Rural Banks for Rural Agricultural Productivity in Zimbabwe in the 21st Century

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Abstract

The 2000 land reform programme in Zimbabwe availed large tracks of arable land to farmers. The first reaction to the land reform programme was a slump in food production in the country. Several factors have affected the sustainability of the land reform programme. The thesis of the current study is that the lack of finance contributed to the poor performance of the agricultural development in the country. The research methodology is qualitative desktop. Data were collected from literature on rural banking. The study identified the following opportunities for rural banking in the country; the land reform, the current indigenisation and economic empowerment policy and the government of President Mugabe's inclination towards appeasing the rural peasantry. The study identified the following possible challenges for rural banking in Zimbabwe; liquidity crunch, poor staffing, weak managements, low capitalisation, poor technology, and lack of adequate communication facilities and inadequate training. The conclusion is that the rural banking concept needs to be adopted and implemented in Zimbabwe. The significance of the study is that it stimulates debate on supporting the land reform programme in Zimbabwe. It intends to demonstrate the fact that agricultural productivity in the rural areas could be enhanced through a robust financial intermediation for the rural farmers.