

# MIDLANDS STATE UNIVERSITY



## FACULTY OF SOCIAL SCIENCES

### POLITICS AND PUBLIC MANAGEMENT DEPARTMENT

THE CONTRIBUTION OF YOUTH DEVELOPMENT FUND (loans) TOWARDS  
EMPLOYMENT CREATION AIMING YOUTH IN ZIMBABWE FROM 2009 – 2014. A  
CASE OF MASHONALAND CENTRAL PROVINCE.

**BY**

**Blondie Mhuka (R114578Q)**

**A Dissertation submitted in partial fulfilment of the requirements for BSc in Politics and  
Public Management Degree at Midlands State University.**

**Gweru**

**May 2015**

**SUPERVISED BY Mrs. F. Mutasa**



**MIDLANDS STATE UNIVERSITY**  
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**RELEASE FORM**

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**THE CONTRIBUTION OF YOUTH DEVELOPMENT FUND (loans) TOWARDS EMPOLMENT CREATION AIMING YOUTH IN ZIMBABWE FROM 2009-2014. A CASE OF MASHONALAND CENTRAL PROVINCE.**

Submitted by: **BLONDIE MHUKA (R114578Q)** in partial fulfillment of the requirements of the Bachelor of Social Sciences Honours Degree in Politics and Public Management.

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**Declarations**

I, Blondie Mhuka of registration R114578Q declare that this is my original research project and has not been presented to any university before. All sources are properly cited. It is being submitted in partial completion of the requirements for the BSc Honours Degree in Politics and Public Management, in the faculty of Social Sciences at Midlands State University.

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Date

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## **Dedication**

I would like to dedicate my study to my mom and dad. Thank you for being the mirrors of my life.

## **Abstract**

*Youths in Zimbabwe constitute a greater proportion of the total population and are the most marginalised group within the African societies in terms of resource distribution. Therefore, the government of Zimbabwe involves the youths in the economy by introducing the Indigenisation and Economic policy, which was supported by numerous programmes. To address the issue of unemployment the government decided to establish the Youth Development Fund in conjunction with the financial institutions. Against this background, this study sought to establish the contribution of Youth Development Funds (loans) towards employment creation in Mashonaland Central Province, Zimbabwe. The study used a descriptive research design and a combination of purposive and stratified random sampling techniques to select the respondents. Data was collected using questionnaires, interviews and online research triangulated in order to obtain holistic and robust findings. Using descriptive statistics, the results of the study indicated that Youth Development Fund tried to create the employment for the youths but the programme ended up being politicised therefore, the programme regarded as a failure to create the job opportunities for the majority of the youths because the rate of unemployed youths is still high. It managed to create the employment for the elites. In light of the findings, the government of Zimbabwe is advised to monitor and evaluate the funded projects to ensure the feasibility of the project.*

## **List of Acronyms**

CABS	Central African Bank Society
C.B.Z	Commercial Bank of Zimbabwe
CAC	Coalition against Corruption
ECF	Employment Creation Fund
EDT	Entrepreneurship Development Training
IDBZ	Infrastructure Development Bank of Zimbabwe
ISOP	Intergrated Skills Outreach Programme
MDC	Movement for Democratic Change
MYIEE	Ministry of Youth, Indigenisation and Economic Empowerment
UN	United Nations
VTC	Vocational Training Centres
YBZ	Youth Build Zimbabwe
YDECF	Youth Development and Employment Creation Fund
YDF	Youth Development Fund
YES	Youth Empowerment Scheme
YESA	Youth Empowerment Scheme Abroad
ZANU PF	Zimbabwe African National Union Patriotic Front

**Definition of key terms**

Youth Development Fund is a revolving micro loan facility for the youth ([www.myiee.gov.zw](http://www.myiee.gov.zw))

Employment creation is the reducing of poverty, scores a greater a number of productive and creating decent work and increasing the labour market ([www.ILO.Org/](http://www.ILO.Org/) global)

Youth are defined as persons between 18 and 35 years of age. National Youth Policy Zimbabwe.

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

This research show the contribution of Youth Development Fund (loans) towards employment creation for the youths in Mashonaland Central Province, Zimbabwe that the youth in Mashonaland Central, did they benefit from the loans by creating employment for them. This chapter dwell much on the background to the study after the background has been given, the statement of the problem will be formulated, the objectives stated, research questions, justification of the study will be discussed, limitations, delimitations of the study, methodology, the summary that capture all the work all the work in this section and the chapter breakdown.

### **1.1.BACKGROUND**

The Government of Zimbabwe has recognized youths since the government got independence in 1980. The Government of Zimbabwe recognizes that large numbers of young people do not have opportunities for education and human rights and the prospective to collect contribute to national development. After independence, the Government of Zimbabwe created the Ministry of Youth, Sport and Recreation, which was to focus on youth development issues. According to National Youth Policy, the Government of Zimbabwe introduced various programmes to advance the interests and welfare of youth in social and economic spheres.

The Youth Policy represents a declaration of the important areas for addressing young people issues both male and female and outlines the strategies that the government intends to provide for the young people. More so, the government provides a framework for the involvement of different organizations and sectors in supporting the development of youths in Zimbabwe by seeking funds from financial institutions to fund the projects that are initiated by the government.

According to the Youth Policy, its priorities are based on an analysis of the situation of youth presented at the time of the development of the policy. The initial policy was developed in 2000 and multiple developments have occurred at international, regional and national levels, which have necessitated the Government of Zimbabwe to review the policy, determine the policy that it is in line with the developments and the current young people situation.

After the realisation of high unemployment rate in Zimbabwe, the Ministry decided to introduce the youth funds and programmes, to address the issue of unemployment. The Government

introduced programmes like skills development, National Youth Service, Indigenisation and Empowerment programmes and ISOPs. After the government introduced these programmes, the government decided to introduce the Youth Development Funds and these funds were to support the projects and businesses that were introduced. The funds seek to empower young people in a multi-sectorial way, by creating an enabling environment and arrange the resources necessary for undertaking programmes to fully develop the young people economically and politically to improve their quality of life and also to create employment for the youths.

The Government established the Youth Development Fund in 2006, a revolving micro loan facility for the youth. The YDF was merged with the Employment Creation Fund (ECF) that was established in the late 90s. The facility was known as the Youth Development and Employment Creation Fund and has a constitution approved by Treasury. The facility supports youth entrepreneurship development. It provides loans at a concessionary rate of 10% per annum for a tenure of up to 36 months depending on the nature of the project. ([www.myiee.gov.zw](http://www.myiee.gov.zw))

On the empowerment front, the Ministry serves to monitor the implementation of preferential procurement arrangements and the development of sector-specific empowerment programmes. These sector-related empowerment programs involve setting up and capacity building of indigenous empowerment agencies for lobbying and advocating for empowerment opportunities for the indigenous Zimbabweans in the various economic sectors. Thus, it involves:

- Entrepreneurship training and development
- Provision of project finance start-ups, expansion and working capital,
- Monitoring and evaluation of youth projects and
- Facilitation of business linkages for youth businesses

The Ministry of Youth Development, Indigenisation and Economic Empowerment runs the Youth Development Fund (YDF) and the Youth Empowerment Facility (YEF). The two funding facilities seek to empower the youth through entrepreneurship development, training, and funding of youths' projects. The funds are administered by four participating banks, which include the Infrastructural Development Bank of Zimbabwe (IDBZ), CABS, Stanbic and CBZ in conjunction with the Ministry. All stakeholders' intervention like UN and is premised on employment creation, equal opportunities (not only on gender lines but also for all youth who are

usually not accorded equal opportunities as the related to the adults), entrepreneurship and employability. The fund is a revolving loan facility meant to provide youth with access to credit for supporting their entrepreneurial and employment creation initiatives.

In Zimbabwe statistics, 70% are youth aged from 15-35 years (New African Special Report, 2013). The great numbers of young people are unemployed and most of the youth keep on facing opportunity irregular employment (nationalmirrorline.net). Most of the youths are engaging in work which they are under qualified so as for them to be, employed and they receive low wages. Youths in Zimbabwe has the highest unemployment rate as compared to other age groups, because of unemployment many youths migrated from their country to South Africa and Botswana (kubatana.net). The indigenization and economic empowerment try to empower and improve the livelihoods of people through employment creation by funding the project, which the youths initiated.

In general, the youth fund is the tool used by the government to fight unemployment. The fund was to provide youth with access to credit for supporting their entrepreneurial and employment creation initiatives. According to Honorable Nhema the YDF was introduced by the government as a revolving fund of over 10 million to provide financial assistance for income generating projects for young people below the age 35 as part of the government's indigenisation and economic empowerment.

## **1.2.Statement of the Problem**

Since 2009, youths started having little help from Youth Development Fund aiming to create job opportunities but the rate of employment is still low and there are also still experiencing some challenges in securing some jobs. This study will therefore assess the significance of the contribution of the Youth Development Fund (loans) towards employment creation of youth in Mashonaland Central, Zimbabwe.

## **1.3 Significance of the study**

The important of the study is to see whether the Ministry of Youth Development, Indigenisation and Economic Empowerment are playing its role in creating the job opportunities for the youths in Mashonaland Central province through youth funds. The study seeks to assess that did the

youth funds managed to create the employment opportunities for the youths in Mashonaland central, Zimbabwe.

#### **1.4. Research Objectives**

The main objective of the study is to assess the contribution of the Youth Development Fund towards employment creation of youths in Mashonaland Central, Zimbabwe.

#### **1.5. Sub Objectives**

- Identify the major challenges faced by youths to access the Youth Funds.
- To analyse the characteristics of the youth which considered under the Youth Development Fund?
- To examine whether the Y.D.F (loans) has helped to create the employment for the youths

#### **1.6. Research Questions**

1. What are the major challenges faced by youths to access the Youth Funds?
2. What are the characteristics of youths under the Youth Development fund?
3. How the Y.D.F helped to create employment for the youths in Mashonaland Central Province
4. How sustainable is the Y.D.F in creating the job opportunities for the youths in Mashonaland Central, Zimbabwe.

#### **1.7. Justification of the study**

The empirical studies that quantify and analyse the effect of Youth Development Fund towards employment creation are rare, not much has been done in terms of researching in this area so will therefore add knowledge on the existing literature. Most of the youth are unemployed so there is a need to examine the contribution of Youth Fund that aims at creating job opportunities for the youths. The finding of this information shall also provide viable information to challenge policy and decision makers at National level to develop policy framework that will create job opportunities for the youth in Zimbabwe.

### **1.8.Limitations**

The prevailing political environment in Mashonaland Central might hinder successful research especially in view of the polarised nature of Zimbabwean society and the dominance of opposition politics in Mashonaland Central Province. Participants might not will to release the information. The researcher will use the district officers to administer the questionnaires since the participants are familiar with the officers, they are the resident within the Province, and they will be trusted with the youths to overcome this.

Budgetary constraints, the researcher might face challenges of financial logical resources to explore the whole of Mashonaland Central Province. Therefore, the researcher might have access for few places in Mashonaland Central.

The challenges of given bias information from the youths in Mashonaland Central. Since the issue of loans, it is sensitive in Zimbabwe other youths claiming that it is there to empower the ZANU PF youths at the expense of the MDC youths. The researcher might interview either ZANU PF or MDC so it ended up having bias research. To encounter this, the researcher should be assisted by the funding banks like CBZ, CABS, IDBZ and Stanbic bank.

Most of the youths might not be able to air out the information because they fear to be victimized after exposing the information. Particularly in this research, the key informants might have different and divergent political aspirations and affiliations, it is very challenging to discover with the required information because of the sensitivity associated with the required information.

### **1.9.Delimitations**

The study will be carried; in Mashonaland Central Province. Mashonaland Central has eight districts. The population to be studied; will be youths both female and male and both youths in rural and urban areas of Mashonaland Central. Ministry of Youth staff will be interviewed; also and the financial institution that is the banks like CBZ, IDBZ and CABS, which funded the youths.

The researcher might face the challenges of floods in some of the districts for example Mbire, Centenary, and Guruve since the researcher will collect her data during the rainy season. Due to this, the researcher would not be able to visit these districts to interview the youths from these

districts and the study might be bias because the researcher will use the information from five districts for the whole study instead of using eight districts.

### **1.10.Data Gathering Methods**

Research Design refers to the overall strategy that one can choose to integrate the difference components of the study in a coherent and logical way, thereby ensuring effectiveness address the research problem. (De Vaus, 2001). Brink and Wood (1998), the purpose of a research design is the provision of a plan for answering research questions and is a design for action. It set up the design for the collection, size and analysis of data on how data is going to be collected and what instrument will be used to the data. There are three types of research design, that is explanatory causal and descriptive. The researcher opted for a descriptive research design to show the contribution of the Y.D.F towards employment creation for the youths in Zimbabwe. The researcher spent much more time concentrating on one area that is Mashonaland Central Province.

### **1.11. Target Population**

According to Browns and Grove (1997), target population refers to the entire total of respondents that meet the selected set of criteria. In this regard, the research is mainly focus on youths based in Mashonaland Central Province. The study includes the beneficiaries and non- beneficiaries. It also includes Provincial head, District head of Mashonaland Central and the bank officials were part of the research.

### **1.12. Sample size**

Sample size is the number of observation used for calculating estimates of a given population. According to Best Khan (1993), an appropriate sample size should be at 10% of the total population. In this study, 79 respondents were selected and 50 people managed to respond. This makes an appropriate sample, as it constitutes 63% of the total population.

### **1.13. Sampling technique**

Orodho and Kombo(2002) defined sampling technique as the procedure a researcher uses to gather people, places or things to study. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the whole group. The researcher decided to use stratified random and

purposive sampling. Stratified random sampling is the samples that yield research data that can be generalized; to a large population. It is a procedure in which all the individuals in the defined population have an equal and independent chance being selected as a member of the sample. The researcher decided to use stratified random sampling to get the various ideas from the beneficiaries and non-beneficiaries.

Purposive sampling will be used on the selection of youth fund stakeholders at provincial level concerning participating banks. The advantage of purposive sampling is that it allows the researcher to home in on people or events, which there is good grounds for believing will be critical for the research (Denscombe 1998). In this case, Provincial Head, officials from the participating banks, Ministry of Youth officials, beneficiaries and non-beneficiaries will be important in the research for the researcher to get the best information. This sampling design, the researcher noted that it is not time consuming when carrying out a study on a particular subject.

#### **1.14. Research instruments**

The researcher will use qualitative and quantitative, the researcher will use quiet number of research tools will be used which include online research, interviews and questionnaires. Primary data collected in the field will offer the important facts in this study and will be supplemented by questionnaires as apparatuses for collecting information from the targeted groups.

##### **1.14.1 Questionnaires**

Questionnaire is simply a tool for collecting and recording information about a particular issue of interest. They used on selected youths who funded by the financial institutions, those who were not funded and those who applied for the loans but not responded. The researchers use a planned questionnaire with both open ended and close-ended questions to have an important research. Questionnaires will be able to point out how the youth of Mashonaland Central view the Y.D.F and this will help the researcher to have a good outcome for the research.

Questionnaire as a data collection instrument are useful because a researcher can collect a lot of information from a large number of people in a short period of time (Popper, 1959). The chances of a researcher to have bias information are low because same questions are asked both participants and many people are familiar to the questionnaire to air out their ideas as compared to the interview. Most people are inferior of interviews. Questionnaires can usually and simply

quantified by a researcher. It gives a room for a researcher to contrast the responses among the participants. The questionnaire provide a deep understanding that did the youth funds managed to create the job opportunities for the youths in Mashonaland Central Province.

### **1.14.2 Interviews**

Eric and Eccles defined interview as a conversation in which the interviewer questions the respondents' in order to gain information. Interviews are done to collect information on a particular area. The Youth Development Fund programme is a top burning issue under the flag of MYIEE, therefore the use of interviews this enabled the researcher to get in depth information on issue of youth funds.

For the researcher to get the information will be used interviews concerning his or her topic on the Youth Development Fund that did the funds create employment for the youths in Mashonaland Central Province. Therefore, interviews will prove to be effective, as the researcher will manage to interact directly with District heads, Provincial head of Mashonaland Central Province and the bank officials. The researcher will get the opportunity to read non-verbal dues of the respondent. The researcher decided to use the interviews because the researcher could easily get the valuable information on why youth funds and projects are failing to create job opportunities to the youths in Mashonaland Central since there is still high unemployment rate.

Interviews allow the researcher and the respondent to talk face to face so that the researcher can ask more information from the respondents on the effectiveness of youth funds in Mashonaland Central Province. Denscombe (1998) noted that the interviews are normally good at generating data, which deal with topics in depth and a detailed research.

### **1.14.3.Stored documents**

Stored or previous documents are information or data, which planned and developed. The data based on previous researchers by other scholars. Previous documents gathered through reviewing published and unpublished articles, pamphlets, journals and annual reports by the Ministry of Youth Development, Indigenisation and Economic Empowerment and the financial institutions. Most of the sources used presented related and enough data pertaining to the research at hand.

#### **1.14.4. Internet or Online research**

Online research, the researcher can access online books, journals, newspaper articles and the information, which will contribute in data collection results, since the research is mainly triangular in nature.

Online research has its own merits when carrying out a research. Cude (2004), highlight the following merits associated with online research

- It reduced cost of conducting research
- It is faster than most research methods, easy access to articles and databases from multiple libraries, condensed information makes finding relevant topics.

#### **1.15. Data presentation and analysis**

The data obtained from different questionnaires and interviews was analysed and presented by the researcher using both qualitative and quantitative methods. Quantitative method helped the researcher to present the findings in the form of bar graphs, table and pie charts. This research assessed the contribution of the youth funds in creating employment for youth in the Mashonaland Central Province through the project, which were funded by CABS, IDBZ, CBZ and Stanbick bank.

#### **1.16. Conclusion**

The central aim of the chapter was to introduce the reader or was more focused; on the background of the study, statement of the problem, purpose of the study, objectives, research questions, justification of the study, limitations, delimitations of the study and methodology.

#### **1.17. Chapter Breakdown**

This research consists of four chapters. Chapter 1 consists of the background of the study, statement of the problem, significance of the study, objectives, research questions, justification of the study, limitations, delimitations of the study and methodology. Chapter 2, literatures review; that is what other authors say about the area under research. It also entails of the theoretical framework that is theories, which influenced the research. Chapter 3 is data presentation and analysis. A summary of the study is chapter 4 that is conclusions and recommendations

## CHAPTER TWO

### **2.0. Literature Review**

Literature Review is an assessment report of information found in the literature related to the area of study. It should give a theoretical base for the research and help the in the nature of the problem. (<http://libguides.library.cqu.edu.au/litreview>). It helps the researcher to find what other scholars have written concerning the topic of the researcher. It gives the researcher ideas and approaches for the study. The researcher should analyse what others have written about the study under research as this gives a better understanding of the research.

### **2.1. Introduction**

This chapter will dwell much on how other countries adopted the youth fund programme, the programmes targeting the youths, challenges faced by the youths in getting loans and impacts of the youth funds, legal framework and the theoretical framework.

### **2.2. Youth Development Fund programme**

According to the Ministry of Youth, youth fund is the tool used by the government to fight unemployment. Youth fund programme has greatly been a clear device for job creation and youth development in Zimbabwe. The government uses policy to give the power to the local youths both female and male to benefit from the resources, which are being exploited by the foreigner. The researcher believes that if it has carried outside the political perspective it will manage to be fruitful but the fact that the youths fund in Mashonaland Central is being governed within political framework; hence, this brings it to a lot of questioning that did youths fund create job opportunities for the youths in Mashonaland Central province.

Youth Development Fund is an ongoing growth process in which all youths are engaged in attempting to the basic personal and socio-economic needs. The Government of Zimbabwe wants to reach the level where they create job opportunities to the youths. This will remain a dream as the policy of youth development is greatly politicised by the youths of ZANU-PF so it means that only the elite will benefit from the funds initiated by the Ministry of Youth Development, Indigenisation and Economic Empowerment according to National Youth Policy, Zimbabwe, (2006).

According to the Department of Indigenisation and Empowerment, Youth Development Fund is among the top burning issues in the country of Zimbabwe whereby there are funds, which were given to the youths by IDBZ, CABS and CBZ fund. The government was there to provide a link between the youth and the financial institutions to give loans to the youth to start up their own businesses or projects to improve productivity thereby increasing access to better employment for those who are disadvantaged in the labour market according to the Indigenisation and Economic Empowerment policy ([www.mydie.gov.zw](http://www.mydie.gov.zw)). The ILO (2012) denotes that Youth Funds are the micro finance that allocated and suggested in the national budget by the government of Zimbabwe as loans for youths to start their own businesses or to increase their existing businesses.

The National Youth Policy of Zimbabwe also supported the creation of youth and other organizational funds to eradicate the hinderance that ensures the access to loans by the young people. The Youth Development Fund has the mandate of economically empowering the youth and facilitating their participation in their mainstream economy and creating the job opportunities for the youths. The Ministry engaged with various financial institutions to ensure that the youth participate effectively in the mainstream economy as a way in fight the youth unemployment rate, the Zimbabweans facing. According to Nduna (2012) was focusing on empowering youth to improve their living standards or to improve their social and economic life. Nduna notifies that the projects must have the potential to improve their economic and social life. Nduna notifies that the potential to create job opportunities for the youths. Projects and services should be marketable.

The youths funds is one of the main programmes adopted in Zimbabwe that received great criticism across the globe as some of the members thought it was a political tool to buy the votes for ZANU PF on the upcoming Presidential elections. The above notion was also seconded; by various principles like the ZAPU President. President Guzha expressed doubts that any ordinary Youth had benefited from the funds. Youth Development Fund is an ongoing growth process in which all youths are engaged in attempting to the basic personal and socio-economic needs.

Some of the scholars has been argued whether the funds is meant to benefit and develop the youth in Zimbabwe or it was just a political tool meant to gain back the lost votes by the ZANU PF party as it was noticed on the 2008 Presidential election when Morgan Tsvangirai won the

elections. Most of the scholars stipulate that this legislation be motivated by ZANU PF need to have a strong bargain weapon in the upcoming events. Most of the scholars argue that the youth fund was there to meet some opposition from other circles.

The objective of the youth funds was to fund feasible projects, which were initiated by the young people ([www.ruzivo.co.zw](http://www.ruzivo.co.zw)). Youth Development Fund was meant to finance youth projects and income generating businesses to enable young people to participate in the economy and enlarge the economic growth and development ([www.mydie.gov.co.zw](http://www.mydie.gov.co.zw)). The Youth Funds was supposed to support the social and economic development in the country through reduction of poverty, promoting productivity and create the job opportunities for the youths after noticing the problems which faced by youths ([www.ruzivo.co.zw](http://www.ruzivo.co.zw)). The Y.D.F projects fall into different sectors that is agriculture, manufacturing, distribution, services, tourism and retail ([www.ruzivo.co.zw](http://www.ruzivo.co.zw)).

### **2.3. Other countries that adopted the Youth Development Fund**

Zimbabwe's adoption of Youth Development Fund is not a new phenomenon in the global history. It is of paramount important to note that, there other African countries that adopted the Y.D.F for example Kenya, Nigeria, Uganda and Namibia though it was implemented differently according to the former Minister, Ministry of Youth, Indigenisation and Economic Empowerment, S. Kasukuwere. All these countries adopted the Y.D.F to create employment for the youths. Although the youth fund was established to create the job opportunities for the youths, it brought out both positive and negative impacts, Chaseyama (2013 unpublished).

In Nigeria, a pilot programme was done in Borno State, the Youth Empowerment Scheme (YES). It was initiated in 2000 by Hajiya; the former first lady of Nigeria State. The scheme targeted training youths by empowering them economically and socially. The scheme had succeeded in empowering its beneficiaries by establishing the Vocational skills acquisition contributing to a change in their socio-economic status. This was done after the realisation that the government was doing little to make sure that the youths are economically empowered, the Zimbabwean case is different as there is a ministry that is fully committed to improve the employment status of the youths.

In Kenya, the economic growth rate has not been sufficient to create enough employment opportunities to absorb the increasing labour force of about 500, 00 annually. The government suggested the plan institutional financing as a way of reducing the unemployment rate. Most of these are the youth, only about 25% of whom are absorbed, leaving 75% to bear the burden of unemployment. Furthermore, some of those absorbed in the labour market have jobs that do not match their qualifications and specialisation so the government of Kenya introduced the youth funds to reduce the rate of unemployment. (The Kenya Youth Policy, 2003)

In Namibia, also adopted the Youth Development Funds, whereby the government wanted to create employment not only for the young people who own the business but also for those who are employed by the business owners. The youths were given by the government of Namibia to provide valuable products and services for the country since it was their main aim of the funds. Most youths in urban areas started their own business and they are creating their own jobs since they ventured in projects like carpentry and mechanics. The government of Namibia was failing to empower its youths to a lesser extent because of lack funds to provide it to the youths to start their own businesses so most of the youths start their businesses without enough funds. (Youth, Enterprises Promotion Policy, 2004).

The European Commission members adopted the Youth Development Fund after discovered that there was high unemployment rate within its members. Most of the youths were unemployed. The European Commission suggested distributing funds from the Youth Employment Initiative to its members. A member of the European Commission that is Sweden, Greece and Spain adopts the Operational Programmes and given 3.2 billion. The member states funding the projects of the youths and the projects were strongly monitored by the Commission. Member states managed to employ a large number of youths because the unemployment rate was decreasing within some of the members ([www.eucrativ.com](http://www.eucrativ.com)).

The researcher noticed that most of the researchers were focusing on youths in urban areas be it local or regional level. Even the youths who had access to the loans were the urban youths, the Ministry was not considering the youths from rural areas. At local level, most of the researchers did their research focusing on Harare province only since the youths in Harare were the most youths who were given the loans by the financial institutions. The researcher will focus on the Mashonaland Central Province looking both in rural and urban youths of Mashonaland Central on

how the loans create employment for the youths since the researcher noticed that there was no research carried in this Province concerning the issue of loans. In addition, the researcher will pay the attention on the effectiveness of youth funds on why the youth funds are failing to create the job opportunities in Mashonaland central since there is still high unemployment rate.

#### **2.4. Characteristics of youths under the Youth Development Fund**

Youth Development Fund considers the youth between the age 18 -35 as outlined in African Charter as part of the government's indigenisation and economic empowerment programme. The youth fund programme targeting unemployed youths, under employed youths and companies owned by youths. Youth can assess loans as individuals or as groups. In Botswana, the older youth aged 27-35 years were more likely to participate in the youth fund. When people grow, they tend to be mature and are more likely to run viable businesses as compared to the youths under the age of 23. In Zimbabwe, the youth fund programme considers the indigenous citizens, any person who born 18 April was disadvantaged by unfair discrimination on the grounds of his or her race and any descendant of such person and between the ages of 15 – 35 years.

#### **2.5. Programmes Targeting the Youths**

The Ministry of Youth Development, Indigenisation and Economic Empowerment has got the youths at its core and the Ministry come up with various programmes to create employment for the youths in Zimbabwe. The Ministry targets the youths within Zimbabwe since the total population of youths who were unemployed was very high so the government has decided to empower youth through funding of loans. The government introduced programmes like Vocational Training Centre (V.T.C), Integrated Skills Outreach Programme (ISOPs), Entrepreneurship Development Training (E.D.T) and Youth Build Zimbabwe (Y.B.Z). All these were formulated to give ideas to the youth on how they should run their projects so that they can be funded with the financial institutions and to create the job opportunities for the youths.

##### **2.5.1. Entrepreneurship Development Training**

According to the MYIEE, the programme was aiming for potential young people who have accessed funds for employment creation. Entrepreneurship Development Training offered courses or projects for example carpentry, electrical engineering, garment making, interior decoration, welding, horticulture, catering, and poultry production. ([www.mydie.gov.zw](http://www.mydie.gov.zw)).

According to the Deputy Minister of Indigenisation, Matutu, the courses were offered for the period of two years. The teaching model consists of 80% practical marks and 20% theory marks. ([www.mydie.gov.zw](http://www.mydie.gov.zw)), after finishing the training youths were supposed to start their businesses using the microfinance.

### **2.5.2. Vocational Training Centres**

V.T.Cs was established to train youth about skills development programmes in improving employment creation opportunities. The skills development programmes improved productivity and competitiveness by increasing access to better employment for the youths who are disadvantaged in the labor market. The Ministry oversees 42 Vocational Training Institutions and it focus more on Training for Enterprise. Its mission is to develop an entrepreneurial culture amongst youth through skills and business management training in order to improve employment creation. ([www.mydie.go.zw](http://www.mydie.go.zw)).

### **2.5.3. Intergrated Skills Outreach Programmes**

ISOPs were designed to address the youth unemployment challenges as a way to decentralise skills training to community level. ISOPs offer short courses training for young people equipped with resources start up businesses; equipments from sponsor's system with institutions for the graduate loans. Youths given skills on how to mend vehicle tyres, repair electric gadgets.

### **2.5.4. Youth Build Zimbabwe**

Youth Build Zimbabwe is another programme coordinating opportunities for the youths to connect in useful programmes for supporting the development of their communities. The aim of this programme was to promote the society development and peace building within the society. Due to this, most of the communities develop their infrastructure such as roads, schools, clinics and toilets.

## **2.6. Youth Empowerment through Youth Development Fund**

The main aim of the Ministry is to economically empower; the youths by giving the loans to start their own businesses. The Ministry engaged in different various financial institutions to ensure that the youth participate effectively in the economy of the country. The Ministry of Youth established various youth empowerment programmes for the youths in Zimbabwe mostly and

particular youths in Mashonaland Central Province. The Ministry engaged with various finance institutions for example CABS, IDBZ and CBZ.

The CABS (Kurera/ Ukondhla fund), the Youth Empowerment Facility and other financial institutions use the same strategy to give the loans to the youths in Mashonaland Central Province. Banks funded youths between the ages of 18- 35 years ([www.ruzivo.co.zw](http://www.ruzivo.co.zw)). The financial institution funded youths with viable projects so that they can return the loans and to create employment for other youths who do not have access to the loans. The Youth Development Fund was meant to reduce the rate of unemployment in Zimbabwe ([www.ruzivo.co.zw](http://www.ruzivo.co.zw)). The maximum threshold for loans was US\$ 5000. To have access to the loans, youths were supposed to provide, a detailed business plan, loan application form and identification documents.

## **2.7. Challenges faced by youths to access the loans**

The problems of youth entrepreneurs Worldwide are normally similar. Most of the youths are facing the same problems to get loans in their countries due to age range increased, failing to have viable projects, failing to pay back the loans, stringent requirements needed and most of the youths were ignorance to the funds.

According to Rosli (1998), most of the youths apply for irrational amounts of loans as compared to their projects on ground. Most of the youth were affected because their business proposals; were rejected by the Ministry of Youth and the financial institutions because youths were not able to pay back the money after stipulated time. Therefore, the youths who were applying for larger amounts were not able to have access to the loans unlike those who get small amounts.

Even in Swaziland, according to Phakathi (2011), the selection method was generally too soft and there has been insufficient use of investments needs in order to select out people who can pay back the loans. A number of the youths were facing problems because of the colleagues who had already given the loans, who were not paying back the funds because it is government's money. Due to this, the Youth Empowerment Fund is failing to fund the youths because of poor repayment rate and most of the youth are delaying to pay back their money.

According to Prime Minister Mizengo Pinda, in Tanzania most of the projects were not viable, thus the main challenge for youths failing to get loans. The majority of the youths were

practicing traditional and unsustainable agriculture, were not able to utilize the modern equipments of agriculture. Generally youths in Tanzania were doing the shifting cultivation so due this challenge Sh 3 billion which was supposed to be given to youths, the money was allocated to the Ministry of Youth, Sports and Culture to train the youths first on how to practice the commercial farming since most of the youths in Tanzania were practicing the shifting cultivation.

According to the Prime Minister's Office, age limit increased from 24 to 30 years old to meet the demand and help more new youths get affordable capital. Age limit for applications was extended because most of the youths below the age of 24 years were leaving the country after getting scholarships, leaving their projects hanging.

Lijesa the Acting District Head of MYIEE noted that youths in Mabvuku were failing to get loans due to the lack of knowledge on how to get the funds. Generally, youths in high density are failing to get youths fund as compared to the youths in low density. Lack of finance to photocopy their documents and some of them do not have enough documents for example birth certificate and national identity card to have access to the funds. As a result, young people from poor suburbs for example Mabvuku, Mbare and Mufakose end up failing to get loans from the youth fund.

According to Llisterri et al (2006), a number of youths failed to get loans because of the unavailability of operational space and resources so they want to use the same loan to rent a place to start their business. The foreigners for example the Chinese and Nigerians who can pay better rentals invaded areas where youth can afford. The foreigners for example the down town of Harare and Mutare mostly occupied the space, which youths can afford to pay the rentals. Therefore, it was useless for the financial institutions to fund people who do not have enough space to operate at since the Ministry of Youth visit the project on ground first before approving the business plan.

Youths in Bulawayo have complained over the strict requirements wanted to get loans. To access the loans applicants were supposed to produce Curriculum Vitae, a feasible project with a projected cash flow and produce important skills for the project. The youths were supposed to

state how youths were possibly to be employed through the project and it will contribute to the economy. Some of the banks demand deposit amounting to \$20.

Hungwe articulated that, youths in rural areas facing challenges in accessing the loans because there is too much centralisation on approving their loans. The youths were also disadvantaged because it was taking long to get feedback on applications and failed to come up with bankable projects since most of their project proposals, were rejected and labeled “unbankable” (Dibiti).

Another challenge the youths faced is limited access to credit to benefit from their micro informal projects. Regardless of having brilliant project ideas the youths, are sometimes regarded as a high-risk customers group as they do not have the requirement collateral. Therefore, they often cannot access project funding from the formal financial institutions. This has left the youth stuck in the vicious poverty cycle, as their businesses remain simply aspirational and micro in nature, providing income for substance purposes only ([www.mydie.gov.zw](http://www.mydie.gov.zw)).

Most of the youths faced the above challenges to access the loans be it in Zimbabwe or any country.

## **2.8. Impacts of Youth Development Fund**

The main purpose of the youth funds was to provide the youth with the capital to start their own projects or to expand their projects as a way to lessen the unemployment rate ([www.mydie.go.zw](http://www.mydie.go.zw)). It was also set, to support revenue, generating projects. The projects were to boost up the livelihoods of young people in the face of economic challenges and unemployment in the country. Some of the scholars argue for the positive impact of youth development fund that the youth funds create employment for the youths, as it was its main goal. Other scholars were against the above idea, argues that youth funds failed to create employment for the youths in Zimbabwe and other countries.

According to Terry Mutsvanga, the Youthful leader of the Coalition against Corruption (CAC), the youth fund programme was not dwell much on empowering there was still high number of youths wandering the streets and only the few were running small projects and these projects was joined to certain senior government officials who connect them to access funds. Mutsvanga stipulated that the CABS fund was there to assist youth projects with funds but it failed to create

employment for the youths only the elite who were connected; to the government officials only got access to the loans. The youth remained unemployed and impoverished.

Former Deputy Minister of MYIEE, Tongofa noted that the financial institutions are not funding the MDC youths. Only projects of the ZANU PF youths approved for funding and this brings out that the loans were there to benefit to ZANU PF youths only though the programme was initiated; to create employment to all youths be it ZANU PF or MDC youths. ZYC Director Dzikira L argued that the loans were being diverted 70% of the youth has to pay the lobola. Due to this mismanagement, most of the youths failed to change their lifestyle.

The Government of Zimbabwe gives the youths the terrible amounts without any follow up. Some of the youths, who were given the funds almost 56% of the youths were still doing the communal land. A quiet number of youths were in vulnerable employment and it was an indication of poverty among the young generation in Zimbabwe. Youths remain in the muddy of poverty and the dependence syndrome was still high. Hence, the youth fund programme failed to create the job opportunities to the youths since it was its mandate and it failed to change the lives of youths. Chisi argued that, the purpose of establishing the youth fund programme was not to create the employment for the youths but was clear that the government officials used it as a political gimmick used to attract youths to join the ZANU PF party.

The Y.D.F failed to create the employment for the youths from rural areas. Tafadzwa Gochera from Checheche supported that most youths from rural areas suffered and scarcely gains from the programme especially for the youths who are not active in politics. Generally, the Y.D.F programme focuses more on the youths in urban areas, not considering much on youths in rural areas since there is high unemployment rate in rural areas. ZINASU secretary for Gender Affairs, Mamombe Johanna argues that most beneficiaries, the majority who got loans is young men and the Y.D.F failed to empower most young girls.

Hulme and Mosley (1996) noticed that in Indonesia and India rich people benefited more from the loans than the poor did. Mosley noticed that the youth fund programme failed to reduce poverty as the people of Indonesia and India were expected. Only the wealthier youths were more likely to participate in the programme. Therefore, the youth fund programme failed to lessening poverty since the poor remain the poorer.

However, the Y.D.F programme was not solely fruitless because the youths managed to create the job opportunities for example in Bangladesh the youth fund programme alleviate poverty and create jobs among loan recipients (Hossain 2008). The employment and wages rate were high due to the loans that were offered by the financial institutions but before the loans, the employment rate was very low. Most of the project were funded so almost three quarter of youths in Bangladesh with funded projects were to recruit other youths which to get access to the loans.

In Kenya, youth funds helped thousands of young people to start their own projects through entrepreneurship training. It supported thousands of young people to get jobs in neighboring countries through the Youth Empowerment Scheme Abroad (YESA) programme. The YESA programme create over 300 000 jobs in the period of five years. The fund has trained over 200 000 young entrepreneurs.

Finland has developed a comprehensive Youth Guarantee Scheme in 2011, the unemployment rate was at 83.5%, and youths with viable projects received funds within a period of three months. The Finish scheme considered youth and distribute the loans quickly and lowering the unemployment rate. (European Commission).

In Greece, the youth fund programme managed to create the employment for its youths because the unemployment rate was at 50%. After receiving 171.5 million the unemployment rate decreasing to 30%. Therefore, it managed to create the job opportunities to its young people ([www.euractiv.com](http://www.euractiv.com)).

Y.D.F programme helps youths to develop new skills and experience of farming and the programme managed to provide the knowledge to the youths on how to start a small business. According to the National Youth Policy, Namibia, the programme helps the youths to provide valuable products and services for the country with most of Namibia's goods and services to avoid goods coming from South Africa. In Namibia almost 6 000 new official jobs were created every year, hence youths are creating their own jobs through the youth fund programme.

## **2.9. Legal framework and policies supporting the Youth Development Fund**

Youth Development Fund has been set up to encourage employment creation for the youths and entrepreneurial skills. In additional the support of youth empowerment through the Youth

Development Funds is also supported by the legal frameworks and policies. Section 14(1) of the new constitution states that

*“The state and all institutions and agencies of government at every level must endeavor to facilitate and take measures to empower, through appropriate, transparent, fair and just affirmative action, all marginalised persons, groups and communities in Zimbabwe with emphasis on employment creation for the women and youths”*

It is important that a number of policies and laws to avoid corruption and challenges that obstruct successfulness of the programmes should support the programmes that introduced by government. There are quite numbers of policies that encouraging and guiding the Youth Development fund programme in Zimbabwe that is the Zimbabwe Youth Council Amendment Act No. 16 of 1997, African Youth Charter, Zimbabwe National Youth Policy and the Constitution of Zimbabwe.

## **2.10. Theoretical framework**

It can be noted that indigenisation and empowering policy implemented programmes as a way to break away from the bondage of colonial masters or to avoid the dependency syndrome from the Western. The Dependency theory is a good school of thought that the government of Zimbabwe is trying to remove away the capitalist exploitation, which can overcome by the policies, which are implemented by the government of Zimbabwe.

According to Rodney W (1981), the dependency theory is the notion that the developing countries depend on the developed countries. The resources flow from the periphery (the developing states) to the core (developed states). Therefore, the Zimbabwean government decided to establish the youth funds as a means to keep its resources so that the resources will benefit its people. The Ministry of Youth Development, Indigenisation and Economic Empowerment co-administer the loans issue as a way to create the job opportunities to the Zimbabwean youths to avoid a situation whereby youths run away from their countries going to SA to seek for green pastures. Therefore, the establishment of the youth funds it was a way to create the independence system so that the government can create the job opportunities for its people without considering foreign helps as a way to cut the umbilical cord.

### **2.11. Marxist theory**

One can notify that the Ministry of Youth Development, Indigenisation and Economic Empowerment implement programmes that will benefit the ruling or elite class. According to Marx (1848) the ruling class owns the means of production same as to the Youth Development Fund only the elites are benefiting from the loans. The ZANU PF youths are getting the loans at the expense of the MDC youths. According to Minister Nhema, the empowered youths are grabbing the loans because they are failing to pay back the loans. The Youth Development Fund was meant to create employment for the young people in Zimbabwe but it is being politicised, it is now creating the employment to the top officials of ZANU PF youths. Therefore, the Y.D.F is creating the employment to the elites. According to Machiavelli, the youth fund programme is the survival of the fittest because the youths who had given the loans to start their own projects are failing to employ youths who do not have access to the loans.

Therefore, in an attempt to understand the youth fund towards employment creation aiming youth in Zimbabwe, the Marxist theory denotes the elites at the expense of the majority are controlling the concept of the means of production. Mlambo articulated that, the youth fund were meant to create the job opportunities for the youths not regarding which party is being supported by the individuals. However, only the strong supporters or youths who were active in politics were the ones who get access to the loans. Therefore, the Marxist theory supports the study that the youth funds create the employment to the elites or the ZANU PF youths at the expense of other youths because only the few got access to the loans.

### **2.12. Conclusion**

The literature is awash on the field of the study material. In reviewing literature, the researcher noted some gaps and shortcomings of other scholars. This might be because of being possessed with a particular aspect and over generalising on the concept of employment creation on the Youth Development Fund programme. The researcher noted that most of the researchers were carrying their studies in urban areas only not considering the youths in rural areas that are they benefiting from the loans or they are not considered. For example in Zimbabwe, most of the researchers carried out their studies concerning on one province that is Harare province not considering other provinces that the way Harare province are benefiting from loans is it the same way other Provinces are benefiting and the researcher noticed that there was no research carried out in

Mashonaland Central Province. Generally, the researchers were too generalising the effectiveness of the youth funds whilst the researcher will look into detail the significance of youth funds on job creation and articulate the actual rate of the beneficiaries and non-beneficiaries.

## CHAPTER THREE

### DATA PRESENTATION AND ANALYSIS

#### **3.0. The contribution of the Youth Development Funds (loans) towards employment creation aiming youth in Mashonaland Central Province.**

The government of Zimbabwe decided to establish the youth fund programme after realising that there is high unemployment rate in the country because the youth group was the most group who was suffering the government introduced programmes targeting the youths. The government introduced various programmes like V.C.Ts, ISOPs and E.D.T to give information to the youths on how they should run their projects. Exchange programmes with other provinces were prepared to benefit youths to have an idea what others are doing. These entire programme was to create employment in for the youths who were not formally employed, though the MYIEE failed to set a score as far as development of the youths largely.

The youth fund programme was a noble idea though it was more politicised by the youths. In the Mashonaland Central, the youths who were active in politics were the ones, who were benefiting at the cost of other young people in the Province. In Mashonaland Central Province, the Y.D.F programme only managed to create the job opportunities for the elites because it was largely politicised, as a result it failed to create employment for the youths. Former Deputy Minister. T. Matutu argued that the district officers within the province are strong holds of ZANU PF party so they are reluctant to help the MDC youths hence, the youth fund programme is a just a daydream. This indicates that the youth fund was unsuccessful to be an instrument to create employment for the youths in Mashonaland Central Province.

A number of youths were failed to fund by the financial institutions because the youths were failing to come up with viable business proposals, lack of knowledge on how to get funds delayed on distribution of funds and youths were applying for unreasonable amounts of funds. These are the major causes why most of the youths; were not funded and the issue of politics clarifies why youths did not manage to access the youth funds.

However, on the other side, the Y.D.F managed to create employment for the few youths in Mashonaland Central. Youths, who managed to get access to the funds, only the elites were capable to run their projects according to what was in the proposal. A number of youths diverted the funds. Some youths have taken the loans to pay lobola. Due to mismanagement of funds, poor planning and poor project management, most of the youths were not able to pay back the loans and this affects the sustainability of the youth fund programme. Rashfin was among the five companies from Mashonaland Central that received funds but was failing to pay back the money. The loans are supposed to be rotating; therefore, the youths should pay back the loans so that the coming proposals can be funded using the same funds also or the beneficiaries should recruit the youths who had failed to get to the loans.

### **3.1. Data Presentation and Analysis**

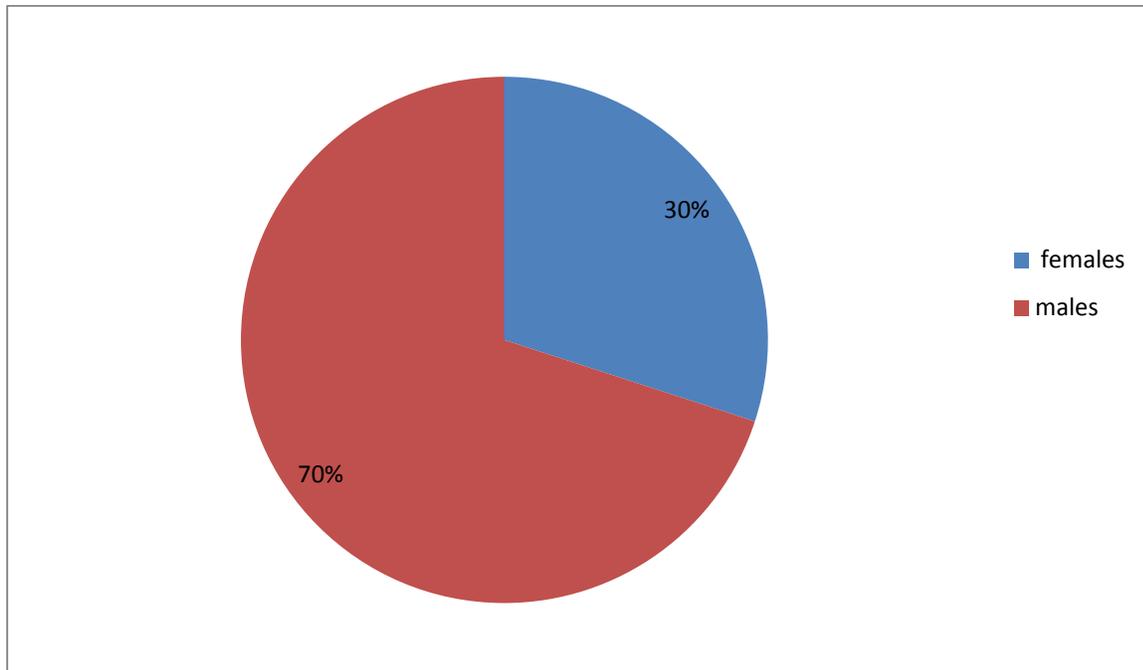
Gathering and collecting data is worthless if the collected data is not deal with, analysed and presented. The purpose of data presentation and analysis is to organizing the findings from different sources of data collection like survey research. It is the best way to show the data to others during data collection. This chapter dwells much more on presentation and analysis of the findings in line with research. Data is presented and analysed in line with the research questions to; be answered.

According to Blaxter (2006) describes data presentation and analysis as making sense out of unprocessed information. Data presentation and analysis is one of the most crucial stages of the research. The information presented here was collected from the Provincial Head, district heads of Mashonaland Central and the financial institutions who were funded the youths.

### **3.2. Response Rate and Gender of respondents**

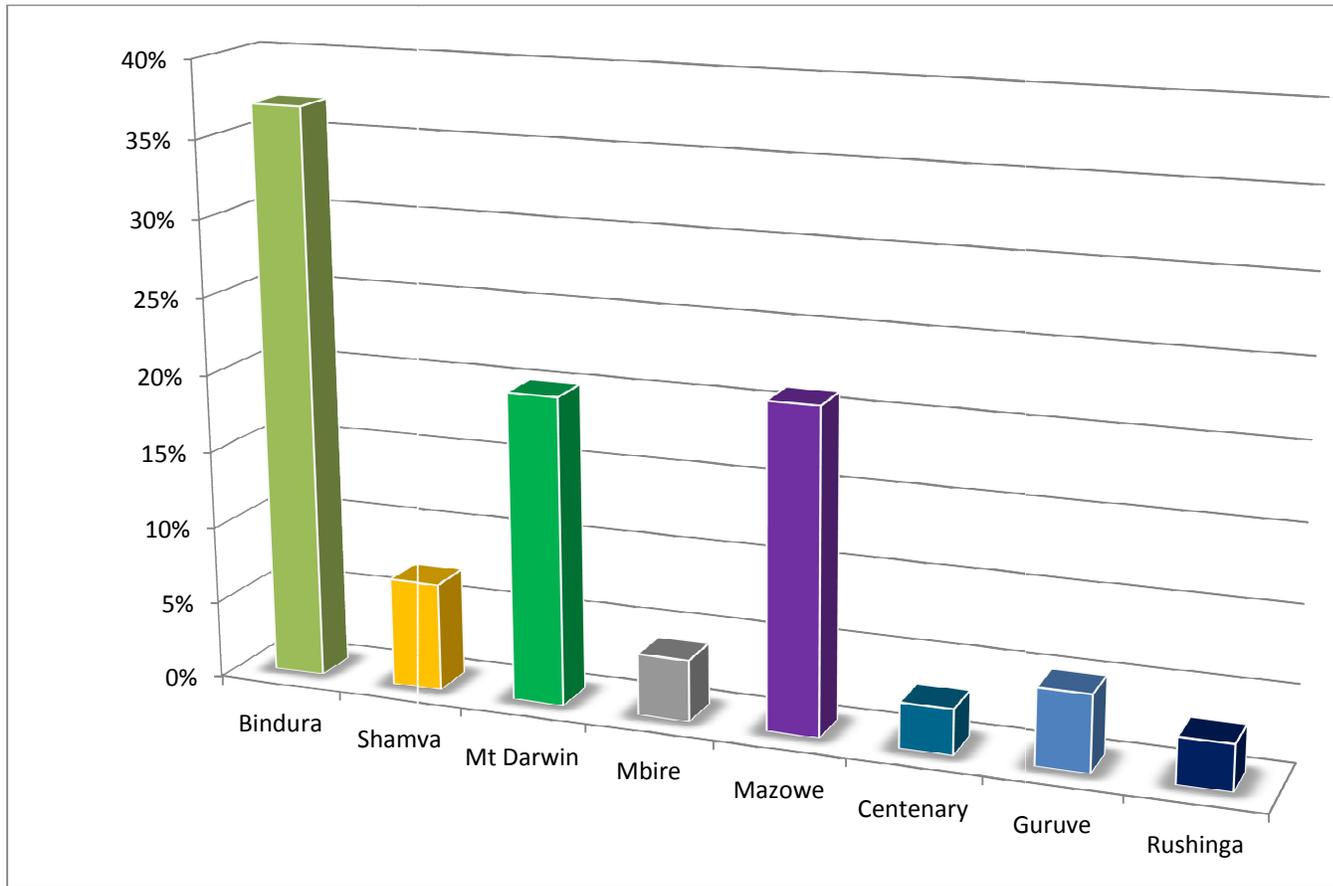
The researcher sent seventeen questionnaires to youths at random in the selected areas. Fifteen questionnaires were tackled by fifty youths, the other questionnaires were not answered, and it gives a response rate of 88%. The researcher managed to interview the MYIEE officials. The researcher interviewed Provincial and District Heads of MYIEE and the financial institution officers since are the one who offered the loans to the youths.

**Figure one; Response rate and Gender of respondents**



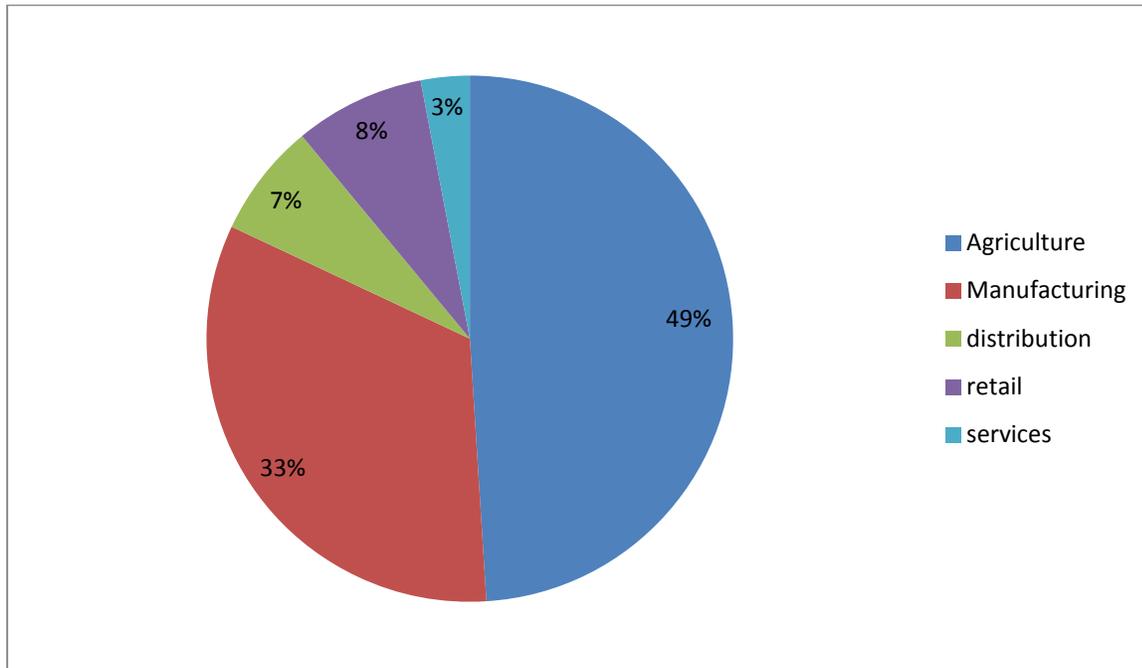
Male and female youth responded to the questionnaires are shown above. 70% were males whilst 30% were females. This indicates that the study got more contact and participants from the males than females. It shows that there are more males in Mashonaland Central Province.

**3.3. Figure two; Funded districts for Mashonaland Central Province from 2009 -2014**



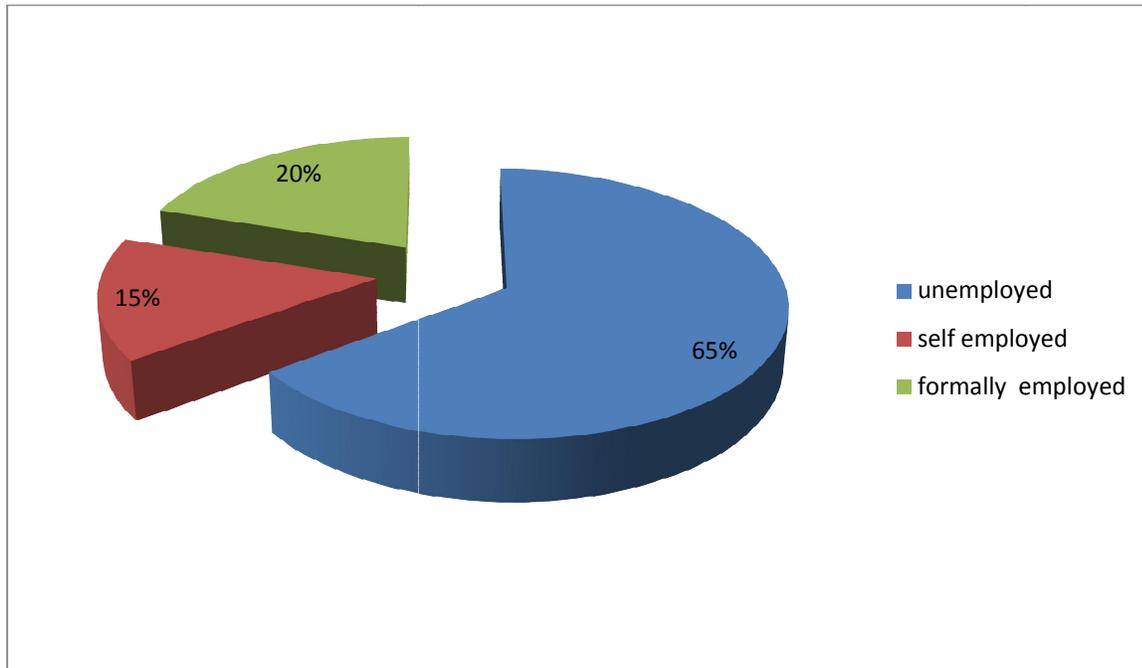
From figure two, can be, identified that Bindura is the most funded district in Mashonaland Central Province. The youths in Mt Darwin and Mazowe districts, there projects were funded as well compared to other districts. Many beneficiaries appear to be from urban areas of Mashonaland central, which is Bindura, Mt Darwin and Mazowe district. There is unequal distribution of loans among the districts, some districts seem to have more beneficiaries and other districts have few beneficiaries. Most rural districts are disadvantaged because the local banks are failing to assist the youths to have access to the funds and they do not have the knowledge on how to apply the loans.

### 3.4. Figure three; the projects that were funded in Mashonaland Central Province



From figure, three Agriculture and manufacturing are the most funded projects as compared to other projects. In view, the fact that most part of Mashonaland central province is in region two the agriculture sector is more vibrant because of fertile lands. Thus most of the youths in the province practice agriculture especially horticulture. Horticulture is mainly done because most of the youths grown the food crops since there market is higher. The reason why manufacturing is the second funded project that the youths are embarking it is because the youths in Mashonaland Central are trying to create their own industrial market. Thus, the youth fund programme is trying to fund manufacturing more at the expense of other sectors. Therefore, they end up engaging in Agriculture and manufacturing because are the most funded and viable projects.

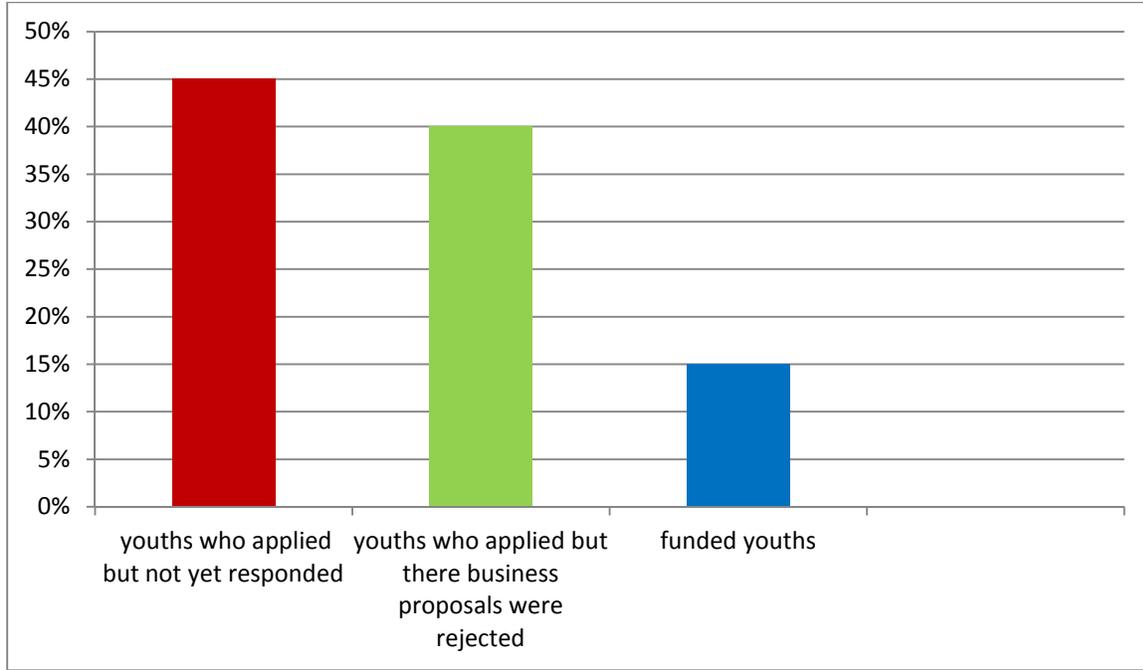
### 3.5. Figure four; Youth Employment rate in Mashonaland Central Province



From figure four, 20% are formally employed, 15% are self-employed and 65% are unemployed, meaning that 80% are not official employed. This means that there is high unemployment rate in Mashonaland Central Province. Hence, it shows that the youth fund programme, regarded as a failure considering the total number of youths who are in the Mashonaland Central Province in line with the ones who have benefited from 2009 to 2014. The ZANU PF used youth funds for political gimmick and mileage to gain its lost votes in 2008. Only the ZANU PF youths were the ones who have access to the loans at the expense of the MDC youths. The Youth Development Fund programme should focus more on funding self- employed youths to enlarge their business so that they can recruit other youths who failed to have access to the loans and increase their income.

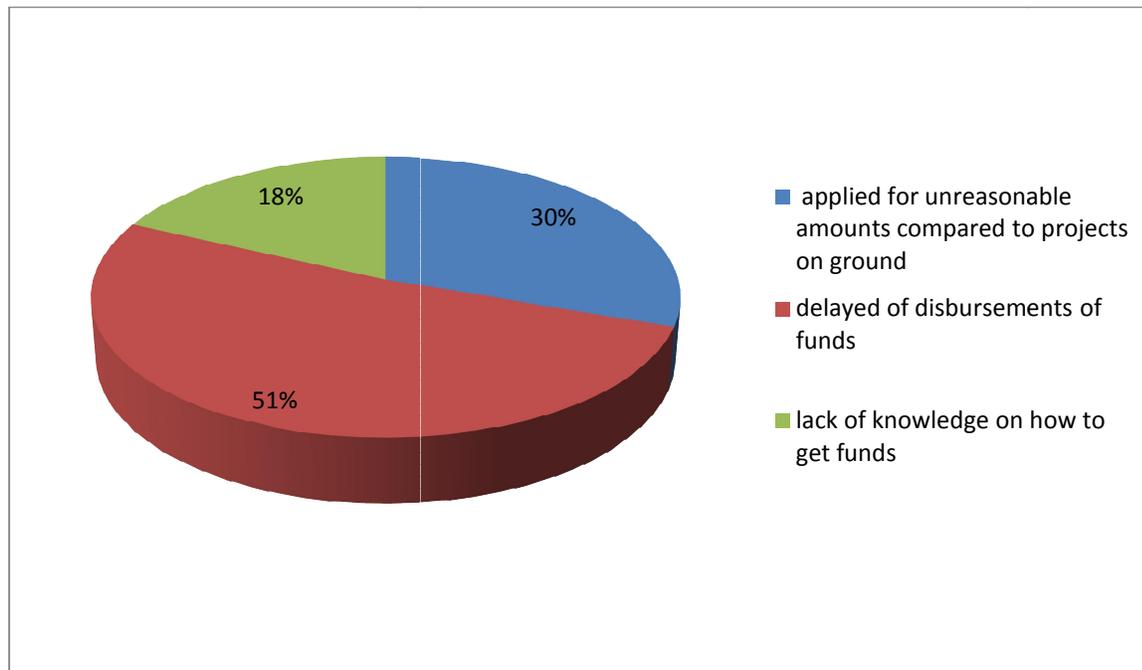
### 3.6. Impact of Youth Funds

#### 3.6.1 Figure five; Number of beneficiaries and non-beneficiaries in Mashonaland Central province



The figure five shows that 45% were the youths who applied three years ago but not yet responded, 40% youths who applied but their business proposals were rejected because most of the projects were unbankable and 15% were the youths funded who were funded by the financial institutions. Only the few youths who were funded by the youth fund programme managed to boost up their projects for example Mr. Chimombe managed to supply more food crops to TM and OK Bindura. Paddy Appeal from Bindura district; was funded, he registered his company and he managed to employ seven youths. He is now supplying the school uniforms in most of the schools in Mashonaland Central. Some of the funded youths were struggling because their projects were not performing well.

### 3.7. Figures six; Challenges faced by youths in accessing loans



From figure six, most of the youths faced challenges to access the youth funds, 30% of the youths were applying for unreasonable amounts as compared to their projects on ground. Therefore, 30% of the youths failed to get access to the loans due to the large amounts of loans and the requirements that were required, most of them lacks the CABS account. 51% of the youths who applied for loans, the financial institution delayed to distribute the funds and 18% of the youths lack the knowledge on how to get funds from the financial institution. Response from the interviews MYIEE Provincial Head, Mr. Manyange agreed with the above results as Mr. Manyange considers that all powers are centralised on the Head Office of the MYIEE and the head offices of the CABS, CBZ, IDBZ and Stanbic bank and this causes unnecessary delays in loan distribution.

Due to these results, the MYIEE and the financial institutions should review the loan processing to avoid the delaying of funds distribution and the powers should be decentralised in order for the youths to have access to loans immediately. The MYIEE should assign the youth officers to teach the youths on how to get youth funds. The business proposals should be approved at provincial level not only at national level also the local bank branches should also fund the youths to shorten the process of distribution of funds.

### 3.8. Challenges faced by banks in processing the youth funds

The financial institutions are facing the challenges where by most of the youths are failing to pay back the loans and some of the youths are delaying to pay back the loans at a stipulated time. Also identified was the cost of monitoring of the funded projects was too high compared to the actual loans. For example, one trip for monitoring will cost more whilst total income is low. Therefore, the banks affected because the funded youths were supposed to pay their loans before the period of twelve months so that other youths can also funded.

Results indicating that, if the youths continue, failing to pay back the loans, the banks will fail to fund the project.

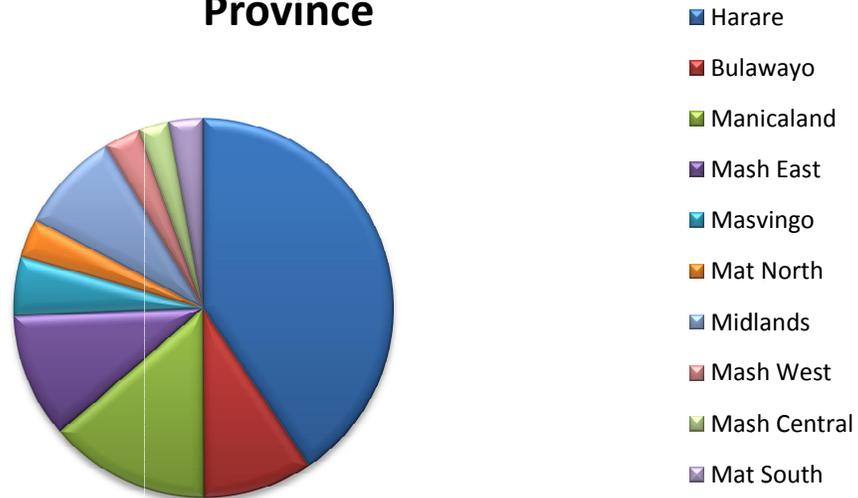
### 3.9. Analysis of Youth beneficiaries Overalls/ per province

Over 2 000 projects funded since the beginning of the facility and it creates over 3 800 jobs for the youths in Zimbabwe. The table below shows the number of youth who benefited from the programme since 2009-2014.

<b>Provinces</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total</b>
Harare	187	78	264	172	170	21	892
Bulawayo	18	27	64	31	27	11	178
Manicaland	4	6	90	137	65	12	314
Mash East	47	50	42	45	15	7	206
Masvingo	8	11	57	19	8	0	103
Mat North	3	0	9	3	5	0	20
Midlands	32	11	53	50	17	9	172
Mash West	0	33	66	66	9	3	177
Mash Central	0	0	37	17	4	2	60
Mat South	0	5	27	17	5	0	54
<b>Total</b>	<b>245.900.</b>	<b>243.170.0</b>	<b>957.400.0</b>	<b>745.900.0</b>	<b>253.600.0</b>	<b>65.00</b>	<b>2.510.9</b>
<b>Disbursed</b>	<b>00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7 00</b>

([www.mydie.gov.zw](http://www.mydie.gov.zw))

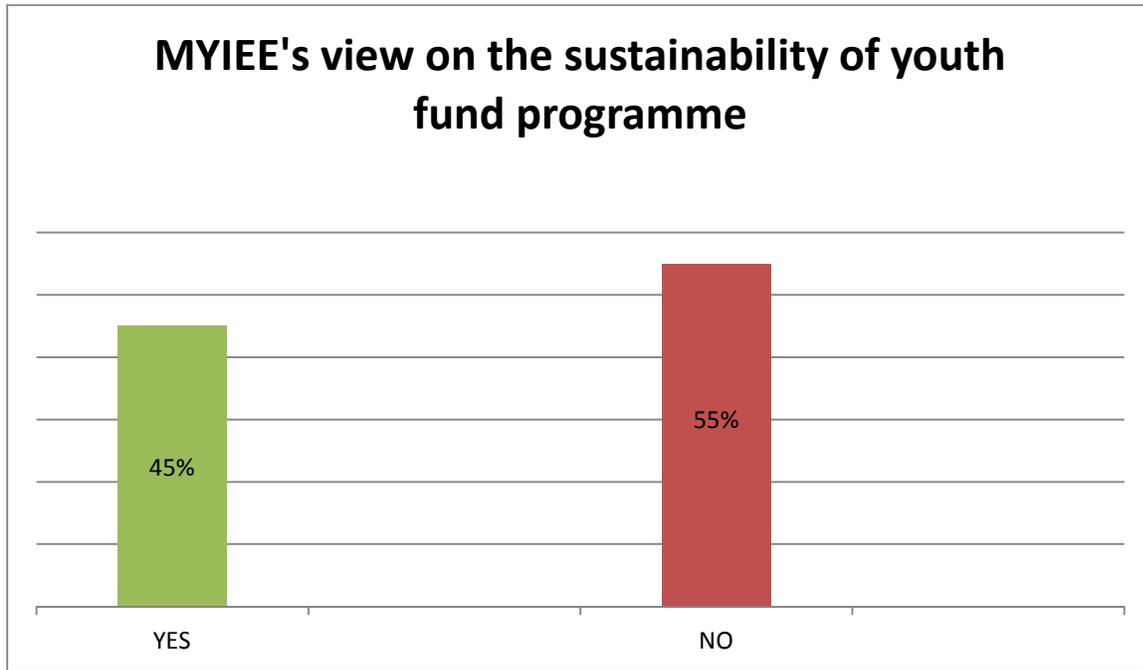
## Analysis of youth beneficiaries for each Province



([www.myiee.gov.zw](http://www.myiee.gov.zw))

The majority of projects financed are in the Harare, Manicaland, Mashonaland East, Bulawayo and Midlands's province. Most projects funded were from the big cities of Zimbabwe. This mainly because information reaches the beneficiaries quickly in the big cities compared to other provinces.

**3.10. Figure seven; Sustainability of the Youth Development Fund programme towards employment creation**



The sustainability of youth fund programme is controversial because among the four banks that is CBZ, CABS, IDBZ and Stanbic bank, that funds the youth projects, some of the banks are no longer funding the youths for example CBZ and Stanbic as the youths are failing to pay back the loans. Most of them are grabbing the loans. The IDBZ is still funding but the funding rate is now low as compared from 2009 to 2012. In an interview with MYIEE Provincial Head, CABS freeze the funds because most of the youths are failing to generate viable projects from the funds they are given. It needs to re-strategize its funding method so that it will fund again and this affects the sustainability of the Youth Development Fund programme.

Most of the youth in Mashonaland Central province are not fully equipped to start their own projects. The youth fund is not operating well since most of the youths do not have the capability to operate as business people.

**3.11. Conclusion**

This chapter presented and analysed data acquired from the questionnaires and interviews. Questionnaires responses contributed a greater part of information presented in this chapter on the contribution of youth funds to the creation of employment to the youths in

MashonalandCentral province. This chapter also analysed the contribution of the youth funds towards employment creation aiming the youth in Mashonaland Central Province

## **CHAPTERFOUR**

### **Conclusions and Recommendations**

#### **4.0. Introduction**

This chapter gives recommendations on the effectiveness of the youth fund towards employment creation in Mashonaland Central Province from the research findings. It also presented the conclusion of the research. Recommendations for the future study are also provided on the contribution of youth fund to be successful.

#### **4.1. Conclusions**

In conclusion, it must be noted that due to high unemployment rate of the youths, the MYIEE in conjunction with the CBZ, CABS, IDBZ and Stanbic bank established the Y.D.F. Youth Development Fund is a revolving micro loan facility for the youths. Youth fund was set to support income-generating programmes to uplift the livelihoods of youths in the face of economic challenges and unemployment in the country.

Youth Development Fund programme has failed to create the job opportunities for the majority of the youths in Mashonaland Central Province, as there is still high unemployment rate, largely. The youth fund programme, it is a good idea as it essentially wishes to create the employment for the youths in Zimbabwe though it ended up being politicised. Only youths who were active in politics were, funded whilst the programme was supposed to benefit all the youths despite the issue of political parties. It failed to create the job opportunities because of the over centralisation of decision-making authority to Harare by directing bank affects the usefulness of the funds and disadvantage youths in other provinces out Harare.

The youth fund programme cannot be wholly ruled; as a failure as it managed to create employment for the few youths in Mashonaland Central. Only the few who got access to the loans managed boost up their projects and recruit other youths within the province.

The researcher noticed that the youth fund programme to be profitable the youths should be educated before funded to ensure the viability of the project. It has been noted that, some of the youths funded misuse the funds due to lack of knowledge on how to manage their projects. Due

to this, most of the youths are failing to pay the loans: therefore, suffocating other targeted beneficiaries since the fund is a rotating.

In relation to the study premises, the research concludes that Youth Development Fund has so far failed to create the employment for the youths in Mashonaland Central Province.

## **4.2. Recommendations**

### **Monitoring and evaluations of the funded projects**

Monitoring and evaluations should be done constantly to ensure the feasibility of the projects. The Ministry of Youth, Indigenisation and Economic Empowerment and the financial institutions should make enough resources for monitoring and evaluations the funded projects. The MYIEE can also have an independent board that meant for monitoring and evaluation before and after the projects funded. They should fund projects that generate income to ensure the sustainability of the youth fund programme and to avoid the beneficiaries who are failing to pay back the loans.

### **Capitalize of Youth Funds**

The Y.D.F should be correctly capitalised to ensure that the youths could access enough funds for project development. The MYIEE and financial institutions should use the funds properly and they should make profits from the distributed funds so that they can keep on funding other projects.

### **Decentralization of business proposals**

For accessibility of the loans, the authorization of the business proposals should be decentralised. All provinces should approve the business proposal to avoid the delaying disbursements of funds and also the reduce the issue that all majority projects funded are in the Harare province because the data reaches the youths quickly in Harare compared with other provinces. All the provinces should receive the funds equally, therefore the MYIEE and financial institutions should distribute the funds equally.

### **Encourage youths to engage with V.C.Ts and E.D.Ts**

The Ministry of Youth, Indigenisation and Economic Empowerment should teach the youths in rural areas on how to apply loans since most of the youths in rural areas are failing to have access to the loans because they do not have the knowledge about the youth funds. A quite number of youths are failing to have viable projects. Therefore, the MYIEE should encourage them to go to the V.C.Ts and E.D.Ts to acquire enough knowledge on how to run certain projects that are marketable in the country. The MYIEE officers should also encourage the youths to attend the ISOPs so that they can be able to have an outlook on how other youths are managing their businesses.

All businesses in all sectors should obtain at least 20% of their products and services from youth owned project in which youth have a controlling interest.

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## Appendix I

### Questionnaires to the Beneficiaries

My name is Blondie Mhuka. I am a fourth year student at Midlands State University studying a Bachelor of Science in Politics and Public Management Honours Degree. I am carrying out a research on “**The contribution of Youth Development Fund (loans) towards employment creation aiming youth in Zimbabwe from 2009-2014. A case of Mashonaland Central Province.**” Information given will be used for educational purpose only. Please do not write your name for security and privacy. Write your answer or tick the appropriate answer.

### Individual Details

1. District .....

### Individual Demographic Structure

2.Age 18-24

25-29

30-35

Sex Male

Female

### Level of education

Primary

Secondary

Diploma

Degree

**Employment status**

Employed

Self employed

Unemployed

3. When did you access the youth funds?

2009-10

2010-11

2011-12

2012-13

2013- 14

4. Which project did you start after receiving the funds?

.....

5. How did it start partnership, cooperative or individual?

.....

6. If it starts as a partnership or cooperative, to date, what is your number of employees?

.....

7. What is your monthly income?

.....

8. How would you classify your monthly income?

Poor

Average

Satisfactory

Excellent

9. Do you feel you need more funds to increase or expand your project

Yes

No

10. If yes, what are your reasons for needing more funds?

.....

.....

11. If no, what are the strengths of your project?

.....

.....

## Appendix II

### Questionnaires to the non- beneficiaries

My name is Blondie Mhuka. I am a student at Midlands State University studying BSc Honours Degree in Politics and Public Management. I am carrying out a research on, “**The contribution of Youth Development Fund (loans) towards employment creation aiming youth in Zimbabwe from 2009-2014. A case of Mashonaland Central Province.**” Information given will be used for educational purpose only. Please do not write your name for security and privacy. Write your answer or tick the appropriate answer.

#### Individual Details

District	Age	Sex	Employment status

#### Level of education

Primary

Secondary

Diploma

Degree

1. Are you aware of the Youth Development Fund programme

Yes

No

2. If yes, give information on what you understand about it

.....  
.....

.....

3. Have you applied the loans?

Yes

No

4. If yes, when did you apply .....

.....

5. If no, what are your reasons for not applying

.....

.....

.....

6. Would you recommend other youths to apply for these loans

.....

7. In your own opinion what needs to be done to create job opportunities for the youths

.....

.....

.....

## Appendix III

### Interview Guide: Provincial Head and financial institution officers

Good morning /afternoon. My name is Blondie Mhuka. I am a student at Midlands State University doing BSc Honours Degree in Politics and Public Management. I am carrying out a research on, **“The contribution of Youth Development fund (loans) towards employment creation aiming youth in Zimbabwe from 2009-2014. A case of Mashonaland Central Province”** and you have been chosen for an interview. I assure you that information given will be treated as confidential and the information will be for academic research purpose only.

1. Are there any youth funds that have been distributed in the Province?
2. When did the distribution start?
3. How many youths benefited from the loans since 2009 to 2014?
4. Is there any projects started by funds from the Youth Development Fund that is vibrant in the province?
5. Which is the most vibrant project in the province?
6. Are the youths still applying for the loans?
7. What is the rate of accessing the loans?
8. What are you doing as a ministry to publicize the loan facility?
9. Where do most youths fail to meet the selection criteria?
10. Which bank is funded most the youth?

**SUPERVISION CHECKING LIST**

**NB. THIS FORM MUST BE ATTACHED TO THE FINAL COPY OF YOUR DISSERTATION**

**NAME OF STUDENT.....REG no.....**

**STEP 1 LIASE WITH SUPERVISOR FOR TOPIC**

**SUPERVISOR.....SIGNATURE.....DATE.../.../....**

**Topic.....**  
.....  
.....  
.....

**STEP 2 SUBMIT TOPIC TO DISSERTATION COMMITTEE**

**CHAIRPERSON SIGNATURE.....DATE.....**

**COMMITTEE**  
**COMMENTS.....**  
.....  
.....

**Date of Approval.....**

**STEP 3 SUBMISSION OF PROPOSAL**

**SUPERVISOR SIGNED.....DATE.....**

**STEP 4 DATA COLLECTION**

**Approved to proceed to data collection.....signed .....date**

**STEP 5 PRESENTATIONS OF DATA FROM THE FIELD (RECORDINGS, QUESTIONNAIRES, INTERVIEWS.....)**

**SUPERVISOR.....SIGNED.....DATE.....**

**STEP 6 SUBMISSION OF THE DISSERTATION**

**SUPERVISOR .....SIGNED.....DATE.....**

**STEP 7 SUBMISSION FOR VIVA-VOCE**

**CHAIRPERSON.....DATES.....**

**MIDLANDS STATE UNIVERSITY**

**FACULTY OF SOCIAL SCIENCES**

**DEPARTMENT OF POLITICS AND PUBLIC MANAGEMENT**

**GUIDELINE FOR MARKING DISSERTATION**

<b>ITEM UNDER OBSERVATION</b>	<i>COMMENTS</i>	<i>SCORE</i>
<b>Title [10 marks]</b> <ul style="list-style-type: none"><li>• Is the title clear and precise?</li><li>• Does the title expose the problem under investigation?</li></ul>		
<b>Abstract/Introduction [10</b>		

<p><b>marks]</b></p> <ul style="list-style-type: none"> <li>• Does the abstract successfully bridge the gap between the title and subject?</li> <li>• Does the student demonstrate knowledgibility about the nature, problem and purpose of study?</li> <li>• Have the objectives of the study been clearly stated?</li> <li>• How relevant is the literature reviewed and theories used?</li> </ul>		
<p><b>Content [50 marks]</b></p> <ul style="list-style-type: none"> <li>• Are the chapters well laid out and coherent?</li> <li>• Does the work show the use of relevant research methods?</li> <li>• Is the evidence authentic?</li> <li>• Is there evidence of research?</li> </ul>		
<p><b>Conclusion/ Recommendation [10 marks]</b></p>		

<ul style="list-style-type: none"> <li>• Has the work been resented?</li> <li>• Does the conclusion answer the objectives?</li> </ul>		
<p><b>Reference [10 marks]</b></p> <ul style="list-style-type: none"> <li>• Have the references been accurately presented?</li> <li>• Has the referencing style been consistent?</li> </ul>		
<p><b>Layout, Presentation and Editorial</b></p> <p><b>Assessment [10 marks]</b></p> <ul style="list-style-type: none"> <li>• Is there continuity in the style of writing?</li> <li>• Is there correct use of English in terms of consistency?</li> </ul>		
<p><b>TOTAL SCORE (100 MARKS)</b></p>		

Signature of the Supervisor.....Comment on Submission.....

Signature \_\_\_\_\_ of \_\_\_\_\_ the  
Marker.....Date.....  
.....

Signature \_\_\_\_\_ of \_\_\_\_\_ the  
Moderator.....Date.....  
.....