investors regardless of their race or the type of business they are engaged in. Therefore CSOT programme involves all 14 sectors of the country's economy. These sectors are:

2.3.1 Agricultural Sector

In the Agriculture sector only firms with net asset value of US\$100 000 and above are required to comply with indigenisation policy and partner with CSOT. In the whole country, only two foreign companies met the minimum net asset requirement and they are still being expected to comply with the indigenisation policy.

2.3.2 Mining Sector

In the mining sector the MYDIEE issued a general notice 114/2011 stating that all firms within the mining sector owned by non-indigenous Zimbabweans were expected to comply with the indigenisation policy. According to Dube (2013), 398 mining companies across the country qualified to partner with the indigenous Zimbabweans and participate in the CSOT programme. The value of minerals in the country is worth US\$6,367,598,696, thus the indigenous Zimbabweans should get US\$ 3,247,475,335 as 51% share (ZANU PF Manifesto, 2013).

2.3.3 Manufacturing Sector

In October 2011 the MYDIEE issued general notice 459/2011 stating that all firms in the manufacturing sector with net asset value of or above US\$100 000 should comply with the indigenisation policy. According to Dube (2013) national wide 374 companies met the minimum net asset requirement and they are being targeted to comply with the indigenisation policy and partner with CSOT schemes.

2.3.4 Finance Sector

The finance sector comprises all financial institutions including banks. In this sector, minimum asset value has been prescribed by the Reserve Bank of Zimbabwe depending on the size and activities of the firm. A total of 11 firms have been targeted to comply with the

policy. In August 2014 the then minister of MYDIEE, Francis Nhema outlined that only one bank had not yet complied with the indigenisation policy (Maodza, 2014).

2.3.5 Construction Sector

The construction sector mainly comprises firms like the building contractors. In this sector all firms owned by non-indigenous investor were ordered to comply with the indigenisation policy. According to Dube (2013), 28 companies in the sector have been targeted to comply with the policy.

2.3.7 Energy Sector

In the energy sector, the MYDIEE issued the general notice 280/2012 stating that firms with net asset value of US\$100 000 should comply with the indigenisation policy. National wide a total of 9 firms owned by non-indigenous investors qualified to partner with the indigenous Zimbabweans (Dube, 2013).

2.3.8 Services Sector

The services sector comprises the firms engaged businesses like healthcare, security services, maintenance services, catering services, freight and logistics and franchising. MYDIEE published that firms with a minimum net asset value of US\$30 000 should comply with the indigenisation policy and 20 foreign firms have qualified to comply.

2.3.9 Engineering Sector

In the Engineering sector the minimum net asset value issued by the MYDIEE was US\$1, meaning that all firms owned by non-indigenous Zimbabweans should allocate their 51% share to the indigenous Zimbabweans

2.3.10 Tourism Sector

In the tourism sector the MYDIEE issued the general notice 280/2012 stating that five star hotels with or above net asset value US\$10 million whilst 4 and 3 star hotels with or above net asset value of US\$7.5million and 2 and 1 star hotels with or above net asset value of 5 million should also comply with indigenous policy. According to Dube (2013), 244 companies are still being expected to comply with the indigenisation policy.

2.4 ESTABLISHED COMMUNITY SHARE OWNERSHIP SCHEMES IN ZIMBABWE

All CSOT schemes that have been established are 61 and they have been established within 59 districts of the country. Most of the schemes cover one district. However there are some which cover more than one district, for instance Mhondoro-Ngezi CSOT scheme covers Zvimba, Chegutu and Mhondoro Ngezi districts. Many times the media reported that some schemes are struggling to survive whilst some do not actually exist. Matenga (2015) outlined that only 15 of 61 schemes are functioning and the rest are bankrupt as they lack seed capital to kick-start the operations. However there are some schemes that have proven to be fruitful and have been exemplary by achieving some of the targeted objectives of the programme. These include:

2.4.1 Bindura Community Share Ownership Trust (BSCOT)

The BCSOT was launched on the 10th of November 2012 together with other schemes in six districts of the Mashonaland Central Province namely Shamva, Mt Darwin, Rushinga, Mazowe, Guruve and Mbire. Freda Rebecca Gold Mine (FRGM) as the qualifying business partner pledged US\$10 million as seed capital with a disbursement of US\$1 million per annum for a period of ten years (BCSOT Parliamentary Thematic Committee Report, 2014). In 2013 the scheme received US\$1 million from the FRGM and managed to drill boreholes,

renovate and construct new clinics, schools and roads. Through the construction projects, the scheme managed to promote employment to the local people as in 2013 alone 87 males and 16 females were employed in the projects (Kurebwa, 2014).

2.4.2 Tongogara Community Share Ownership Trust (TCSOT)

Having been the 3rd to be launched in the country, the TCSOT is one of the schemes that have shown the fruitful side of the CSOT programme. The scheme operates in Shurugwi District and has Unki Platinum Mine as the qualifying company. Upon the launch of the scheme, Unki Mine pledged US\$10 million to the scheme and paid the amount in full in 2012. By the end of 2014 the scheme had withdrawn US\$1,772,398.00 from the account (Charasika 2014). The scheme bought a motor grader, truck with a mounted drilling rig (used to drill boreholes), a lorry and a car for follow ups. The scheme also constructed a mortuary, pre-natal waiting shelter, Musasa primary school, one house for teachers, rehabilitate Chirume dam, renovate water reticulation system at Svika clinic and establish a nutritional garden in ward 10 (Matsa and Masimbiti 2014). With the example of TCSOT different scholars have supported the ideal of CSOT for socio-economic development but the programme only needs the commitment of the qualifying business partners like Unki mine for positive results.

2.4.3 Mhondoro-Ngezi Community Share Ownership Trust (MNCSOT)

The MNCSOT was the first scheme to be launched. The scheme has ZIMPLATS mine as the qualifying business partner and unlike other schemes the MNCSOT covers three district namely Zvimba, Chegutu and Mhondoro Ngezi district. Zimplats pledged US\$10 million upon the launch and by end of 2013, the firm had managed to transfer US\$4,966,000 (Charasika 2014). Using the funds the MNCSOT implemented socio-economic development

projects which include construction and maintenance of hospitals, clinics, schools, dip tanks, roads and rehabilitation of water and sewer reticulation systems.

Summary on CSOSs in Zimbabwe

Some CSOS proved to be progressive and successful in transforming the communities which they operate in. Maodza (2012) emphasized that the establishment of CSOTs had helped to regulate the selfish exploitation of the country's resources by multi-national companies and other foreign owned businesses at the expense indigenous Zimbabweans.

The African Charter on Human and People's Rights [article 22] section (1) states that "freely all peoples shall dispose of their wealth and natural resources. This right shall be exercised in the exclusive interests of the people. In no case shall a people be deprived of it". Zimbabwe became a signatory to the Arusha Declaration of 1967 which outlined that African countries should help the native people to benefit from their surrounding resources. The Constitution of Zimbabwe [chapter 4] section (14) also states that "The State and all institutions and agencies of government at every level must endeavour to facilitate and take measures to empower, through appropriate, transparent, fair and just affirmative action, all marginalized persons, groups and communities in Zimbabwe". Section (20) further outlines that "The State and all institutions and agencies of government at every level must take reasonable measures including affirmative action programmes to ensure that the youth, i.e. between the ages of 15 and 35 years, are afforded opportunities for employment and other avenues to economic empowerment". Therefore the establishment of CSOT scheme has been in line with the legal provisions at the continental level as well as the national level. The move seems to have been triggered by economic hardships and guided by patriotism and africanisation.

However CSOT programme has been criticised by some scholars especially on the system the programme is implemented. Mate (2002) outlines that direct community participation in the management and use of mineral wealth and other lucrative resources in the country could result in too much interference of the local people in the management of private businesses and lead to the increase of pressure on central government for better management and transparency on the available resources. Local people would start to recognise the value of the resources and develop deep sense of ownership resulting in them demanding full control of the resources. This has occurred in Nigeria were after the indigenisation of the all oil fields in 1979, militia groups including the Bok Haram have risen demanding for full control of some oil fields.

The CSOT schemes have been criticised for being corrupt. Members of the Board of Trustees in some schemes have been accused of misusing the funds from qualifying companies. In Zvishavane CSOT, chiefs were reported to have paid themselves US\$5 000 each as sitting allowances per year from the trust funds (Musarurwa, 2012).

Also, most of the schemes just have a reputation to be there but on the actual ground they are not operating due to lack of funds. Most of the qualifying companies failed to owner their seed capital pledges of to the schemes. Five diamond mining firms in Marange, which include Anjin Investment, Mbada Diamonds and Marange Resources pledged to US\$10 million each to the Marange-Zimunya Community Share Ownership Trust but all of them managed to pay US\$400 000 by mid-2014 (Musarurwa, 2014). Also US\$2 billion cheques which were handed over to President Robert Mugabe during the launch of 59 share ownership schemes between 2012 and 2013 were reported “Dummy” (Chidavaenzi, 2014). To this effect only 15 out of 61 schemes are operating thus about 76% of the schemes are not operating (Matenga, 2015).

2.5 SHAMVA COMMUNITY SHARE OWNERSHIP TRUST

The Shamva Community Share Ownership Trust was launched on the 10th of November 2012 along with Bindura Community Share Ownership Trust and other 5 schemes in the Mashonaland Central Province in Mt Darwin, Rushinga, Mazowe, Guruve and Mbire. Upon the launch 2 firms from the mining sector became qualifying companies to partner with the SCSOT. The first was Magobo Gold Milling Company which pledged US\$100 000 followed by Canterbury Gold Milling Company which pledged US\$50 000. Shamva Gold Mine later joined to partner with the scheme on the 5th of December 2012 and pledged US\$5 million. Ming Chan Gold Milling Company was not yet functioning at the time of scheme's establishment, the firm later joined other firms to partner with SCOST but not as an official qualifying company and thus it did not pledge any seed capital to the scheme.

2.5.1 Structure of the Shamva Community Share Ownership Trust Board of Trustees

The SCSOT Board of Trustees has 11 members. The committee has 4 chiefs, namely chief Bushu, chief Nyamaropa, chief Mutumba and chief Madziva. The chiefs rotate the position of being Chairperson of the scheme with a term of one year and currently chief Mutumba is the Chairperson. The Chairperson of the CRDC (Alderman Dzapasi) is the vice-chairperson of the scheme whilst the Chief Executive Officer of CRDC (Mr Chiwara) is the Secretary. The District Administrator (Ms Ncube), District Youth Development Officer (Mr Kaitano), youth representative (Mr Shereni), Women in Business representative (Mrs Mupesa) and war veterans' representative (Mr Pepukai) are the committee members of the Board. The Board also comprise an accountant and a lawyer and three representatives from the qualifying companies.

The members were appointed into the positions by the ministerial directive and they were appointed basing on their local leadership positions not by merit. Chiefs though without higher learning records or certificates in public administration, they were included and get the highest position in the Board because they are regarded as the traditional rulers in local governance. However the ministerial appointment of members of the Board of Trustees is not tantamount to the legal provisions stated on Section 3(A) of the Indigenisation and Economic Empowerment Act (2010) which state that

“In the case where the beneficiary community are the residents of a Rural District Council, the Rural District Council shall have the right to appoint the trustee or trustees who will hold the shares or interest in the qualifying business on behalf of the community (the actual percentage of which shares or interest shall be added towards the fulfilment of the minimum indigenisation and empowerment quota”

Therefore basing on the legal provisions, members in the SCSOT Board of Trustees were supposed to be appointed by the CRDC. Thus the ministerial interference and bleaching of the law shows that there is an element of politicisation of the scheme programmes. Matyszak (2013) outlines that the proposed composition of the Boards of Trustees and signatories to the Trust accounts were designed in such a way that would ensure that the CSOTs and the finances thereof will be firmly in the hands of individuals aligned to ZANU PF.

2.5.2 Functions of SCSOT Board of Trustees

The core function of the SCSOT Board of Trustees is to ensure day to day running of the scheme. The board is responsible for management and coordination of the events being undertaken by the scheme. The Board of Trustees is responsible for following up pledged

seed capital and once the funds are received, the board is also responsible for channelling the funds into the planned projects and programmes for community development.

The SCSOT Board of Trustees is also responsible for coordinating with the MYDIEE concerning the developments of the scheme. The board is obliged to process documentations such as the annual plans, annual reports, project progressive reports and yearly budgets and submit them to the MYDIEE. The Board of Trustees is also responsible for carrying out the need assessment programs in the district and come up with project plans which will be used to prioritise and implement projects in a term of 3 years.

2.5.3 Role of the Ministry of Youth Development, Indigenisation and Economic Empowerment in the SCSOT

The MYDIEE works as an overseer on all schemes including the SCSOT. Mr Chiwara, the secretary of the SCSOT outlined that during crucial meetings of the scheme the ministry will be represented with representatives from either the provincial or the national offices and representative will have power to supervise and advice the Board of Trustees on making decisions. The MYDIEE is also responsible for auditing the system as well financial accounts of the SCSOT. The ministry conduct financial audits once every year and systems audits once in every three years. This has been recently introduced to counter the reports of embezzlement of funds by the members of Board of Trustees and incompetence. In September 2014 the MYDIEE carried out the first systems audit, the ministry recommended the SCSOT along with other schemes in the Mashonaland Central Province to put more focus on income generating projects in order to make the schemes sustainable (Musarurwa, 2014).

2.5.4 Qualifying Companies Partnering With Shamva Community Share Ownership Trust

Shamva District has a narrow economy which depends mainly on mining and agriculture. There are some few firms of other economic sectors in the district but they were not included to comply with the indigenisation policy because they have small net asset value which does not meet the minimum requirements to become a qualifying company. All qualifying companies currently partnering with SCSOT are from the mining sector. These are

I. Shamva Gold Mine

Shamva Gold Mine was founded in 1983 and is currently owned by a South African businessman Mzi Khumalo who owns Metallon Gold Zimbabwe as a whole which comprise Acturus Mine, How Mine, Mazowe Mine, Redwing Mine and Shamva Gold Mine. According to Ministry Of Mines (2015), Metallon Gold Zimbabwe is the country's largest gold producer and Shamva gold mine ranks second after How mine on producing more gold in the country. During the operations between 1910 and 2013 the mine yielded more than 2.45 million ounces of gold worth about US\$2.2 billion (Metallon Zimbabwe, 2015). Also in 2014 the mine extracted 24.037 ounces of gold worth US\$22.426 million (Ministry of Mines, 2015). Upon the launch of the SCSOT on 10 November 2012, Metallon Gold Zimbabwe had not yet agreed to comply with the indigenisation policy and after threats to loose licence by the government, the firm then on 5 December 2012 pledged US\$5 million to the scheme (Kadzere, 2012).

II. Canterbury Gold Milling Company

The mill is owned by the local non-indigenous white businessman. The firm is not involved in the direct extraction of gold from the ground but rather it process gold ores extracted by small scale gold miners. Thus in other words it offers services that enable small scale miners

process their extracted gold ores. However after processing ore, the firm take the dump for reprocessing using advanced machines which are able to identify fine gold. Therefore with the system the firm is able to make much profit even more than owners of gold ores. Upon the launch of the scheme the scheme pledged US\$50 000 as seed capital for the scheme.

III. Magobo Gold Milling Company

The milling company is owned also by a non-indigenous white businessman. The firm is engaged in crushing and processing gold ores for the small scale miners just like what the Canterbury milling company. The firm pledged US\$100 000 as seed capital towards the establishment of SCOST.

IV. Ming Chan Gold Milling Company

The firm is also engaged in processing gold ores for small scale miners just like Magobo and Canterbury milling companies. The firm is owned by a Chinese businessman. It is not officially recognised as a qualifying company because during the time of the launch of the scheme the firm was not yet operational. Even so the firm has not yet officially comply with the whole indigenisation policy. However the firm donated US\$12 000 to the scheme and has been partnering with the scheme by giving technical staff and machinery assistance to help in implementing the projects.

CHAPTER 2

ACHIEVEMENTS OF SHAMVA COMMUNITY SHARE OWNERSHIP TRUST

3.1 INTRODUCTION

The researcher conducted interview sessions with four members of the SCSOT Board of Trustees namely the CEO of CRDC (Mr Chiwara), District Administrator (Ms Ncube), District Youth Development Officer (Mr Kaitano) and Women in Business representative (Mrs Mupesa) with the mission of trying to understand the contributions of SCSOT towards the development of the district. The District Youth Development Officer (DYDO) outlined that the achievements of the scheme lied on the induction meeting held by members of the Board of Trustees with the representatives of MYDIEE in November 2012. The Board of Trustees was commissioned by the ministry to dedicate the scheme's focus on social and economic development of Shamva District.

Despite that Shamva district ranks among other districts which are rich in mineral deposits in the whole country especially in gold deposits, it is accounted as one of the districts that have experienced least developments in terms of social and economic development. According to ZimStat (2012) with 29 wards the district has 40 primary schools, 23 secondary schools, 25 clinics and 2 hospitals. Ward 9 and 14 do not have primary schools whilst ward 4, 9, 11, 17 19 and 28 do not have secondary schools and also ward 2, 4, 7 and 12 do not have clinics or a medical centres. In the whole province of Mashonaland Central, Wadzanai primary school in Wadzanai Township with 1302 pupils has the second highest enrolment after Chipadze primary school of Bindura (Parliamentary Survey, 2010). As a result the school use hot-

sitting programme so as to accommodate all pupils thus showing that the district really needs infrastructural development.

Since establishment in November 2012 up until 2015 the SCSOT received US\$115 000 from the qualifying companies. Shamva Gold Mine which is the largest qualifying company partnering with the scheme paid US\$50 000. The firm was supposed to pay US\$1 million per year for five years and this amount is referred as the seed capital and then after this the firm will start to give the actual 10% share to the scheme on annual basis. However the firm failed to pay anything until 2014 when the firm was threatened to loose license by the government and only paid US\$50 000 as a cover-up. Magobo gold milling company paid US\$30 000 from US\$100 000 it had pledged and Canterbury gold milling company paid US\$15 000 from US\$50 000 it had pledged. Ming Chan milling company donated US\$12 000 to the scheme. As of 2015 none of the firms has paid anything.

Income of the Shamva Community Share Ownership Trust.

Name of qualifying company	Money pledged	Money received		
		2013	2014	2015
Shamva Gold Mine	US\$5 million		US\$50 000	
Magobo Milling Company	US\$100 000		US\$33 000	
Canterbury Milling Company	US\$50 000		US\$20 000	
Ming Chan Milling Company			US\$12 000	
TOTAL			US\$115 000	

3.2 SOCIAL DEVELOPMENT

According to Brunswick (2009) Social development is about improving public property and services so as to help the individuals in a society to realize and reach their full potential on their well-being. It involves improving infrastructure relevant to public good such as schools, hospitals, dams and roads among others. It also involves improving services such as sanitation and education. Thus in this research, social development is divided into sub sectors namely education, health and sanitation.

3.2.1 Health

In the health part of social development the Shamva Community Share Ownership Trust made remarkable achievements. It managed to construct 2 mothers waiting shelters at Chakonda and Wadzanai clinics, rehabilitate 2 clinics at Mhokore and Chevakadzi.

3.2.1.1 Mothers waiting shelter: Wadzanai Clinic

The scheme is constructing a four roomed mothers waiting shelter at Wadzanai clinic. The project is still in progress. Wadzanai T/S has the highest population in the district and it is where the district hospital is located. However despite having a hospital nearby, many wives in Wadzanai T/S as well as other parts of the district are facing a challenge of the shortage of accommodation for birth deliveries at the district hospital. The District Administrator outlined that since the end of 2013, a warehouse at Wadzanai District Hospital had been temporary used as a mothers waiting shelter since the ordinary mothers waiting shelter is no longer able to cater for the increasing number of birth rate in the district.

According to United Nations Children's Fund (2014) 20% of births in Zimbabwe are experienced outside hospitals, clinics and other medical centres. Scarcity of delivering

centres as well as long distances to the nearby centres has been cited as some of the contributing factors. As a result in Mashonaland province infant mortality rate is 77 per 1000 and maternal mortality ratio is 619 per 100 000 (ZimStat, 2012). Therefore the SCSOT is constructing a mothers waiting shelter at Wadzanai clinic to serve woman who live in Wadzanai Township so that the hospital will only serve those from other outside wards or the referrals from the clinic and if in case the district hospital will be full some mothers will be transferred to the clinic.

Source: Research Findings



Mothers' waiting shelter being constructed at Wadzanai Clinic

The project is worth US\$8 500 as US\$7 000 is being used on the structure and another US\$1 500 has been budgeted to buy furniture and equipments. The scheme has contracted a local builder to construct the building so as to make local people benefit from every angle of the scheme.

3.2.1.2 Mothers Waiting Shelter: Chakonda

SCSOT is also constructing another mothers waiting shelter at Chakonda clinic. The shelter is meant to serve 6 wards thus from ward 9 to ward 15. All wards from ward 10 to 15 do have clinics with the exception of ward 12 but the clinics do not have mothers waiting shelters. Pregnant mothers in these wards travel for at least 19 kilometres to Wadzanai District Hospital for birth deliveries. Therefore the construction of the mothers waiting shelter at Chakonda clinic will help to ease the burden of travelling a long distance for child delivery for mothers in these 6 wards and this is likely to help reduce the cases of home child deliveries in the district. The building structure is divided into two large rooms for patients and other two small rooms for office use. The structure is currently at the roofing stage and it is also being built by local builders. The project is worth US\$13 900 as US\$11 200 is being used the structure whilst \$2 700 has been set aside for equipments and furniture.

3.2.1.3 Rehabilitation: Mhokore Clinic

The scheme also managed to rehabilitate the Mhokore clinic. The clinic is located in ward 8 and it serves two wards thus ward 8 and 7. Due to that the clinic was built long time ago, some structures of the clinic had been worn out. The District Administrator outlined that in 2011 the Public Works Provincial inspectors recommended temporary closure of Out Patient Department (OPD) which is the main structure at the clinic for renovation as the roof of the structure was seriously worn out and threatening to collapse. Therefore the scheme channelled US\$13 950 towards the rehabilitation of the clinic. New roof was fitted on the clinic's OPD whilst painting was also done on the structure and other 3 staff houses. The scheme also bought new furniture e and equipments and electrified the whole clinic site.

3.2.1.4 Rehabilitation: Chevakadzi Clinic

The SCSOT also managed to rehabilitate Chevakadzi clinic which is located in ward 29. Just like the Mhokore clinic, Chevakadzi clinic was constructed during the colonial era by the Development Aid from People to People (DAPP) a Non-Governmental Organisation (NGO) from Netherlands and the clinic structures had been worn out. Therefore on the clinic the scheme repainted all structures, repaired the roofs and inserted new floor on the OPD and other 3 office rooms, bought new furniture and materials and constructed a warehouse. All the expenses the scheme faced on this project amounted \$9 000.

3.2.2 Sanitation

The SCSOT also made remarkable achievements in improving the provision of clean water in the district. Access to fresh and safe water is one of the challenges still being faced by people in the district. According to United Nations Fund for Development Programme (UNDP) (2009) two in every three people in rural areas in Zimbabwe drink water from unprotected sources. In all 48 villages of the district excluding Wadzanai Town Ship, Chakonda and Madziwa growth points which use water reticulation systems, the district had 53 boreholes and only 44 of them were functioning properly (ZimStat, 2012). Many villagers in the district rely on wells and other unprotected sources for drinking water. As a result the district is one of the areas that had been mostly affected by water borne diseases in the country. In 2008, more than 3 500 cases of typhoid and cholera were reported and 73 deaths were also reported (Parliamentary Survey 2010). The District Administrator also outlined that in 2012 about 90% of pupils at Chemhondoro Primary School in Ward 11 were affected by Bilharzia due to that they use water from Eben Dam for drinking, bathing and other domestic uses.

3.2.2.1 Drilling Boreholes

The SCSOT drilled 6 boreholes in 6 different wards in the district. The boreholes were drilled at the cost of \$5 000 each. They were drilled at Rusununguko Primary School (ward 3), Magadzi Primary school (ward 5), Mashambe primary school (ward 14), Wadzanai Township (ward 21), Chakonda growth point (ward 11) and Madziwa growth point (ward 29). The 7th borehole has already been paid for but it is not yet drilled and it will be drilled at Chemhondoro Primary School (ward 12). All the boreholes are worth US\$ 33 000 as the scheme received a US\$2 000 discount from Tandamanzi Drilling Private Limited, the company which was contracted for the project. As alluded above, most of the boreholes have been drilled at primary schools as the idea behind is that at schools the boreholes are better protected from vandalism and also as a public institution, schools should have a better sanitised environment so as to avoid outbreak of diseases.

Source: Research Findings



Borehole drilled in Wadzanai Township by the Shamva Community Share Ownership Trust

3.2.3 Grading of Roads

The SCSOT also conducted road maintenance programmes in various wards across the district. The Chaminuka Rural District Council received a motor grader from Zimbabwe National Road Authority (ZINARA). Due to limited financial resources, the council had been not able to buy fuel to use the grader as the grader can use about 1 drum of diesel to grade a 3 kilometres road.

Therefore the scheme donated US\$7 000 to buy fuel for the grader to maintain a total distance of 48 kilometres in the roads across the district. The roads graded include Inyagui road (ward 4), Chipoli road (ward 17), Canterbury road (ward 21), Mupfure road (ward 7), Gono road (ward 11) and Soma road (ward 26)

3.3 ECONOMIC DEVELOPMENT

Economic development includes provision of facilities and services that enables individuals to venture in the economic activities such as trade so as to ensure sustainable development. On a community development perspective, economic development is concerned on provision of infrastructure and programmes that help locals to easily carry out their economic activities. Therefore on the economic development side, SCSOT managed to construct two farmers' vegetable markets and roofing a flea market.

3.3.1 Farmers' Vegetable Market: Wadzanai Township

SCSOT constructed a vegetable market for farmers. The structure was constructed in Wadzanai T/S and was officially opened in January 2015. The project was implemented after the realisation that Wadzanai T/S works as a centre for economic activities in the district. Many small scale commercial farmers come to sell their produces in the Township. Before,

farmers had no designated market place to sell their produces and as a result there were regular clashes between farmers and vendors who often denied them to sell their produces at the market place built for vendors. To this effect farmers needed a structure to carry out their business with security and safety.

The SCSOT constructed a vegetable market at the Wadzanai T/S market place and the structure has seven portions which can be divided into two to accommodating 14 farmers. The site was also fenced to promote security. The project was worth US\$4 900 to construct and it is now functional. The DYDO mentioned that the project had boosted the business of commercial farmers under the Mushambanyama and Chipoli irrigation schemes.

Source: Research Findings



Farmers' Vegetable market at Wadzanai Township.

3.3.2 Farmers' Vegetable Market: Madziwa Growth Point

Another farmers' vegetable market is being constructed at Madziwa G/P. Just like Wadzanai T/S the growth point is also a centre for economic activities at the east side of the district. In

December 2014 the scheme started the construction of another vegetable market at Madziwa G/P. In terms of size and design, the structure is just like the one which is was constructed at Wadzanai T/S and also the site had been fenced. The project is worth US\$4 900 and it is not yet complete. The scheme had also plans to construct another vegetable market at Chakonda G/P in 2016.

3.3.3 Roofing Flea Market: Wadzanai Flea Market

The Shamva Community Share Ownership Trust also managed to roof a flea market in Wadzanai T/S. The move came as a way to enable the locals to comfortably carry out their businesses so as to ensure sustainable development. The flea market was constructed by CRDC in 2005 just after the operation Murambatsvina. Due limited funds the council roofed the structure with straw and some second hand iron sheets which had leaks. In rain seasons, the market was at times closed due to the pouring leaks.

Source: Research Findings



Roofed flea market in Wadzanai Township

In August 2014 the SCSOT roofed the flea market. A total amount of US\$12 300 had been used on the project. The money was used on sheet metals, beams and labour. Concrete floor was also inserted on the structure. The flea market had helped the local people to sustain themselves with the cross border trade in which according to ZimStat (2012) 861 people in the district are into it. The scheme has also plans to construct another flea market of the same size in Chakonda and Madziwa growth points in 2015 and 2016.

3.4 SUMMARISED ACHIEVEMENTS OF THE SHAMVA COMMUNITY SHARE OWNERSHIP TRUST

The researcher distributed questionnaires to 20 respondents of 18 years and above. Seventeen of them agreed that they were aware of the SCSOS but only two respondents agreed that they have attended a meeting or participated in anyway in the scheme. Despite not participating in the scheme programmes, the respondents appreciated that their communities were benefitting from the scheme. Upon asked if their communities have benefited from the scheme respondents answered as follows.



The scheme has filled the gap left by the government, local council and NGOs in purse of development. The council had been struggling to implement its own projects in the district and the government's focus on the district's development on the other side has been limited

since late 1990s due to economic hardships being experienced by the country. Thus the scheme has emerged at the right time of need.

In a period of 3 years the SCSOT has managed to implement 9 projects of which 3 of them are still in progress. Besides implementing social and economic projects the scheme played a crucial role on employing the local people. More than 50 locals were employed in the construction projects carried out by the scheme including an accountant who was employed for administration work. Below are all the projects implemented by the SCSOT.

NAME OF PROJECT	COST
Boreholes x 7	\$33 000
Mothers' waiting shelter x 2	\$22 400
Rehabilitation of clinics x 2	\$22 950
Road maintenance	\$7 000
Farmers' Vegetable market x2	\$9 800
Roofing Flea market	\$12 300
TOTAL	<u>\$107 050</u>

CHAPTER 3

SHORTFALLS OF THE SHAMVA COMMUNITY SHARE

OWNERSHIP TRUST

4.1 FAILURES OF THE SCSOT

Failures of the SCSOT are in other words the effects of the scheme that are undermining development. The CSOT programme was established as a way of bringing in development especially to the rural communities. However there are some elements that the programme has, that can undermine socio-economic development. SCSOT did not only contribute positively to socio-economic development in Shamva district but it also ushered in some negative impacts that undermine development. These negative impacts include:

4.1.1 Qualifying Companies Developed Negative Behaviour Against Local Authorities

As a result of the establishment of SCSOT and forced partnering of the qualifying companies with the scheme, the relations between qualifying companies and CRDC deteriorated. Mr Chiwara, the CEO of CRDC who is also the secretary of the scheme outlined that the qualifying companies started failing to pay their taxes to council in a manner they had not used to. In 2014 tax backlog for Shamva Gold Mine to CRDC for the first time accumulated to US\$200 000 despite that the firm only pay US\$120 000 tax per year. For the first time, in August 2014, CRDC sued Shamva Gold Mine and tried to attach some equipments due to tax backlog. According to Ministry of Mines (2015) Shamva Gold Mine production increased from 22 817 ounces of gold worth US\$21. 287 million in 2010 to 24 037 ounces of gold worth US\$22.426 million in 2014 thereby showing that the firm should have managed to pay its taxes as its production is increasing.

Canterbury mine likewise has started failing to pay taxes to CRDC before the due dates. Therefore considering that Shamva Gold Mine previously resisted partnering with SCSOT, resistance to pay taxes to council by the firm as well as other qualifying companies can be viewed as a protest against partnering with the scheme. The failure to pay taxes by qualifying companies to CRDC crippled the operations of the council in ensuring development of the district. The council is now not able to conduct all its responsibilities in the community such as service deliveries and implementation of projects as the income is now not stable.

4.1.2 Unemployment

The qualifying companies did not only develop a negative attitude against the CRDC but also against the employees. Just after agreeing to comply with the indigenisation policy and partner with SCSOT, Shamva Gold Mine started retrenching some employees in January 2013. By August 2013, 300 workers were retrenched and other 300 were retrenched between January and May 2014 (Mangudhla, 2014). Besides retrenchment, employees who were left spent some months without receiving their salaries and by December 2014 employees had a backlog of two months (Mangudhla, 2014). Metallon Zimbabwe justified the problem by arguing that the Shamva Gold Mine needed to reduce its expenditure as it was also paying the expenditures of Redwing Mine which stopped operating in 2009. However according to Mangudhla (2014) Metallon Zimbabwe was retrenching workers at Shamva Gold Mine as also at Acturus, Jumbo and How Mine so as to be able to meet the requirements of the indigenisation policy by giving 51% shares to the indigenous Zimbabweans of which 10% of it is for CSOT.

Therefore the negative impacts of CSOT programme as part of the indigenisation policy can be mainly noticed on the side of qualifying companies. The establishment of CSOSs as well as the implementation of the whole indigenisation policy created an unfavourable

environment for investment in the country. The programme is not investor friendly and it diminishes foreign direct investment in the country. According to Zimbabwe Investment Authority (2012) national wide proposals from foreign investors worth US\$821 million were approved in 2012, compared to about US\$7 billion worth of projects approved in 2010. This slowdown is generally attributed to the perception of the indigenisation policy, aggressive manner in which it is implemented as well as the concerns over property rights, all increasing the country's risky profile, making it unfriendly to investors (Sibanda, 2013). Tsikirayi et al (2012) outlined that the indigenisation policy created a wave of uncertainty and disinvestment, adding to already existing high levels of unemployment. Thus the programme is increasing unemployment rate in the country.

4.2 CHALLENGES BEING FACED BY THE SCHEME IN IMPLEMENTING THE PROGRAMME

By the launch of the SCSOT on the 10th of November 2012 in Chipadze Stadium, in Bindura by President Mugabe, expectations by the local people were high concerning the outcomes of the scheme in terms of bringing in development. With the examples of other successful schemes in the country such as Tongogara Community Share Ownership Trust and Mhondoro-Ngezi Community Share Ownership Trust expectations were also high that SCSOT would also likewise quickly bring in transformation of Shamva district. However with three years after the launch of the scheme, few developments have been noticed. This can be explained by that the scheme has some internal and external challenges that have been hindering progress of the scheme. These challenges are:

4.2.1 Resistance by the Qualifying Companies.

During an interview session, the DYDO mentioned that the biggest challenge the scheme was facing was resistance by the qualifying companies. Qualifying companies are resisting the

indigenisation policy provisions by refusing and delaying to pay the seed capital they have pledged to SCSOT. From the beginning of the programme Shamva Gold Mine made it clear that it was not willing to comply with the indigenisation policy provisions and partner with SCSOT but later agreed on 5 December 2012 after it was threatened by the government to lose mining license. However instead of paying US\$2 million for 2013 and 2014 the firm has only managed to pay US\$50 000 to the scheme.

Other qualifying companies thus Canterbury and Magobo milling companies are also behaving in the same manner. Canterbury milling company only paid US\$20 000 instead of US\$50 000 whilst Magobo milling company paid US\$33 000 instead of US\$100 000. This challenge has been common among the CSOSs. For instance 5 diamond mining companies partnering with Marange-Zimunya CSOT pledged a total of US\$50 million but only managed to pay US\$400 000 (Musarurwa,2014). Mabhena and Moyo (2014) suggest that the firms are delaying to honour their pledges with the assumption that the ruling government may be removed and the indigenisation policy will be dissolved whilst the firms are not yet finished paying the amounts they pledged.

Resistance by the qualifying companies to honour their pledges can be cited as a contributing factor for SCSOT's failure to embark on large socio-economic development projects. The scheme has not been able to plan and implement bigger projects due to that the scheme is receiving limited funds than the expected and also the funds are not being received on the expected time.

4.2.2 Lack of Qualified Personnel in the Board of Trustees

The Board of Trustees which is responsible for the operation of SCSOT comprises members who do not have qualifications or knowledge on community development and project

management. Appointment into the Board of Trustees was made basing on the position one has in the district, not by qualifications. For instance the scheme has four chiefs who were appointed on the position chairmanship only on the basis that they are the traditional leaders of the district.

After systems audit of all schemes across the country in 2014 the then minister of MYDIEE, Francis Nhema commented that "We observed that in most cases they lacked the business skills that are required for them to run as a profit organisation as opposed to just a social organisation," (Musarurwa, 2014). Therefore due to that most of the members in the Board of Trustees do not have necessary qualifications for the role they play, the scheme lacks some skills to effectively use funds and usher in development.

4.2.3 Unfair allocation of Projects

Allocation and prioritisation of projects has not been fair among the wards. Some wards benefited much than other wards. This has been caused by that the scheme is being politicised. The political officials of the district use their positions to influence the location and constituencies where the planned projects should be implemented so as serve their political motives.

Kurebwa and Ngwerume (2014) pointed out that in BSCOT of Bindura, wards with Movement for Democratic Change (MDC-T) councillors were exempted from being allocated some projects. This has been the same with SCSOT as 3 wards with MDC-T councillors that is ward 19, 20 and 26 have not yet received any project whilst some wards like ward 22 and 23 were allocated 4 projects.

CONCLUSION AND RECOMMENDATIONS

5.1 RECOMMENDATIONS

5.1.1 People's Participation

The SCSOT should ensure the improvement of the participation of people in the scheme. Through the questionnaire it showed that though many people know about the scheme they are not participating in the initiatives of the scheme. Since the scheme seeks to bring in development through the grass roots, it is much important for the scheme to consider people's participation because it is through participation that the real needs of the people can be realised.

5.1.2 Political Interference

The SCSOT should also abolish political interference in the management as well operations of the scheme. The operations of the scheme should not be driven by the desire to serve political interests of certain individuals or a political party. Benefits of the scheme should be shared equally among all citizens and wards regardless of their political ideologies. Interference of politics is bad because it leads to corruption and also it cannot foster sustainable development as certain group of people will be discriminated and deprived their benefits.

5.1.3 Amend the Composition of CSOSs

The government should amend the Indigenisation and Economic Empowerment Act on the way in which the members Board of Trustees should be appointed into positions. The members should be appointed by merit so as to ensure good management of the scheme. The appointment of members of the Board of Trustees by MYDIEE basing on one's position in

the district affect the efficiency of the schemes as most of the appointed members are incompetent to effectively bring in community development.

5.1.4 Focus on Income Generating Projects.

The SCSOT should shift from focusing much on social development projects such as infrastructure construction to income generating projects. Social development projects do not sustain the survival of the scheme in that they do not return money or create a form of income for the scheme. Thus meaning that the scheme has to rely on the funds from the qualifying companies. Therefore the scheme should venture on income generating projects so that it can be self-reliable that even if the qualifying companies close up the scheme will continue to survive.

5.2 CONCLUSION

As evidenced by the research findings, the SCSOT brought socio-economic transformation in the district. Social facilities and services were upgraded through the construction of mothers waiting shelters, rehabilitation of clinics, drilling of boreholes and maintenance of dust roads. Also on the economic side of development the scheme managed to construct farmers' vegetable markets and roof a flea market. Therefore it is undeniable to state that SCSOT brought in socio-economic development in the Shamva district.

However the scheme also ushered in some effects that are at other hand detrimental to development. As noted in the research the qualifying companies developed negative attitude towards the local authorities as well as the employee. More than 600 employees were retrenched as a means to reduce expenditures and comply with the indigenisation provisions. The qualifying companies also started failing to pay their taxes in a way they have not used to. In addition of failing in all these points the scheme also faced some challenges such as

resistance by qualifying companies to pay up seed capital funds which they pledged and politicisation of the projects.

Therefore in conclusion, it is undeniable that SCSOT contributed to socio-economic development in Shamva district. Though the scheme failed at some points and faced some challenges, it has done much to develop than to underdevelop. Also wherever development was experienced through indigenization for instance in countries like India and Nigeria there were some outcries but despite that, these countries managed to develop. Therefore the SCSOT was successful in bringing in socio-economic development, however there is a need for MYDIEE and CSOT Board of Trustees to work on the recommendations noted in this research in order to maximise the benefits of the scheme to Shamva district.

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Appendix 1: Questionnaire for Community Residents

QUESTIONNAIRE

I am Patmos Lumbe, an undergraduate student studying Development Studies at Midlands State University. I am carrying out a research on “The impact of the indigenisation policy on socio-economic development: A case study of Shamva community share ownership trust”. I hereby kindly ask you to answer the bellow asked questions with relevant information that you have filling in the provided space. The research is for academic use only, your information will remain confidential and it will be protected from being published.

Section A: Socio Demographic Data (tick where appropriate)

1. Age:

18-20 21-30 31-40 40 and above

2. Sex: Male Female

3. How many years have you been in Shamva District?

0-1 1-5 5-10 10 and more

4. What do you do for living?

Shamva Community Share Ownership Trust

5. Do you know anything about Shamva Community Share Ownership Trust/Scheme?

Yes No

6. If yes, write down in brief what you know about the scheme.

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.....
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Appendix 2: Interview Questions to the Key Informants

INTERVIEW QUESTIONS

For the CEO of Chaminuka Rural District Council

1. What is your position and role in the Scheme?
2. Who are the other members of the scheme and what their positions are.
3. What is the mission or the aims of the scheme?
4. What is the overview of the Scheme, how does it operate.
5. What are the names of qualifying companies partnering with the scheme?
6. How much did the qualifying companies pledged to the scheme and how much has been paid?
7. What achievements have been attained by the scheme?
8. What are the future plans of the scheme?
9. What are the challenges being faced by the scheme?
10. What other problems do you think have been brought by the scheme?

To the District Administrator, Youth Development Officer, Women in Business Representatives.

1. What is your position and role in the Scheme?
2. What is the mission or the aims of the scheme?
3. What achievements have been attained by the scheme?
4. What are the challenges being faced by the scheme?
5. What other problems do you think have been brought by the scheme?