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The undersigned certify that they have read and made recommendations to the Midlands State University for acceptance of a research project entitled: ***Local Economic Development in the Indigenisation era: Case of Mazowe Rural District Council*** submitted in partial fulfilment of the requirements of the Bachelor of Science Honours Degree in Local Governance Studies.

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DEDICATIONS

This research is dedicated to my late father Benjamin Tapi and my aunt Mrs J Chihota.

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ABSTRACT

Zimbabwe is rated as one of the poorest countries in the world, a scary fact considering that the country is endowed with vast mineral resources like diamonds, natural gas and gold which if effectively used could make it have one of the strongest economies on the continent. In order to make this possible, there is a need to ensure that growth at a local level is fostered by the central government and this growth should be uniform so as to ensure that there is no concentration of development in one place. The historical overview of development challenges in Zimbabwe were categorised into three distinct epochs that is the early independence era (1980-1990), liberalisation era (1991-1999) and Post Movement for Democratic Change (MDC) era (2000 to date). The main purpose of the research was to analyse whether there has been any meaningful contribution by the indigenisation policy to local economic development and the basis to the research was underpinned by three main objectives of the identification of the indigenisation projects in Mazowe district, an analysis of success and failures of the indigenisation projects and subsequently an analysis of the impact of indigenisation on local economic development of Mazowe. Although the research was case study based, it also made use of regional and international examples all in a bid to analyse whether the problems to development and abatement strategies thereafter being faced in Zimbabwe were similar to the ones faced in South Africa and Malaysia. The research made use of the area of Mazowe District which has around 232 000 inhabitants and derived a population sample of about 150 people. The research made use of both probability and non-probability sampling methods to ensure representativeness with purposive sampling, stratified random sampling, convenience and systematic random sampling being used. Data for the research was acquired through a combination of primary and secondary data sources. Primary data made use of self-administered questionnaires as well as interviews with secondary data mainly derived from council documents. Major research findings accrued from the field indicate that the indigenisation policy has had a positive impact on LED with the indigenous people having ownership of their resources through the land reform as well as ownership of small mining claims. Observations also made were that there was a booming informal sector that has largely been underutilised by the local authority and given the right policies could contribute significantly to the development of the area. On the lop side, it was observed that the infrastructure in the area is poor and unevenly balanced leading to development disparities. The researcher recommends among other things that there be capacity building for small scale miners and the informal sector which will make these contribute significantly to LED.

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List of Acronyms

BEE- Black Economic Empowerment

CSOT- Community Share Ownership Scheme

LED- Local Economic Development

RDC- Rural District Council

ICT- Information communication technology

CHAPTER 1

INTRODUCTION

1.0 Introduction

Developing countries especially those in Sub Saharan Africa like Zimbabwe have been hard hit by high levels of poverty mainly emanating from the imbalances created during the colonial era as well as gross misuse of resources by the minority elite. In order to circumvent this anomaly, the Zimbabwe government introduced the indigenization policy in 2008 where companies with a threshold of \$500 000 were supposed to cede 51 percent of their shares within 5 years to locals. It is the aim of this paper to analyse how local economic development has been impacted upon in the era of the indigenisation policies with the case study of Mazowe Rural District Councils. However examples shall also be derived from various cases that include South Africa and Malaysia. The following chapter shall aim to highlight the background of the study, problem statement, research objectives, and research questions, significance of the study, limitations and delimitations as well as definition of terms.

1.1 Background of the Study

Zimbabwe is rated as one of the poorest countries in the world, a scary fact considering that the country is endowed with vast mineral resources like diamonds, natural gas and gold which if effectively used could make it have one of the strongest economies on the continent. In order to make this possible, there is a need to ensure that growth at a local level is fostered by the central government as this would ensure that resources may be equitably distributed and development being uniform. Local economic development will mean that there is effective and efficient use of resources as it involves local actors.

Various policies to stimulate local economic development have been formulated by the government before but these have catastrophically failed mainly due to a plethora of factors that include but not limited to lack of resources and corruption. Matunhu and Mago (2013) observe that various policies were initiated aimed at alleviating poverty as well as colonial imbalances and these included the three-year Transitional National Development Plan in 1982-85, the Prime Minister's Directive of 1984 aimed at increasing grassroots participation in development through creation of structures like the village development committees (VIDCO) and Ward Development Committee (WADCO). The Five-Year national Development Plan in

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1986-1991 was also implemented in a bid to improve livelihoods of the communities in the country and hence can be termed as local economic development in its infancy. The various policies initiated failed to completely eradicate rural poverty and there was relatively little success in infrastructural development.

The lack of resources greatly impinged upon local economic development and in order to circumvent this, the government sought financial aid packages from the International monetary fund. For this loan to be granted the IMF imposed a set of austerity measures that had to be implemented by the government before the financial aid package was granted. This led to the infamous Economic Structural Adjustment Programs in 1992. Mago (2010) observes that the ESAP consisted of austerity measures that included privatization of state owned enterprises, reduction of subsidies, price decontrols, devaluation of the currency as well as public deficit reduction, . The program had devastating consequences and resulted in massive retrenchments across the board and further increased poverty levels in the country. The country actually faced retrogressive development instead of progressive development. Matunhu and Mago (2013) postulate that in a bid to minimize the effects of the structural adjustment programs, the government introduced the Zimbabwe Programme of Economic and Social Transformation (ZIMPREST) which was seen as a solution to the problems bedeviling the country chief among them poverty. However the program suffered the same fate as its predecessors with lack of resources being the main cause behind failure.

After the flurry of indigenisation efforts in the 80s, the government introduced the fast track land reform program in early 2000 which was aimed at giving the landless peasant farming land so as to increase food security in the household. Again this was a ploy to redress the colonial imbalances as well as resettle people that were living in areas that were not agriculture friendly. Furthermore, the land reform had a communist connotation to it by the fact that land was taken from the rich white minority elite and given to the majority black. Much detail on the success or lack thereof will be addressed in the chapters to follow.

The Concept of indigenisation did not begin in 2008 as noted by many a scholar but rather it's a policy which started way back in 1980 under the auspices of the former President of the Republic, Canaan Banana hence it can be deemed as 'old wine in new bottles'. Economic reporter (2015) observes that the then President Banana decreed that only the indigenous people could join the civil service and non-indigenous people were barred from getting job promotions. Furthermore, there was the indigenisation of import licences as well as foreign

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currency allocations and in the then Prime Minister's words, this was a deliberate move to ensure that the indigenous people would become the industrialists of the future. However such attempts proved to be futile as it was observed that those who had acquired such licences simply resold them to the previous licence owners.

The main variables of local economic development are poverty alleviation in what are known as pro-poor LED, participation, employment creation as well as sustainable use of local resources. It also includes the dimensions of enterprise and business development, regional collaboration, infrastructural development, community cash flow development, workforce development and in order to fulfil all this as well as to ensure that the economy is controlled by the indigenous people, the government introduced the indigenisation policy where foreign owned companies were compelled to cede 51 percent of their shares to locals. The key highlights of the indigenisation policy are employee share ownership schemes, community share ownership schemes as well as land reform although it is not explicitly mentioned in the legal framework for indigenisation.

The research was case study based with Mazowe Rural District Council being used. A brief background of Mazowe Rural District Council (herein after referred to Mazowe RDC) shows that it was established in 1992 after the amalgamation of four rural district Councils namely Harare West Council, Chiweshe District Council, Mazowe RDC and Mvurwi District Council with the latter having being conferred town status in 2010 and subsequently having its own area of jurisdiction. MRDC shares boundaries with Harare to its north, Goromonzi District to its south east, Bindura District to the East, Muzarabani to the South and Guruve to the south west. It was further divided into manageable sub offices, that is, Dandamera, Christon Bank, Tsungubvi and Chiweshe.

Mazowe RDC is regulated and established by the Rural District Councils Act (chapter 29:13) and given areas where it can make by laws and work on furthering the interests of its inhabitants.

Mazowe RDC is run under a two tier system of administration with elected officials (Councillors) and non-elected officials (Executive). The elected officials are headed by the Council Chairman whilst the executive is headed by the Chief Executive Officer forming a deliberate body which runs the affairs of the Council with support from co-opted members from the thirty five wards in the district. The operations of the Council are to ensure service

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provision in the area of its jurisdiction especially with regards to infrastructural development, enterprise and business development just to mention but a few.

The council is made up of eleven committees which are Roads Planning and Works committee, Tsungubvi area committee, Dandamera Area Committee, Christon Bank Area committee, Human Resources Committee, Finance Committee, Nzvimbo area Committee, Audit committee, Full council, Environmental Management committee and Tender Committee. These committees work with the Heads of Departments and the rest of the staff in running all the council activities.

The area under study is endowed with vast mineral resources that include gold, pyrites as well as having favourable climatic conditions for commercial farming. However amid all these riches, it has been observed that the area has massive imbalances especially when it comes to infrastructural development hence one may find scenarios whereby there is a massive difference between areas like Glendale and Gweshe. Furthermore, it has been observed that the locals are not benefitting from their resources as it can be seen that most of the people who are in control of these resources are not local and as such are damaging the environment especially in the mining sector and not ploughing back to the community in the form of infrastructural development among others. Despite boasting such resources, the district has one of the highest levels of unemployment and as such is lagging behind when it comes to development.

The situation has also been further exacerbated by the country's poor fiscus where the central government is often incapacitated to assist the local authorities in partaking in local economic development. Zimbabwe has been hard hit by lack of foreign direct investment especially in light of the economic sanctions imposed by the West. Coupled with gross misuse of resources, it has meant that Central government has been left with relatively little resources to give grants to local authorities as well as embark on Public Sector Investment Programs (PSIP). As a result, it has led to massive rates of dilapidated infrastructure with most Council assets that used to provide employment like Beer halls being rendered obsolete and being closed down. The drying up of funds from the Central government has led to councils being severely disadvantaged especially with regards to development endeavours as clearly evidenced by Mazowe Rural District Council which currently sells unserviced stands.

Hence it is against this backdrop that the study seeks to find out how the indigenisation drive by the government of Zimbabwe has aided local economic development. Also worth noting is

the fact that there has been relatively low levels of literature especially with regards to local economic development in Zimbabwe.

1.2 Statement of the problem

The area under study has suffered greatly from a history of socio-economic and infrastructural under-development. It is the main purpose of local economic development to ensure that such misdemeanours are abated but however such policies have catastrophically failed due to a plethora of reasons that include but not limited to resources. The research seeks to analyse the impact that the indigenisation program has had on local economic development in Mazowe District.

1.3 Objectives of the Study

- To identify indigenisation and local economic development projects in Mazowe District
- To analyse the impact of indigenisation on local economic development
- To establish factors that contribute to the success or failures of local economic development in the indigenisation era

1.4 Research Questions

- How successful have been the indigenisation and local economic development projects in Mazowe district
- What are the indigenisation and local economic development projects currently being partaken by Mazowe Rural District Council
- What are the major challenges bedevilling indigenisation and Local economic development projects
- To what extent can indigenisation promote local economic development

1.5 Significance of the study

The study ascertained the linkages between indigenisation projects and local economic development analysing on the successes as well as failures of the projects. There has not been much literature available on local economic development in the country and it was the researcher's wish to shed more light on what is happening in other countries that have adopted an almost similar approach to LED through indigenisation analysing critical success factors and failures. As a result, it means central government and local authorities alike can adopt a similar approach to development. The findings from this research may be used by Mazowe

Rural District Council as a policy instrument and may unearth some of the opportunities they may have overlooked in their strategic plan. It is hoped that findings of this research and recommendations are used to enhance local economic development projects in the era of indigenisation leading to Mazowe Rural District Council achieving its vision of “to have a satisfied prosperous community by 2018”

1.6 Delimitations

The study focused on Mazowe located 35 km from Harare in Mashonaland Central and under the jurisdiction of Mazowe RDC. According to the Zimbabwe Statistic Agency, Mazowe had about 232 885 people in 2012, a figure which would have increased by now. The Council has 5 departments which are the Human resources and Administration department, Finance department, Road Works and Planning department, Audit department and the Community Services department and the study shall focus on all departments as they are interrelated. The research targeted a sample of 147 people with particular emphasis being placed on business people, ratepayers, Councillors, traditional leaders, Council employees and management. The purpose of including these groups was to ensure that the researcher gets a bigger picture on the impacts of the indigenisation policy on local economic development projects since its inception in 2008.

1.7 Limitations

1.7.1 Low response rate

There was a genuine fear that there may be a low response rate to questionnaires especially from Ward Councillors. This is mainly due to the fact that some of them lived in inaccessible areas and judging from past experiences most of them were not so keen on getting involved in such studies.

1.7.1.1 Solution

In order to counteract this, the researcher sought the help of the Council Chairman and Chief Executive Officer of Mazowe RDC in ensuring a high response rate.

1.7.2 Low levels of subjective information

The issue of indigenisation is often driven by emotions hence it was difficult to get objective information from respondents especially from those who were not benefitting from it.

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1.7.2.1 Solution

In order to counteract this, the researcher ensured that he got good rapport with respondents which greatly increased chances of getting objective information

1.7.3 Time constrains

The researcher faced the problem of time constraints as he has to balance between research and attending lectures.

1.7.3.1 Solution

To counteract this the researcher made use of the weekends and semester break to ensure that he gets the job done

1.7.4 Financial constrains

With the current economic downturn, the researcher was faced with the daunting task of acquiring funds to finance trips to Mazowe District as well as visiting the various councillors since they do not reside in the same areas.

1.7.4.1 Solution

In order to circumvent this, the researcher sought financial help from relatives and friends. The researcher also made provisions to ensure that his trip to the district coincided with full council meeting so as to ensure that he met all the councillors as they would be in one place.

1.7.5 Sample population limitations

The mere fact that the researcher drew his conclusions from a sample of 150 people was a problem in itself. This is due to the fact that views of 150 people may not necessarily reflect those of 200 000+ people.

1.7.5.1 Solution

In order to increase the validity of the findings, the researcher used stratified random sampling where he divided the population into various strata basing on variables like sex, religion etc. Stratified random sampling meant that data was collected from a diverse group thereby increasing validity.

1.7.6 Confidentiality issues

Management may choose to withhold information citing various reasons like confidentiality amongst other things. In order to parry this, the researcher convinced management that the research is solely for academic purposes and would not be published until there was approval

from the organisation and the institution. Furthermore, he went with a letter of confirmation from the institution as evidence that the research was legitimate.

1.8 Definition of terms

Local Economic Development- the International Labour organisation (2015) defines local economic development as a creation of decent jobs through stimulating social and economic development at the local level. It goes on to state that LED makes use of local and external resources as well as local competitive advantages in a global context through enabling the joint decision and implementation of a common development strategy for a defined territory.

Indigenisation- According to the Indigenisation and Economic Empowerment Act ch14:33, it means 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; It goes on to define an indigenous Zimbabwean as any person who, before the 18th 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 of the members or hold the controlling interest;

Local Authority- According to the Rural District Councils Act Ch29.13, "local authority" means a municipal council, town council, local board, rural district council or provincial council and, for so long as any such councils remain in existence, includes a rural council established under the Rural Councils Act [Chapter 211 of 1974] and a district council established under the District Councils Act [Chapter 231 of 1974];

2.0 Summary

The chapter sought to highlight some key elements of the study giving a brief history of the concept of local economic development as well as indigenisation. The background of the study ensured that the researcher was able to contextualise the problem that motivated him to partake in the study culminating into the statement of the problem. It also laid the foundation of the study by specifying objectives of the study as well as research questions. The chapter also sought to highlight the significance of the study to Mazowe Rural District Council as well as in contributing to the knowledge gap that currently exists in local economic development in Zimbabwe especially in the indigenisation era. The next chapter shall reveal literature written

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on local economic development and indigenisation by various scholars as well as the legal framework.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

Researchers on indigenization laws in Zimbabwe have put much emphasis on the legality of the Indigenisation and Economic empowerment Act focusing on its links to national economic development particularly with regards to inward investment and have brushed off its impacts on local economic development. A handful have tried to establish the correlation between the policy and rural development. This chapter shall start by giving a background of indigenisation as well as local economic development juxtaposing them with the current development challenges bedevilling Zimbabwe. It shall also allude to in greater depth the contextual framework guiding local economic development and indigenisation in the country. The chapter shall also seek to analyse whether indigenisation may be a panacea to LED challenges and in order to ascertain this, the study shall make use of 2 case studies that is South Africa and Malaysia. Lastly, linkages between indigenisation and LED shall also be established with statistics derived from other countries being taken into cognisance. The literature to be reviewed in this chapter was derived from an expansive array of e-journals, books, newspaper articles, internet databases as well as state of the nation speeches.

2.1 Historical Overview of Development Challenges in Zimbabwe

The historical overview of development challenges in Zimbabwe shall be categorised into three distinct epochs that is the early independence era (1980-1990), liberalisation era (1991-1999) and Post Movement for Democratic Change (MDC) era (2000 to date).

2.1.1 Early independence Era (1980-1990)

Like many countries in sub-Saharan Africa, Zimbabwe has not being immune from socio-economic, infrastructural and technological development challenges, an anomaly which is more prevalent in rural communities. Mazula (2010) postulates that following the country's independence in 1980, the incoming government took a cue from the Russian federation type of governance and introduced socialist state capitalism which focused more on the family, rural development, free education and free health. The scholar goes on to propound the viewpoint that despite efforts by government to focus on development, there remained one hindrance that is the presence of white commercial farmers who owned all the prime land for agriculture. As a result of this, it meant that it was virtually impossible for meaningful development to take

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place as the majority indigenous people were devoid of this resource. The same was also prevalent in the private sector where it was observed that the minority white elite controlled the key industries. The Economic Reporter (2015) asserts that his perhaps explains the reason why R. G Mugabe, the then Prime Minister of the Republic introduced the indigenisation of import licences as well as foreign currency allocations in a deliberate move to ensure that the indigenous people would become the industrialists of the future albeit with limited success as those who bought the licenses simply resold them to previous owners in a haste to earn a quick buck.

The period preceding independence was characterised by high levels of colonial imbalances especially on the control of resources. Mazingi & Kamidza (2012) observe that the blacks were confined to areas with very limited infrastructure whilst whites occupied the leafy suburbs. The same imbalances were also observed in the ownership of land where it was observed by the Stoneman(1988), Moyo (1987) and Riddel (1979) all cited in Mazingi and Kamidza (2012) that in the communal areas with a carrying capacity of 275 000, there were close to 700 000 families. On the other hand, 6000 white farmers owned close to 51 percent of the land outside the urban areas and to make the situation worse, most of the land was in the agro-ecological Regions 1 and 2.

Furthermore, the Riddell Commission report (1981) cited in Matunhu (2012) came out with findings that there was the problem of the shortage of land in the rural areas and that up to 40% of the young men aged between 16 and 30 years were without land at a time when up to 60 % of the European land was being under-utilized. With such alarming figures, it was clear that development would very much lag behind.

Mamdani (2008) also notes that colonial imbalances were prevalent in the ownership and control of resources with the scholar pointing out that there was the monopolisation of water by the white minority legitimised by the Water Act of 1976 where whites owned and controlled 85 percent and 23 percent of irrigation schemes as compared to the black majority which had access to a measly 2,5 percent of controlled irrigation.

Apart from the imbalances of land ownership as well as access to water, The National Manpower Survey (1981) also observes that they were income differentials which heavily favoured the white minority. Statistics derived from the survey show that black people who constituted 97,6% of the population received 60% of wages and salaries, whites who were 25

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of the population received 37 percent with the rest getting 3 percent. Such a high wage bill of clearly shows that they were inequalities between the races with a heavy bias towards the white minority.

In order to address the imbalances created by the colonial regime, the government introduced Growth With Equity in 1983 as well as the Five Year National development plan from 1986-90. Zhou and Zvoushe (2012) posit that it emphasised on expansion of the rural infrastructure as well as redressing socio-economic inequalities. The creation of jobs as observed by Mazingi and Kamidza (2012) shows that it created close 209 000 new jobs of which creation of jobs is one of the hallmarks of local economic development. However during that same time, it can be observed that the economy started crumbling mainly due to a high regulated environment which stifled growth. According to the International Monetary Fund (2000) cited in Zimbabwe Institute (2000) growth in the manufacturing sector averaged a measly 2.8% per year and the country's GDP growth was 4.3% between 1980 and 1990

Mazula (2010) observes that the service sector was also not spared from this scourge of economic turmoil as the state transportation, telecommunications and air suffered greatly of which failure of these would have devastating consequences on a landlocked economy like Zimbabwe which survived more on exports. Zimbabwe Institute (2000) notes that by year end there was 0.9% per annum GDP growth and 0.4% per annum employment growth in the 1990s. This started a chain reaction of events culminating into the country dropping from lower middle income status in the early 1980s to being eligible for International Development Association (IDA) all in a space of 12 years (1980-92). According to the World Bank (2010) IDA is a loan scheme meant to give long-term low-interest loans and grants to the poorest developing countries in order to eradicate poverty in poorest countries hence it can be seen that by virtue of joining this group of countries, the country was suffering from retrogressive development. Chikowore (2010) notes that as a reaction to the economic crisis of the 1990s the government adopted Economic Structural Adjustment Programs which were at the behest of the International Monetary Fund.

2.1.2 Economic Liberalisation Era 1990-2000

This period was characterised with liberalisation of the economy in what are infamously known as economic structural adjustment programs (ESAP) in 1992. It is also an era which witnessed the formulation of the ZIMPREST policy in 1998. According to Mazingi and Kamidza (2012), ESAP was the pursuance of free market led economic development strategy which would

greatly reduce the role of the state in the economy. In other words, ESAP were austerity measures aimed at reducing government expenditure and involvement in business through trade liberalization, privatization and retrenchment amongst other things. Zhou and Zvoushe (2012) observe that budget deficit had increased to 13 percent of GDP and the flurry of imports and high demand for capital by the private sector was not marked with a corresponding decrease in government expenditure. Mazula (2010) observes that the high imports marked with rise in prices following price deregulation as well as tariff surcharges led to the devaluation of the currency in 1991. Likewise, the exchange rate went down by 40%. Murisa (2010) postulates that the period between 1993 and 1997 was characterized by high inflationary rates, government over-expenditure, dilapidating social and physical infrastructure were the order of the day. Raftopolous (2009) notes that such conditions led to employees being dissatisfied with their meagre wages and started waging strikes.

2.1.3 Post Movement for Democratic Change (MDC) Era (2000-2015)

The period is heavily characterized by socio-politico-economic meltdown. It saw the emergence of an opposition party in 2000 that is MDC. It also kick-started an era of land resettlement as well as indigenization, policies which relatively failed because of a plethora of reasons that include nepotism amongst other things. The African Development Bank (n.d) observe that this period was characterized by a 50 percent decline in GDP growth, high levels of poverty and a world record inflation rate of about 500 Billion in 2008. The Mail and Guardian Reporter (2009) cited in Murisa (2010) also observes that there was a reduction in urban unemployment of about 3.6 million in 2003 with a measly 480 000 having jobs. The Central Statistical Office (2002) also observes that 72 percent of the population was living below the poverty datum line. In light of this, it can be seen that Zimbabwe was a nation in crisis thereby rendering it useless with regards to partaking in local economic development. By 2005, 36 percent of the rural population (2, 9 million) would not meet household requirements during the 2005-06 seasons as according to the Zimbabwe Vulnerability Assessment Committee (ZIMVAC) report (2005).

Pasquali (2015) reports that the country is one of the poorest countries in the world with 60 percent of the people living on less than a dollar per day. Such an alarming statistic considering the vast amount of resources the country has. The current state of affairs leaves a lot to be desired. Mtomba (2015) reports that the country is now in deflation and having a negative balance of payment as seen by the Zimbabwe's imports for the first quarter of the 2015 which

stood at \$1, 57 billion compared to exports of \$717 million. Zimstats (2015) posits that Zimbabwe has also been hard hit by high levels of unemployment with current statistics pegging unemployment rate at 85 percent. The situation has also been further compounded by the current scenario whereby companies are dismissing workers in order to cut costs. Nemukuyu (2015) reports that close to 2500 people lost jobs in a space of 2 weeks in September 2015 after the supreme court set a potentially devastating precedence when they made a ruling empowering employers to dismiss an employee without a retrenchment package after having given him or her 3 months' notice.

In summation, it can be viewed that the development challenges currently bedeviling the country can be narrowed down to unemployment, poor economy and dilapidated infrastructure. It is imperative that the government understands nature of development challenges so as to enable sustainable development programs. Furthermore, the section sought to analyze the prevailing local economic development situations before the indigenization era.

2.1 Conceptual and Theoretical Frameworks for Local Economic Development (LED)

2.1.2 Introduction

This section will specify the definitions of LED, theoretical foundations of local economic development as well as the strategies partook in LED which include enterprise and business development, community cash flow development among others. It shall also highlight the actors within Led in Zimbabwe and also the contextual framework governing LED.

2.1.2 History and Concept of Local economic development

Local Economic Development- the International Labour organisation (2015) defines local economic development as a creation of decent jobs through stimulating social and economic development at the local level. It goes on to state that LED makes use of local and external resources as well as local competitive advantages in a global context through enabling the joint decision and implementation of a common development strategy for a defined territory.

Local Economic Development as defined by the World Bank (2010) is an approach towards achieving competitiveness, job creation and poverty alleviation in a given area. It is that development that places emphasis on a local area and is spearheaded by the local communities

in partnership with development partners such as non-governmental organizations and private sector.

Although LED has been explained using various definitions there seems to be a certain theme which stand out and that is use of local resources, local actors, high participation as well as an improvement in the general livelihoods of the people in a community. It can be observed that LED goes hand in hand with decentralization that is the transfer of authority and responsibility from central government to lower tiers of government. Scott and Alam (2011) posits that decentralization is generally pursued because of the positive impacts it brings especially in reducing poverty and attainment of millennium development goals. This is mainly because of stronger accountability mechanisms, high responsiveness to citizens as well as development programs tailor-made for local needs.

2.1.3 Theories of Local Economic Development

2.1.3.1 Place Marketing theory

Cheshire (1999) cited in Hague et al (2011) defined place competitiveness as a process by which groups acting on a behalf of a regional or sub-regional economy seek to promote it as a location for economic activity either implicitly or explicitly in competition with other areas. In other words, it is the creation of investor friendly policies that attracts instead of pushing away potential investors. A local authority should be able to have conditions that attract firms as well as maintain the ones with a rising market share in an activity while maintaining or increasing standards of living for those who participate in it (Storper, 1997). According to Metaxas (2012), place marketing is instrumental to local economic development as it is not only limited to the satisfaction of the enterprise and residents from purchase of goods and services that are provided by the place but to also satisfying the expectations of the potential investor. One city that has successfully used the place marketing theory so as to stimulate economic development is Lisbon, Portugal. Alden and da Rosa Pires, (1996) posit that the main reason why the City of Lisbon partook in place marketing was to ensure that there was a general improvement in the environment as well as consolidating the cultural heritage and general increase in the economic base and social opportunities. All the aforementioned variables are the major characteristics of LED which. Furthermore (Alden and da Rosa Pires (1996) and Vasconcelos and Reis (1997) cited in Metaxas (2002) also observe that the City of Lisbon seeks to make itself the city of choice for investors as well as revamping itself so that there is increased administrative efficiency.

It can be seen that place marketing is instrumental in enabling local economic development as it promotes inward development leading to more employment opportunities there mitigating the dysfunctional consequences of poverty. However, question to ask is are local authorities in Zimbabwe doing enough to ensure that they effectively partake in place marketing.

2.1.3.2 Economic Base theory

According to Dinc (2002), an ideal local economy can be divided into two sectors that is the basic and non-basic sector. The theory asserts that in order to strengthen and grow the economy, there is a need to ensure that the basic sector is developed and enhanced as it is the engine of an economy or in more technical terms provides the economic base. Das and Leatherman (2013) are of the viewpoint that an economy is supposed to have a stronger basic economy than the non-basic one which puts it in a better position if the national economy fails. Das and Leatherman (2013) also go on to state that the basic industry is that type of economy which does not necessarily rely on the local market but rather focuses on the international markets. Examples of such include mining, agriculture and tourism, the latter having prices which are largely determined on the global scale. The non-basic industry is that which relies on local markets for example convenient stores, butcheries etc.

The research will ascertain the type of industries that are available in the area to be studied scrutinizing the overall contribution of the industries to local economic development.

2.2 Local Economic Development strategies

In order to ensure that there is meaningful development, there are various strategies that have been adopted. Wisconsin Economic Development Institute (2003) observes that there are five (5) main strategies that can be used by local authorities in LED and these are enterprise and business development, regional collaboration, community cash flow development, infrastructural development and workforce development.

2.2.1 Enterprise and business development

For any meaningful development to take place, there has to be provisions set aside to ensure that there are businesses that can provide the necessary capital investment. Ndabeni (2014) postulates that economic failure leading to closure of industries has contributed to the significant growth of the informal sector which is instrumental in reducing poverty and unemployment. Wisconsin Economic Development Institute (2003) notes that enterprise and business development entails retention of current players, attraction of new players and lastly

creation of new businesses complimenting the existing ones. Kuratko and Lafollete (1987) propound the viewpoint that local authorities can partake in business and enterprise development through the creation of small business incubators. It is undisputable that most small businesses have catastrophically failed as soon as they get off the ground, a factor attributed to lack of capacity. The small business incubator facilities entail use of leases on terms that are flexible as well as reduced rentals with the resultant support facilities of financial management as well as technical and administrative support. Such systems have been very successful in the United States of America where it was observed that between 1980 and 1982, close to 2 650 000 jobs were created with large businesses losing 1 664 000 thereby signifying the importance of enterprise and business development to local economic development. Another shining example is also that of South Africa as observed by Altman (2007) who states that close to 1, 1 million jobs were created in the informal sector between 1997 and 2005. Wills (2009) also shares this viewpoint stating that close to 3, 65 million people were employed in the informal sector. In this regard, it can be seen that enterprise and business development greatly aids local economic development as it greatly reduces poverty and unemployment.

2.2.2 Regional Collaboration

Wisconsin Economic Development Institute (2003) defines collaboration as a high degree of commitment to working with others. Regional collaboration normally entails a scenario whereby there is mutual cooperation for mutual gain between local governments. Local authorities can increase economic performance both in the short term and long run through the implementation of a collaborative approach as no single region can be self-sufficient that is have all the resources it needs to develop itself hence need for collaboration. According to Hague et al (2011), regional collaboration may also lead to the expansion of markets especially for primary producers. One example of a region that has partook in regional collaboration is that of California in the United States of America. Browne & Sanders (2013) posit that the East Bay Economic Development Alliance (EDA) is a public-private partnership of cities in Alameda and Contra Costa counties as well as businesses, universities, community colleges and community groups which convenes regularly to share information and strategies that advance regional interests. They use a code of ethics which emphasises openness and transparency and when a company intends to transfer from one locality to another, it is obliged to contact the affected community. This has been very successful as it has been observed that there is growth with equity with the GNP per capita of the state having increased significantly.

It can be argued however that regional collaboration should not be narrowed down to geographical boundaries only but however can also be made across national frontiers. Self-Pierson (2012) postulates that local authorities can exploit the avenue of city twinning which ensures that there is an exchange of manpower and technical expertise between various local authorities. For instance Harare City Council is in such a partnership with the German city of Munich. Dhedheya (2013) reports that Harare has benefitted from medical supplies as well as exchange of information on town planning, urban governance and municipal improvements among others. In this regard, it can be seen that regional collaboration is often a strategy that involves all stakeholders be it ratepayers, business people or the respective local governments. Full participation of stakeholders is one of the hallmarks of LED

2.2.3 Community cash flow development

Gordon (2006) postulates that in order to promote community cash flow development, there are four main components that should be looked at which are creation of local safety nets, housing improvements and settlement upgrading, basic service delivery and stimulating local economy. Pulver, (1986) posits that community cash flow development can be aided by encouraging local citizens to buy local brands for example purchasing groceries from local stores rather than buying from other territories. As cash flow development entails the movement of money in and out of a territory, there is also a need to stimulate investment and this perhaps explains the use of growth points as a development tool. According to Wekwete, (1988) Growth points are used to stimulate growth by virtue of the use of concessionary rates and subsidies which attracts investors. Furthermore, through market research, a local authority can be able to know goods and services required within their area of dormain and work accordingly to acquire them. Helmsing (2010) asserts that a community should partake in income generating projects as well as have provisions for a community fund where those who are disadvantaged can borrow money from. This will ensure that even if the national economy fails, communities are better positioned to fend for themselves.

2.2.4 Workforce development

Armstrong (2006) asserts that in order to have a competitive advantage and have a highly skilled and capable labor force, there is a need to ensure that there is training and development of employees. Haralson (2010) postulates that workforce development is essential in community development and describes a wide range of the term has come to describe a relatively wide range of undertakings as well as programs partook by territories to formulate,

endure and preserve a competent workforce capable of supporting present and future business as well as industry. Agia, et al. (2007) posit that workforce development directly translates to improved service delivery. This is mainly because of the fact that an experienced and capable workforce is better positioned to be innovative and creative in light of any changes on the global scale be it poor economy or other anomalies. The Wisconsin Economic Development Institute (2003) is of the viewpoint that the absence of highly skilled labor supply may significantly reduce the chances of attracting investment. This is mainly due to the fact that people want to invest in a local authority that is managed by an efficient workforce. A good workforce development may also mean that there will not be poor service delivery which in turn may mean that there will be low levels of outward migration. Low levels of outward migration means that the community may be well equipped to partake in local economic development as the people at the forefront will be having the community's interests at heart. Furthermore, as local economic development focuses on job creation, poverty alleviation, it often means that the higher the level of inward investment promoted by the presence of a capable workforce, the higher the chances of people getting employment and poverty being eradicated. The presence of an educated and trained workforce may also mean the sustainability of current and future businesses.

2.2.5 Infrastructural Development

Smith & Da Lomba (2008) define infrastructure as the structural elements of an economy which allows the production of goods and services without being part of the production process per se. It comprises of the hard element that is road and rail networks, airports, water supply, educational facilities, solid waste treatment and disposal, electricity power generation to mention but a few. It also concerns the soft element of good management and development policies as well as use of operating procedures, all in a bid to ensure that they are responsive to societal demand. Infrastructure plays an important role in the social and economic development of communities. Smith and Da Lomba (2008) also go on to highlight that areas devoid of such have high levels of people wallowing in poverty with local authorities seen to be focusing more provision of basic municipal services like water and sanitation. Blair (1996) points out that for LED to be successful, there is a need to maintain existing infrastructure as well as come up with new modernized infrastructure and one instance where infrastructural development has been seen to be aiding local economic development is the case of Sekhukhune Cross Boundary District Municipality in South Africa. According to the Greater Sekhukhune District

Municipality IDP review (2003), the irrigation system of the Flag Boshielo dam was revamped by the municipality and this has led to many of the families who were previously wallowing in poverty to have sustainable livelihoods. This in turn has led to more money being available for the construction of schools thereby ensuring an educated population which better positions them to gaining employment. In this regard, it can be seen that infrastructural development is instrumental in LED as it increases employment and can also be used as a means by which poverty can be eradicated.

2.3 Conceptual framework of Indigenization

2.3.1 Introduction

Indigenization has been used by many governments to ensure the equitable distribution of resources as well as ensuring that the local populace benefit from their resources. The following chapter shall highlight the history of indigenization, rational behind the policy, types of indigenization as well as the legal framework for indigenization.

2.3.2 History and Concept of Indigenization

As indicated by the Indigenisation and Economic Empowerment Act ch14:33 section 2 (1), it implies a planned inclusion of indigenous Zimbabweans in the monetary exercises of the nation, to which up to this point they had no entrance, in order to guarantee the even-handed responsibility for country's assets; It goes ahead to characterize an indigenous Zimbabwean as any individual who, before the eighteenth April, 1980, was impeded by uncalled for segregation on the grounds of his or her race and incorporates any organization, affiliation, syndicate or association. In layman terms, it is simply giving indigenous Zimbabweans a chance to be masters of their own destiny that is to control their own means of production.

The Concept of indigenisation did not start in 2008 as noted by numerous researchers but instead it's an approach which began path in 1980 under the sponsorship of the previous President of the Republic, Canaan Banana and subsequently can be regarded as 'old wine in new containers'. The Economic reporter (2015) observes that the then President Banana declared that indigenous people could join the common administration and non-indigenous individuals were banished from landing position advancements. Besides, there was the indigenisation of import licenses and in the then Prime Minister's words, this was a planned move to guarantee that the indigenous individuals would turn into the industrialists without bounds. The economic reporter (2015) notes that such endeavours ended up being worthless as

it was observed that the individuals who had gained such licenses basically exchanged them to the past permit proprietors.

Early attempts to indigenize the Zimbabwean economy came as a result of the Riddell commission cited in Matunhu (2012). The Riddell Commission observed that there were income disparities between the black majority and the white minority elite. It goes on to further state that most of the whites owned prime farming land whilst the black people were relegated to the land that was not arable. According to Raftopolous (2009) the Indigenous Business Development Centre (IBDC) was formed in 1990 so as resolve this anomaly through promotion of entrepreneurship by indigenous people through allocation of state assets on preferential terms as well as deregulation of laws hindering black enterprise. However, many scholars note that it catastrophically failed due to a plethora of reasons that include lack of resources among other things.

According to Matzyszak (2011) the demise of the IBDC led to the formation of a new lobbyist committee named the Select Committee on the indigenization of the national economy. Its main duty was to work on the failures of its predecessor but again this committee failed to make meaningful contributions to the indigenization of the economy. Matunhu (2012) notes that it was only after the formation of the Affirmative Action Group (AAG) in 1994 that significant strides started to be made in the indigenization drive. The AAG was formed so as to further the interests of the black indigenous persons and with the help of war liberators, post-colonial intellectuals it successfully did so culminating into the formulation of the National Indigenization and Economic Empowerment Act in 2007.

2.3.1 Reasons for Indigenization

Coetze (2010) postulates that there are various reasons that a government can be motivated to partake in the indigenisation of the economy. These include but not limited to delivery of critical infrastructure, resentment of foreign control of major industries, prevention of exploitation and large labour layoffs, de-monopoly, reducing the power of private capitalists as well as allowing profits of businesses to be shared by the state. In other words, its main thrust is to ensure that income disparities are minimised and there is equitable distribution of resources. Article 21(1) as read with Article 22(1) of The African Charter on Human and People's Rights cited in Dube (2013) provides 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". However Matunhu (2012) argues that

indigenisation is individual based and as such it may lead to the replacement of the rich ‘foreign minority elite’ with a new black elite.

2.3.2 Forms of Indigenisation

Adedeji (1982) asserts that there are two main types of indigenisation which are:

2.3.2.1 Change from foreign to local ownership

This has been the main characteristic of the indigenisation policy in Zimbabwe where locals have been encouraged to acquire stakes in foreign owned companies. According to the National Indigenisation and economic empowerment Act, all companies that have a minimum threshold of \$500 000 should sell a 51 percent stake to indigenous people within a period of 4 years. Dube (2013) observes that compliance to the provisions of the policy must be as follows:

- First year-26% shareholding
- Second year- 36 percent shareholding
- Third year- 46 percent shareholding
- Fourth year- 51 percent shareholding

Regulations also state that a company can comply with the 51 percent quota through employee share ownership schemes and management buy outs. Companies may dispose up to 28 percent to employees and a maximum of 5 percent to management.

Matunhu (2012) notes that the central government is supposed to acquire 31 percent of the shares through an investment portfolio named the Sovereign wealth fund or the National Indigenisation and Economic Empowerment fund. The rest of the 20 percent either goes to individuals or goes to employees through the Employee share ownership scheme.

2.3.2.3 Indigenisation of local resources

Under this form of indigenisation, a community is supposed to get dividends from the companies operating within its area. The CSOTs can only be imposed on qualifying businesses that is organisations engaged in the exploitation of resources of a community. It is more synonymous in the rural areas where there is a large presence of mining enterprises. Section 14(b) of Statutory Instrument 21 of 2010 provides for the establishment of CSOTS which shall hold shares in qualifying businesses on behalf of their respective communities According to the NIEE Act, communities should be given a 10 percent stake in the mining companies within their jurisdiction with the fund being administered by a Community share ownership trust. Mabhena and Moyo (2014) asserts that CSOTS in Zimbabwe can be utilized as vehicles for

promoting employment, finances as well as infrastructural development which are all a panacea for LED. He goes further to express that these plans are intended to put a stop on the egotistical misuse of the nation's assets to the advantage of multi-national enterprises and outsiders at the cost of indigenous Zimbabweans. Matsa & Masimbiti (2014) observe that Tongogara District in Shurugwi has benefitted immensely from CSOTs. Classroom blocks have been constructed at Banga Primary (ward 8) and in ward 10, there have been improvements in service delivery at Zvamabande Clinic with waiting mothers shelters having been constructed.

Murwendo et al (2011) observes that indigenous small scale gold mining is also one way in which indigenisation has been pursued. Heemskerk and Oliviera (2003) also observe that small scale mining is instrumental in providing sustainable livelihoods in the rural areas as it has been observed that it employs close to 13 million workers and sustains 80-100 million people worldwide. Small scale mining presents an opportunity for the poor to better their lives despite its occupational hazards. According to Logan (2004) small scale mining in countries like Ghana and Madagascar has been a way in which communities have responded to escalating poverty and high levels of unemployment in the informal sector hence its growing importance leading to the government promoting the sector. In this regard, it can be seen that indigenised small scale mining is one of the ways in which government has tried to resolve development challenges.

In this regard, it can be seen that theoretically the indigenisation of local resources is all in a bid to ensure local economic development especially with regards to including local actors.

2.4 Legal Frameworks for Indigenisation and Local Economic Development

For any policy to be effectively implemented, there is a need to ensure that it is regulated by legislation so as to ensure that it is unambiguous and subject to abuse by the implementers. It is the main thrust of this section to highlight the legislative provisions governing local economic development and indigenisation in the country.

2.4.1 For Local Economic Development (LED)

LED in Zimbabwe derives its legitimacy from Chapter 2, Section 13 of the supreme law of the land that is the Constitution. Local authorities are also mandated to partake in local economic

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development by Section 71 First Schedule (Powers of Rural local authorities) of the Rural District Councils Act 29.13.

According to the Constitution of Zimbabwe Chapter 2 Section 13:

(1) The state and all institutions and agencies of government at every level must endeavour to facilitate rapid and equitable development, and in particular must take measure to-

- (a) Promote private initiative and self-reliance
- (b) Foster agricultural, commercial, industrial, technological and scientific development;
- (c) Foster the development of industrial and commercial enterprises in order to empower Zimbabwean citizens; and
- (d) Bring about balanced development of the different areas of Zimbabwe, in particular a proper balance in the development of rural and urban areas.

(2) Measures referred to in this section must involve the people in the formulation and implementation of development plans and programmes that affect them

(3) Measures referred to in this section must protect and enhance the right of the people, particularly women, to equal opportunities in development

(4) The state must ensure that local communities benefit from the resources in their areas.

According to the RDC Act 29.13 Section 74 development functions of councils are;

(1) Subject to this Act, a council shall have power and authority to—

- (a) Promote the development of the council area; and
- (b) Formulate policies, both long-term and short-term, for the council area; and
- (c) Prepare annual development and other plans for the council area; and
- (d) Monitor the implementation of development plans and policies within the council area; and
- (e) Exercise any other functions in relation to development that may be conferred upon it by or in terms of this Act or any other enactment.

(2) Before the 1st August in each year, a council shall consider the annual district development plan which has been prepared for it by its rural district development committee in terms of paragraph (c) of subsection (5) of section sixty.

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(3) A council may amend or modify any district development plan referred to in subsection (2) and shall approve such plan, whether amended or otherwise, before the 1st August in each year.

(4) The council shall forward a district development plan approved in terms of subsection (3) to the provincial development committee established for the province concerned in terms of the Provincial Councils and Administration Act [Chapter 29:11], together with a copy of the latest council estimates approved in terms of subsection (5) of section one hundred and twenty-one before the 1st August in any year.

A common theme emanating from the legislative provisions regarding local economic development shows that it is the effective use of local resources using local actors with local authorities playing an instrumental role in ensuring local economic development through formulation of development plans.

2.4.2 For Indigenisation

The indigenisation drive was put forward so as to redress colonial imbalances as well as try to reduce poverty in culminating into the attainment of Sustainable Development Goal 1 of eradicating poverty in all its forms by 2030. In this section, case studies of indigenization in South Africa and Malaysia shall also be used.

2.4.2.1 Case of Zimbabwe

The indigenisation program derives its legitimacy from various pieces of legislation that is the Constitution, National Indigenisation and Economic Empowerment Act as well as subsidiary legislation in the form of Statutory Instruments (S.I).

Chapter 4/Section 14 of the Constitution stipulates 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.

It also goes on to state in Section 20(1)(c) of the Constitution 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”

Section 3 of the NIEEE Act states that the main objectives of indigenisation and economic empowerment are to:

(1) The Government shall, through this Act or regulations or other measures under this Act or any other law, endeavour to secure that—

(a) at least fifty-one *per centum* of the shares of every public company and any other business shall be owned by indigenous Zimbabweans;

(f) all Government departments, statutory bodies and local authorities and all companies shall procure at least fifty *per centum* of their goods and services required to be procured in terms of the Procurement Act [*Chapter 22:15*] from businesses in which a controlling interest is held by indigenous Zimbabweans;

(g) where goods and services are procured in terms of the Procurement Act [*Chapter 22:14*] from businesses in which a controlling interest is not held by indigenous Zimbabweans, any subcontracting required to be done by the supplier shall be done to the prescribed extent in favour of businesses in which a controlling interest is held by indigenous Zimbabweans.

The Indigenization and Economic Empowerment Act (IEE Act) (General Regulation, 2010) also provides that:

It is the objective of the Government [of Zimbabwe] ---- to secure that-

(a) at least fifty-one percent of the share of every mining company which on or after the fixed date, is engaged in the extraction or exploitation of any one or more strategic energy minerals, shall be owned by the State, of which shares-

i. twenty-five per centum shall constitute the non-contributory interest of the State; and

ii. twenty-six per centum shall constitute the contributory interest of the State

(b) at least fifty-one per centum of the shares of every mining company which on or after the fixed date, is engaged in the extraction or exploitation of any precious metals or precious stones, shall be owned by the State and indigenous Zimbabweans, of which shares-

i. twenty five per centum shall constitute the non-contributory interest of the State; and

ii. twenty six per centum shall be owned by the State or indigenous Zimbabweans;

(c) at least fifty-one per centum of the shares of every mining company which on or after the fixed date, is engaged in the extraction or exploitation of any mineral other than a strategic energy mineral, precious metals or precious stones, shall be owned by indigenous Zimbabweans.

2.4.2.2 Case of South Africa

In South Africa, the empowering legislation is No. 53 of 2003: Broad-Based Black Economic Empowerment Act, 2003 herein referred to as BBBEE Act. Section 2 of the Act states that the main objectives of BBBEE are:

- a) Promoting economic transformation in order to enable meaningful participation of black people in the economy
- b) achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises
- c) increasing the extent *to* which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training
- d) increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to the economic activities, infrastructure and skills training;
- e) promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;
- f) empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills; and
- g) promoting access to finance for black economic empowerment.

2. The Preferential Procurement Policy Framework Act no. 5 of 2000

This Act introduced a framework in terms of which state organs were to apply preferential procurement policies when evaluating and awarding tenders. It utilises a points system in terms of which a maximum amount of 10 or 20 points, depending on tender value, is awarded for quantifiable, measurable, specific factors, namely that the contracting persons are historically disadvantaged persons as a result of having been discriminated against on the basis of disability, race and or gender. It thereby implements the programmes of the Reconstruction and Development Programme as published in the *Government Gazette* No. 16085 dated 23

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November 1994. The remaining 80 or 90 points, as the case may be, are awarded to price. Thus the price is the decisive factor. Furthermore, an organ of state may request the Minister of Finance to exempt it from complying with the provision of the Act altogether in instances where the respondent tender competitors are likely to be international suppliers or it is in the interest of national security or in the public interest.

2.4.2.3 Case of Malaysia

The World Bank (2004) postulate that Malaysia formed a series of economic reforms between 1970 and 2000 which were short to medium term and long term. These consisted the New Economic Policy (1970-1990) and the national development policy (NDP) from 1991-2000. Pek Koon (1997) posits that the policies were mainly promulgated so as to ensure growth with equitable distribution as it was observed that the Chinese were the ones who were mainly benefitting from Malay resources. Chowa & Mukuvare (2013) observe that empowerment in Malaysia put emphasis on privatisation of state entities as well as setting up of specialised agencies with the locals then empowered to buy stakes in these organisations. The World Bank (2004) also posits that there was also another policy formulated to deal with the problems that arose out of the East Asian Financial Crisis named the National Economic Recovery Plan. Among other plans introduced were also the industrial master plans, privatisation as well agriculture policies. Hart (1994) also observes that there was quota system in both the private and public sector especially through the Industrial Co-ordination Act which stipulated that 30% of equity of companies producing for domestic market had to be given to Malays. There was also a quota enforced in employment with Malays been given first preference over and above other races.

Basing on the legislation that has been discussed in this section, it can be seen that the policies are often beautifully crafted but what is of utmost importance is whether they are been implemented properly and whether they are achieving the mandate they were created for. Furthermore, an appreciation of the policies of other countries that have successfully indigenised their economies leading to LED is important for the study as it enables benchmarking success against those for Zimbabwe.

2.5 Factors contributing to Success and Failure of LED projects in Indigenisation era

2.5.1. Politics

Cohen (2010) observes that politics has a major impact on local economic development in the sense that whenever there are different political ideologies in the government or local authorities, the chances of reaching common ground or consensus is often reduced to a minimal. In the Zimbabwean contest ZANU PF and MDC officials often advocate for decisions that favour their political parties rather than those that promote local economic development. For instance, in Epworth which is under the jurisdiction of the Epworth Local Board, ward development meetings were not being done mainly because of the fact that most of the Councillors belong to the opposition party and people do not attend such meetings because of this. With regards to the variable of politics, one can also note that uncertainty especially with regards to leadership succession issues amongst others is also one factor that has contributed to failure of LED projects. Burkett (2013) postulates that investors are more inclined to invest in a country where their investments are profitable and protected against any changes in the political landscape. With the events that have been occurring in Zimbabwe at the turn of the millennium that is indigenisation policies, underhand dealings, sanctions it has often made it difficult for the country to be seen as a safe investment destination.

Jeffery (2013) observes that indigenisation has brought about with it preferential procurement in South Africa where it has been seen that most government tenders are given to black indigenous business owners who then inflate figures. For example Gwede Mantashe, ANC Secretary General at that time was quoted in 2012 as having criticised preferential procurement where it was observed that a bottle of water that could be acquired for 7 rand would be procured by the government for 27 Rand in a bid to create a black middle class. Furthermore, it has been seen that the black economic empowerment has created a minority black elite that has political connections thereby discrediting the true intentions of the indigenisation drive.

2.5.2.2 Centre-local relations

Rogerson (2009) postulates that centre local relations also pose a major challenge to the process of Local economic development strategies. This is due to the fact that central government may at times create an environment that is not enabling meaning that it creates an environment that does not promote development. Muchadenyika (2014) posits that soiled centre local relations

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have led to local authorities lacking autonomy which directly translates to appalling service delivery. The scholar cites scenarios in which the centre through the Minister of Local Government and Public works ministerial directives have pegged back development for example the Minister's freezing of posts has led to most councils failing to replace essential staff as noted by the scenario in which Gweru City Council is operating with 3 acting heads of department. Wunsh (2001) also points out that the Department of Physical planning is responsible for planning in rural local authorities. Part of rural planning entails local authorities coming up with development plans resulting in shopping lists which are then sent to central government and integrated into a national development plan that is fraught by top down processes via ministries with regards to prioritisation and implementation. As a result of this, it means that the centre continues to control the resources coming from the periphery. For meaningful development to occur, it means local authorities have to garner control of investment funds. Muchadenyika (2014) asserts that the centre has also deprived the local off valuable revenue in the form of vehicle licenses (mandate given to ZINARA) and water provision (given to ZINWA). This has led to the further dwindling of the revenue base for local authorities leading to them being unable to maintain and build new infrastructure which is instrumental for local economic development.

2.5.2.4 Poor fiscus

Economic performance is one of the major factors that influence local economic development of any place. Countries that have a good economy are more likely to attract investors as they will be expecting more profits in return while areas with poor economic performance repel development. According to Mohr (2015) the issue of trade deficit is also another challenge affecting the LED process in Zimbabwe. Due to the fact that we are importing quite a large number of goods from other countries instead of locally creating our own and exporting them, there is more money going out of the country than is coming back in and this means we are not promoting local growth in our country. This then leads to a negative balance in our balance of payment which leaves very little money to partner with private organizations as evidenced by statistics which show that the country had a trade deficit of \$430 million in August 2015 (Zimstats, 2015). Furthermore, the poor economy has led to the subsequent closure of many companies as well as retrenchments which has led to high levels of unemployment.

In contrast, Malaysia has enjoyed very successful local economic development mainly because of a stable economy. The World Bank (2004) posits that Malaysia has managed to balance the

varied demands of a diverse population and this has contributed to significant economic growth. Economic stability has in turn translated to rapid rates of inward investment which has transformed the country from being a less economically developed country to joining the Asian tigers with a very strong economy and an employment rate exceeding 95 percent.

2.5.2.5 Lack of resources and subsequent lack of capacity building

Rogerson (2009) postulates the view that lack of resources is also another challenge impinging the LED process. Many areas in Zimbabwe often do not have the resources to partake in LED hence one may find scenarios where another territory may be more prosperous than another. Lack of resources is further exacerbated by the Central government failure to capacitate such areas that do not have resources in the form of grants amongst other things. By virtue of the lack of resources, it often subjects inhabitants of such areas to high levels of poverty.

(Chakaipa, 2010) Postulate that poor economic performance of a nation and high levels of unemployment leads to brain drain whereby qualified and skilled labour force flock out of the country to other countries in search of greener pastures. This affects local economic development because there will be left with more unskilled personnel with no capacity to develop the local areas especially with regards to infrastructure. When an organisation is filled with unskilled employees, it will lead to poor quality of goods and services to stakeholders. Furthermore, the employees are facing poor remuneration which often leads to low levels of employee motivation subsequently leading to lack of effort in service delivery.

Mutema (2012) observes that in order to promote sustainable local economic development and improve the lives of the black majority, one of the means through which Government of Zimbabwe (GOZ) sought to achieve this was by way of embarking on land redistribution through organised land reform. This drive however has had mixed fortunes in Zimbabwe with most of the arable land being ignored citing lack of funds by the owners. With the absence of security of tenure for most people who own A1 and A2 farms, it often makes it difficult for them to get loans from the banks using the farms as collateral. In this regard, it can be seen that poor economy can be a major challenge to LED.

2.5.2.6 Corruption

White (2006) observes that poor remuneration often leads to corruption in local authorities with the most prevalent corruption practices being nepotism especially by the elected officials, embezzlement and bribe soliciting. Kunaka (2002) propounds the view that corruption often leads to low levels of infrastructural development as money earmarked for development

purposes can often be diverted towards other things that do not benefit the community. Mundenga (2015) posits that corruption by politicians and the politically-connected undermines people's trust in political systems, institutions and leadership. Corruption side-tracks resources that are needed to improve the lives of citizens in order to enrich a few, at great cost to many. It inhibits the state from achieving its statutory obligations, corrodes the legitimacy of a democratic government and undermines the rule of law thereby bedeviling the moral fabric of the society, and choking economic growth. It has a powerful deleterious effect on foreign direct investment (FDI) by destroying investor optimism and confidence. For instance observations made by the researcher reveal that most of the Council employees are in one way or the other linked to the top brass of councils which clearly show signs of nepotism. Mills (2012) also posits the same viewpoint and states that corruption can destroy local economic development as it impairs trade, scares away inward investment as well as diverting spending by government on public goods such as education and health which in turn may lead to the exacerbation of poverty. For instance, it has been observed that the roads in urban areas are in a shambolic state due to poor maintenance and poor designs, a factor that has been attributed road contracts that were given to individuals with political connections compromising quality in the process.

2.5.2.7 Technology

Kundishora (n.d) posits that information communication technology can play an instrumental role in local economic development as it enables territories to effectively market products and services. The scholar further goes on to say that ICTs can actually help in garnering work opportunities for people as evidenced by the high number of people who have been employed as a result of online job applications. According to Melkott and Steeves (2001) cited in Kehbuma (2005), development can only take place in a country if the people are liberated and this can only take place through access to information which is necessitated by ICT infrastructure. (Kehbuma, (2005) observes that there was a significant reduction in HIV infections in the rural areas of South Africa and this was made possible through information dissemination. The reduction in HIV infections led to a corresponding reduction in poverty as well which shows that ICTs can contribute to poverty eradication as they contribute through opening up employment avenues as well as acquiring vital information. The process of LED in Zimbabwe is being affected by various factors which include inadequate communications and power infrastructure, shortage of ICT facilities and ICT skills. For LED processes to be fruitful

the government has to enforce effective policies on ICT that promote the development of ICT infrastructure development in areas especially in the rural areas.

2.5.2.8 Lack of effective Community Participation

For LED to be successful, there is need for effective participation of all actors such as Local Authorities, Businesses community, Development partners, government and above all and most importantly the generality of the community. Mate (2002) asserts that participation by communities in the management and use of their natural resources at the local level could speed up the process of community empowerment and lead to increased pressure on central government for better management of mineral wealth and for greater transparency and accountability in its management. In most CSOTS, communities are spectators while most of the direction comes from central government through their appointed Trustees yet the reverse should be true. There is little understanding by the communities as to the situation with regards to these CSOTS and this has led to lack of buy-in and support by the communities.

In South Africa, Ngwenya (2007) observes that the political big wigs are the ones benefitting the most from black economic empowerment. The scholar observes that 60 percent of the deals stuck in 2003 which had a value of R42.2 billion were controlled by Patrice Motsepe who is related to an ex politician Cyril Ramaphosa and Tokyo Sexwale. In this regard, it can be seen that instead of the greater populace benefitting, BEE is only benefitting a select few in South Africa.

Factors contributing to the success and failures of local economic development enables the researcher to make comparisons with other countries and ascertaining if there is uniformity with regards to local economic development challenges.

2.6 Summary

There is a general consensus by various scholars that for local economic development to take place, there is a need to ensure that there is local participation as well as use of local actors and full exploitation of local resources for the benefit of the local populace. The chapter sought to give a critical appreciation of LED strategies and ascertaining the extent to which these contribute to LED. The chapter gave a brief account of the indigenization policies in other countries that is Malaysia and South Africa. The researcher also noticed that LED is backed up by various theories that include but not limited to Economic base theory as well as the place

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marketing theory. Legislation legitimizing local economic development and indigenization was also looked at with the supreme law of the land constantly being referred to as well as various statutes both local and international. The next chapter shall highlight the research methodology that was used by the researcher for the study.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

In order to check if the facts gathered in the literature review chapter are valid and reflect facts on the ground, it is imperative that the researcher goes into the field. This chapter shall cover the research methodology partook by the researcher in the field. It shall cover the aspects of the research design, target population, sample frame as well as the research instruments to mention just but a few. The research is exploratory in nature that is it seeks to make preliminary investigations into research areas that are relatively unknown as well as seeking for new insights into phenomena and in the context of this study, seek for the analysis of local economic development in the indigenization era.

3.1 Research Design

Durnheim (1999) defines research design as a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research. In other words, it simply is the way in which a research is to be carried out. Durnheim (1999) asserts that a research design must include four variables that is purpose of research, theoretical paradigm informing the research, context or situation in which research is carried out as well as research techniques used to collect and analyze data. Creswell (1998) is of the opinion that research designs provide an approach of gathering and analysing data using different research instruments which minimizes errors in data collection and the data collected meets the objectives of the research. For the purposes of this research on *“Local Economic Development in the Indigenisation Era”*, a case study was used and according to Haralambos and Holborn (2004), it is a detailed study of a single example of something over a period of something. The case study makes use of various data collection mechanisms that include primary and secondary data in the form of strategic plans among others.

3.1.2 Research Approach

The findings from this research are exploratory and are drawn from using a combination of both qualitative and quantitative research methods. According to Kumar et al (1998), a descriptive research is that research which attempts to describe systematically a situation, problem, phenomenon, service or programme, or provides information about, say, living condition of a community, or describes attitudes towards an issue. Type of research gets well

with the research on local economic development in the age of indigenization as the research seeks to unearth new insights into phenomena.

3.1.3 Qualitative Design

Creswell (1998) asserts that qualitative research is an inquiry process of understanding a social or human problem based on building a complex, holistic picture formed with words, reporting detailed views of informants, and conducting the study in a natural setting. In other words it is data that is derived through interaction with people as well as describing and analyzing individual and collective actions, beliefs and thoughts. Haralambos and Holborn (2004) postulate that qualitative research is descriptive in nature and may lead to the generation of new hypothesis especially through interaction between researcher and respondents. Durnheim (1999) also posits that qualitative research techniques allow probing which at times may ensure that the researcher is able to get the information that is required. Qualitative data can be derived through research techniques like interviews, open ended questionnaires, policy documents and scholarly journals to mention just but a few.

3.1.4 Quantitative Research Design

According to Durnheim (1999), quantitative data is information that is represented in a numerical form. Data gathered is represented in numbers which makes it very easy to analyse and at the same time enabling the researcher to increase the external validity of the research. Burns and Grove (2005) asserts that quantitative research design ensures that a researcher is able to determine cause and effect interactions between variables as well as examining relationships among the variables. Quantitative data can be derived through questionnaires as well as use of official statistics.

3.1.4 Justification of research design

The use of both quantitative and qualitative data ensures the high rate of validity and reliability of the findings gathered. This is mainly because the weaknesses of the other will be counteracted by the strengths of the other in what is termed as triangulation where 2 or more methods of data collection are used. Hammersley (1996) in Bryman (2001) and cited in Haralambos and Holborn (2004) define triangulation as any research involving the use of several methods and specifically refers to research where quantitative and qualitative research methods are used to cross check the findings produced by the other methods.

3.2 Target Population

Polit and Hungler (1999) define population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. Chimedza et al (2006) also subscribes to this notion and goes on to define a population as a total set of objects in a statistical survey or study. Basing on the definitions proffered above, it can be deduced that a population is a set of people with similar characteristics that the researcher seeks to use in the study. For the purposes of this study, Mazowe District was used which according to Zimstats (2012) has a population of about 232 885 people in 35 wards with 114 309 males and 118 576 females. Elected officials, council officials, traditional leaders, office of the District administrator, business community and the residents were part of the target population.

3.3 Sampling

Haralambos and Holborn (2004) define a sample as a part of a larger group usually selected to a representative of that population. In other words it is a cross section of a larger group. In order to increase the validity of the research as well as ensuring that generalisations are able to be made, the sample taken should be big enough to warrant statistical analysis. The main benefits of sampling include but not limited to low costs as only a representative of the total population is selected and it also saves time.

3.3.1 Sampling frame

Haralambos and Holborn (2004) define a sampling frame as a list of all relevant sampling units. Schwandt (2007) also goes on to state that a sampling frame highlights the number of people that are going to be involved in the research process. Such a sample should also be in unison with the demography of the population under study. For instance Mazowe District has 49 % males and 51% females and as such this should be reflected on the sampling frame. Stake (1995) posits that in order to increase validity of the research, a representative sample size should be above 30 percent of the total population under study but citing financial and time constrains, the research shall be confined to about 150 people in 18 wards. The table below shows the distribution of the sample frame as well as the sampling technique that was used to select them.

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Table 3.1 Sample size for questionnaires

Respondents	Population	Sample Population	Sampling Technique
Mazowe District residents	232 885	72(4 people/ward)	Systematic random sampling/quota sampling
Council employees (management)	9	9	Purposive sampling
Councilors	35	16	Convenience Sampling
Community Leaders	20	10	Convenience/Purposive Sampling
Business (B/Cs)	200	40	Convenience sampling
District Administrator office	5	3	Purposive sampling
TOTAL		150	

3.3.2 Sampling Design

Churchill (1993) states that a sampling design is a process that includes listing of the elements from which the sample will be drawn, the selection process and determining of the size. De Vos (1998) posits that a sample can be defined as the elements of the population which are considered for inclusion in a research study. The advantages of sampling are that it is more economical to choose a sample instead of the whole population, data collection is faster, and as the dataset is smaller; it is possible to ensure homogeneity, improve the accuracy and quality of the data (Polit and Hungler, 1999). However, sampling has its own demerits such as bias in the selection process which might draw one to erroneous conclusions. The researcher made use of probability and non-probability sampling techniques that include stratified sampling, purposive sampling, systematic random sampling and convenience sampling.

3.3.2.1 Purposive Sampling

Maree (2007) asserts that a purposive sample is one that is selected based on the knowledge of a population and the purpose of the study. It is used so that individuals are selected because of

some defining characteristics that makes them the holders of specific data needed for the study. The sampling technique works well especially when the researcher already knows the custodians of vital information especially those that are relevant to the problem. Neuman (2000) propounds the view that in the case of a desired population being rare and difficult to locate, purposive sampling may be the only viable option. The researcher used purposive sampling when required to come up with data for local council officials, traditional as well as the office of the District Administrator. This is due to the fact that these are the people who formulate development plans in the district and as such have all the information that is relevant to the research. The District Administrator has virtually all the statistics with regards to how many people have benefitted in the indigenization program. For senior management, emphasis was more on the Chief Executive Officer who by virtue of being the accounting officer of the organization would have all the relevant information as he was the one who would conduct meetings with various stakeholders in the district, the Human Resources and Administration officer for the fact that he was responsible for the overall administration of the Head office especially with regards to meetings and as such meant that they would be the custodians of virtually all the information, the Finance Officer who would give the researcher a better picture of the financial side of Council especially with regards to tariffs and the District Engineer who would provide a better picture of infrastructural development projects in the district.

3.3.2.2 Stratified sampling

According to Haralambos and Holborn (2004), stratified sampling entails the division of sampling units into various strata/groups so as to ensure representativeness. For the purposes of this research, the sampling units were divided into 6 strata that is the business people, residents, traditional leaders, council officials, elected officials and the D.A.s office. This would ensure that the sample would be divided into manageable sub units based on information to be gathered. Furthermore, division of the sampling units makes it easier to analyze the data.

3.3.2.3 Convenience Sampling

In order to get data, convenience sampling was used which in itself is a form of non-probability sampling technique. Tshuma and Mafa (2013) propound the view that convenience sampling entails interviewing people that the researcher has access to in terms of accessibility as well as other variables. This sampling technique was mainly used to conduct interviews with councillors as well as business people especially those that were readily available. Most of the councillors had gone to a strategic planning workshop hence this made it easy for the researcher

to conveniently sample the respondents. With regard to business people, it was simply a matter of who was available as well as if they had time to for the interviews and questionnaires.

3.3.2.4 Systematic Sampling

The researcher also made use of systematic sampling which would ensure that everyone had an equal chance of being selected. Haralambos and Holborn (2004) observe that systematic sampling entails the picking up of a respondent after every interval. The researcher chose a random point that is every 10th account on the Mazowe RDC housing database and thereafter picked every 10th unit from the starting point until the sampling frame was adequate. This system was used on the residents in various townships that included Nzvimbo, Glendale, Dandamera and Concession. The major drawback of using this approach was that not everyone was in the database and as such some people were excluded from selection. Furthermore, some of the accounts chosen were no longer be functional thereby increasing biasness of the sample.

3.4 Sources of data

The data accrued for this research was derived from both primary and secondary sources of data. Primary data being mainly derived from questionnaires as well as interviews.

3.4.1 Primary Data

Primary data was collected by the researcher in the field in the form of observations as well as experiences. Data was also obtained from questionnaires and interviews administered to respondents. The major advantage of primary data as a form of collecting information is that it is relatively untainted that is it may not be subjected to gross exaggeration, a norm quite synonymous with secondary data. Furthermore, it ensures that facts gathered will be recent and up to date.

3.4.1.1 Merits

- i) It is raw data that is data gathered on the ground and relatively free from bias. First-hand information is gathered through interviews with various respondents dependent and independent of council.
- ii) There are scenarios whereby up to date secondary data was not available which therefore forced the researcher to go into the field to get the information. The primary data in this case focused on indigenisation projects successes and failures with particular emphasis on contribution to local economic development.

3.4.2.2 Demerits

i) There were about 150 people in the sampling frame and due to a plethora of reasons that included availability or lack thereof of all respondents, it meant that the researcher failed to reach all the intended respondents.

ii) Time consuming is also another factor as it was observed that in order to get primary data, one has to go into the field and in this case the researcher had to travel to Mazowe which was very time consuming.

iii) Huge financial burden as it meant that the researcher had to make several trips to Mazowe, 1st to drop of the questionnaires and 2nd to collect them. Furthermore the research was not confined to one geographical area but rather it meant the researcher had to cover close to 40 km radius from the Mazowe RDC head office in Concession.

iv) Due to the research inexperience of the researcher, it may often be seen that getting data may be cumbersome. This is in stark contrast to secondary data where the researcher gets a hold of existing literature and comes up with conclusions.

3.4.2 Primary Data research instruments

The tools used by the researcher for the purposes of this study were questionnaires as well as interviews. Data was derived from a sample of the traditional leaders, business community, residents, council officials, district administrator office and councillors.

3.4.2.1 Questionnaires

According to Tshuma and Mafa (2013), a questionnaire is a document containing questions designed to obtain information from the sampled respondents and is used a great deal in survey research. The questionnaires shall combine elements of open ended and close ended. The open ended questions are flexible and allow the respondent to clarify answers. Questionnaires are a form of quantitative data collection mechanism. The close ended ones are restrictive and do not give room for clarification and they may be limited to such answers as ‘yes, no’, ‘agree, disagree’ to mention but a few. Haralambos and Holborn (2004) cite the following as the major advantages and disadvantages of using questionnaires as a research instrument.

3.4.2.1.1 Advantages

- i. Data derived from questionnaires is easily quantifiable especially data emanating from close ended questionnaires

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- ii. Enables the researcher to cover a large geographical area especially if postal questionnaires are used. Furthermore, it means inaccessible areas may be reached. For instance, there are some areas around the Rosa area that are inaccessible and this anomaly would be counteracted through use of postal questionnaires
- iii. Respondents are given ample time to give credible information as the researcher simply drops off the questionnaires and then picks them up at an agreed date.
- iv. Respondents are not obliged under any circumstances to say their name thereby protecting their identity. As a result, it often means that the research will be done within the confines of research ethics. Furthermore, respondents give answers without fear of persecution or reprisal.
- v. As questionnaires have the same questions and distributed to various groups of people, it often means that responses given are varied thus giving a researcher rich, diverse and crucial information over a very short space of time.

3.4.2.1.2 Disadvantages

- i. Questionnaires can be subject to misinterpretation especially if there are self-administered by the respondents. As a result, it often means that people may interpret the question differently hence giving responses that are biased
- ii. Low response rate is also another disadvantage of questionnaires. It has often been seen that many of the questionnaires sent out to respondents are not returned which often greatly reduces the chances of having a valid research.
- iii. Unless drastic measures like taking a lie detector test are taken, there is no way a researcher can be sure that the information being given by a respondent is truthful. It has often been observed that questionnaires are subjected to gross exaggeration and misrepresentation of information.
- iv. The researcher does not have control over who fills out the questionnaire hence cannot be sure if intended person completed the questionnaire

3.4.2.2 Interviews

Cohen (2006) postulates that an interview is a two way conversation or oral questionnaire initiated by an interviewer for the specific purpose of obtaining research related information and to learn about the ideas, beliefs, views and opinions of interviewees. The interviews were mainly administered to senior management of council. The interviews were also influenced by the realisation that some of the respondents were not able to finish the questionnaires on their

own and hence needed assistance. There are two types of interviews that is the structured and semi structured interviews. According to Haralambos and Holborn (2004) structured interviews are a list of predetermined questions in which the researcher is not allowed to deviate from. On the other hand, semi structured interviews allow the researcher to let the respondent talk about other things during the course of the interview before redirecting them to the topic of discussion. The researcher used semi structured interview as it may enable formulation of new hypothesis. Creswell (1998) observes that there are a number of advantages and disadvantages of using interviews as a research instrument and these shall be discussed below:

3.4.2.2.1 Advantages

- i. Enabled probing that is the researcher is able to seek clarity especially on questions that the researcher feels were not answered adequately or were misinterpreted by the interviewee.
- ii. Interviews produce both quantitative and qualitative data which makes it easier to analyse and interpret the data
- iii. It enables the researcher to study respondents in a natural setting thereby minimizing the chances of artificial behaviour as well as the problem whereby the respondent may ask someone to complete the questionnaires on their behalf.
- iv. Ensures quick feedback as everything is done in verbatim
- v. May lead to formulation of new hypothesis as a result of the information flow between interviewer and interviewee especially when a rapport is established.
- vi. Can be used to collect data from the illiterate and aged which is data that cannot be successfully obtained using any other method

3.4.2.2.2 Disadvantages

- i) Interviews are more costly to conduct in comparison with questionnaires
- ii) Interviews may lead to subjective information as the interviewee may exaggerate some information so as to please the researcher
- iii) Interviews lack anonymity that is provided by questionnaires and as such respondents may withhold some vital information or avoid answering questions deemed as sensitive
- iv) Interviews may be influenced by respondents' personal attributes and may suffer from interviewer dominance.

3.4.3 Secondary data

Haralambos and Holborn (2004) defines secondary sources as data that have already been produced. In other words, they are sources that already in existence. For example in coming up with a sample, the researcher made use of the Mazowe RDC database. In order to ascertain that the sample taken was representative of the total population of Mazowe district, the research made use of official statistics. Also put to use was the archived reports of council meetings which enabled the researcher to find out the local economic development and indigenisation projects in the Mazowe area. Information was also derived from the internet especially pertaining to projects amongst others.

3.4.3.1 Merits

- i) Obtained at a lower cost as one simply has go into a library or search on the internet for relevant information. Information on indigenisation and local economic development is readily available on the internet as well as library.
- ii) Time saving as one does not have to go into the field
- iii) Enables comparativeness as the researcher can compare findings to those that are in already existing literature.

3.4.3.2 Demerits

- i) An in-depth case study may not be available which forces the researcher to go into the field
- ii) There may not be information that will be relevant to the researcher's studies for instance the researcher found it very difficult to find literature linking indigenisation to local economic development
- iii) Incomplete information tendency. The researcher may find information that appears valuable and promising about the research but may not get the full version of the document to gain full depth since many suppliers offer free portions and then charge a fee for the full document.

3.5 Data presentation and analysis

According to Creswell (1998), data analysis and presentation provides a framework within which spatial processes understood in the research so as to enable one to interpret what the results meant. The data collected during the course of the study was analyzed through the use of Microsoft Excel and Microsoft Access packages whereby data is converted into text-files

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and data-files compactable to the packages mentioned, so as to establish relationships that exist among the parameter under study with the research's objectives. The results of the study were presented in the form of graphs, pie charts and tables with the aid of photographs to enhance understanding and easy interpretation of statistical figures.

The study used Statistical Package for Social Scientists (SPSS 16.0) which is a software package used for statistical analysis. The software package was used to generate descriptive statistical analysis such as determining the percentages on various variables, validity and variable correlations. The research collected parametric and non-parametric data where SPSS 16.0 was used to analyze the information gathered.

3.6 Summary

The main thrust of this chapter was to explain in greater depth the research methodology that was used by the researcher which includes both primary and secondary data. The chapter also gave an overview of the sampling techniques that were used with reasonable justification for their use being put forward. The next chapter shall seek present the data and analyse the findings that were obtained from the researcher's fieldwork.

CHAPTER IV

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

The chapter seeks to give a synopsis of the data derived in the field through observations, interviews as well as use of questionnaires. Data shall be presented in both qualitative and quantitative with graphical illustrations being used where appropriate. The data shall be guided by various themes and sub themes which are socio- demographic characteristics, questionnaire response rate, assessment of infrastructure just to mention but a few. It shall also be guided by the following research objectives:

- To identify indigenisation and local economic development projects in Mazowe District
- To analyse the impact of indigenisation programs on local economic development
- To establish factors that contribute to the success or failures of local economic development in the indigenisation era

4.2 Questionnaire Response rate

Respondents	Administered questionnaires	Respondents	Non respondents	Percentage of responses
Mazowe District residents	72	45	27	62
Council employees (management)	9	5	4	55
Councilors	16	8	8	50
Community Leaders	10	6	4	60
Business (B/Cs)	40	38	2	95
District Administrator office	3	1	2	33
TOTAL	150	102	48	67

Table 4.2: statistics for response rate

Source: field data 2015

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The table shows that a total of 150 questionnaires were administered to various groups and 103 were responded to which represents a 67 percent response rate. Interviews with key informants were also done so as to gather enough information to increase the validity of the research.

Analysis

Sanders (2003) posits that for a research to be free from bias and increase validity, the respondents' rate has to be at least 60 percent. A lower response rate can be considered as biased and not representative of the total population. The respondent rate of 67 percent can be attributed to the fact that most respondents required more time to fill in the questionnaires and some had the '*what's in it for me*' attitude which often made it difficult for questionnaires to be responded to

4.3 Socio-demographic characteristics

Fig 4.1 shows the socio demographic characteristics of the sample with regards to gender

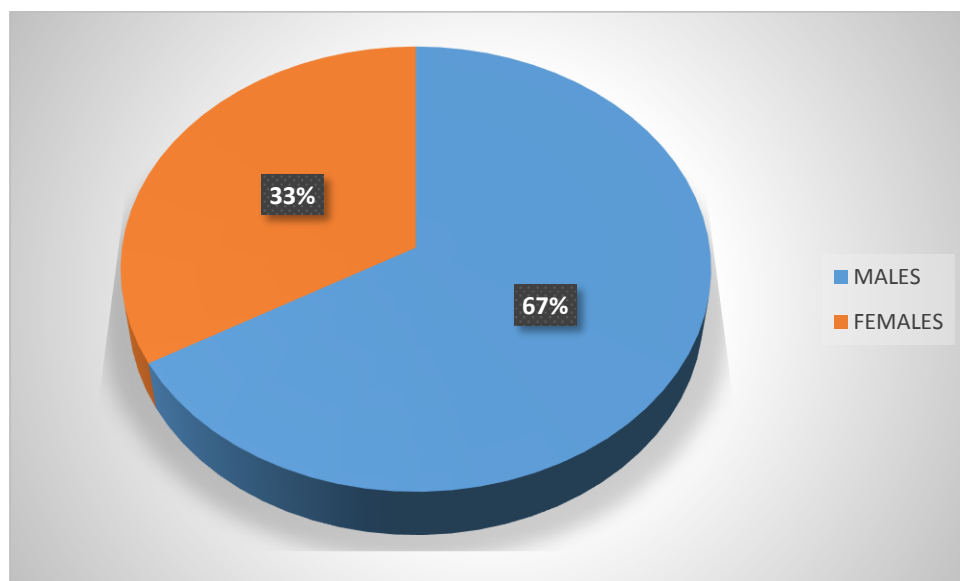


Fig 4.1 distribution by sex *source: field data 2015*

Fig 4.1 shows that 67 percent of the respondents were males against 33 percent for females which shows that amongst the respondents in the population sample, males were more willing to come up with information. Most females were not at liberty to partake in the study citing various reasons that include but not limited to lack of time as well as illiteracy especially in areas like Chiweshe and Gweshe. From the observations made in the research, it was observed that the males were the ones who benefitted the most from the indigenisation programs

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especially with regards to the land reform program and small scale mining. Females were at the receiving end of poverty alleviation projects like market gardening and basket weaving projects.

4.3.1 Age distribution

Figure 4.2 indicates age distribution where majority of participants in the study were between the ages of 36-45 representing 35 percent of the total sample. Those in the group 26-35 represent 27 percent, those between 46-55 representing 24 percent, those below 25 representing 12 percent, those between 56-65 representing 2 percent.

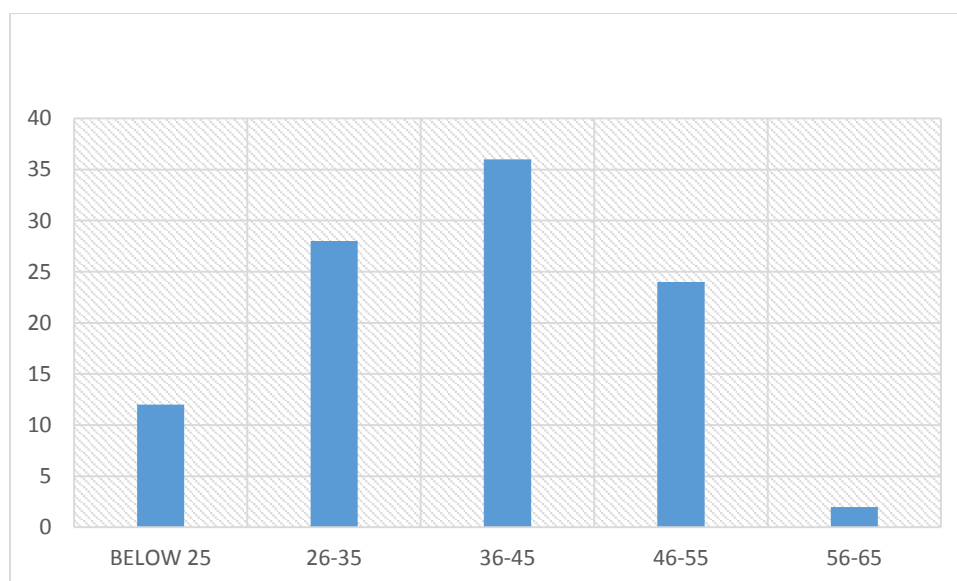


Figure 4.2: Statistics for Age Distribution *source: field data 2015*

The age variance shows that Mazowe District has a vast number of people who are economically active meaning that it is better positioned to partake in local economic development. Furthermore, it was observed by the researcher that the majority of people involved in the small to medium enterprises were below the age of 45 with those above 36 having gained immensely from the land reform program.

4.3.2 Level of education

Fig 4.3 shows the level of education of people in the district.

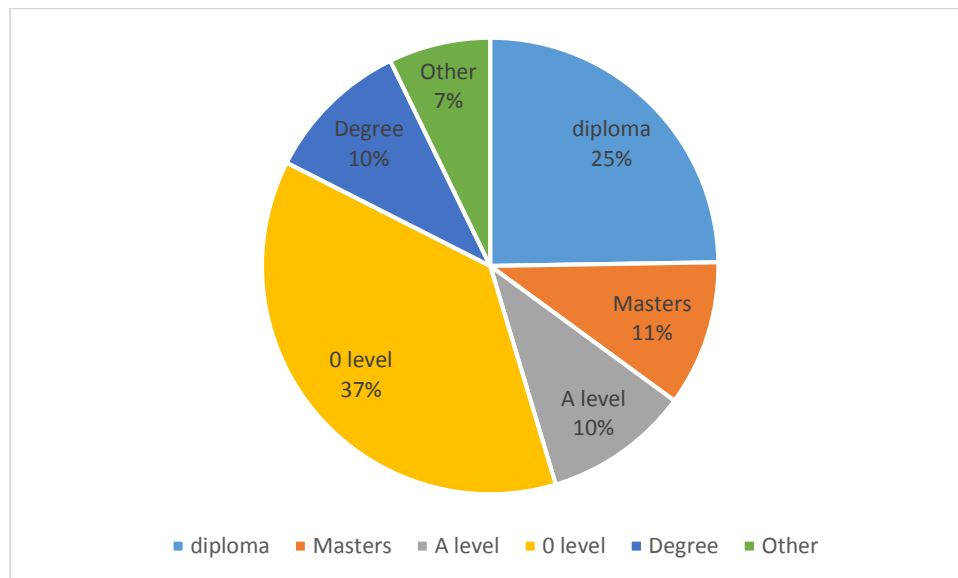


Fig 4.3 Level of education

source: field data

The analysis on the level of education was done so as to ascertain the district's level of investment attraction. It has been noted that most investment takes place in areas that have high levels of educational literacy. Furthermore, the high level of education means that even small businesses get successful and this is instrumental in ensuring that there are high levels of local economic development especially with regards to employment and creation of local safety nets. Fig 4.3 shows that in the sample taken, the highest proportion of people (37 percent) had O level certificates, 25 percent having diplomas, 11 percent having masters, and 10 percent had undergraduate degrees. What is alarming to note however is the fact that the majority of the 7 percent of the sample which have been classified under "others" (ZJC and grade 7 certificate) are lawmakers (councillors) and small business owners. Such a worrying statistic may inhibit growth of the small businesses which is a critical sector especially in light of the current economic downturn characterised by 90 percent unemployment rate.

4.3.3 Marital Status

Fig 4.4 shows marital status of the respondents.

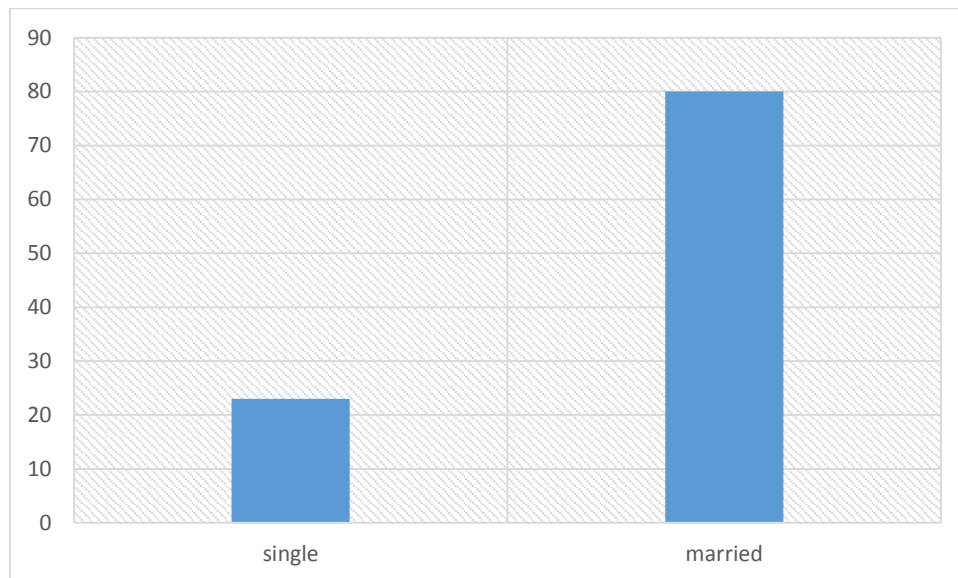


Fig 4.4 marital status

source: field data 2015

The study noted that 78 percent of the population sample were married, a norm quite common in the district due to high levels of poverty meaning most people often get into marriages early. Ascertaining the marital status of the sample population was instrumental in ascertaining continuity of business ventures especially mining, farming and small business ventures. It was observed that most small businesses were family owned with small mining companies predominantly being owned by singles.

4.4 Local economic development projects and indigenisation programs

Fig 4.5 illustrates the knowledge that the people of Mazowe District have over the various indigenisation programs and local economic development projects that are available in the district.

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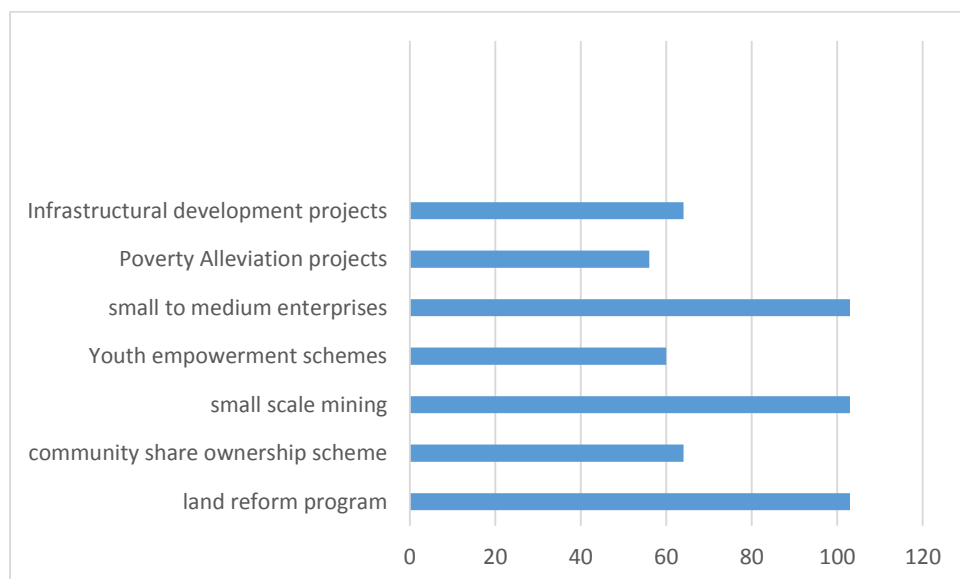


Fig 4.5 LED projects and indigenisation projects

source: field data 2015

The statistics above show that the dominant projects and programs prevalent in the Mazowe district are the land reform program, small to medium enterprises and small scale mining with all respondents agreeing that these are present especially in areas like Glendale and Chiweshe as well as mining along Mazowe river. 62 percent of the sample highlighted the presence of CSOTs, 58 percent highlighting that they knew the existence of youth empowerment schemes, 54 percent point out that poverty alleviation strategies are there in Mazowe district especially community projects led by women in areas like Dandamera. 62 percent of the sample highlight that infrastructural development really is occurring in areas like Glendale, Rosa and housing schemes in Highwood, Dandamera. Through observation and questionnaires, the following findings were acquired:

1. Infrastructural development Projects

According to the Sand extraction policy (2014) of Mazowe RDC, a Council can grant sand extraction permits to various individuals on condition that the site is certified and commissioned by the Environmental Management agency as well as upon payment of \$100-00. The licence paid thereafter will be valid for a year renewable. The controlling of the sand extraction sites at Dancombe by Mazowe RDC is also instrumental in ensuring infrastructure development. For instance, schools and clinics intending to construct structures are given the sand for free, all in a bid to promote development.

2. Poverty Alleviation projects

Fisheries project at Mwenje Dam

Mwenje dam is located in Mazowe approximately 80 km north of the country's main capital. The fishery project was established in 1992 in association with the community who would be the major beneficiaries of the project, Aquaculture for Local Community Development Programme (ALCOM) as well as Mazowe Rural district Council (Chimbuya & Ersdal , 1992). Its main thrust was to increase the income for the families close to the dam through selling of fish as well as use of the dam for other activities. In order to ensure the smooth running of the project, there was widespread community training as well as the formulation of a Dam committee tasked with managing the fishery resources of the dam. In order to reduce poaching as well as massive depletion of the stock through unscrupulous fishing methods, there was the introduction of yearly permits which were renewable

Apiculture

The local authority has created an environment that is conducive for partnerships with non-governmental organizations and this has led to NGOs like the Ruzivo Trust playing a pivotal role in local economic development in the district. Smallholder farmers in Gweshe communal land have benefitted from beekeeping and honey marketing. Ruzivo trust (2013) asserts that close to 19 apiculture farmers are benefitting from this project. It is against this backdrop that it can be observed that not only are the communities benefitting financially but rather are also benefitting health wise. It can also be viewed that the project is also helping the Council in achieving its vision of “to have a satisfied, prosperous community by 2018’ by virtue of the fact that in a thriving economy, small businesses often have the capacity of expanding into big projects.

Forestry Nurseries

The department of Natural resources of Mazowe RDC often partakes in initiatives where it donates indigenous tree seedlings to farmers within Mazowe. In its annual report, the department of natural resources stated that they gave out close to 1000 seedlings to more than 100 farmers. The seedlings do not only provide firewood for the future as well as maintaining the ecosystem but rather they are also a lucrative business venture. It has been observed that some farmers in the Nzvimbo area rake up close to \$6000-00 dollars annually. With a poverty datum line currently lying at \$500-00, it often means that such families are better positioned to abate the effects of poverty. The council has also contributed in the maintenance and marketing

of the nursery plantations at Rosa where there are people fully employed to ensure the smooth running of the nursery.

3. Small to Medium Enterprises

The main thrust of local economic development is the creation of employment so as to create sustainable livelihoods. In order to ensure that this is possible, Mazowe Rural District Council has constructed flea market stalls in Glendale and Nzvimbo. This has culminated into close to 300 people especially the youth and women being given a chance to better their lives. In this regard, it can be seen that the Council is striving to ensure that local economic development takes place.

Outsourcing

Flat world solutions (2015) postulates that there are services that Council may fail to provide for or may be incapacitated to do so which then requires assistance from a third party. Although it may have failed to provide a service leading to outsourcing, it can be seen that this is another way in which Council partakes in the empowering of the local citizenry leading to local economic development. Mazowe RDC, Nzvimbo sub office has been seen to be outsourcing refuse collection services and the person who won the tender is local. As a result, it means that by virtue of granting the service, the service provider has a chance of increasing his business and subsequently employing more people thereby mitigating the effects of unemployment. Furthermore, the Council also flights tenders for construction of schools with the most recent one being that of a construction of a primary school in ward 7.

4. Youth empowerment Schemes

In Christon Bank, the Council is employing youths who previously had no jobs, as well as women for Road Maintenance programmes, all this leading to corresponding reduction in poverty & criminal activity especially prostitution (GLGJ & , 2012)

Soya Bean Farming

According to Ruzivo Trust (2013), there was an agreement between Olivine industries, Rollex and Ace-Global private company whereby they would provide inputs for soya bean farmers in what is known as contract farming. The trust further goes on to say that over 450 people have

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gained immensely from this project and it really is changing the livelihoods of the people. This further goes on to show extent to which LED is being promoted in Mazowe District.

The council has gone into partnerships with various NGOs to ensure that unemployment as well as its effects are minimised. The Centre for Agro-enterprise and Sustainable Livelihood (CAESL) has entered into a partnership with the Council whereby they help fund various youth projects in the district. The youths in the area work in tandem with Zimbabwe Farmers Union with initiatives like young farmers clubs being started at schools. Proceeds from the sales of the agricultural produce is used to pay fees for orphans and vulnerable children. Apart from gaining financially, the partnership has also seen the increase in sustainable development of Mazowe district with initiatives like the 'green valentine' being partook in where the youths visit each and every ward in the district planting and distributing trees.

4 Community Share Ownership Schemes

In Mazowe district, one mine that has been involved in such a scheme albeit with very limited success has been Mazowe Mine. No significant development of the area has been seen with meetings conducted between council and Mine officials highlighting that the Mine is operating at a loss therefore unable to provide funds for the CSOTs.

4.5 Beneficiaries of indigenisation and LED projects

Fig 4.6 illustrates the number of people that have benefitted from indigenisation and local economic development projects in the district.

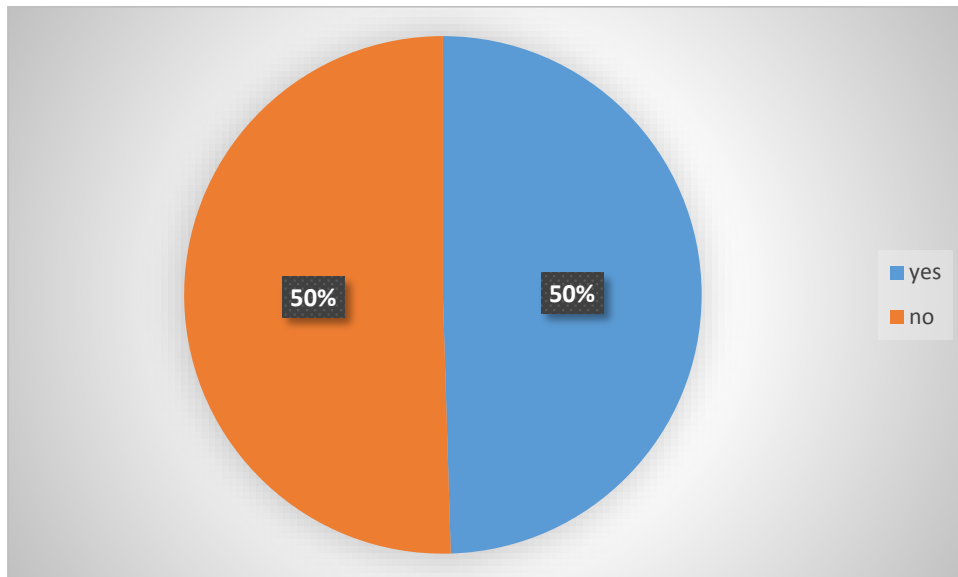


Fig 4.6 LED and Indigenisation beneficiaries source; field data 2015

The statistics derived from the field study indicate that 50 percent of the sample benefitted from indigenisation and economic empowerment. Beneficiaries interviewed highlighted that they got seed money to partake in income generating projects as well as small businesses with the most common projects being sewing, electrical and hardware shops. Most of the beneficiaries were the youth and women, an observation made by the researcher. Some of the beneficiaries also benefitted from the land reform program with most having gained small plots in the Glendale and Mazowe area. Small mining claims in the Mazowe area specialising in corundum and gold mining were also seen to be a way in which the 50 percent representing 51 people of the sample gained from the indigenisation drive. This shows that indigenisation can be a source in which vibrant LED can take place as it leads to poverty reduction as well as creating employment.

Data derived in the field reveal that 50 percent of the sample representing 50 people have not gained from the indigenisation drive. Some of the reasons cited during the interviews as well as through observations and analysis of council documents show that most of the people who gained from this had political link with a smaller minority having benefitted through the right channels. This then supports the assertion by Mundenga (2015) the indigenisation drive has

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been marred by corrupt tendencies with those who have political connections having gained immensely at the expense of the greater majority. In this regard, it can be observed that although indigenisation has been seen to be promoting LED, it still has various loopholes that need to be addressed if it is ever going to be successful.

4.6 Level of infrastructure

Fig 4.7 illustrates the level of infrastructure that is found in Mazowe District.

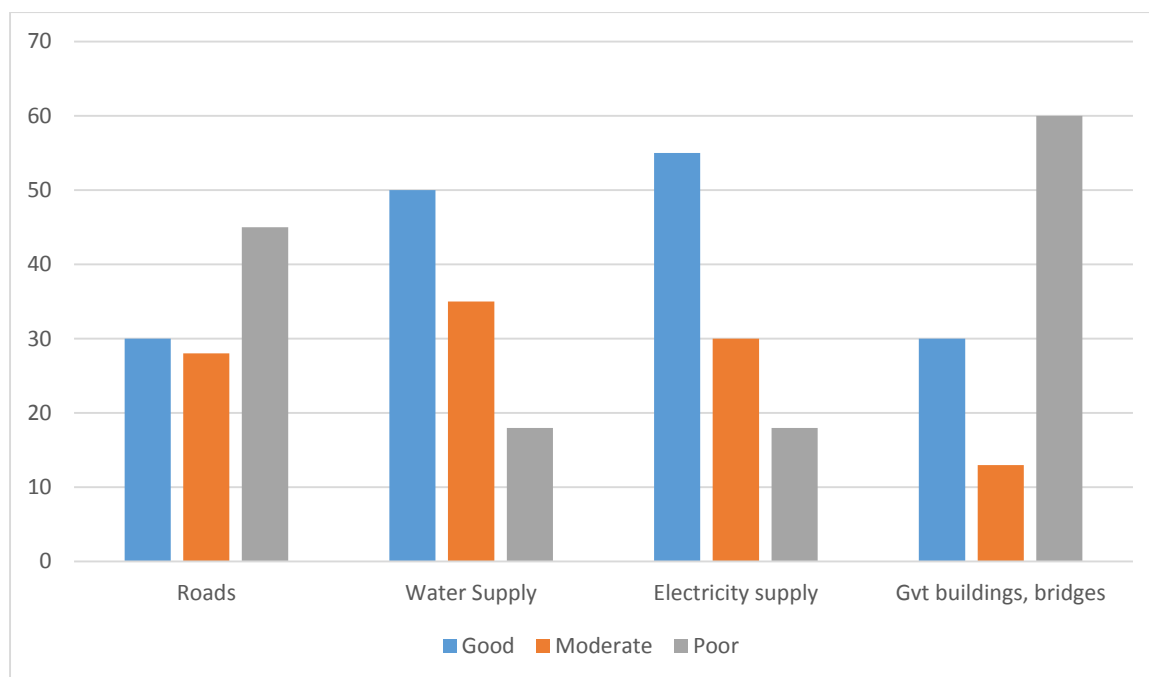


Fig 4.7 level of infrastructure

source: field data 2015

The level of infrastructure is one of the major determinants of investment attraction especially in-ward investment. Overallly 44 % representing 45 people stated that the infrastructure was poor. This can be seen by scenarios whereby there were roads which were in a very bad state especially in areas like Dandamera and Highwood. In Nzvimbo and Rosa, there is no recognisable road network in the areas that have been categorised under ‘high density suburbs’. The same was also seen in the uneven distribution of electricity supply with observations that areas like Concession were not subjected to load shedding at all whilst areas like Nzvimbo, Glendale and Dandamera were facing very high levels of electricity load shedding. This anomaly has led to scenarios whereby Concession has been highly developed as compared to other settlements. Furthermore, it often means that there is investment attraction in just one area. This observation seems to concur with Cheshire (1999) who posits that uneven distribution of resources often leaves some territories heavily underdeveloped with those that

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have the requisite infrastructure attracting heavy investment at the expense of those which are not endowed with the same resources.

29 percent of the population sample representing 30 people rated the infrastructure as good whilst 27 percent representing 28 people said it was moderate. However worth observing is the fact that most of the respondents stated that they had never travelled outside their home areas of Mazowe, Amandas and Glendale and as such their answers were based on the infrastructure in their areas and as such the rating ‘good’ often gives an impression that the whole of the district has good infrastructure. 27 percent stated that it was moderate.

4.7 Can Indigenisation programs contribute to Local Economic Development

Fig 4.8 illustrates the impact that the indigenisation program has had on local economic development in Mazowe District.

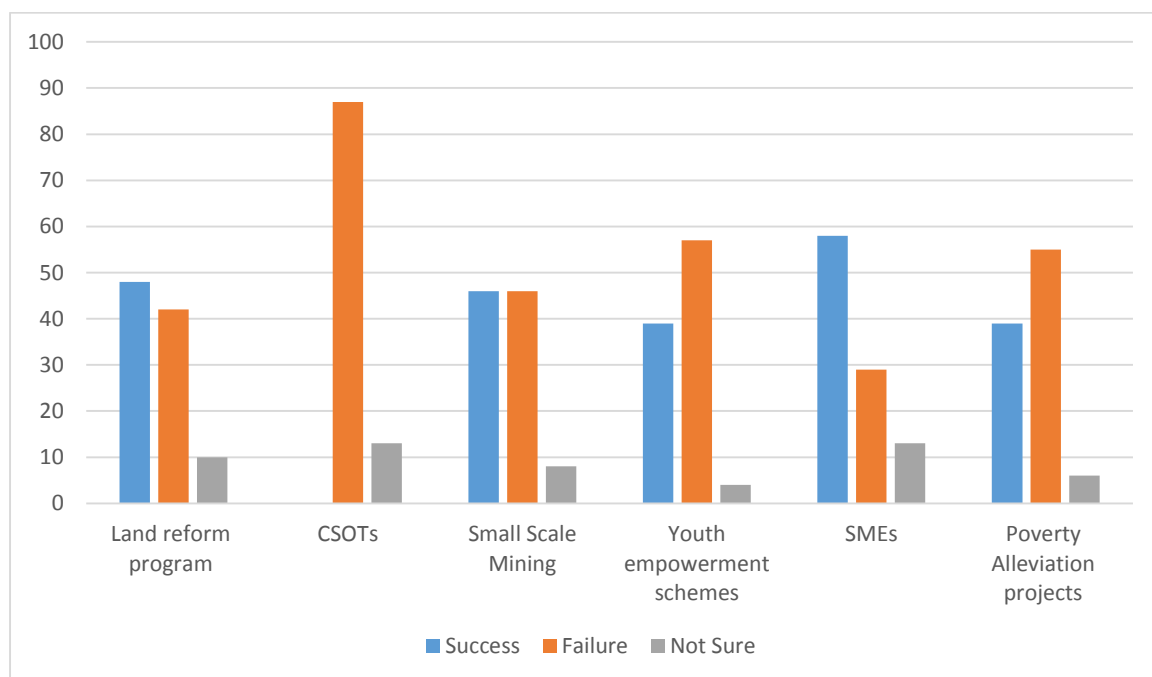


Fig 4.8 Impact of indigenisation and eco empowerment program on LED field data 2015

4.7.1 Land Reform

Mutema (2012) observes that in order to promote sustainable local economic development and improve the lives of the black majority, one of the means through which Government of Zimbabwe (GOZ) sought to achieve this was by way of embarking on land redistribution through organised land reform. The land reform program has been seen by all in sundry as a

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means by which sustainable livelihoods can be made especially in an agro based economy like Zimbabwe. Mazowe District has a climate that favours agriculture with specialisation in tobacco and maize. With closure of the manufacturing industry, the agricultural sector has been left as the only viable option that may significantly reduce the spiralling rates of unemployment and at the same time increasing food security in the household.

48 percent representing 49 people highlighted that the land reform program has impacted positively on local economic development. This is due to the fact that it has created employment opportunities as well as increasing food security in the household. Most farmers in the area are small plot holders who have land in excess of 100 acres. Most youths have also benefitted from the program as it has been seen that those partaking in farming have also diversified into other businesses like shops among other things. According to statistics derived from the D.A' s office, close to 5000 people have benefitted from the land reform program against a population of around 200 000 signifying that 4% of the people benefitted from the land reform program.

In this regard, it can be seen that the land reform program has aided local economic development especially with regards to employment creation, reducing poverty as well as creation of local safety nets cushioning most families against poor macro-economic policies.

42 percent representing 42 respondents of the sample however stated that the land reform program has not been that successful as it has been noted that agricultural output has actually gone down. It was noted during the research that most of the land has been left idle with people who got the farms being incapable of using all the land citing reasons like lack of funds and lack of capacity among other things. Another worrying statistic however is that most farms are being used by people who are not the real owners and are being used as a front. In areas like Glendale, it was noted that most farmers are renting out their farms hence instead of gaining massive profits, they end up getting only 20 percent of money they would have accrued if they were practising farming themselves.

Small plot farmers are also suffering immensely from lack of funds which has hampered their ability to pay development levy as the only money they will be having will be enough for subsistence as well as buying inputs for the next season. As a result, it has placed councils at a disadvantage especially with regards to infrastructural development as money accrued from development levy is used for maintaining and construction of new infrastructure.

12 Percent representing 12 people were not sure which shows that they had not benefited in any way from the programs and as the issue of the land issue is very sensitive, the statistic may mean that respondents were not comfortable with involving themselves in such.

4.7.2 Community Share Ownership Schemes

According to Mabhena & Moyo (2014), CSOTs have been seen as a means by which communities will be straightforwardly profiting from the returns of the resources within their areas or regions. Hence in this instance, it can be seen that employment may be greatly increased as well as massive rates of infrastructural development as has been the case in areas like Zvishavane and Shurugwi where clinics and hospitals have been built. CSOTs often have what is termed the ‘multiplier effect’ where development of the area may bring in more investment which further aids the district in local economic development.

Maodza (2012) observes that the CSOTS were formed by the Zimbabwean government to redress colonial imbalances which has seen many rural communities suffering from retrogressive development regardless of the fact that they had the resources. 87% of the respondents noted that CSOTs were contributing nothing to local economic development in Mazowe District. Information derived from interviews with the various stakeholders showed that the qualifying businesses in Mazowe did not contribute anything towards CSOTs. Jumbo mine which specialises in gold and corundum mining is one business that is eligible for CSOTs but they have not been forthcoming with the money citing poor output amongst other things. It was also noted that 13% most of the respondents were not even aware that such a trust exists.

In this regard, it can be seen that CSOTs have not contributed anything to local economic development thereby validating the hypothesis that indigenisation is not aiding local economic development.

4.7.3 Indigenous Small scale mining

Das and Leatherman (2009) are of the viewpoint that an economy is supposed to have a stronger basic economy than the non-basic one which puts it in a better position if the national economy fails. Small scale mining in Mazowe mainly focuses on gold, corundum and pyrites and according to the economic base theory, mining is classified under the basic sector. Furthermore, it often creates a local safety nets by the fact that most of the money circulates within the economy.

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There was mixed reactions amongst respondents with regards to successes of small scale mining towards contributing to local economic development .46 percent representing 47 respondents highlighted that small scale mining had contributed to LED through employment creation as well as improving the economic base of the area. The presence of small scale miners has made it possible for other businesses to be attracted to the area especially in the retail sector. This seems to concur with Logan (2004) small scale mining in countries like Ghana and Madagascar has been a way in which communities have responded to escalating poverty and high levels of unemployment in the informal sector hence its growing importance leading to the government promoting the sector. Generally, it has also improved the quality of life for the youths within the area as noted by observations where some youths are living opulent lifestyles.

However, 48 representing 47 respondents were also view that small scale mining hasn't been that successful due to lack of equipment as well as technical knowhow on the part of the miners. Hence small scale mining is not reaping the rewards it is supposed to get. In other words, it is operating well below capacity. In this regard, it can be seen that although people are benefitting financially, the money accrued is enough for subsistence and where it has been acquired in large amounts, it has been spent foolishly by the small scale miners.

8 percent representing 9 people were not sure signifying that they were oblivious of the fact that they had no idea of the impact of mining on LED.

In this regard, it can be seen that small scale mining contributes significantly to local economic development through poverty alleviation and employment creation.

4.7.4 Youth empowerment schemes

With the current economic meltdown, many youths have been left unemployed which at times may lead to high rates of crime especially mugging and housebreaking. A corresponding decrease in crime rate would greatly increase the investment attraction of the area as investors would feel that their investments would be safe.

57 % of respondents highlighted that youth empowerment schemes have not been successful mainly due to nepotism as well as gross misuse of funds by the beneficiaries. Although they are allegations that are not substantiated by any concrete evidence, information gathered by the researcher from respondents shows that ruling party card holders are the ones who are benefitting the most from the schemes albeit misusing the money. Hence it can be seen that

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relatively little success has been posted on the field of youth empowerment schemes. Furthermore, it has been observed that youths often misuse the money and end up diverting the money towards other things instead of investing in income generating projects.

39% of the respondents are of the opinion that youth empowerment schemes have greatly aided local economic development. This is due to the fact that the youths are getting seed money from institutions like CABS and Agribank and using them to partake in income generating projects. For instance the Centre for Agro-enterprise and Sustainable Livelihood (CAESL) has entered into a partnership with the Council whereby they help fund various youth projects in the district. The youths in the area work in tandem with Zimbabwe Farmers Union with initiatives like young farmers clubs being started at schools. Proceeds from the sales of the agricultural produce is used to pay fees for orphans and vulnerable children. Apart from gaining financially, the partnership has also seen the increase in sustainable development of Mazowe district with initiatives like the 'green valentine' being partook in where the youths visit each and every ward in the district planting and distributing trees.

4% of the respondents were not sure of the impact the youth empowerment schemes have had on LED.

4.7.5 Small to medium enterprises

Small to medium enterprises have been the major beneficiaries of the economic meltdown with significant growth being witnessed especially between 2008 and 2015. Mazowe District is awash with these with many business centres having at least 10 to 15 small to medium enterprises specialising in selling of clothes just to mention but a few. Apart from providing informal employment, they would also increase money circulation in the area as it was observed that most of the SMEs can be interdependent as they are all part of a system with some getting their supplies from fellow indigenous enterprises.

58 % of respondents are of the opinion that SMEs have contributed significantly to local economic development as it has greatly increased informal employment. This observation is supported by Ndabeni (2014) who postulates that economic failure leading to closure of industries has contributed to the significant growth of the informal sector which is instrumental in reducing poverty and unemployment. Altman (2007) also shares the same viewpoint with his observation of the South African industry stating that close to 1, 1 million jobs were created in the informal sector between 1997 and 2005

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According to observations made by the researcher, almost one in 3 houses has an income supported by the informal sector. The most common enterprises in the district are hardwares, flea markets, mechanical and electrical engineering businesses and vendor stalls. All these have greatly increased the non- basic sector of the district which ensures that the area has a balanced economy. The presence of such an industry ensures that the district is able to attract inward industry as these will be attracted to the industries already in existence.

29 percent of the respondents were of the opinion that SMEs have not been very successful citing instances where they have constantly being pestered by the local authority. The researcher noted that most of the SMEs were not regularised hence the constant bickering with council officials. The ‘buyers’ market syndrome’ has also led to SMEs suffering immensely as it means that not a lot of money is in circulation meaning that relatively low numbers of people are purchasing goods from SMEs.

13% of the respondents were not sure of the contribution of SMEs towards local economic development

Basing on the evidence accrued from the field, it can be concluded that given the right policies, SMEs can contribute immensely to LED.

4.7.6 Poverty Alleviation projects

It has been noted by many scholars like Ruzivo trust (2013) that women are more vulnerable than men with regards to poverty. Poverty alleviation is part of the sustainable development goals and poverty alleviation projects like co-operatives, sewing, and chicken rearing would significantly aid to local economic development as it promotes employment and would also provide sustainable livelihoods to communities especially women.

The findings of the research reveal that 55 percent of respondents saw the failure of poverty alleviation projects. As LED was pro poor, it was observed that the poverty alleviation projects in the district were not doing enough with regards to this endeavour. Co-operatives were viewed as source of conflicts with people jostling to be in control of resources. As a result, it meant that at the end of the day, the cooperatives would fail to achieve their main goals and objectives. It was also observed that the projects were rampant with embezzlement of funds leading to them not being sustainable.

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39 % of respondents were of the opinion that they were successful especially towards increasing family income. It should be noted that most of the projects are in the remotest parts of Mazowe and as such not a lot of people interviewed by the researcher did not have a knowledge with regards to their existence. It was observed that many families that are child and woman headed had benefitted immensely from these projects especially in the Glendale area where women are partaking in sewing projects. As a result, most families can now afford to take their kids to school which means that Mazowe District will be best placed to partake in development as they would be having an educated populace. Inquiries made by the researcher discovered the following poverty alleviation projects:

Fisheries project at Mwenje Dam

Mwenje dam is located in Mazowe approximately 80 km north of the country's main capital. The fishery project was established in 1992 in association with the community who would be the major beneficiaries of the project, Aquaculture for Local Community Development Programme (ALCOM) as well as Mazowe Rural district Council (Chimbuya & Ersdal , 1992). Its main thrust was to increase the income for the families close to the dam through selling of fish as well as use of the dam for other activities. In order to ensure the smooth running of the project, there was widespread community training as well as the formulation of a Dam committee tasked with managing the fishery resources of the dam. In order to reduce poaching as well as massive depletion of the stock through unscrupulous fishing methods, there was the introduction of yearly permits which were renewable

Apiculture

The local authority has created an environment that is conducive for partnerships with non-governmental organizations and this has led to NGOs like the Ruzivo Trust playing a pivotal role in local economic development in the district. Smallholder farmers in Gweshe communal land have benefitted from beekeeping and honey marketing. Ruzivo trust (2013) asserts that close to 19 apiculture farmers are benefitting from this project. It is against this backdrop that it can be observed that not only are the communities benefitting financially but rather are also benefitting health wise. It can also be viewed that the project is also helping the Council in achieving its vision of "to have a satisfied, prosperous community by 2018' by virtue of the fact that in a thriving economy, small businesses often have the capacity of expanding into big projects.

Forestry Nurseries

The department of Natural resources of Mazowe RDC often partakes in initiatives where it donates indigenous tree seedlings to farmers within Mazowe. In its annual report, the department of natural resources stated that they gave out close to 1000 seedlings to more than 100 farmers. The seedlings do not only provide firewood for the future as well as maintaining the ecosystem but rather they are also a lucrative business venture. It has been observed that some farmers in the Nzvimbo area rake up close to \$6000-00 dollars annually. With a poverty datum line currently lying at \$500-00, it often means that such families are better positioned to abate the effects of poverty. The council has also contributed in the maintenance and marketing of the nursery plantations at Rosa where there are people fully employed to ensure the smooth running of the nursery.

It has been observed that projects mentioned in this section often have what is termed the ‘multiplier effect’ as well the ‘rising tides raises all boat’ principle. According to Investopedia.com (2015) the multiplier effect is money used to create more money. It can be observed that not only do the projects benefit the individuals and their immediate families but rather may in the long run tend to benefit the community as a whole. This is due to the fact that there is often a ‘pull effect’ in investment where people invest in areas where there is development potential or actual development. It can be observed that although poverty alleviation projects contribute to poverty eradication and creation of sustainable livelihoods, it has its dysfunctional consequences of creating tension in communities especially with regards to control of resources.

4.8 Chapter Summary

The chapter has managed to capture the key elements of the research that is data presentation and analysis. The chapter unearthed findings that were solicited through questionnaires, observations and interviews. The findings accrued from the research was also crosschecked with the literature review in chapter 2. Data was presented in the form of graphical presentation using a series of graphs and pie charts. Data derived in the file point out to the fact that if efficiently and effectively implemented, indigenization can be instrumental in promoting local

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economic development. The next chapter shall include the summary, conclusions and recommendations of the study.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter seeks to highlight the summary of the research project unearthing the findings from the research after thorough analysis of the data derived in the field and subsequently making recommendations.

5.1 Summary

The main thrust of the research was to analyze local economic development in the indigenization and economic empowerment era. The main drive behind this was to ascertain on whether there have been any improvements to local economic development since the launch of the Indigenization and Economic empowerment policy by the Government of Zimbabwe in 2008. In order to make the research possible, the researcher came up with three key objectives mentioned in chapter 1 that he sought to derive direction from and these are:

- To identify indigenisation and local economic development projects in Mazowe District
- To analyse impact of indigenisation on local economic development
- To establish factors that contribute to the success or failures of local economic development in the indigenisation era

Chapter 1 sought to highlight some key elements of the study giving a brief history of the concept of local economic development as well as indigenisation. The background of the study ensured that the researcher was able to contextualise the problem that motivated him to partake in the study culminating into the statement of the problem. It also laid the foundation of the study by specifying objectives of the study as well as research questions. The chapter also sought to highlight the significance of the study to Mazowe Rural District Council as well as in contributing to the knowledge gap that currently exists in local economic development in Zimbabwe especially in the indigenisation era.

Chapter 2 gave a theoretical basis for local economic development as well as highlighting strategies put in place so as to ensure that local economic development takes place. A brief account of the indigenization policies in other countries that is Malaysia and South Africa was also looked at in the chapter. The researcher noticed that LED is backed up by various theories that include but not limited to Economic base theory as well as the place marketing theory.

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Legislation legitimizing local economic development and indigenization were also looked at with the supreme law of the land constantly being referred to.

Chapter 3- The main thrust of this chapter was to explain in greater depth the research methodology that was used by the researcher which includes both primary and secondary data. The chapter also gave an overview of the sampling techniques that were used with reasonable justification for their use being put forward. The researcher had initially proposed a 150 people sampling frame with questionnaires having been sent out. But however, 103 questionnaires were returned representing a 69 % response rate which ensured that the results would be reliable. The sampling frame included councillors, business people, ratepayers, traditional leaders, District administrator office and council officials. A 100 percent return rate could not be achieved due to a plethora of reasons that include but not limited to absenteeism of respondents at the time of collection.

Chapter 4- The chapter managed to capture the key elements of the research that is data presentation and analysis. The chapter unearthed findings that were solicited through questionnaires, observations and interviews. The findings accrued from the research were also crosschecked with the literature review in chapter 2. Data was presented in the form of graphical presentation using a series of graphs and pie charts. Data derived in the file point out to the fact that if efficiently and effectively implemented, indigenization can be instrumental in promoting local economic development. There was however a general consensus that indigenization had failed to bring any meaningful progress with regards to local economic development.

Chapter 5- The last chapter of the research sought to give a summary, conclusion as well as recommendations of the research as a totality.

5.2 Conclusions

Basing on the data gathered in the field through use of questionnaires, observations as well as interviews, the researcher can make the following conclusions:

5.2.1 Impact of indigenization on LED

The indigenisation program with its components of land reform, small scale mining has impacted positively on local economic development especially with regards to communities' involvement, employment creation as well as poverty eradication. This is due to the fact that it has created employment opportunities as well as increasing food security in the household. Most farmers in the area are small plot holders who have land in excess of 100 acres. Most youths have also benefitted from the program as it has been seen that those partaking in farming have also diversified into other businesses like shops among other things. Much cannot be said about the infrastructure though with observations that the infrastructure of Mazowe is in a poor state.

5.2.2 No harmonious relationship between local authority and Informal Sector

Noted with alarming concern is the fact that there is no harmonious relationship between the local authority and the informal sector. This can be evidenced by the fact that there are constant running battles between council police and traders. Furthermore, findings from the research reveal that the informal sector which has been recognised as one of the major drivers of local economic development is not being included in the Mazowe strategic plan and it is not even recognised as an important stakeholder.

5.2.3 Lack of informal sector associations

There is often a tendency of "strength in numbers" so as to get favourable deals and it was noted in the research that the informal sector lacks an association that includes all small to medium enterprises. As a result, it often mean that the informal sector is unable to lobby for policy reforms that would make the local authority recognise them and at the same time getting subsidised tariffs.

5.2.4 Development has multiplier effect

Development multiplier effect where it has been observed that although the projects look like they benefit a smaller proportion of the people, they may in the long run stand to benefit a lot of people. For instance, the growth of small business directly translates to more employment opportunities as well as investment attraction.

5.2.5 Lack of knowledge

The researcher noted with alarming concern that a small proportion of the people did not even know that Community Share Ownership Schemes existed in the area. Such ignorance meant that there would often be a tendency by the qualifying company (Jumbo mine) to take advantage of this and not disburse 10 percent of their profits as per the requirements of the National Indigenization and Economic Empowerment Act Chapter 14:33

5.2.5 Failure of poverty alleviation projects

Poverty alleviation projects in the district were not doing enough with regards to eradicating poverty which is line with Sustainable development Goal 1 of ending poverty in all its forms everywhere by 2030, United Nations (2015). It was observed that a greater proportion of people were wallowing in poverty with most of them failing to even afford to have 2 meals a day. Co-operatives were viewed as source of conflicts with people jostling for control of resources. As a result, it meant that at the end of the day, the cooperatives would fail to achieve their main goals and objectives. It was also observed that the projects were rampant with embezzlement of funds leading to them not being sustainable.

5.2.6 Poor policy implementation

It was noted during the research that most of the land has been left idle with people who got the farms being incapable of using all the land citing reasons like lack of funds and lack of capacity among other things. Another worrying statistic however is that most farms are being used by people who are not the real owners and are being used as a front. In areas like Glendale, it was noted that most farmers are renting out their farms hence instead of gaining massive profits, they end up getting only 20 percent of money they would have accrued if they were practising farming themselves. Small plot farmers are also suffering immensely from lack of funds which has hampered their ability to pay development levy as the only money they will be having will be enough for subsistence as well as buying inputs for the next season. The indigenisation drive has failed to contribute meaningfully to LED mainly because of mismanagement of funds. Some of the youths who have been given the money have used it for the wrong reasons and with no proper accountability system in place, the money has not been recovered.

5.2.7 Absence of safety nets

One major reason behind local economic development is that there is a need to create local safety nets which would cushion communities against the effects of poor national policies. It

was observed that the district was not immune from the effects of deflation currently engulfing the country. Most of the small to medium enterprises were suffering from the “buyers’ market syndrome” where it was observed that their businesses were failing as there were relatively low numbers of customers. This would mean that they continue to be pushed back into poverty.

5.2.8 Politicization of non-political events

Mazowe district and Mashonaland Central as a whole is dominated by the ruling party ZANU PF and as such data gathered from the field through interviews shows that seed money for youths and women is being given on party lines. Noted with alarming concern is that where one is not a party card holder, the chances of getting seed money were next to nothing. The presence of such a system means that there is no significant progress which takes place leading to retrogressive development.

5.2.9 Dilapidated Infrastructure

It was observed that the district has a poor road network leading to the major highways. As a result, it often puts the area at a disadvantage especially when it comes to attracting investment. Most of the roads in the rural areas of Chiweshe, Rosa, Gweshe and Dandamera are in an appalling state meaning that movement is inhibited especially with regards to transportation of commodities.

5.2.10 Shortage of markets

Apart from conflict over control of co-operatives, it can also be observed that co-operatives especially those specializing in market gardening were struggling because of the lack of markets for their produce. This would then force them to sell their products to urban markets where it was observed that due to increased competition they were supposed to reduce their prices which would greatly reduce their profits.

5.3 Recommendations

In order for local economic development to take advantage of indigenization, the researcher came up with various recommendations:

5.3.1 Capacity building for the indigenous small scale miners

The researcher noted that most of the small scale miners were struggling mainly because of the lack of requisite machinery. In order to circumvent this, there is a need to kick start a loan scheme for the miners so that they are able to at least rent some of the machinery. Furthermore, there is a need to conduct workshops for the miners so that they know how to manage their finances and reinvest in other projects.

5.3.2 Contract Farming

It was noted during the research that most of the farmers lacked the capacity to farm on the vast tracts of land they acquired during the fast track land reform. In order to increase productivity through utilization of the land they have, there should be an emphasis on contract farming where farmers acquire inputs from institutions like Seedco and then repay the money after the harvesting season.

5.3.3 Land fragmentation

It was observed that most farmers had very big farms and often incapacitated to fully utilise them. In order to circumvent this anomaly, there is a need to fragment the farms into smaller manageable units and distribute these to landless farmers who can effectively use this land and increase the food security of the district.

5.3.4 Identification and promotion of basic industry

The district should strive to promote its basic industry or at least strive to ensure that the basic industry is over and above the non-basic industry. Basic industry is that type of economy which does not necessarily rely on the local market but rather focuses on the international markets. Examples of such include mining, agriculture and tourism, the latter having prices which are largely determined on the global scale. Having a stronger basic industry often means that the district will not suffer greatly from the effects of a poor economy.

5.3.5 Integration of informal sector into strategic plan

The sector employs close to 6 million people in the country hence showing its growing importance in the economy of Zimbabwe. It is as a result of this that when Mazowe RDC is making its strategic plans, it should take into cognizance the views of the informal sector

especially with regards to formulation of ways in which they can legalize as well as create a harmonious relationship between both parties.

5.3.6 Revamping road network

There is a need to ensure that there is complete revamp of the road network in the district especially the roads leading to Rosa, Dandamera, Nzvimbo and Gweshe. This will stimulate inward development as well as ensuring that there is unimpeded movement of goods.

5.3.7 Creation of markets

The main reason why cooperatives and poverty alleviation projects have failed is due to lack of markets that can absorb the goods. As a result, it has led to many businesses failing to break-even. In order to circumvent this, there is a need to create a market in the Mazowe District which will ensure that the farmers are able to charge competitive prices for their produce.

5.3.8 Creation of Local economic development Department

There is a need to create a department of local economic development solely responsible for formulation and implementation of LED plans. This will greatly increase the level of accountability subsequently leading to positive development in the district.

5.3.9 Public Private sector Partnerships

It's a well-known fact that most councils are suffering from a lack of capacity which greatly hinders their success in ensuring local economic development especially with regards to infrastructural development. In this regard, council should partake in build, operate, transfers partnerships with private developers. This will ensure that the Council are best able to partake in infrastructural development.

5.3.10 Stricter mechanisms for handling of seed money

It was noted that the main reason why youth projects were failing is as a result of the mismanagement of funds. There is a need to ensure that youth projects are continuously monitored and evaluated so as to ensure that they achieve the targets that they were set up for in the first place.

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Appendix 1

QUESTIONNAIRE 1: TARGET POPULATION: Mazowe District Residents/Business people/District Administrator Office/Councilors/Management/Community leaders

My name is Cliff Tapi (R121774H), student at Midlands State University partaking in local governance studies. I am carrying out a research entitled "*Local economic development in the indigenization era. Case of Mazowe Rural District Council*". I kindly ask you to participate in the research by answering questions candidly. The answers are for academic purposes and your contribution will be greatly appreciated. Your participation is entirely voluntary and all the information you will provide is for academic purposes only Therefore, you are assured that you will not be identified or identifiable in any way and the information you will provide shall be treated with the strictest confidentiality. Do not write your name on this questionnaire just tick your choice or fill in the blank spaces where appropriate.

THANK YOU!!!

SECTION A

SECTION A – PERSONAL DETAILS

1. **Sex** : Male Female
2. **Marital status** : Single Married Divorced
Other (please specify).....
3. **Age** : Below 25 26-35yrs 36-45 yrs.
46-55 yrs 56-65yrs Above 65
4. **Level of education**

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O' Level 'A' Level Diploma Degree Masters

Other (please specify).....

SECTION B

1. A) Can you identify the local economic development and indigenization projects that are found in Mazowe (*tick where appropriate*)

- i. Land reform program
- ii. Community share ownership schemes
- iii. Small Scale mining
- iv. Youth empowerment schemes
- v. Small to medium enterprises
- vi. Poverty alleviation projects
- vii. Infrastructural Development projects
- viii. Others.....

b Can you elaborate on the location of the projects mentioned above.....

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

2. Have you in any way benefited from indigenization and local economic development projects available in Mazowe District?

(Tick were appropriate) YES NO

If YES How?

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

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.....

 3 How would you rate the infrastructure in Mazowe? (*tick where appropriate*)

I) Roads.....	Good	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Poor	<input type="checkbox"/>
ii) Water supply.....	Good	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Poor	<input type="checkbox"/>
iii) Electricity supplies....	Good	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Poor	<input type="checkbox"/>
iv) Gvt buildings, bridges	Good	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Poor	<input type="checkbox"/>

4 Do the following indigenization projects contribute to local economic development

	Agree	Disagree	Not sure
i. Land reform program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Community share ownership schemes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Small Scale mining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Youth empowerment schemes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. small to medium enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi. Poverty alleviation projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain in brief your answer for each and every project

i.....
 ...

ii.....

iii.....

iv.....

v.....

Local Economic Development in the Indigenisation era: Case of Mazowe Rural District Council

vi.....

5. How would you rate the contribution of indigenization program to local economic development in Mazowe district

	Success	Failure	Not sure
i. Land reform program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Community share ownership schemes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Small Scale mining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Youth empowerment schemes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Small to medium enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi. Poverty alleviation projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. Infrastructural development projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please elaborate on your answer.....

