



**MIDLANDS STATE UNIVERSITY**



**FACULTY OF ARTS**

**DEPARTMENT OF DEVELOPMENT STUDIES**

**An assessment of student petty trading entrepreneurial activities at Midlands State University (Gweru Campus) and the impact upon their livelihoods.**

**BY**

**YEUKAI MARUMISA**

**R137190H**

**SUPERVISOR MR CHIBANDA**

**Dissertation submitted in partial fulfilment of the requirements of the Bachelor of Arts in Development Studies Honours degree.**

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**SUPERVISION ACKNOWLEDGEMENT FORM**

**MIDLANDS STATE UNIVERSITY**

**FACULTY OF ARTS**

**DEPARTMENT OF DEVELOPMENT STUDIES**

**NAME YEUKAI MARUMISA**

**REG NUMBER R137190H**

**MODE OF ENTRY PARALLEL**

**SUPERVISOR MR CHIBANDA**

**RESEARCH TOPIC**

**An assessment of student petty trading entrepreneurial activities at Midlands State University (Gweru Campus) and the impact upon their livelihoods.**

I, the undersigned do acknowledge that the above student has consulted me for supervision on her research project /dissertation until completion. I therefore advise the student to submit her work for assessment.

Signed..... Date.....

## DECLARATION

I **YEUKAI MARUMISAR137190H** declare that this dissertation is the product of my own work that it has not been submitted before for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

Signed.....

Date...../...../.....

## **DEDICATION**

I would like to dedicate this research to all the student entrepreneurs at all tertiary institutions. I also dedicate this piece of work to my family.

## **ACKNOWLEDGEMENTS**

First of all I would like to express my gratitude to the Midlands State University and the student petty traders for participating and allowing me to undertake this research. Special thanks go to my research supervisor Mr Chibanda who helped and guided me throughout this whole dissertation journey. It is my great pleasure to have worked under the guidance and mentoring of such a professional and dedicated lecturer who has given impact, motivation and inspiration positively on my academics.

I thank my family and friends for the support that they have given me throughout this journey and for always believing in me. I am very grateful to the Lord Almighty for granting me the ability to work on this research.

Lastly I would also like to extend my appreciation to the Development Studies department and the whole of the Faculty of Arts at Midlands State University for all the knowledge I have acquired through them.

May the Lord bless you all.

## **ABSTRACT**

*The aim of this research is to examine how entrepreneurship has impacted the livelihoods of students at tertiary institutions. In particular it looks at the student entrepreneurial activities at the Midlands State University (Gweru Campus). The researcher focuses on how the university has promoted entrepreneurship around the campus. She also explores the impact of student petty trading as an entrepreneurial activity on the students' livelihoods as well as the challenges they face. Lastly the researcher offers ways that can be used to enhance the lives of students through petty trading at the university. It is also the aim of this research to find out if the entrepreneurial activities are enough to sustain the livelihoods of students.*

*The qualitative method was employed during the study along with two types of data gathering which are interviews and questionnaires. A total of forty students were interviewed. The researcher used the purposive and snow ball as the sampling techniques.*

## **ACRONYMS**

MSU..... Midlands State University

ZIM ASSET.....Zimbabwe Agenda for Sustainable Socio-Economic Transformation

MSMECD.....Ministry of Small to Medium Enterprises and Cooperative Development

UNDP.....United Nations Development Programme

SD.....Sustainable Development

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## **Introduction**

This study mainly focuses on the impact of petty trading entrepreneurial activities on students' livelihoods. The research study specifically sought to examine factors leading to petty trading by students at Midlands State University and how it has affected their livelihoods as well as proffer solutions and recommendations on how petty trading can help enhance students' way of life in these times of economic hardships. The major concern at carrying out this research study has been the proliferation of street student petty traders at the Gweru MSU campus. The number of people selling different products from food stuff, clothing, cosmetics as well as offering printing and photocopying has been increasing significantly over the past years.

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to match needed resources; and fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion according to Kuratko and Hodgetts (2004). Entrepreneurship has been widely accepted globally as an instrument for development. World wide it has been recommended for economic growth. It is the backbone of America's economy creating two out of 10 jobs, produces 40% of its Gross National Product (GNP).

The practice of entrepreneurship has turned China to be one of the most entrepreneurial countries on earth. It is the largest provider of employment in China. India obtains 70% of its Gross Domestic Product (GDP) from small scale businesses (Bowen and Mureithi 2009). Uzor (2004) postulates that Entrepreneurship in Netherlands is regarded as firms that employ 10-99 employees, in Indonesia entrepreneurship is regarded as firms that employ less than 10 workers. Quartey (2001) argues that entrepreneurship in developing nations particularly in Africa entrepreneurship is the employer of 5-90 people. Chen (2006), informal employment in Sub-Saharan Africa comprises 72% excluding the agricultural sector. According to Schneider and Enste (2000), the informal sector, is the largest employer and plays an important role in many countries. . The growth of entrepreneurship in Zimbabwe is mainly a result of people's need to be self employed. The Zimbabwean government regarded entrepreneurship as a vehicle for the achievement of economic growth in terms of employment creation, poverty alleviation and raising the standards of living in general. In this vein the Zimbabwean government established the ministry of small and medium enterprises which is responsible for the welfare of small and medium enterprises businesses. It can be the answer to employment for the youths of Zimbabwe.

## **Background**

The government of Zimbabwe has promoted entrepreneurship in the country through the Ministry of Small to Medium Enterprises and Cooperative Development (MSMECD) and the Zimbabwe Agenda for Socio Economic Transformation (ZIM ASSET) among many other ways, but these two being the most major ones. The ministry of MSMECD duty is to promote, coordinate and monitor innovative financing schemes for micro-small and medium enterprises as well as to facilitate skills, entrepreneurship and management training that support the growth of small businesses. It also gives loans to upcoming entrepreneurs. Each and every year the ministry holds events in every province

where entrepreneurs get the chance to showcase their talent, products or offer services. Many entrepreneurs get exposure through the events.

ZIM ASSET is a document which was crafted by the government of the Republic of Zimbabwe towards rejuvenating the country's economy through creation of employment, Food Security and Nutrition; Social Services and Poverty Eradication; Infrastructure and Utilities, value addition and beneficiation by the end of the year 2018. Its roles include the creation of businesses opportunities, offer financial advice, increase investment in infrastructure and improve liquidity for small business entrepreneurs. However ZIM ASSET has not been very successful in its four years out of five of existence. The government has failed to implement it effectively.

Entrepreneurship has become the talk of the twenty first century and is lauded as an engine of economic development, job creation and a means of generating income. Self employment is a nursery for entrepreneurship often driven by individual creation and innovation. As unemployment continues to surge in developing countries most youths have decided to start their own businesses as a survival strategy (Mubaiwa, 2014). According to Chidoko (2013) in the past decade Zimbabwe has been hit by its worst economic performance ever since its independence in 1980. Capacity utilization shrank to ten percent and unemployment rate rose to eighty percent by 2008 as both the private and public sectors witnessed massive retrenchments. As a result many people are resorting to informal businesses to make ends meet (Chidoko, 2013).

There have been various interventions in Zimbabwe since 1980 to encourage entrepreneurial activities amongst the populace. According to Botha et al (2006) one way of enhancing entrepreneurial activities in a country is by providing entrepreneurial training and education to potential and existing entrepreneurs. The Zimbabwean government is placing a lot of emphasis

on the development of small and medium enterprises as the major driver of equitable economic growth in the country Msipa et al (2010). Entrepreneurial education has even become compulsory in some tertiary education; Midlands State University (MSU) is included. All second year students at MSU, regardless of whichever programme that one is undertaking, have to take up the Entrepreneurship module as well.

Given the current economic hardship that Zimbabwe is facing, many people are coming up with different initiatives and are doing everything in their power to help them financially and the Midlands State University students are not an exception. If one visits the Midlands State University Gweru Campus hostels in Batanai and the new hostels any day they will find advertising posters for different business from photocopying to selling goods. Some read “Printing in Rufaro”, “Polony for \$1 in room 17” or “Printing and scanning done here.” Many students are putting in practice what they learnt from the Entrepreneurship module. These entrepreneurial activities by the students are being done to supplement money the students are given by their parents and guardians. The central question, however, is whether the students’ lives are making a better living than before out of these petty trading activities. It was for that reason necessary to understand the impact of student’s entrepreneurial activities at Midlands State University’s Gweru campus upon their livelihoods.

A study on students’ involvement in petty trading entrepreneurial activities and its impact on their livelihoods were also particularly important in that petty trading amongst students is a somewhat recent phenomenon. Of concern, however is the fact that universities were historically areas of learning where outsiders were the ones who practiced petty trading. While students have engaged on petty trading more as a reaction to the country’s economic woes, they may also be

practicing what they have learnt in MSU entrepreneurial module. Moreso, because petty trading amongst students is a reaction against the recent economic downturn, it has not attracted much research. This is the gap that this research study sought to fill.

An assessment of student petty trading entrepreneurial activities and the impact upon their livelihoods were sought at the Midlands State University's Gweru Campus. Two issues have to be clear here. Firstly, the case study was mainly chosen for convenience because it is where the Midlands State University's main campus is located and much petty trading is prevalent. Secondly, the student already is a student at the university though at the other Zvishavane Campus.

### **Conceptual Framework**

Petty trading is an economic activity that involves selling (and buying) goods and services in small scale, ranging from agricultural produce to imported consumer goods. In the context of this research study, petty trading constitutes a collection of individual sellers with small capital and buyers operating in a group of small spaces. Petty trading has increasingly got attention as one of important activities in urban development processes. In the early 1990s, for example, integrating petty trading in the urban economy was among the prioritized issues in implementing Environmental Planning Management (EPM) in Dar es Salaam, Kombe(2002). Sometimes petty trading is linked to the 'informal sector economy' that operates outside the formal income generating sphere. The informal sector encompasses occupational and small scale enterprises involving simple organizational and production structures, low level technology and small capital per worker (UNDP 1997 in Kazimoto, 2007). However, a petty trading activity and the space it may occupy, such as a marketplace, may not be necessarily informal. The blurred formal

and informal institutions that connote and regulate petty trading spaces are important aspects to consider for their adequate conception, planning and architectural design. The researcher will be focusing on student petty trading on campus. It involves selling of food stuff, clothing as well as printing and photocopying. The students sell goods that are very affordable because their market are the fellow students who are not employed.

An entrepreneur is an individual or group of individuals who identifies and exploits opportunities, mobilizes resources to start up or expand already existing businesses with the aim of making profits according to Rickett (2009). Entrepreneurship is the manifestation of the ability and willingness of individuals, teams of individuals to recognize, perceive and exploit opportunities and conversion of new ideas to create self employment and make profits at new businesses and/or the expansion of existing ones as postulated by Gutterman (2005).

According to Chambers and Conway (1992) a livelihood comprises of the capabilities, assets including both material and social resources and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks maintain or enhance its capabilities and assets, while not undermining the natural resource base. According to Chant and Jones (2005) livelihoods are the means, capabilities, assets, social institutions and relations that the individual need to generate as well as sustain their means of living and enhance their well-being. Young people's livelihoods stand bounded around the sustainable livelihoods approach. This approach is currently informing development interventions at local, national, regional, and international levels Blerket *al.* (2008). This study also made use of the Care International's Household Livelihood Security (HLS) model in assessing petty trading and its



impact on the livelihoods of the students at Midlands State University. Broad indicator areas noted by Care International in its HLS model include food security, income and expenditure, employment, status and access. These will be taken into consideration one by one in assessing petty trading and its impacts on students' livelihoods at Midlands State University. The livelihood indicators that were focused on are food security and income and expenditure mainly.

### **Theoretical framework**

Since this research is primarily focused on the assessment of student entrepreneurial activities and the impacts they have on their livelihoods, the theoretical framework needs to probe sustainable development in these business ventures. The theory of Sustainable Livelihoods Approach by scholar Ian Scoones can clearly bring out the theoretical framework of this research or study. According to Chambers and Conway (1998) a livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

The Sustainable Livelihoods Approach is a measure of reducing poverty and uplifting livelihoods. According to Scoones (1998) there are three insights into poverty which underpin this approach. The first is the realization that while economic growth may be essential for poverty reduction, there is not an automatic relationship between the two since it all depends on the capabilities of the poor to take advantage of expanding economic opportunities. Secondly, there is the realization that poverty as conceived by the poor themselves is not just a question of low income, but also includes other dimensions such as bad health, illiteracy, lack of social services as well as a state of vulnerability and feelings of powerlessness in general. Finally, it is

now recognized that the poor themselves often know their situation and needs best and must therefore be involved in the design of policies and project intended to better their lot. The majority of the student entrepreneurs come from poor or medium backgrounds hence they start these small businesses in order to improve their livelihoods both at home and at school. The small business and petty trading has given the students better lives domestically because they will be able to afford the basic college needs. Therefore it is all about capabilities which are the financial part and assets that the students require to start up petty trading entrepreneurial activities the can determine the improvement of their livelihoods.

However the petty trading is not sufficient to the students' needs because already the type of business they are in produce small profits; on top of that they are facing countless challenges. Thus the study focused also on how these challenges can be reduced or addressed.

### **Statement of the problem**

The research explores petty trading as an entrepreneurial activity at MSU. It has both positive and negative impact on the livelihoods of students. Entrepreneurship has become very relevant to development in the 21<sup>st</sup> century as it opens doors for employment, poverty eradication as well as being a huge contributor to the economies of many countries in Africa. Therefore this pushed the researcher to examine the problems associated with petty trading entrepreneurial activities at MSU and focuses on the challenges that are being faced by the students who have engaged in these activities.

### **Research objectives**

- To examine how MSU has promoted entrepreneurship activities at the campus.
- To explore the impacts of petty trading on the livelihoods of students at MSU (Gweru Campus).

- To suggest ways that can be used to enhance the lives of students through petty trading at MSU (Gweru Campus).

### **Research questions**

- How has MSU promoted entrepreneurship activities at MSU?
- What are the impacts of petty trading on the livelihoods of students at MSU (Gweru Campus)?
- Which ways can be used to enhance the lives of students through petty trading at MSU (Gweru Campus)?

### **Significance of the study**

The research was motivated by the constant rise of entrepreneurial activities by the students at the university as a result of the economic hardships in Zimbabwe. Therefore she chose MSU as a case study because there are thousands of youths there who have the potential to make the economy better by engaging more in entrepreneurship. However they are facing a lot of challenges in undertaking their businesses. Thus the researcher decided to explore the challenges so they can be addressed by the school board.

### ***The Researcher;***

The study was also important in that it helped the researcher in acquiring specific as well as applied research understanding and skills. The study was also imperative in that it was obligatory for study in the Department of Development Studies at the Midlands State University.

### ***Fellow Students;***

This research is indeed valuable as secondary literature to fellow students embarking on studies of a similar nature in the future. It is important because it motivates students to take up entrepreneurship as an alternative career option. They benefit from the study by acquiring first hand information from the participants and will surely be more prepared to deal with the challenges.

### ***Other Stakeholders;***

This study also informs different stakeholders and academics who are interested in student welfare, entrepreneurial studies and development as well as livelihoods.

### **Limitations of the study**

The biggest limiting factor to the study was time. The research was carried out amidst lessons for other modules, thus difficult. Other restraining factors were limited financial resources that the researcher had to embark on the study. The researcher tried as much as possible to balance her time well and was able to mitigate against time limitations. She also was able to gather enough finances to complete the research.

### **Research methodology**

The researcher makes use of qualitative type of research. The method allows more detailed investigation of issues. It makes use of open ended questions giving the participants the opportunity to respond in their own words rather than forcing them to answer to fixed questions.

## **Research Design**

According to Bhattacharyya (2003) the research design is the description of approaches as well as techniques of obtaining the data required to carry out a study. It can also be taken to be the general functioning outline of the research project that specifies the data to be collected and the sources as well as the processes for collecting information. This study thus employed the case study research design Dornyei (2007) contends that a case study is appropriate for individual researchers because it gives a chance for an aspect of a problem to be researched in depth in a limited space of time. In this research the Midlands State University (Gweru Campus) was the institution under study. According to Simon and Goes (2013) the case study is best research design in that it may be indicative of what may be found in similar organizations but then again further research would be required to substantiate whether conclusions from one study can be generalized to another place.

## **Population and Sample**

### **Population**

The population for the research was identified before coming up with a research sample. In this context the population comprised of students. Fraenkel and Wallen (2003) argue that a population is a group to whom the investigator wishes to generate the results of the research. In other words the population is the group of people which the study is about. This is sometimes referred to as the target population. The researcher selected 40 participants who were petty traders and 10 who were ordinary students.

## **Sampling**

According to Sigmund (2000) sampling is a process of selecting individuals to take part in the research. Moreover, a sample is said to be a subset of the population meant to characterize the whole population. In addition, Oso and Onen (2009) affirm that a sample is part of the target population that has been procedurally carefully chosen to represent it.

## **Sample Size**

Reardon (2006) explains a sample size as a smaller portion of a normal sized item. He argues that for one to come up with the sample size, a sample frame or target population has to be carefully chosen. Given the sheer number of both students and lectures who could have taken part in the study, the researcher settled for 50 participants as the target population as noted above. Factors such as cost constraints and time were the main considerations in choosing the target population.

As already noted a target population of 50 participants was chosen and a sample of 45 percent was taken from it to come up with the sample size. Hence, the sample size for this study became 23 participants. Fourie (2008) argues that a sample size of at least 30 percent is representative enough to produce reliable research results. The sample size for this study surpassed the one recommended by Fourie hence the results are reliable.

## **Sampling Procedure**

The researcher made use of the following methods.

Purposive sampling is a non probability sampling method which is most effective when a researcher needs to study a certain cultural domain with knowledgeable experts within; in this case it was the student petty traders. According to Brown (2005) a study may start with a survey

then purposive is done based on the study. Thus the researcher started by observing the petty trading entrepreneurial activities at the Gweru Campus and used the purposive sampling.

Snow balling technique is also known as chain or referral sampling. It is a method used to obtain knowledge as well as research from associations by using references to locate people with particular type of skills that can be determined as useful. It is very useful for creating connections, building networks and also for increasing the number of participants. The researcher used this technique in the study in order to acquire the information from the participants basing on their links.

### **Data Gathering instruments**

#### **Questionnaire**

According to Green et al (2004) a questionnaire comprises of a set of questions that are used to get information from respondents in the population under study. The questionnaire as an instrument in research had the advantage in that it permitted respondents to reply asked questions at their own time without the pressure to respond to the questions quickly as well as upsetting their everyday activities. Additionally, through the use of the questionnaires, the researcher had a wide exposure of respondents at least possible cost. Hence the researcher made use of structured questionnaires with both closed and opened questions. Close ended questions warranted that all respondents had the similar frame of reference in responding to items, whereas open ended questions allowed for individual responses.

## **Interviews**

In addition, the researcher made use of interviews in this research study. Interviews in the study were both face to face interviews as well as telephone interviews. According to Buglear (2005) an interview is a discussion which is meant strictly for the gathering of data. Interviews involved direct verbal interaction between the researcher and the respondents. Use of interviews enabled the researcher to make follow up on responses she considered ambiguous. Structured questions which comprise series of questions intended to elicit specific answers on the part of respondents were used in the research. These directed the researcher from deviating from her pre-selected questions. The researcher interviewed student petty traders at MSU..

## **Collection of Data**

Questionnaires were initially distributed to fellow students before they were administered in the field. This was done so as to identify inappropriate wording, poor language and ill structured questions. Thus the researcher was able to reduce mistakes and oversights as well as determine the relevance of information to be gathered. The researcher personally circulated questionnaires to respondents. In the field, the researcher assisted respondents where it was necessary in clarifying the data needed in answering the questionnaires. More importantly, the respondents were given guarantee that the information they provided was confidential and would be used for academic purposes only. Interviews were done at suitable places agreed with respondents. These were made as short as possible, that is, they took an average of twenty to twenty five minutes to avoid disturbances to programs of respondents.

## **Literature review**

The chapter explores related topics as the researcher dig into different literature, revealing what other scholars researched and proposed. The purpose of the study is to obtain an understanding



and in-depth knowledge of the subject study. The chapter also brings out the benefits and importance of entrepreneurship. This study exposes the disparities between what exist and what should be done so as to close literature gaps in entrepreneurship.

According to Campus Entrepreneurship (2014) big companies like Microsoft, Nike, Dell and Under Armour and many other innovative and world changing firms have conceived in the minds of students on the campuses of United States of America universities and colleges. Due to the need of money students end up indulging in illegal activities such as selling drugs, prostitution and theft among others while some are coming up with small business initiatives involving buying and selling goods as well as providing other services. Fotaki (2014) at Limpopo University in South Africa, students are motivated by different push and pull factors to start businesses on campus. These include financial difficulties, past business experience, supporting family and some just because they are entrepreneurial at heart.

Informal discussions with students reveal that students have many great business ideas and plans, but they are facing many difficulties in executing these businesses. Most of these students have proved beyond doubt that they have passion, determination and energy needed to start and manage small businesses but the businesses die prematurely.

Entrepreneurship is often misunderstood by many scholars and writers. David et al (2009) argue that the neoclassical definition is often based on the ability to start a business. He further argues that the definition is at the expense of other important attributes of entrepreneurship. Drucker (2005) denotes that an entrepreneur is someone who actually searches for change, exploits it, explores change as an opportunity. In the same context, Gutterman (2005) view entrepreneurship as the manifestation of the ability and willingness of individuals, teams of individuals to

recognize, perceive and exploit opportunities and conversion of new ideas to create self employment and make profits in new business or expansion of the existing ones. The definition gives a clear picture that entrepreneurship is mainly misunderstood. Other attributes of entrepreneurship were left out which includes the ability to manage, delegate and empower workers to maximize profits.

Chivasa (2014) argue that entrepreneurship does not end once the business has been set up, but there is need to continue with entrepreneurial activities within the existing business, if the businesses are to be growth focused. It is, therefore, important to note that entrepreneurship further expands to the impact thus the benefits to the people. Smith and Hunter (2006) denote that small business ownership is on the rise and is a vibrant and growing trend worldwide. This was supported by Weiks and Seiler (2001) on their view that dismal economic conditions, high unemployment rates, divorce rates and poor living standards as well as discrimination against women are the factors propelling the rise of entrepreneurship. Basu (2010) posits that the urban informal sector has become an integral part of the economic landscape across the developing economies of Africa, while, Blunch et al. (2001) argue that informal sector may contribute to the growth and development of the economy. Ngundu (2010) argue in a different view that informal economy in Zimbabwe has been fuelled by changes in the socio economic and political landscape. He points out that in 2000 the sector contributed 60% of GDP and 50% of total employment the researcher is therefore, in agreement with the above view in the sense that the chosen period of study (2009-2015) reflect an increase of entrepreneurship due to the same factors suggested.

The whole idea of engaging in entrepreneurship by the majority is to try and improve the quality and standards of living World Bank (2010). The researcher found out that the view is true but

lacks some aspects such as de-centralizing service provision from large firms down to the small ones that are directly connected to the people especially in urban areas. Recognition of the pivotal role of entrepreneurship in development leads to emphasis on the importance of institutions that engenders processes of entrepreneurial growth Hisrich and Peters (2010). The researcher agree with this view due to the fact that Zimbabwean government established a specific ministry which is responsible for the well being of small and medium businesses. However, on the Zimbabwean case the aspect of the importance of these institutions can be argued to be of less importance due to the reluctance by the authorities to fully equip and support the welfare these businesses.

David (2003) argues that the role of entrepreneurship in social and economic development has attracted less professional interest than other sectors. It is, however, important to note that the same is demonstrated in Zimbabwe where small businesses receive little support. Marjorie (1993) argues that entrepreneurship is the prime mover in the process of economic growth and development. This is further supported by Curran (2007) in the view that economy is strongly constructed from small businesses. The entrepreneurial discovery approach argue that economic system should respond to disequilibrium and should be process oriented that depicts entrepreneurship as a real engine of economic transformation (Stake 2000). The researcher is largely interested in the growth and development of the economy of Zimbabwe.

The fact that entrepreneurship is regarded as the informal sector gives an insight that it is given less value than the so called formal sectors. The researcher then calls for close analysis of the importance of small and medium businesses in Zimbabwe. Richardson (2012) is of the view that entrepreneurship is the creator of new firms and even in the innovation driven economies, only 1-2% of the workforce starts a business in a year and yet entrepreneurs are vital to the

competitiveness of the economy and may establish new jobs. This is further expanded by Chidoko et al (2011) in their discussion that the informal sector impacts positively on the economy through various avenues. They highlighted that creation of employment is one major contribution of entrepreneurship in Zimbabwe. It is acceptable that the majority of Midlands State University students are surviving the hardships of life through entrepreneurship due to high rate of unemployment in the country. High rate of unemployment actually contributed to the rise of entrepreneurial activities in Zimbabwe during the period under study. In the older days students in the universities used to receive grants from the government or to obtain part time jobs which would assist them in some expenses. These days due the economic hardships it is no longer possible.

Alexander (2009) further strengthened the view arguing that entrepreneurship boosts the economic growth by challenging existing firms to become more competitive. Given the situation in Gweru the issue of competition becomes relevant considering that the students offer more of the same services or goods. This means that the market will become smaller making the student petty trading entrepreneurial activities fail or become more challenging to undertake. This scenario would cause the students entrepreneurs to branch out their customers to non-students who are Gweru citizens. Chidoko et al (2011) argue that entrepreneurship is essential in accelerating investment. They highlighted that this is done through activities that results in accumulation of savings hence investing and re-investing in the sector continue. The researcher found out that the view by Chidoko et al is quiet true but they failed to acknowledge that accumulation of savings is not uniform throughout entrepreneurship system because some businesses collapse during their inception due to losses. This means that the accumulation of

savings as indicated is low with few exceptions thus the majority are struggling in business. In the same vein, Parker (2009) regards entrepreneurship as a way of reducing crime in the country.

The researcher agrees with the argument considering that crime rates in Gweru decreased specifically theft because of entrepreneurship as most of the young male students who were in the business of theft are now occupied with cross border activities (Chronicles, 8 November 2012).

According to Coltart (2008), by June 2005 at least 3 million people out of a population of about 11 million depended on the informal economy for their livelihoods. Blanchard and Elkin (2008) argue that reality shows that funding source of the informal sector takes several avenues. Miller (2006) is of the view that owner's equity is an important source of financing every business. He further purport that bankers often like to see equity in the business because it cushions for any loan they make to the business since it does not have to be repaid as long as the business is surviving, neither does it carry any fixed interest. In Zimbabwe the situation is far much worse, Chivasa (2014) argue that experience in Zimbabwe shows that Banks require strong collateral to release loans and they charge interest, therefore, most of the small business owners are poor and lack equity thereby fail to access such loans.

Manu (1998) depicts that entrepreneurs find it difficult to raise even the smallest of capital they need for their businesses. The researcher agrees with the notion looking at the situations of Gweru entrepreneurs who, most of them are poor, resembling the situation in many other towns in the country. Blanchard (2000) claims that the shortage of funds is not really a problem but rather the complex loan administration systems by financial institutions. He further argue that the process of accessing a loan is too long and the requirement are too many such that many

intended beneficiaries give up long before they are close to get these loans. The researcher equates the view to the Zimbabwean situation and found a match where many entrepreneurs do not qualify to get loans because of lack of collateral. Chidoko et al (2011) indicates that there is still little assistance for many small businesses from the government and stakeholders.

Cross (1997) further expand that small business lack equipment to carry out their intended duties, therefore, undermining the potential of the business to grow. Mepheron (2006) is of the view that skills training in terms of management enable the business owners to apply the skills effectively to achieve their goals. The researcher also added that in Gweru a limited number of entrepreneurs have gone through even a course related to their businesses. Bell (2012) denotes that the importance of entrepreneurship to economies worldwide has been concluded that the correlation between the level of entrepreneurial activities and economic growth is greater than 70% and nations with high level of entrepreneurial activities have above average growth rates of economic growth. The researcher agree to disagree given the Zimbabwean situation, where there is high levels of entrepreneurial activities but the economy is below the average growth rate thus it can be argued that the notion is true in other countries other than Zimbabwe. Jenkins (2010) indicates that entrepreneurship is an economic blueprint, giving America as a typical example.

It can be argued that in Zimbabwe, due to increasing unemployment these small businesses can be a solution at the same time contributing to economic development. Research by Schlein (2008) shows that 40%-50% of the small and medium businesses in developing countries are owned by women. Lernel et al (2009) is of a different view that youth dominates entrepreneurial activities in developing nations. The researcher goes along with the view by Lernel et al given that in Gweru women dominate entrepreneurial business.

Theories have been developed to explain entrepreneurship. Schumpeter (1934) looks at entrepreneurship as an innovation and not imitation. In this view he considers less about economic profits and only cares about being a server to his society as an entrepreneur. Marz (1991) states that entrepreneurs are more concerned about their social welfare they acquire from their business. Marz's ideologies makes sense in that most entrepreneurs on enjoy being a server after serving their own welfare first that is the benefits from their business. They are being pushed by the need to earn a living than being a server of a society. Knight (2000) also added to the discovery and opportunity theory when he states that entrepreneurs are viewed in terms of risk, uncertainty and profit. He further denotes that entrepreneurs are viewed in carrying out three tasks that is initiating useful changes or innovation, adapt to change and assumes the consequences of uncertainty related to the business. Taking the views into consideration the researcher is in agreement that Zimbabwe portrays such kind of entrepreneurs. They adapt to change and face the results. The view, therefore, left out one important fact that in the event of change most of the small businesses collapse. Bird (1998) believe that entrepreneurship is a two way process that is it is beneficial to the people being served (customers) on the other hand benefitting the entrepreneurs. He explains that the customers enjoy the goods and services provided by the entrepreneur and in the same vein the entrepreneur is being paid for the service delivery. Wicklund (2000) supports the view by explaining that entrepreneurs are the service providers in their societies. The researcher is much more interested in the two way process. Many scholars dwell much on the benefits obtained by customers giving a picture that entrepreneurs are always close to the customers thus entrepreneurship benefits both the customer and the entrepreneurs

## **Ethical considerations**

Ethical considerations refer to the accumulation of values and principles that address question of what is good or bad in the human affairs. Research that involves human subjects or participants raises unique and complex ethical legal, social and politics. Fraenkel and Wallen (2003) argue that it is the important and obligation of the researcher to do everything possible to guarantee that respondents are secure from bodily as well as mental harm and uneasiness that may to the research study. Therefore, it was necessary to consider ethics in this research. Permission was granted from the students themselves as well as everyone who participated in the research. This permission to embark on the study was pursued in order for respondents to participate in the study from awellinformedstandpoint in order for the participants to be encouragedsufficiently to share their understanding and knowledgeethical issues.



## **CHAPTER ONE**

### **THE RISE OF PETTY TRADING ENTREPRENEURIAL ACTIVITIES AT THE MIDLANDS STATE UNIVERSITY (GWERU CAMPUS)**

#### **Introduction**

This chapter explains the rise of entrepreneurial activities at the Midlands State University from both the college and student perspectives. . The chapter will look at how the student petty trading entrepreneurial activities emerged at the university as well as why these activities have risen significantly over the past five years of the university's seventeen years of existence since the year 2000.

#### **The rise of petty trading entrepreneurial activities at Midlands State University from the university's perspective**

Today's academic tertiary institutions are adding economic development to their more traditional mandates of teaching and research Hoskisson et al(2011) and Rothaermel, et al (2007). Accordingly, the need to foster student entrepreneurship has become increasingly important for senior university administrators worldwide. There is a risk however, that policies fostering entrepreneurship at a university may miss out on key scholarly insights and concrete practical experience. The literature on student entrepreneurship has grown in varied directions, making it difficult for universities to formulate effective policies. Lessons learned from practical experiences with student entrepreneurs are not widely available.

The current state of the Zimbabwean economy is a cause for concern for young people as they are confronted with the major problem of unemployment. According to Nyoni (2004) investment

levels are not sufficient to generate employment for the 300 000 school leavers on an annual basis. Gone are the days, when in Zimbabwe, education used to be a guarantee for any type of job. This calls for intervention techniques in order to alleviate the problem and encourage school leavers to become job creators instead of job seekers. There has been renewed interest in Zimbabwe in encouraging a culture of entrepreneurship and tertiary education institutions are involved in the process. Interest and concerns on the subject of entrepreneurship heightened to address the issue of graduates unemployment, economic growth and dependence on government for grants due to alleviation of poverty. The Government of Zimbabwe through the Ministry of Small to Medium enterprises introduced a range of policies to encourage educational institutions to develop entrepreneurial education entrepreneurial activities.

The university offers entrepreneurship education which has influenced most of the creation or formation of student petty trading entrepreneurial activities. The compulsory module Entrepreneurship205 has contributed a whole lot to the promotion entrepreneurship at the campus. The major objective of this module is to prepare a ground where the students view Entrepreneurship as a desirable and feasible career option. In particular the module seeks to build the necessary competencies and motivation for a career in Entrepreneurship. Each and every student is required to take this module at level 2.1 which is the second year first semester. By so doing there was a rise of petty trading entrepreneurial activities at the college because the module motivated a lot of student to start small businesses themselves and not only for them to consider finishing school and start looking for employment rather they will be self-employed. In Zimbabwe the rate of unemployment is very high, almost 4000 students graduate every year from Midlands State University but only 10% will manage to get employment locally.

Therefore the module fully equips the students with all the knowledge there is to know about starting their own small businesses. A student had this to say about the module

*“I benefited a lot from the module Ent205. I introduced me to the world of entrepreneurship in a whole new different light. I had always thought it can only be done by rich people but I got to learn that one can even start from little savings and actually grow from there. I am currently saving money to start my small business around campus am very thankful to the university for giving us a start at entrepreneurship”*

The module explains that entrepreneurship as a means of making a living can be practiced by anyone regardless of age, sex, race and income levels. However further research indicates that most successful entrepreneurs share certain personal attributes, including: creativity, dedication, determination, flexibility, leadership, passion, self-confidence, and smarts.

The university itself is very much aware that a degree on its own is not enough for one to penetrate into the employment industry therefore it has tried to equip students with entrepreneurial education however they only give theoretical knowledge forgetting about the practical which is more important. The students need exposure to the practical world. One student had this to say about how they are only getting theoretical knowledge about entrepreneurship.

*“My sister I passed the entrepreneurship module with a distinction and I think I know all there is to know about entrepreneurship in theory but nothing in practical. I wish the school would offer us the practical side of the study as well because I want to know about it before I decide to enter into a small business of my own.”*

As a way of promoting entrepreneurship the university has been very accepting and welcoming to the students petty trading activities, be it bringing of any goods into the campus as long as they are not illegal or dangerous to other people. The school allows many petty trading activities to take place therefore many students have felt comfortable to bring their businesses into the school. Tonderai Chokera said the following when he asked how the university has promoted entrepreneurship

*“I decided to bring the goods that I sell which include watches and belts to the campus because I had seen that the school did not mind at all about operating business on the campus. Since then my market is much bigger and I have been getting better profits. I thank the school for making the environment very free and marketable.”*

The university established the Department of Entrepreneurship in 2010 following the need for offering degree level-training in entrepreneurship and since then it has been offering an Honors degree in the study. The first cohort of students graduated in 2013. Furthermore in a bid to promote entrepreneurship at the university as well as nationwide the university saw fit to expand the portfolio of entrepreneurship research and program delivery and has set out to establish the Centre for Entrepreneurship Development and Research in the year 2012. It offers training in a wide range of entrepreneurship programs as well as becoming the pinnacle of entrepreneurship research in Zimbabwe. A student who is currently undertaking the Bachelor of Business Management honors degree majoring in entrepreneurship said the following

*“I decided to major in entrepreneurship because I see it helping our country economically in the long run. The more the Zimbabwean people are aware of how it can be serving as a means of living the more our country can worry about unemployment and*

*poverty. I applaud the University for offering it as a degree study so that we can get more knowledge on this particular issue”*

### **The rise of petty trading entrepreneurial activities from the students’ perspective**

The students at Midlands State University regard the rise of petty trading at the campus to many reasons which are both social and economic. The majority of the students that the researcher interviewed attributed the rise of petty trading entrepreneurial activities at the universities due to poverty, unemployment and the bad economy of the country Zimbabwe. Many of the student petty traders at the university are females. This is so because girls are more free and outgoing than boys. The females are not troubled by walking around carrying a box of sweets or a packet corn snacks around the campus all day long from lecture to lecture. However due to the devastating current economic situation in Zimbabwe some male students are being forced to partake in these petty trading entrepreneurial activities as well.

Students started petty trading to assist their guardians with the payment of tuition fees. The tuition at the university is very expensive ranging from over \$600 to over a thousand US dollars depending on which programme the student is studying. Furthermore the rise of student petty trading entrepreneurial activities was due the expensive rates of rent in the areas where the students reside like Senga, Nehosho, andKopjie and town flats in the city of Gweru. The rentals used to be \$80 or \$90 per head in the Senga area and in town it was \$100 before some students were established at the Zvishavane campus. Now that a couple of thousands of students are no longer residing in Gweru there has been a slight decrease in rentals. Henceforth these high rentals led the students forming small businesses in order to help their guardians in making rent money as well as to get money for groceries and other personal use too. A participant had this to say

*“I sell jewellery like bracelets, rings, and necklaces around campus to earn money that I use to buy my monthly groceries. My parents are finding it very hard to manage to pay for my fees and rentals because it is very expensive so I decided to assist them the only way I could. It is very hard but we are pulling through each and every semester.”*

Some other students just go for the petty trading entrepreneurial activities merely because they want to and not because they need to like the others. They do it because entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else. It provides the ability to be involved in the total operation of the business, from concept to design and creation, from sales to business operations and customer response. It offers the prestige of being the person in charge.

*“I am currently on attachment here in Gweru. I am in the business of selling perfumes. I do it because I enjoy being my own boss so as to earn extra cash for myself. The idea of working for someone else is not very much attractive to be. I like doing my own thing because that way it is easier for me to balance my social and business life.”*

Some participants attribute the rise of student entrepreneurship to the high levels of poverty in the country. Due to the harsh economic conditions in the country poverty and unemployment rates are increasing rapidly since the year 2008. Since then students at the university have been engaging in entrepreneurial activities to make ends meet. Fadzai Mpofu is one of many students who got into petty trading entrepreneurial activities because of poverty. She had the following to say

*“Petty trading at campus has helped me a lot to provide for my monthly basic needs like food and shelter. Even though it’s hard in the business because of the small profits that I make I never fail to make ends meet. I would like to move from petty trading to a bigger business venture in the future because I can already see that entrepreneurship is able to eliminate poverty.”*

As colleges expand in enrolment, there is a contradictory between higher education and economic restructuring. Talent training is out of touch of social needs. And college education does not match the expectation of the society, making it difficult for college students to find a job. There are three difficult situations. The first is unemployed. With the college enroll more student than before, the number of students and graduates experiences rapid growth. In recent five years, the number of graduates of colleges and universities has increased by an average of 410,000. In 2013 the total number of graduates reached seven thousand. In addition, there are over ten thousand pending employment of previous graduates who also participate in employment competition.

Due to the adjustment of economic structure, there is less demand for social employment positions, which is not consistent with the dramatic increase of college graduates. Therefore, every year some students cannot find a job and face "graduate unemployment" dilemma. The second is the dilemma to find a suitable job and create one’s own business. A candidate's personal ability is what the enterprise is looking for. At present, the courses set in higher education are not coordinated with social demand. In other words, schools give too much emphasis on theoretical knowledge but ignore the practical ability, resulting in a lack of team

spirit, poor psychological quality and professional ethics failure. It is difficult to stand out in the re-employment competitive market.

To avoid the fierce competition in the market, some students choose to create their own business upon graduation, but there is no systematic education about entrepreneurship. So college students do not have sufficient employment capacity and face financing difficulties. The current entrepreneurship venture fund has not been established and there are no appropriate social support policies and incentives, which results in a very low success rate of university students and greatly reduces the enthusiasm of college students. Nowadays, employment situation is extremely severe, and the competition is very fierce, but expectations of employment of college students are still high. Students themselves find it hard to fit into corporate employment standards. On the other hand, college students also set expectations on the nature of employment units, career choices, job positioning and salaries. A large number of students concentrate in the central and eastern regions of the first-tier cities. This explains why positions are more competitive with sometimes "one in a million" to fight for one position or accepting "zero salary job". But second or third-tier cities lagging behind in economic level can hardly attract college students. Graduates have less confidence in entrepreneurship, thus making the problem even worse.

## **Conclusion**

The chapter has discussed the rise of student petty trading entrepreneurial activities which is credited to both the university and the students' efforts. The university managed to offer the theoretical knowledge to the students which help the students in undertaking their entrepreneurial activities. On the other side there are push and pull factors which make students get into the petty trading business.



## **CHAPTER TWO**

### **THE IMPACT OF STUDENT PETTY TRADING ENTREPRENEURIAL ACTIVITIES ON THEIR LIVELIHOOD**

#### **Introduction**

This second chapter presents the impact of student petty trading entrepreneurial activities on the livelihoods of the students of Midlands State University. It looks at both the positive and negative effects on the students' livelihoods. According to Chambers and Conway (1992) a livelihood comprises of the capabilities, assets including both material and social resources and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks maintain or enhance its capabilities and assets, while not undermining the natural resource base. It can also be defined as the financial means whereby one lives. Some students choose to earn their own livelihoods because their parents or guardians are no able to cater for their other personal wants. University life is said to be the best time of one's life since it is the time that an individual has to be free and do all sorts of things before they get into the real world. Midlands state university students are known around the country for being wild and free. They go out to clubs parties and some other gatherings during the weekends thus they petty trade.

#### **Livelihoods of students before petty trading entrepreneurial activities**

University life for many of the students was very challenging before they engaged in petty trading entrepreneurial activities. They faced challenges in paying up their tuition and in acquiring pocket money to cater for their personal needs. Most of the student petty traders at

MSU are females. One of the participants Kudzai Nyekete from the research had this to say about her livelihood before engaging into petty trading,

*“My life was very hard when I started university in 2013 but my parents worked very hard to provide for me. Things however got even worse when my father passed away in late 2014, money problems increased at my household to the extent that I had to defer a semester. I was heartbroken. My mother could no longer take care of me and three of my siblings alone. It was a very difficult time for us as a family emotionally and financially. I then managed to gather start up money \$20 to hoard sweets, chocolates and snacks (jiggies) to sell.*

Some student petty traders sell products to enhance their pocket money because by just looking at the current economic hardships in the country of Zimbabwe parents can only afford to pay for tuition hence not being able to offer their kids allowances as they wish to. During an interview a respondent had this to say,

*“I became a petty trader in my second year at college. I go to South Africa after my Friday lectures to hoard clothes that I then sell to my fellow students I bring skinny jeans, fashionable dresses and blouses. I do this to earn pocket money which I can use for buying clothes or even just for spoiling myself. My life at school before petty trading was okay but there were some certain things that my parents couldn't do for me like paying for night out expenses or changing my hairstyles as often as I would want to hence that's why I decided to make extra money for myself.”*

The Midlands State University chancellor who also happens to be the president of Zimbabwe His Excellency Cde R.G Mugabe caps a total number of about 4 000 student graduates every year from the university alone. Together with other thousands of graduates from other universities and colleges around the country which makes employment chances very slimmer for a graduate. Therefore many of the students see petty trading as a major career option. When asked about their livelihood before petty trading one student had this to say,

*“I used to look for part time employment during the college vacation every year but it was to no avail mainly because of the economic crisis in our country which has been long overdue. I figured that by working during the long vacation I would gather some money to buy clothes for the new upcoming school semester but it was not possible since job are very scarce. So I ended up spending my holidays at home in Harare or in the rural areas harvesting yields. I would go back to school without the trending fashion or gadgets and that would make me a little sad.”*

To conclude, the research derived numerous and different types of answers from students regarding their livelihoods before they got into petty trading. Most of the students were having financial problems in their live but some were okay financially but are doing petty trading for the benefit of pocket money. Either way their responses showed that their lives needed some sort of boosting in the way that they earn money.

### **Livelihoods of student entrepreneurs after petty trading**

The livelihoods of many of the student petty traders have changed for the better in a huge way after the practice of petty trading at the campus. The students whose businesses are doing well have benefited financially from their entrepreneurial activities. It was observed from the study

that a few of the student petty traders' livelihoods remained the same or rather even declined after starting the businesses. This was due to lack customers since there is competition in the market, the business failure can also be attributed to lack of time management between studies and business. The benefits of entrepreneurship were also expanded by Chidoko et al (2011) when they bring to light that entrepreneurship led to the accumulation of savings leading to investment and re-investment in the sector. Some students manage to create savings from the money that they make which they plan to use to form bigger businesses after they graduate.

The participants from the research confirmed that their businesses are the major source of food security in their household. Among those participants that are from the Senga, Nehosho, Windsor Park areas who are not from Gweru originally made it clear that their food mainly comes from the petty trade. They clearly highlighted that petty trade allow them to buy food stuffs that can actually sustain them for the whole month. Observations show that lives of a few of the participant are fully dependent on this petty trade since they manage to pay their tuition on their own. They take up payment plans from the school because even though the petty trading is doing well its profits are not enough to cover tuition fee which range from \$600 to \$1 000 depending on what programme the student is undertaking. When the respondents addressed the question of the importance of their businesses, they outlined the benefits they gain from their businesses. The major benefit they all agreed especially women is the ability to take care of them financially by being able to afford the basic needs.

When asked how specifically petty trading entrepreneurial activities at the college, RuvimboRuzengwe a second year Psychology student said,

*“I am an Avon Products representative and sales lady and I receive a monthly fixed salary and on top of that make good profits from the goods that I sell which include perfumes, skin moisturizing crèmes and fine jewellery. My life has changed tremendously ever since I started; I have become independent and financially empowered as a young woman. I am now able to afford to go for youth church gatherings. My mother is a single parent of three children so it gets difficult sometimes for her but we are both glad that my business is managing to lessen the financial burden a bit in our family. My mother no longer has to constantly worry about anymore because she knows that I can afford to take care of my basic needs.”*

As this research is done in the Sustainable Livelihood (SL) Approach by Ian Scoones. A livelihood is sustainable when it can cope with and recover from stresses and shocks maintain or enhance its capabilities and assets, while not undermining the natural resource base. The concept is an attempt to go beyond the conventional definitions and approaches to poverty eradication. Therefore it was used in the study to question whether petty trading had contributed to poverty eradication and if yes then how. When asked about this one student petty trader had this to say

*“The petty trading business has helped so much in my life as a college student here in Gweru. I come from the rural areas of Gokwe to study on a CAPENUM Trust scholarship. It was very hard for me to adjust to the urban life let alone the college life as I came from a poor background. I started selling lollipops and assorted biscuits at school in order to earn a much better living in the city and also to serve money to buy clothes for school. I must say that after*

*more than a year of doing petty trading my life has been positively impacted because I am able to meet my rent date and buy food.”*

The above interviews from the research show the impact that petty trading has had on the livelihoods of the students at MSU. Ninety percent of the students interviewed are benefiting immensely from petty trading; they are doing good financially due to the profits they are making. However the other ten percent ran into some losses in their businesses hence they did not benefit from the petty trading business as much as they expected to, they were rather disappointed by the failure.

### **Challenges faced by student petty traders at Midlands State University**

Student petty traders at Midlands State University face a number of challenges in their day to day running of their businesses. These challenges have actually led to the immature deaths of the entrepreneurial activities of some of the students. The major challenge is that of the competition in the market place which is the campus. The students sell the same type of products or goods and this make the competition to get more customers than the others even stiffer and harder. One will have to use skills like persuasion or will have to allow customers to buy the stuff on credit just make show that they get the customer. Even though the Gweru campus holds thousands students of the university it is tough to break into the market since 10 students in every class are petty traders. A participant in the research study had this to say concerning this challenge,

*“ There are a lot of us here who are into the business of selling chocolates and biscuits my sister, if you walk around just this block only you will find to about 4 to5 people selling the same goods I am. So just imagine how much competition I have in this campus. I have to put in extra effort in my marketing skills and presentation in order to*

*scoop more customers. I put my goods in very nice and neat containers to attract customers but still the challenge is still there.”*

To add on, this challenge of competition in the market place is not only between the students petty traders themselves but it are also with the vendors that sell goods just outside the school gate. The vendors take most of the targeted market by the student petty traders.

Yet another challenge that the students face is the Fear of dealing with the unknown. Students often ask themselves these questions, how long will my business exist? How profitable is it going to be? Will I get enough customers? The questions may actually lead to one letting go of a business opportunity, or shutting down an already existing petty trading entrepreneurial activity. Other students lack confidence in themselves thus they let these questions get the best of them. Being an entrepreneur can take up one's time because it is very demanding and requires lots of work. This can cause loneliness because the student will not have any time for his/her own personal life. Also, the issue of decision making tends to become a challenge for the student entrepreneurs. They find it difficult to decide their business plans alone because of lack of business advice from experts.

The issue of clients who do not comply to their payments for credit appears yet another major challenge that the student petty traders are facing. In some instances, petty traders allow their customer to buy their goods on credit which they promise each other a date that the client will pay the money. However not everything goes as planned, most of the customers fail to pay the money on time hence causing disturbances in the cash books of the petty trader because some money comes into the books late that it will be difficult to calculate and see the profits being made. Other customers fail to pay totally making the petty trader come into great loss in their

business. One student petty trader had this to say having experienced this challenge in her business,

*“I sell the latest fashion which I hoard in South Africa. Sometimes I get special orders from my fellow students that I expect the person to make the payment as soon I deliver the goods but it’s not always the case. So I sell the goods on credit. I have lost approximately \$150 to clients that do not pay, some give countless excuses and others just vanish into thin air or they hide every time that they see me which is not a good thing at all. They have caused major setbacks in my business.”*

The issue of balancing time for business and schoolwork is proving to be a challenge to the student petty traders as well. Some business is taking more time that they should be on the part of the student petty traders. The *school* semester gets really busy just after the semester break which is usually two months into the semester. Exams start soon after the break, so the students need to make time to study as well as to do their petty trading henceforth creating an imbalance in the time that one has to do school work and businesses. One student petty trader facing this challenge had this to say,

*“I am in my final year and you know my sister that it is a very busy time because of the dissertation module which requires a lot of effort and dedication to pull through it. I have to juggle doing my study research, preparing for my exams and selling my goods as well. It sure does take a toll on me. I find myself sleeping very late and waking up very early as well which is not good for my wellbeing but there is nothing I can do about it because I really need the money to sustain myself throughout the semester. That is the major challenge for me.”*



Other challenges include the lack of financial support from the university. The student petty traders wish the school would offer them small loans since they cannot get them at micro finances because they do not have fixed income or collateral. However the school can withhold the students' results as collateral. The loans would be of great help to the students because they need it to boost their petty trading and create better lives for themselves. ThembaMoyo had the following to say concerning this challenge,

*“I struggled so much to revive my petty trading business after its collapse due to lack of funding. My parents could no longer fund me for my other business venture because the first one was a failed attempt. I tried to convince them that I had better business idea but they didn't budge so I decided to use some of my fees money to start up my new business of selling weaves and other hair product. It was a huge risk but I am very glad that it paid off since my business is doing pretty good. I don't want my fellow students to go about it this way rather I wish the school could grant us small loans that we can use to manage our businesses.”*

The student petty traders are facing various challenges which have been stated above. They wish to overcome these challenges so that they can go on with their petty trading activities, and they see major growth if the challenges are dealt with. Most of them are very much willing to forming a Petty Trading Club at the school comprising of all the petty traders. They plan to choose a committee that can represent them to the school board with their burning issues or suggestions.

## **Conclusion**

This chapter has looked at the impact of petty trading on the livelihoods of students. The interviews showed that the lives of the students were full of struggles before petty trading compared to the better lives that they are leading now. This goes on to show the positive impact of entrepreneurial activities on the livelihoods of the students. The chapter also explored the challenges that the students face in running their businesses and how they wish they could be addressed,

## **CHAPTER THREE**

### **ENHANCING ENTREPRENEURIAL ACTIVITIES AT MIDLANDS STATE UNIVERSITY**

#### **Introduction**

Entrepreneurship is a worldwide phenomenon therefore the University has to find ways to enhance the study and its practice around the campus. This great idea of one starting his/her own business rather than working for someone has created countless business moguls, locally here in Zimbabwe there are the likes of Strive Masiwa, Philip Chiyangwa, Nigel Chanakira among many others. Internationally there is South African mining business man Patrice Motsepe and Americans Donald Trump and Bill Gates. These big names really go a big way in showing and proving the entrepreneurship cannot only secure one's future by creating a career but it can also have a huge impact on the economy. Therefore there is great need for the enhancement of entrepreneurial activities by both the university and the students hence forth this chapter is going to concentrate on the best ways that it can done.

#### **What the university can do to enhance petty trading entrepreneurial activities**

##### **Offering financial assistance to students**

As much as the university makes sure that it equips the students theoretically by making the Entrepreneurship module compulsory it should also equip them financially. The study has shown that most students do not have the money to engage into petty trading. One cannot do much with entrepreneurial knowledge only without money establish a petty trading business. Most of the students have got bright ideas but they lack the money for start up. The university should provide

loans to the students with this type of situations. This move can take the participation in petty trading activities on the campus to another level.

### **Creating better access to the market**

The university has to make the market for petty trading easily and more accessible to the student entrepreneurs by giving them more exposure and demand. They can make sure that there are fewer vendors outside the gate so that student petty trader can have more customers to themselves. By doing so the university gives the students opportunity to purchase to support their fellow students in entrepreneurial endeavours. One of the students said the following concerning this issue

*“I sell sweets, jiggies, biscuits and chocolates which are the same goods that the vendors from outside the gate sell. So by the time the students enter the school yard most of them would have already purchased the goods from outside. As student petty traders we would very much appreciate it if the school would manage to create better access to the market for us by trying to reduce the number of the vendors and allowing us to be the main providers and services.”*

### **Creation of rules and regulations**

There is great need for the university to create rules for the petty traders so that they can run their businesses. It has to make a rule that petty traders should not interfere students in lecture rooms during lectures because there are some who are very intruding and persuasive to the extent that they can disturb other students. Therefore the school should regulate it. It should also consider making it a rule that student petty traders should register as such at the Student Affairs. By getting details of the petty traders the school gets to keep record of their and quantity and the

types of business that they are in, this can come in handy when the school has something to offer like financial and knowledge that can be of help. It can coordinate seminars to bring the students together and receive information from other people who have made it big in the small business sector. Tatenda Mangena who is not into petty trading said the following

*“There are so many instances that the petty traders come into our classes and end up interrupting us. Some come in the middle of discussions and we end up shifting attention to their goods instead of doing our school work, especially those who are very persuasive.”*

### **Provision of spaces to do petty trading to the students**

If possible the university can provide work spaces for student petty traders whose businesses are not mobile like the ones who provide food services. A lot of student entrepreneurs have got problems when trying to secure spaces they can use to put up their cabins to sell fresh chip, s adza or rice as well as for doing printing. Most of the student printers end up setting up their equipment in their hostels which is not allowed by the university. A case of the Japan boys hostel, one would find at least 3 students operating the printing business under wraps. Lack of space limits the students’ potential to expand and grow in their entrepreneurial activities thus space has to be created. The researcher interviewed ZororaiZvapano who provides printing services to fellow students and he had this to say

*“I have been doing printing for the students for two semesters now operating from my home in Senga but I need to get more access to the market. I have been trying to get space to do my printing inside the campus and I have not been successful. I would be very*

*glad if the school would provide me and my other student petty traders who are in the business whereby there is need for space to operate on.”*

### **Provide marketing skills to the students**

The university needs to provide all the students with marketing skills since they have been encountering problems in marketing their problems. Most students fail to create an environment that is trending to produce creativity so that the business can revive. It must ensure that every student get the marketing skills they need by offering marketing mass lectures. A product can be good and up to standard but without the proper marketing it will not sell. One petty trader had this to say

*“I have failed twice at petty trading entrepreneurial activities here at the campus. I sold clothes and shoes at very affordable price but still I had few customers, I then later saw that I lacked marketing skills in my business endeavor. So as students we need to be taught marketing skills in order for us to be successful in our petty trading.”*

### **Host entrepreneurship contests**

By hosting entrepreneurship contests every semester MSU can enhance entrepreneurship at the Gweru campus. It should put students in groups and make them compete against each other in order to foster hands on learning opportunity. Prize money can lure many students to participate in the competition because most students lack financial support. Professionals may also be present at the contest show to teach about entrepreneurship as well as answer questions. Petty trader Mellissa Chiwariro said the following about this matter

*“I think most of my fellow students at the school lack motivation to participate more in petty trading therefore the university needs to use contests in order to make students get into it. Free t shirts to the first competitors always do the trick.”*

## **What the students can do to enhance entrepreneurial activities at MSU**

### **Engaging more in entrepreneurship**

Students should engage more in petty trading in order to enhance entrepreneurial activities at the college. The engagement empowers the students economically especially during these times of economical hardships in our country Zimbabwe. Entrepreneurship keeps the students away from doing promiscuous activities like heavy drinking, clubbing among others. It is able to produce a hard working generation if properly pursued by the young students as they are perceived to be full of potential and new ideas. The students can also form business partnerships with each other if raising capital individually is a problem in order to enhance entrepreneurial activities at the university.

### **Support in business endeavours**

The students themselves are both the entrepreneurs and the market therefore it is their duty to support each other in petty trading entrepreneurial activities at the Gweru campus. So rather than going outside the main gate to purchase goods or acquire services from the street vendors they should buy from each other in the school or at their homes in Senga and Nehosho. The students must unite among themselves and support each other thus at the same time enhancing entrepreneurial activities. In conclusion this chapter gave recommendations on enhancing entrepreneurship at the university.

## **CONCLUSION**

Petty trading entrepreneurial activities, as has been assessed in this study, have provided an alternative to formal employment for the students at MSU. Through petty trading, students have been able to access some basic necessities essential for survival. They have been able to get food, clothing, and sanitation as well as other stuff they need for school. A few have been able to access assets such as household properties and a few even have small vehicles. This is the positive aspect about petty trading noted from the study.

The study has examined how petty trading entrepreneurial activities came to exist at the MSU Gweru campus. The reasons included the economic crises, poverty, unemployment as well as other pull factors. All these reasons contribute to the rise of petty trading entrepreneurial activities at the school.

In as much as petty trading has given an option to earn money for the students it has not been as easy for them. The students have had to encounter numerous as well as competition amongst them to get a dollar. Of concern is the fact that youth students from all walks of life that is those who have acquired specific skills, not related to business, and those who have no skill or qualification are all engaged in petty trading. Petty trading, notably, does not require specific set skills, anyone with little capital can venture into it. The students who participated in the study argued that sustainability of street vending as a livelihood is especially dependent upon the circumstances that one joined the informal sector. For the students who are naturally enterprising, those who like business and self-employment, petty trading can be a sustainable livelihood strategy. Such calibre of youth students is willing to invest so much into the small business unlike those forced by circumstance to do petty trading entrepreneurial activities.



However petty trading on its own cannot sustain the livelihoods of the students. . There are varied and open opportunities for enterprising youths in mining, construction, arts and culture as well as film, theatre and music. Those youths engaged in petty with different qualifications need to create an enterprise based upon their skills and this will help in expanding in the field of entrepreneurship. Also, the study has recommended that those students with no set skills need to be trained in specific vocational skills so that they also venture into other sectors of the economy and show enterprise.

In the end, petty trading can be a sustainable way of living for youths with a passion in business. It will not work for those students forced into it and who started the activity out of desperation. The University, therefore need to realise as well as support the informal sector in general, and petty trading in particular. Petty trading cannot, at this juncture, be wished away. It is a way of life of different people, the students included, and just needs to be organised as well as supported by both the government and the university.

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## **Appendix A: Interviews**

### **Interview guide questions**

- a. How long have you been doing petty trading?
- c. Which products do you sell?
- c. On average how much do you earn per month?
- d. How effective is petty trading on your livelihood?
- e. What challenges are you facing?
- f. What do you think can be done to enhance students' livelihoods at the University?

### **2. Questionnaire**

My name is Yeukai Marumisa; I am a student at Midlands State University in the Department of Development Studies carrying out a research entitled: **Assessment of student petty trading entrepreneurial activities at Midlands State University (Gweru Campus) and the impact on their livelihoods.**

Please feel free to answer the following questions. I would like to assure you that the information you provide is going to be handled with the utmost confidentiality. It will be used for the purpose of the study only.

**NB:** The information you provide is anonymous – you are not required to write your name or any identification particulars.

**Instructions**

Write your answers where blank spaces are provided and tick or circle where options are provided.

1. Sex                                      Male                                            Female                     

2. Age                                      .....

3. Can petty trading be regarded as sustainable way of living for students at college?

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Give reasons for your answer above.

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4. On average, how much do you think the students earn through petty trading per month?

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5. What challenges are these studentsexperiencing in the way they are making a living?

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6. How best can the government, the university or any other stakeholders assist the students involved in petty trading?

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7. What do you think should be done to enhance the livelihoods of students in Zimbabwe

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