

# LIMITS OF YOUTHS' PARTICIPATION IN ENTREPRENEURSHIP AGAINST ZIMBABWE'S RISING UNEMPLOYMENT

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## ABSTRACT

*The objective of this study was to investigate the level of youths' participation and opportunities in SMES for the sustainability of their livelihoods against rising unemployment in Bindura urban area of Zimbabwe. The problem is that the economy in Zimbabwe has not performed well over the past years making the rate of unemployment to soar up to about 84% in 2014 and a lot more in 2020. This exposes the susceptible young people to engage in the Small and Medium Enterprises (SMEs) through the informal sector for their livelihood. This is the economic hub and provincial capital city for Mashonaland Central province. The methodology used was the mixed research approach based on a single case study as the research design. The collection of data was through focus group discussions and in-depth interviews. Findings reveal that there are lots of opportunities in the form of entrepreneurship expertise to swap over and labor production at a low cost for the youths. The study further uncovered major obstructions to the growth of economic activities such as, competition for the market, bad infrastructure, inaccessible capital in the form of finance, technological issues, bottlenecks in registering and obtaining business licenses. Such barriers weaken the reasons for which these SMEs are set to achieve. The study provides recommendations to government and local authorities. Further research needs to be done with respect to adult entrepreneurs in order to get a holistic impression of the challenges and impact of participation for livelihood sustainability.*

**Keywords:** SMEs, Youth Entrepreneurs, Youth, Sustainable Livelihoods.

## INTRODUCTION

The level of youth unemployment world-wide is becoming problematic with about 185 million unemployed people globally where nearly half of this number represents youths between the age of 15-24 years old (ILO, 2013). The African continent is mostly shaken and the Zimbabwean country is equally affected (Bhebhe, 2016). The World Bank (WB, 2012), the World Factbook (WF, 2014) and the International Monetary Fund (IMF, 2013) state that the unemployment rate in Zimbabwe stands at 95% being the world's highest rate. The Zimbabwe Parliamentary Portfolio Committee also reported on the development of youth noting that Zimbabwe's youth unemployment was higher than that of adults by four times (GoZ, 2013). In Zimbabwe youth unemployment is increasingly becoming a political, social and economic crisis as noted by Mudonzvo in 2015 (Bhebhe et al., 2016). If the unemployment problem is ignored, it is likely to dislocate peace and stability, economic development and national cohesion. The country's Education for All policy (EFA) which has been quite successful resulted in most youths to be out of employment despite the youths having academic degrees, diplomas, Advanced Level or Ordinary Level educational certificates. According to (ZimStats, 2012) in 1986, about 34% of youths out of employment were holders of Ordinary Level academic

certificates. In 1994 the unemployment rate soared up to 73.4%, in 2004 up to 74.6% and by 2012 up to 85% (ZimStats, 2012).

Every country's political and social terrain is determined and defined by youths, especially in Zimbabwe in which youths constitute 67.7% of the populace (ZHRC, 2020). Yet, Zimbabwean youths are confronted with challenges like unaffordable education, unemployment, child marriages and inability to access health care owing to abject poverty, young women sexually abused and increased forced migration because of limited opportunities among others. The Zimbabwe Human Rights Commission (ZHRC, 2020) asserts that independent researchers reveal that the rate of unemployment generally reels above 80% with several graduate youths turning to cross-border trading and vending activities in order to sustain their livelihoods out of the conventional economy.

According to the last census held 13 million people constitute the population of Zimbabwe with youths being 60% of the entire population (ZimStats, 2012). Although it is believed that the unemployment rate is close to 100% (Rusvingo, 2014) states that the rate hangs at 85% laying down a time bomb for the country and the region. Launching a programme called 'Zimbabwe Decent Work' the then Minister of Youths, Gender and Employment Creation Mr Saviour Kasukuwere (MYGEC, 2013) reported that youths constituted about 54% of the country's total work force out of formal employment. These youths occupied the informal sector. Moreover, although the education sector produces youths who are more than three hundred thousand and exposed annually to the labor not more than 10% get employed formally (MYGEC, 2013). This means the rest roam in the streets or get absorbed by the informal sector and start some of enterprises in order to eke out a living.

The Minister's report highlighted the high unemployment rate shaking the country to the core with youths not being spared. Mashonaland Central is a province whose economy is agro-based and close to 60% of youths relies on agriculture as noted by (Marazhanye, 2016). The agricultural sector is however faced with serious socio-economic, political and ecological limitations apparently subjecting the nation to less prospects of escaping poverty (Biti, 2010). Bindura has been saddled with increased livelihood pressure because of excessive reliance on irrigation facilities which are limited and inadequate natural resources.

Apart from agriculture, mining is also a major source of the livelihood the majority of the Bindura urban dwellers. Freda Rebecca Gold mine and Trojan Nickel mine are the current active mines. But, (Wright, 2014) contends that as a result of the plummeting global nickel price, in 2007 Trojan mine had to lay-off almost 50% workers eventually shutting down in 2008 (MAH, 2009). This accelerated unemployment rate levels in Bindura. This left youth to fend for themselves largely through small and medium enterprises (SMEs). It has been estimated that youths provide 67% of the local requirements through SMEs (SEDCO, 2004). This study investigated youths' economic prospects in entrepreneurship in supporting livelihoods in 2019.

## **BACKGROUND**

The concerns for SMEs over economics and policy making pivot around economic reforms for youths' engagements together with the potential support derived from these developments (Chigudu, 2018). The pointer of civilisation in a society is determined by the youth status (BCZ, 2011). This signifies the importance of youth when it comes to matters of development in any economy. The country's economic potential can be adequately realised through investment in youth and development of their abilities (Chibber, 2005). The facilitation of empowering youths is therefore significant for development in the long-run. It is the

contention by (Chiripamhuru & Makwarara, 2001) that although SMEs have been there during the pre-colonial period, they only became dominant in the post-colonial era and specifically from 2000 and beyond. Most post-colonial African countries did not value SMEs with some seeing them as inferior, unproductive and not compatible with modern trends of development (Chigudu, 2018; Helmsing & Kolstee, 1993).

In the wake of Zimbabwe's economic melt-down SMEs expanded exponentially as an alternative to poverty, the soaring rate of unemployment among other woes (Chowa & Makuware, 2013; Chigudu, 2018). From 2000 to 2009 the country's economy plunged down leading to the winding down of several big companies referred to as large scale enterprises (LSEs). Although SMEs were in existing in the country already, they were to a large extent sidelined because of their inability to compete against LSEs. They also did not have adequate funding, technical know-how and lack of support from the government among other setbacks (CZI, 2012). As noted by (Helmsing, 1991), there were just a limited number of registered and licensed SMEs eligible bank credit facilities and government's financial support. (Chidoko et al., 2011) observe that significant changes seen in SMEs are traceable way back at the time when the concept of neo-liberalization was adopted in the 1990s as Economic Structural Adjustment Programmes (ESAPS). The SMEs contribution to the gross domestic product (GDP) in several African states like Zimbabwe remained immaterial. It only dawned a little late to the government that SMEs were important in the development and economics of the country (Chigudu, 2018). As a result, government established the Small Enterprises Development Cooperation (SEDCO) an organisation responsible for financially supporting, supervising and monitoring the operations of SMEs. In 2002, a whole Ministry was established for the Small and Medium Enterprises. The Reserve Bank of Zimbabwe (RBZ, 2003) in its quarterly review reported that the government had begun appreciating that the growth of industry was fundamentally reliant on activities of the informal sector especially the SMEs. The fact that youths have been marginalized including their activities of livelihood has been reported by (James-Wilson, 2008; USAID, 2005). Despite these reports it appears that not much seem to show in terms of opportunities that economically empower youths for entrepreneurship particularly in Bindura and Zimbabwe in general.

## **RESEARCH OBJECTIVE**

The study sought to investigate the level of youths' participation and opportunities in SMES for the sustainability of their livelihoods against rising unemployment in Bindura urban area of Zimbabwe.

## **UNIT OF ANALYSIS**

Bindura urban is situated eighty-nine kilometres North-East of Harare in Zimbabwe's province of Mashonaland Central. The population of Bindura town according the latest census stands at 44 033 (ZimStats, 2012). The town's the province's heart and administrative centre covering five districts namely, Mazowe, Mt Darwin, Muzarabani, Guruwe and Shamva. The survey focussed on youths whose activities are confined to the industrial site in the Durawall of Bindura urban.

## LITERATURE REVIEW

Youth unemployment core causes have been the paucity of human capacity in terms of knowledge, education, well-being, health and freedom (UNDP, 2003). The relationship existing closely between quality of education, economic management, youth unemployment, crime increase, civil wars and poverty has previously been well acknowledged by scientists and researchers like ILO (2013); Kanyenze (1997); Chigunta (2002). Exclusion is one of the factors that has also been identified by (Chigunta, 2002) in driving unemployment. This exclusionary factor has left youth out from taking part in all economic activities, including planning, policy formulation, implementation, or evaluation making youth lose a sense of belonging. This has invariably influenced many of the youths to move abroad or desiring to emigrate in droves causing extensive brain-drain further crippling economies like Zimbabwe that are developing (UNDP,2004). A study conducted by Leibbrandt et al. (2010) reveals that family poverty is directly related to unemployment obtaining in a particular family. In this study Leibbrandt et al. (2010) concluded that 10% only of those youths from backgrounds which are poor were employed in comparison to 59% of those youths from affluent families. This reveals that the affluent families have better means to get their youths employed because of being well-connected unlike the indigent families.

According to the Ministry of Youth Indigenization and Economic Empowerment (MYIEE,2016) report on the 2015 youth situation analysis carried out under its Zimbabwe Youth Council (ZYC) component as supported by UNICEF, youth in Zimbabwe just like many youths across the region are saddled with challenges namely: poor quality education, high rates of unemployment, limited opportunities in education, limited opportunities for civic engagement, early marriages, high prevalence rates of HIV, and pregnancies in teenagers (ZHRC,2020). Also a survey carried out by the Zimbabwe Youth Task Force organized by the National Association of Youth Organizations (NAYO, 2017) in collaboration with the European Union (EU) and the African Union (AU) in Abidjan during the meeting of the AU-EU Heads observed the following pertinent challenges confronted by youths: exorbitant cost of education with less quality, high unemployment, limited space for effective civic participation in politics and economy, youth migration, absence of clear-cut youth development frameworks, and side-lining of rural youths.

The revelation by the International Labor Organization (ILO, 2016) is that Zimbabwean youths stand among the poorest in the world as they live in an environment which is extremely difficult. This survey by the (ILO, 2016) has placed Zimbabwe into the 75th -100th grouping related to youths employed, but faced with severe poverty. These are youths whose income bracket translates to not more than US\$2 per person per day. The country has also been listed among those countries to which the young ones have serious difficulties in securing jobs. Estimates are that 20% of the youths between the age of 18 to 24 are unable to get employment (ILO, 2016). The study further reveals huge workplace imbalances in terms of gender. The wide gap between those young men and women in search of jobs has resulted in Zimbabwe acquiring 11 points based on a 1 to 30 scale, on which smaller scores represent a more favorable position than scores which are higher. In 2013 Zimbabwe's Youth Development Index was 0.46 whereby the country was positioned at 127/170 nations (CYP, 2013). It is noted that, young people living with disabilities encounter intersectional discriminatory tendencies even to the extent of not getting adequate public facilities limiting their participation rights. Inadequate support financially, decision-making representation, and unavailability of essentials like Sun Cream and Braille for youths with Albinism are indicative of the discrimination which is intersectional confronted by this group of youths. This discrimination is worse-off with opportunities for

employment. Zimbabwean youths have limited access to jobs and these results in an increased practice of uncouth behavior like drug abuse, theft, violence, and child marriages (TYZ, 2015).

The idea behind reviewing related literature review is to make an analysis of the numerous thoughts and theoretical results put forward by other researchers with regard to youth participation in economic opportunities availed by entrepreneurship. Reporting on SMEs (Abaka & Mayer, 1994) observe that these enterprises stand as the main employment creation vehicle because their technologies involve a lot of labor. SMEs are sources of original entrepreneurship, the avenues for providing development in the rural communities, using technologies largely more suitable to them (Andreasen, 2010). Studies held in various economies on industrial development have revealed that SMEs represent a vital part of the mainstay industrial growth playing a significant and active role (Black, 1999; Barry, 1998; Andreasen, 2010). The UNDP (2000) reports that SMEs are in the limelight of economic and social growth of several countries. For instance, (Balassa, 1982) observes that in some countries like India and China SMEs have stimulated the economic activities such that employment has been created, poverty reduced and domestic markets expanded. This is necessary for a country to widen the tax base for national revenue. A study conducted by (Altbach, 1998) in Japan's Ministry of International Trade and Industry revealed that in 1994 only the SMEs employed close to 6.47 million country-wide. In Russia and Poland, (Radaev, 2001; Surdej, 2000) note that the emergence of SMEs has promoted industrial and economic boom.

In the 1990s the economy in Poland underwent a noticeable growth economically as a result of the quantity and quality of the SMEs. Come the year 1997, the Polish SMEs contributed a 62% employment share in comparison to an average 72% employment share provided in the European Union (EU). In view of these and other statistics, Duff et al. (2000) argue that indeed the SMEs have played a pivotal role to the growth of several economies including those in Asia. Duff et al. (2000) reveal that SMEs generally represent above 85% of Asia's manufacturing entities hence contributing significantly to economic growth and employment creation. The situation in Indonesia is that 88% of SMEs represent an employment rate of 32% in the sector of manufacturing alone (Duff et al., 2000). The SMEs in developing countries also contribute to trade as major exporters of revenues. Duff et al. (2000) conclude that Asian SMEs are heavily involved in the exportation of manufactured goods to more developed economies in East Asia. For example, about 56% to Chinese Taipei, in excess of 40% to China and about 31.5% to India as compared to the less developed economies in Africa with as small as 1% to Malawi and Tanzania.

In the case of (Ghana & Inkoun, 2003) revealed that the performance of SMEs cannot be divorced from entrepreneurial and proprietary skills. It was found that those owners who acquired qualifications related to business excelled 30% ahead of those without such qualifications. In such context it is only prudent to recognize that expertise and skills in running SMEs should be acquired to enhance enterprise sustainability (Fisseha & McPherson, 1991; Daniels & Fisseha, 1992). According to Gallagher and Robson (1993) in developing countries it is approximated that 22% of the adult population is employed by SMEs. Based on these findings one can conclude that eradication of poverty through SMEs has helped developing countries in sustaining livelihoods. Thus, SMEs have to a large extent supported the socio-economic and industrial growth of several economies developed and developing alike, transitional and capitalist (Andreasson, 2010).

## THEORETICAL FRAMEWORK

The inequality in society is a device which evolves unconsciously such that the society attempts and ensures that one who is highly qualified meticulously occupies the equivalent and necessary position. This was concluded by (Davis & Moore, 1945) when they propounded the theory of functionalism. In their argument, disparities in wealth, power and prestige are a function of social needs where certain roles and responsibilities are more important in relation to others. As such, those societal functions that is more important call for more, training, knowledge and expertise. The functionalist theory states that inequalities are unavoidable and unescapable. (Parsons, 1951) goes further in describing the functionalist theory arguing that, attributes, possessions, performances and qualities that are functionally essential, reflect in societal and cultural values of society. It is these values that define and represent what is bad and what is good. This description attempts to explain why others are readily employable while others are not. Another scholar (Karl Marx, 1959) contends that it is the structure of society entrenched in the production economy and relations of classes in society which determine culture and social action. This explains why the medieval age peasantry economies prompted strong religious faith and societies when the modern capitalist economies produce individualism (Fisseha & McPherson, 1991). As for (Marx, 1959) although there is social action latitude it is not devoid of residual influence of past actions and more so the structure of society. Marx suggests that men define history for themselves, although they define it in circumstances which they do not choose for themselves. Instead, it is through circumstances thrust, transmitted and encountered directly from their past (Fisseha & McPherson, 1991). Connecting this theory to the current study, the world over and Bindura in particular youths' lag behind others in terms of prestige, wealth and power because they are not afforded the opportunity to participate and access resources. They lack adequate talent training, technology and capital and technology as enablers for assuming society's high status and living standards. As a result, they take the route of exploring livelihood through SMEs.

### Sustainable Livelihood Approach

The study was predicated on (Scoones, 1998) approach of sustainable livelihoods. According to this approach, sustainable livelihoods are constrained by financial, physical, human, social and personal assets. But even where these resources are available, youths still remain susceptible if they are unable to cope with stresses of livelihood in the form of poverty and unemployment. The economic programmatic interventions which are present in Bindura for youths include the SMEs among others to mitigate social and economic stresses.

## RESEARCH METHODOLOGY

(Creswell & Clark, 2011) have argued that, the complications for problem in research is that they require solutions that are outside just straightforward numerical figures in quantifiable terms or statements qualitatively expressed and also that a mixed approach of the two provides a more nuanced way of problems analysis. This suggests that a study which uses mixed methods is most likely to provide a better way of problem solving unlike only one. This is the reason why this study opted for mixed methods. Also, Auther et al. (2012) have contended that the merging of different research methods have the potential to strengthen the research findings validity. However, one dimension of importance in choosing mixed methods is complementarity. That is

in their difference whether the methods carry weights or strengths that are relatively equal to each other or if one of them will be more dominate (Lewin & Somekh, 2012). While this study employed a mixed methodology, the qualitative methods were dominant over the quantitative approach. Ethical considerations were made with an ethical clearance certificate issued by the College of Economic Management Sciences' Ethical Clearance Research Committee (ECRC).

## **Research Design**

The research design used here was the single case study. According to (Yin, 2003) the idiosyncratic demand for case studies arise from the desire to comprehend phenomenon which is rather complex. For (Yin, 2003) a case study method enables researcher(s) to keep hold of the whole and important qualities of events in the real-life settings of research subjects. (Wisker, 2008) emphasis that the case study methodology has an advantage of fully and deeply exploration a phenomenon. (Leedy & Ormrod, 2010) opine that in using a case study an investigator can gather data extensively based on the thrust of the investigation. (Zainal, 2007) claims that the need to use a case study in research method was prompted by the restrictions and inability of quantitative approaches to holistically provide sufficient and profound accounts of the social issues. But in cases where data is both qualitative and quantitative hence a mixed method, then a case study assists in explaining the outcome and process of an occurrence. This is possible through a comprehensive observation, rebuilding and problem analysis of that which is under studies (Zanail, 2007). Informed by these observations, this study adopted a single case study of Bindura Urban and in particular the Durawall industrial site.

## **Sampling Method**

Purposive sampling was used in selecting participants from a population of eighty enterprises involving youths. Eight SMEs were selected constituting 10% of the target population. Purposive sampling was adopted in order for to specifically engage youths only as opposed to other sampling methods that could be inclusive and diverse characteristics (Sekeran & Bougie, 2011). Purposive sampling in circumstances where a restricted category or number of subjects could be having the desired information (Sekeran & Bougie, 2011). In this case information required was mainly from youths and officials from the SMEs Ministry. Since the Ministry had 'hidden' potential research participants, the snowball sampling was also used such that a few respondents had to be randomly pick out with additional respondents founded on referral procedures. 10% of the 80 SMEs that involved youth entrepreneurs) for the survey were selected. This became the sample size. After purposively selecting SMEs fifteen participants were selected randomly from and twenty-one others also from the sample who made the focus group discussion (FGD).

## **Instruments for Data Collection**

(Leedy & Ormro, 2010) argue that in a case study research, one characteristic begins by employing one data collection method gradually adding other methods as determined by the situation. The has an advantage of easily enhancing the validity of findings and results in the case study by the triangulation process. In-depth interviews were mainly used in the form of guided discussions instead of having questions that were structured. Another primary source of data was through focus group discussions (FGDs). To ensure reliability and validity triangulation

was done.

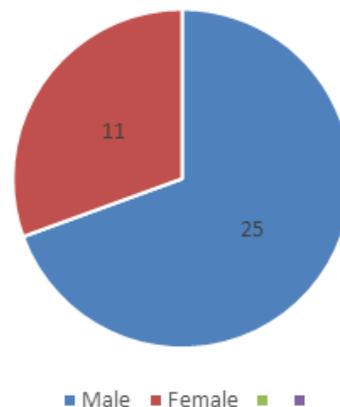
### Data Analysis

Research themes were generated based on the open focus group discussions and guided in-depth interviews conducted on the for purposes of a qualitative analysis. During the in-depth interviews some of the responses were recorded in a score sheet. This generated data scores which were then tabularized later used for computations and graphical presentations enabling the analysis of data quantitatively.

## FINDINGS AND DISCUSSION

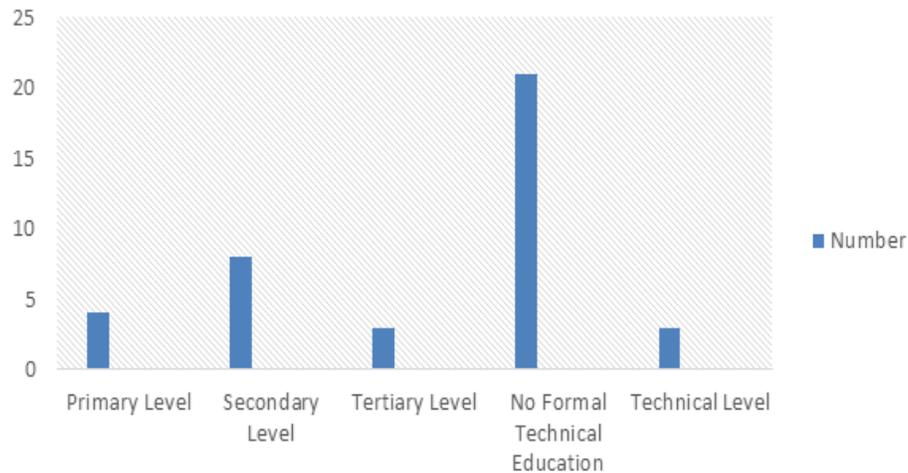
The study sought to investigate the level of youths' participation and opportunities in SMES for the sustainability of their livelihoods in Bindura urban, Zimbabwe. Findings are discussed under the following subheadings; respondents' profile, youth entrepreneurs' socio-economic status, sustainability and growth of SMEs and challenges.

### Respondents' Profile



**FIGURE 1**  
**SHOWS GENDER COMPOSITION OF YOUTH ENTREPRENEURS WHILE A**  
**DISCUSSION FOLLOWS**

Male youths dominated the SMEs being making up 69 % with the remaining 31% being women as shown in Figure 1 above. Most male youths were identified with welding and carpentry activities while female youths largely focused on less labour-intensive active activities like hairdressing and garment construction. Murdock as cited in (Haralambos & Holborn, 2004) argues that, in terms of gender theory of practicality and biology the variances in females and males with respect to bodily strength consequently result in role variances. The implication is that duties which most males take tend to require a lot more bodily strength whereas females get restricted to less taxing tasks. In this study, the composition by gender of the research participants and their roles confirm this gender theory of biology and practicality. This also corroborate findings in studies conducted by (Helmsing & Kolste, 1993; Pedersen, 1998) which revealed that to a large extent SMEs are male dominated.



**FIGURE 2**  
**SHOWS THE PARTICIPANT YOUTH LEVELS OF EDUCATION AND DISCUSSION**  
**FOLLOWS**

Quite a number of youth entrepreneurs in this study acquired some type of education formally which include tertiary secondary or primary education. Findings reveal that, 27% had attained primary education, 53% attained secondary education while 20% had tertiary education qualifications. Notably, most the youth entrepreneurs being the majority never had any technical formal education. Only 1.08% of the participants had the opportunity to acquire technical formal education in their areas of practice. Although the rest had not gained any form of formal technical education in their field of operation, they had experience gained from copying those experienced. Some indicated that they got informal education either from their friends, relatives or parents and intrinsic motivation shows in Figure 2.

The study sought to investigate the level of youths' participation and opportunities in SMES for the sustainability of their livelihoods in Bindura urban, Zimbabwe. It was revealed that education level correlates positively with the SMEs' sustainability. This is due to the fact that, those entrepreneurs who had a higher level of educational and training ably grew their enterprises. They also showed resilience and ability to keep afloat during economic shocks and turbulences. This bolsters the sustainable livelihoods definition which was this study's bedrock of analysis. Nevertheless, it would a misnomer not to recognize the ability, success and potential of those youth entrepreneurs had no formal technical education.

### **Youth Entrepreneurs' Socio-economic Status**

While the study focused on youths' livelihood sustainability through entrepreneurship in Zimbabwe, this section concentrates on the contributions of SMEs to the livelihoods of young entrepreneurs.

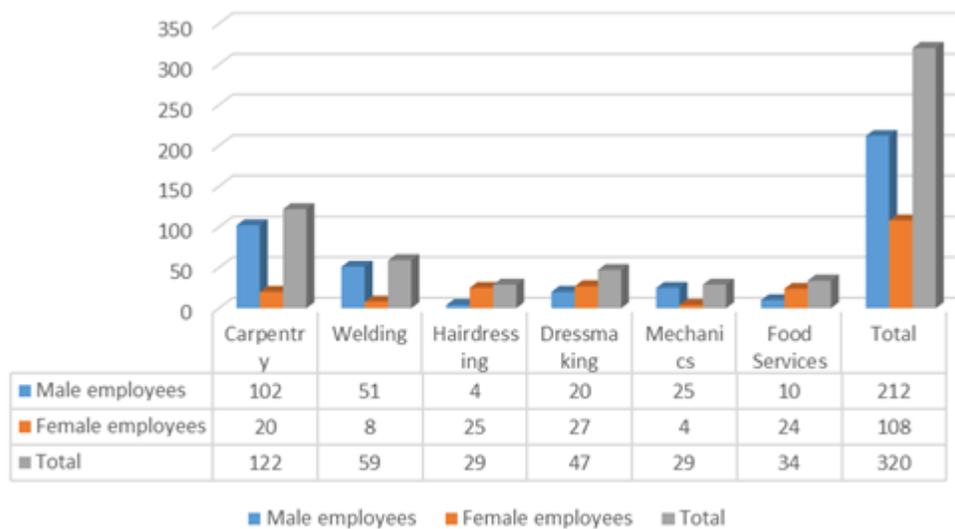
### **Income**

The SMEs have become major projects of generating income particularly for the self-employed Bindura youths. It was revealed that the monthly average earned by an individual SME was about three hundred United States dollars with others getting as much as one hundred

United States dollars. Such incomes have enabled some youths to eke out a living under the present economic crisis. The income was also used to acquire raw materials and assets.

**Creation of Employment Opportunities**

The issue of unemployment is one of the major reasons that prompted this study among the Zimbabwean youths. The study showed that owing to the paucity of opportunities for formal employment, this indeed caused youths to seek alternatives one of which is through the informal sector employment. Of all the SMEs that were sampled each of them had not less than four youths who were part of the pioneers or got involved along the way. As a result, three hundred and twenty employment opportunities were created constituting about 33.7% females and 66.3 % males. The gender disparity in composition could be ascribed to the biological and practicality theory considered in the demographics above and highlighted below in Figure 3.



Source: Raw data (2019)

**FIGURE 3  
EMPLOYMENT STATISTICS**

One Bindura Town Council key informant indicated that of the 618 registered and licensed SMEs 13% was made up of Durawall youths. Although the percentage appears to be comparatively low in terms job creation through SMEs that percentage cannot go unnoticed in light of challenges faced by SMEs Shows in Figure 3.

**Labour**

As revealed by the study, several SMEs intensively engage labour which include the business owners themselves. It may not be compelling to outsource as much labour instead of specialising in the operational field and maximally enhance production. One respondent had this to say,

*“Where do we get the money to pay for hired labour, instead we are the labourers and it is one reason why we operate as family or friends to make our products, earn from them and produce more rather hiring labour.”*

This is backed by (Abaka & Mayer, 1994) arguing that SMEs provide owners with the opportunity for profit maximising exclusive of hired labor. This is also necessary for purposes of the SME's sustainability in case hired labor goes for other new opportunities.

### **Sustainability and growth of the SMEs**

The expansion rate of SMEs can be explained partially based the staff complement, asset base and yearly turnover among other factors. It was observed in this study that most of the enterprises operated for periods between 4 and 12 years although their outputs could not tally as anticipated with operation periods. One would have expected significant increases of output with time.

### **Raw Material Source**

It was noted that 13.3% of the SMEs surveyed got their raw materials in Bindura's hinterland, 26.7% got their stuff from Harare and 60% directly from Bindura urban. Most of them did not engage in the business of manufacturing. The raw materials largely came from the LSEs like Savva, Mashco and PG limited. These LSEs are companies of high reputation supplying products of high quality with guarantees hence the SMEs have a potential to thrive. On one hand, it came out that in spite of the accessibility of high-quality materials it was not every SME that were able to buy due to financial constraints.

### **Technical Know-how and Technology**

Effective and efficient production is a function of technology. This was acknowledged during the FGDs. For example, they cited the Common Facility Centre which falls under the Ministry of Small and Medium Enterprise Development (MSMED) which situated 17 kilometres away from the Durawall along the road to Trojan. According to one MSMED key informant, SMEs had been given machines for fabrication, joinery and carpentry through the Common Facility Centre. This facility was meant to benefit the SMEs and the Ministry. The SMEs would get services from the machinery supplied while the Ministry obtains revenue levies from services rendered monthly or quarterly. The Centre had hi-tech machinery through a donation from India. Even with machinery supplied by the Common Facility Centre, one respondent noted the availability of hi-tech machinery available on the market and affordability challenges.

## **SMES AND CHALLENGES FACED**

Several SMEs challenges were unearthed which militate against smooth operations as given below.

### **Accessing Operating Licence and Registration**

Local authorities like the Bindura Town Council have been given the mandate to register and provide operating licenses to SMEs. However, youths were struggling to register and to get licenced due to high fees prohibitively charged. The procedure for registration was reportedly cumbersome and longer because applicants had to first register with the MSMED. The MSMED would at its pleasure inform the local authority and the local authority again at its pleasure issued licences to the prospective entrepreneurs at that time at a cost of one hundred and twenty-eight

United States dollars. The shorter way chosen by most of the entrepreneurs was that of operating first before registration although this had its own consequences. Therefore, this challenge has hindered the growth and development of SMEs despite the very important roles they play in the improvement of livelihoods.

### **Financial Resources**

The backbone of any successful of enterprise large or small is finance among other resources such as human and material. In Bindura urban the inadequacy of financial resources has hampered the operations and growth of young entrepreneurs. This is an impediment to sustainability because the entrepreneur is inclined to living from hand to mouth with little if any savings as disposal income. The financial restraint has been exacerbated by difficulties accessing bank loans, from the Small Enterprises Development Cooperation (SEDCO) and more important directly from government itself. According to interviewee 6 the major impediment was on the loan application eligibility conditions one of which is the need for a collateral security which a young entrepreneur or old timers would not have at all. With respect to accessing loans from SEDCO, it was revealed that entrepreneurs were obliged to provide a business plan which was bankable. From an economic point of view, investors and creditors regard SMEs as borrowers with a high-risk due to low capitalization, a narrow asset base, high rate of 'mortality' and high market fluctuation vulnerabilities (UNCTAD, 2001). If any government assistance had to come it was based on politics of patronage in a country with very high political polarization. This means those meddling into opposition politics in reality or perceived to be, would never get the government assistance. Also, funding from government was reportedly benefitting the elite and politically connected at the expense of the deserving youths.

### **Market Competition**

The business community by its nature is burdened with aggressive competition particularly finished products selling. The competitors cited as major and a threat to SMEs in their entirety was evidently the LSE, then SMEs among themselves. Cross-border traders who imported of finished products from nearby countries like Botswana, Zambia and South Africa were also a big threat to the local SMEs finished products. Respondents argued that cross-border traders imported low-quality and lowly-priced finished products thereby grabbing their clients.

### **Inadequate Infrastructures**

Infrastructure in relation to water, communication, electricity, roads, adequate power, water and sewerage present a crucial challenge to SMEs (Bowen et al., 2009). It was brought to light that insufficient infrastructure was an operative challenge that slowed down SMEs growth and their sustainability. Youth entrepreneurs underscored the challenges of incessant power outages impacted negatively on the SMEs' performance. The country has had power-load shedding for a couple of years now due to a no-performing economy and bad governance. It was observed that the Durawall which was expected to accommodate a total of one hundred and two registered SMEs actually had one hundred and fifty-two hence overcrowded by fifty. It implies that some of the SMEs had to share the limited space when carrying capacity was exceeded.

## MAJOR FINDINGS

In Bindura urban, entrepreneurship participation provides some opportunities to youths for livelihood sustainability. This was revealed by noteworthy living standards compatible with the sustainable livelihoods' framework reflected by the youths who relied exclusively on SMEs. The standards involved incomes gotten monthly for subsistence covering relatives, friends and families. However, numerous challenges which militated against SMEs' development and sustainability were noted. These included high costs of hi-tech equipment, difficulties in accessing financial resources, high market competition, poor infrastructure, difficulties in registration and licensing, above all, paucity of local authority support.

## CONCLUSION

It is concluded that entrepreneurship significantly contributes in the creation of opportunities for youths to economically participate in Bindura urban and sustain their livelihoods. Despite challenges faced, most of the youths conceded that indeed they were profiting from their engagements. As a result, they could afford to get the basics for their livelihood such as shelter, food, clothing and costs for transport. This study confirms and supports the description of sustainable livelihoods as opined by (Chambers & Conway, 1992). That is, the competences to mobilize capital in its various forms like social, economic/productive and engaging in those activities necessary for sustaining life. Various problems encountered by youths in entrepreneurship were revealed including but not limited to, difficulties in accessing capital outlay, poor and inadequate infrastructure, bottlenecks in registering and licensing.

## RECOMMENDATIONS

The following recommendations could be helpful to the Zimbabwean government in particular and some other developing countries in general by judiciously and practically implanting entrepreneurship into the economy to boost youths' participation in economic activities for livelihood sustainability. The Zimbabwean government should devise mechanisms to evade the need for a collateral security to youth entrepreneurs when accessing bank loans.

1. There is an urgent to establish a twin link that's connects the SMEs and MSMED such that the Ministry repositions the Common Facility Centre closer to the intended beneficiaries.
2. To avert shortages of power, there is need to source electric generators and also harness solar electricity.
3. The local authority should decongest the SMEs by designating an untenanted to youth entrepreneurs.
4. The registration of SMEs should be of charge as these entities will increase the tax base.
5. The licencing authorities should priorities SMEs especially for youth entrepreneurs.

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