

AN EVALUATION OF THE IMPLEMENTATION OF THE SMALL, MICRO AND
MEDIUM ENTERPRISE POLICY IN ZIMBABWE. THE CASE FOR SMALL,
MICRO AND MEDIUM SIZE ENTERPRISES IN MUTARE URBAN

BY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
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ABSTRACT

This study sought to evaluate the Micro and Medium Enterprise Policy in the face of entrepreneurial environment challenges being faced by entrepreneurs in Mutare urban. The study was undertaken to establish whether the environmental variables, political, economic and technological variables are affecting the implementation and the achievement of the main goals of the SMMEs policy. In this study 8 Ministry of Small and Medium Enterprise Development officials, 6 City of Mutare representatives, 6 Chamber of Zimbabwe Industries and Zimbabwe National Chamber of Commerce representatives, 40 entrepreneurs and 20 of their clients were used as the research subjects. Questionnaires and interviews were used as research instruments and data was analyzed in a tabular form. The study showed that under political variables, the enactment and operationalization of the Indigenization and Economic Empowerment Act is scaring away investors as the policy creates uncertainty and contradicts the SMMEs policy which seeks to maintain in the business environment a level playing field based on free market principles. Also under economic variables, the study found that stringent conditions and high interest rates attached to borrowed funds are affecting the implementation of the SMMEs policy as most enterprises fail to recapitalize and acquire new technology. The study further showed the need to peg salaries and wages based on productivity. In addition the study has shown that there are subject variables under the main ones which are important but are not affecting the implementation of the policy. Further research is recommended to investigate why it is presumed that private enterprises performs better economically than public entities.

DECLARATION

This dissertation is my original work except where sources have been acknowledged. The work has never been submitted, nor will it ever be, to another University in the awarding of a degree.

STUDENT
Signature

DATE.....

SUPERVISOR
Signature

DATE.....

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DEDICATION

This research is dedicated to the generality of Zimbabweans across the social, political and economic divide who have been bearing the brunt of a sick economy and patiently waiting to see the revival of a once vibrant economy.

LIST OF ABBREVIATIONS

In this study the following abbreviations have been used frequently:

MSMED: Ministry of Small and Medium size Enterprise Development

CZI : Chamber of Zimbabwe Industry

ZNCC: Zimbabwe National Chamber of Commerce

SEDCO: Small Enterprise Development Co-operation

ZIMRA: Zimbabwe Revenue Authority

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CHAPTER 1: INTRODUCTION

1.0 Introduction

The small to medium size enterprise sector is the centre of multitudes of economic activities in a developing country such as Zimbabwe. The function played by this sector in the economic sphere of advanced developed countries is of equivalent significance. The geo, socio and economic transformation of Zimbabwe cannot be attained without putting sufficient attention to the development of this labour intensive and capital saving sector.

Due to the massive retrenchments which took place in both public and private sectors in the early 1990s during the introduction and implementation of the Economic Structural Adjustment Programme (ESAP) long made SMMEs a necessity. The ripple effects of the illegal sanctions that were imposed on the country by Britain and her other Western allies, out right economic mismanagement and sabotage and the growing numbers of school leavers have made small to medium size enterprises take a critical and pivotal strategic position to absorb the multitudes of retrenched and the ever-growing numbers of school leavers.

Owing to the above reasons, the sector has grown rapidly and vastly during the past decade. It is thus a well recognized fact that this vibrant sector presently holds to some extent the key to economic development in an economy like that of Zimbabwe

characterized by abundant supply, unemployment and underemployment, capital scarcity, shut-down and struggling modern large enterprises.

1.1 Background of the Study

The history of Entrepreneurship in Zimbabwe dates back to the civilization era. Evidence gathered through archeological excavations in the areas described as the Mutapa, Rozvi and Ndebele states shows that the inhabitants of these lands traded in various artifacts such as clothing soapstone, wood crafts, hides, gold, tin, iron, beads and pottery. The discovery of the artifacts in the ruins of the old settlements is proof enough to show that our ancestors had long been engaged in entrepreneurship possibly at small to medium scale (Blake & Haliburton 1950:199). Indeed, these enterprises flourished in Zimbabwe in early times. They were the main sources of barter trade and these crafts were noted for their excellence and artistic skill (Mudenge 1982:50).

1.2 The Development of Small to Medium Size Enterprises World-wide

The recent years have witnessed a dramatic expansion in the Small to Medium sector in almost all parts of the world. It is not only in developing countries such as Zimbabwe that have experienced such a phenomenon but a similar experience has also been witnessed by a large number of economically developed countries like Japan, United Kingdom, Germany, United States of America e.t.c. (Subbarao 2001:15)

Japan for example, attained rapid industrialization through the effort of the Small to Medium Size Enterprise in the later half of the 19th century. The Small to Medium size Enterprise Sector in this country plays a catalytic and prominent role in the rapid growth of the economy.

Also in the economically developed countries of Western Europe, United Kingdom and United States of America there is irrefutable acknowledgement that Small to Medium size Enterprises plays a prominent role in complementing the large enterprise and in the provision of opportunities for creative and innovative energies of skilled and knowledgeable people. Take for instance the watch-making enterprises in Switzerland- which happens to be the largest in the world – is thriving as a result of the efforts of numerous small to medium size enterprises. Overall, according to Charantimath (2009), says:

There is a growing recognition worldwide that Small and Medium Enterprises (SMMEs) have an important role to play in the present context given their greater resource-use efficiency, capacity for employment generation, technological innovation, promoting inter-sectoral linkages, raising exports and developing entrepreneurial skills. Their location flexibility is an important advantage in reducing regional imbalances. The future of SMMEs is of major policy concern given their strategic importance in any discussion of reshaping the industrial sector (P. 27).

In Zimbabwe the sector also expanded phenomenally after 1996 following the publication by the Zimbabwean Government of the Zimbabwe Programme for Economic and Social Transformation (1995 – 2000) (ZIMPREST). A further boost to

Government Policy towards SMMEs was engendered in macro-economic policy framework of 2005 – 2006 titled “Towards Sustained Economic Growth”. It is in this context that the small to medium size enterprise sector has emerged as a dynamic and vibrant sphere of economic activity in Zimbabwe. The sector has increased from a few hundreds in the mid eighties to over the three hundred thousand units in the present day Zimbabwe. It is a fact that the small to medium size enterprise sector now accounts for about twenty-five percent (25%) of the country’s industrial production, ten percent (10%) of exports and sixty percent (60%) of employment opportunities (Zimbabwe SME Handbook 2009:3).

1.3 Statement of the Problem

The small, micro and medium size enterprises have over the past decade established a prominent position in the socio-economic development of the country. Realizing the importance of the small to medium size enterprise, the Government of Zimbabwe initially through its yearly budgetary and macro-economic, micro economic policy framework, has shown keen interest in the growth and development of the sector since the late eighties.

The yearly financial allocations, the policy pronouncements and measures taken towards the growth of this sector through the setting up of institutions right from national to provisional right down to district level, explicitly show the support of government in the

development of the small to medium size enterprises. However, inspite of the various measures taken by Government, Quasi Government or Non-Governmental Institutions, like the large enterprise, the small to medium size enterprises have been suffering due to various reasons in the business environment. Consequently, many small to medium size enterprise have closed shop and many others are struggling to keep on carrying out business operations.

A sample of the sad state of economic affairs regionally is illustrated statistically in Table 1 below and drawn from Mutare Urban's Industrial sector.

Table 1: Industrial sector distribution of surveyed SMMEs

	Characteristics of SMMEs	January 2009 to April 30, 2013	
		Number of Units	Percentage of 480
1	Working Units of SMMEs	163.1	33.8%
2	Struggling (sick) units of SMMEs	96.0	20%
3	Closed Units of SMMEs	220.4	46.2%
	TOTAL	480.0	100.0%

Adapted from National Social Security Authority (NSSA) National Employer Closures and Registrations Report dated 30 November, 2013

As of April 30, 2013, small, micro and medium size enterprises numbering 480, were surveyed on a complete enumeration basis. Of these 163.1 units (33.8%) were found to be working, 96 (20%) were struggling and 220.4 (46.2%) were closed.

From the Table 1 above, it can be seen that the greater number of small, micro and medium size enterprises have closed shop and others are struggling. This existing state

of affairs has necessitated the evaluation of the present Small, Micro and Medium size Enterprises policy in order to identify the exact problems in the business environment and recommended solutions or alternative policies to resolve the challenges.

1.4 Objectives of the Study

In the context of the SMMEs policy, the study seeks to:

1. assess the extent to which the main goals of the policy have been achieved through the formation of small, micro and medium size enterprises in Mutare urban in terms of job creation, foreign currency generation, poverty reduction and overall economic growth.
2. analyze the political variables affecting the implementation of the small, micro and medium size enterprises policy.
3. explore the economic (investment/financial variables both micro and macro economic factors) affecting the implementation of the small, micro and medium size enterprises policy.
4. identify the technological/infrastructural challenges affecting the implementation of the small, micro and medium size enterprises policy.

1.5 Research Questions

The study seeks to answer the following research questions:-

1. To what extent have the main goals of the policy been achieved through the formation of small, micro and medium size enterprises in Mutare urban in terms of job creation, foreign currency generation, poverty reduction and overally economic growth?
2. Which political variables are affecting the implementation of the small, micro and medium size enterprises policy?
3. What are the economic variables (investment/financial factors both at micro and macro economic levels) affecting the implementation of the small, micro and medium size enterprises policy?
4. What are the technological/infrastructural challenges affecting the implementation of the small, micro and medium size enterprises policy?

1.6 The Purpose of the Study

The purpose of the study is to evaluate the small, micro and medium size enterprises policy in Zimbabwe with a view to establish whether the policy goals are being achieved and identify the challenges affecting the implementation of the policy.

1.7 The Significance of the Study

This study has great significance as it is being undertaken under the present hopeless and painful situation characterized by massive job losses as small, medium and big companies are downsizing their operations, others have closed shop and many more are failing to pay their workers, service loans and debts. The study will enhance our understanding of the scope of field of operations of SMMEs and provide remedies to the challenges being encountered in Mutare urban and the country at large. In the light of the serious socio, economic and political challenges facing not only Mutare urban residents and entrepreneurs, but the nation as a whole, the findings and recommendations from this study will enable Government policy makers and non state actors to either modify present policies or come up with new ones to enhance the performance and growth of the sector. As the study will shed light on the multi-varied challenges of the small, micro and medium size enterprise, the study has great relevance and significance in the present and future context of this economic sector of Zimbabwe.

1.8 Assumptions

- 1.8.1 The researcher assumes that there are personal characteristics necessary for a successful enterprise.
- 1.8.2 The business environmental challenges facing the Small, Micro and Medium size Enterprise are the same with those being faced by large enterprises in the same locality and the country at large.

1.9 Delimitations

The study is delimited to the study of SMMEs in the Mutare urban district. The responses will be obtained from key stakeholders in the SMMEs sector who include Ministry of Small and Medium Size Enterprise Development district officials, City of Mutare SMMEs liaison officers, CZI and ZNCC representatives, Entrepreneurs and their clients. The conceptual issues that will be evaluated as they impact on the on the implementation of the SMMEs policy are personal entrepreneurial characteristics, social, political, economical, technological and infrastructural variables.

1.10 Limitations of the Study

The study is being undertaken soon after the country had experienced and emerged from a serious economic meltdown caused by a number of factors such as the collapse of the national currency and the subsequent introduction of the multiple currency regime and political polarization. These phenomena make it difficult to distinguish enterprise successes and failures owing to an individual's inborn capacity short-comings and/or failure due to external factors. In addition, had it not been the aspect of time limit, the researcher could have dealt with a sample greater than the one used as he could have used participants from other cities.

1.11 Definition of terms

In the context of this study the following terms will be defined.

Small, Micro and Medium size Enterprises: According to the SMMEs policy document (2002:3), the enterprises referred as such employ people numbering less than 5 to about 50 and with monetary investments amounting to about US\$14 000 000.

Government or Public Policy:

Anderson (2000:6) states that “it is a course of action or statement or intent proposed or adopted by Government or political party”. In this study Government or public policy has been defined as a cause of action or statement of intent or adopted by Government of Zimbabwe with regards to Small to Medium size Enterprises.

Entrepreneur:

Charantimath (2006) says entrepreneur is a person who creates an enterprise. The word entrepreneur is derived from the French verb “enterprendre, which means “to undertake”. In this study the word refers to men and women of varying age groups who “undertook” the risk of starting new enterprises of small to medium size.

Entrepreneurship:

Hisrich and Peters (1993:44) define this phenomenon as “The process of creating something new with value by devoting the necessary time and effort; assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence”. Freeman and Stoner (1992:156) define it as “the seemingly discontinuous process of combining resources to produce

new goods and services.” Schumpeter (1934) sees entrepreneurship from the perspective of producing new products of quality, the coming up of new methods of production, the opening up of new markets and the designing of new forms of industrial organization. In this study the term entrepreneurship refers to the totality of processes of bringing new quality products and services on the market to meet the needs of the people.

Entrepreneurship (Business) Environment:

This refers to the factors of variables which directly or indirectly affect the activities of the entrepreneur either positively or negatively. The environment is categorized into (a) General/External or macro environmental and (b) specific/internal/intermediate and microenvironment. In this study the macro environment will consist of the following factors or variables: political, economic, social and technological environmental variables. The microenvironment relates to conditions which directly affect the entrepreneurial investment activities either positively or negatively. The microenvironment is made up of regulators, suppliers, consumers, employees, providers of finance and competitors which impact negatively the growth and performance of small to medium size enterprise.

Economic growth:

The steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national income.

1.12 Summary

Chapter one has the introductory part of the study. It also covered the background of the study, the statement of the problem, research objectives, questions, significance of the study, assumptions, delimitations, limitations, definition of terms and the abbreviations repeatedly used. In Chapter two, a review of related literature is going to be given.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

The literature review of the study covered the theoretical framework of the process model of policy-making, key aspects of the Small to Medium size Enterprise policy, strategies and areas of policy intervention, policy evaluation, the entrepreneurial environment challenges and environmental variable linkages.

2.1 The Theoretical framework

This study is informed by the Policy Process Model by Dye (2002:54), who says: “the policy process model implies that evaluation is the final step in policy-making.”

It sets in motion activities by policy-makers – parliament, the president, interest groups, bureaucrats, the media, think tanks – as they strive to find out whether or not policies are achieving their stated goals or objectives; at what costs; and with what effects, intended and unintended, on that targeted population and the society as a whole (Ibid:54). Dye (2002:32) summarizes the policy-making processes using the process model as presented in Table 2.

Table 2: The process model of policy-making

	PROCESS	ACTIVITY	PARTICIPANTS
1	Problem identification	Publicizing societal problems Expressing demands for government action	Mass media Interest groups Citizen initiatives Public opinion
2	Agenda setting	Deciding what issues will be decided, what problems will be addressed by government	Mass Media Elites, including president, Parliament and Senate Parties Candidates for elective office
3	Policy formulation	Developing policy proposals to resolve issues and ameliorate problems	Parliamentary advisory staff Parliamentary committees Interest groups
4	Policy Legitimation	Selecting a proposal Developing political support for it Enacting it into law Deciding on its constitutionality	President Parliament and Senate Courts
5	Policy Implementation	Organising departments and agencies Providing payments or services Levying taxes	President and Parliamentary advisors Executive departments and agencies
6	Policy Evaluation	Reporting outputs of government programs Evaluating impacts of policies on target and non-target groups Proposing changes and “reforms”	Executive departments and agencies. Parliamentary and senatorial oversight committees Mass media Think tanks

Adapted from Dye (2002:44)

According to Jones (1978:12), the policy model process is a series of political activities entailing the following subheadings: problem identification, agenda setting, policy formulation, adoption of policy, policy implementation and evaluation.

2.2 MME Policy Implementation

The policy implementation process involves converting adopted policy decisions into practical programs or projects. The implementation or carrying out of a policy is most often accomplished by institutions other than those that formulated and adopted it. Public officials who belong to the government institutions or department are responsible for the actual implementation of the policy, while the political office-bearers are held responsible for the action or inaction of their departments. A statute usually provides just a broad outline of a policy. For example, the policy document promulgated by the Ministry of Small and Medium size Enterprise Development recommended the establishment of an SMME bank. Policy interventions to be implemented include creating an enabling legal and regulatory environment measures to promote investment, market penetration, technological and infrastructural support and entrepreneurial management and skills development. However, the same ministry has no mechanism to enforce its decisions; other echelons and branches of government must implement its determinations. (Van der Waldt (2000:185).

Doyle in Van der Waldt, Thornhill and Haneckom (2000:185) quotes Agere and Mandaza (1999:11), Brynard (2000:177) and Van der Waldt (2000:96) who argue that policy implementation is inherently a political process. This implementation covers issues such as who gets what, when, how, where and from whom, and is the end result of the decisions made through the interaction of different participants in policy-making, each with their separate values, interests and goals. Furthermore Brynard in Doyle

(2000:186) adds that policy implementation occurs at various levels, amongst the various government levels and also at an international level thus making the policy implementation process complex.

2.3 Evaluation of Public Policies

Doyle in Van der Waldt et al (2000:192) says: “After a policy has been implemented, it is necessary to determine whether the policy has had the effects intended by the policy maker and also whether it had any unintended consequences, either positive or negative in nature. Anderson in Van der Waldt et al (2000:191) says, evaluation attempts to determine the cause and effect relationships in the policy process and measures the results of a specific policy. This definition is corroborated by Dye (1988:338) who sees SMMEs policy evaluation as “the assessment of the overall effectiveness of a national programme in achieving its objectives”.

Evaluation means determining how well a policy is working. The process involves all stakeholders (participants covered under policy formulation) engaged in all stages right from the beginning. The participants and non-participants need to know the benefits and costs of government programmes. The participating SMMEs policy-makers therefore, must critically assess the impacts of such programmes on target and non-target groups in society. Are the policies or programmes achieving their goals or objectives? The result

from policy evaluation must enable the participants in policy making to recommend policy adjustments, modification or termination (Ibid:25)

2.4 A summary of the key aspects in the Ministry of Small and Medium Enterprise Development (SMMEs) Policy document to be evaluated given below:

The full SMMEs policy document is in the Appendix.

2.4.1 The main goals spelled out are generation of employment, foreign currency generation, poverty reduction and stimulation of economic growth.

2.4.2 To fulfill the objectives above, the strategies of implementing the policy spelled out in the same document are aimed at addressing SMMEs business environmental challenges namely: personal entrepreneurial characteristics, social, political, economical and technological variables.

2.5 The criteria for a successful SMME Public Policy

According to Olowu and Sako (2002:40), the following six criteria are fairly well known, can be made operational for application, and their presence is found in many successful public policy interventions:

Effectiveness

Relating this criteria to the SMMEs policy, this simply means that the policy must achieve its goals and objectives. For example, the main goal of the SMMEs policy is to

create jobs, then the people must see the jobs and real people are employed if the policy is to be viewed as effective (Olowu and Sako 2002:113).

Efficiency

This aspect is indicated by the ratio of outputs to inputs. It entails realization of policy objectives in less time and with less cost. For example a financial institution policy that gives loans to entrepreneurs and within a short space of time before any sales have been made repayments are being effected is inefficient (Ibid:114).

Responsiveness

This refers to the extent to which the policy is responsive to the genuine needs of different stakeholders affected by the policy. A modern democratic state is expected to deal with all citizens equitably and to provide equitable access to public services. In other words policy designs, policy objectives, policy options, and their consequences, and policy impact, need to be appraised on the extent to which the policy is responsive to all groups affected by public policies.

Innovation

Creativity in policy-making requires more synthesizing and integrative skills and the ability to look at the problems from a broader, more holistic perspective, visualizing the proverbial whole elephant, rather than its trunk, ears, or tail alone (Dror, 1968:179).

Political feasibility or acceptability

This refers to the degree of acceptance of the policy by responsible policy makers, legislators, interested groups and stakeholders. A policy that only favours a few individuals and does not have the support of the generality of the people does not satisfy this criterion. As a sequel, good policy must have massive support from the majority of the people inside and outside government. Regrettably, in most underdeveloped countries policy initiatives are sleeved from the perspective of party political agenda rather than looking at political feasibility from the perspective of policy consequences on different political groups and making options acceptable to all stakeholders (Dror 1968:83-89)

Administrative feasibility or ease

This refers to willingness, capacity and ability of implementing agencies and target groups to realize policy objectives within stated time and budget. A high sounding policy that cannot be implemented because of lack of human, material and financial resources does not meet this criterion. In short a good policy is implementable. Other

criteria such as equity, adequacy, efficacy, transparency, and accountability can be subsumed under one or the other of the above mentioned criteria for example equity is part of responsiveness, adequacy and efficacy are covered under effectiveness and efficiency, and accountability is covered both by political feasibility and responsiveness.

2.6 Evaluation of SMMEs Policy

Generally Policy Evaluation is viewed as the use of policy-analytic research methods or techniques to measure the performance of policy programmes so that the continuous change in activities can be determined with a view to improving efficiency and effectiveness, especially their impact on the conditions they are supposed to change. Thus after undertaking policy evaluation, the results may be used to modify or change the economic programmes' implementation intervention strategies, continue or terminate the programme.

2.6.1 Definition of Policy Evaluation

According to the Public Administration Dictionary (Juta 1995:75), Policy Evaluation is the objective, systematic, empirical examination of the effects ongoing policies and public programmes have on their targets in terms of the goals they are meant to achieve. Anderson (1994:244), says evaluation attempts to determine the cause and effect relationships in the policy process, and measures the results of a specific policy. This definition is adopted further by Dye (1998:338) who sees policy evaluation as the assessment of the overall efficiency and effective of a national programme in achieving

its objectives. The result of this process is determining better policies to achieve objectives and changing the objectives themselves.

2.6.2 Rationale for undertaking SMME Policy Evaluation

After a public policy has been implemented, it is necessary to determine whether the policy has indeed had the effects intended by the policy-maker and also whether it has had any unintended consequences, either positive or negative in nature. (Waldt et al 2002:190). Sometimes objectives in the public sector and the availability of the necessary means to achieve these objectives are often uncertain. As a result of this uncertainty the direct and indirect effects of a selected course of action may not be accurately predicted. Nevertheless, the evaluation of the impact that a course of action or policy should be continued, terminated or replaced with an alternative course of action or policy (Ibid:191).

2.6.3 Types of Policy Evaluation

The types of policy evaluation research, like in other social sciences, can be broadly categorized into six major approaches, namely objectives – oriented evaluation, management-oriented evaluation, consumer (client) – oriented evaluation, expertise-oriented evaluation, adversary-oriented evaluation and naturalistic and participant-oriented evaluation (Stufflebeam and Shinkfield 1985:150).

Although the evaluation approaches are distinct, their various smaller versions of evaluation within the broader categories are interrelated in that they are all systematic and simply differ in wording and the context they may be used. In this study, in one way or the other, the researcher has borrowed some aspects from the six broad categories of evaluation research. However, I have specifically adopted Stufflebeam and Shinkfield (1985) CIPP Evaluation Model which is closely related to the UCLA evaluation model developed by Alkin (1969), and both models fall under the Management-Oriented evaluation approach since policy making and implementation are the most important functions of senior, middle and lower levels of management.

2.6.4 The Characteristics of the CIPP Policy Evaluation Model

Stufflebeam (1969, 1971, 1983; Stufflebeam & Shinkfield, 1985) have been influential proponents of a policy decision-oriented evaluation approach structured to help business managers and public administrators make good decisions. The two scholars view policy evaluation as the process of delineating or ascertaining the policy decision areas of concern, selecting appropriate information, collecting and analyzing information in order to report summary data useful to public and private enterprises decision-makers in selecting among alternatives (Ibid:4). The two scholars then developed a framework consisting of four policy evaluation processes to be undertaken, namely context evaluation, input evaluation, process and product evaluation, hence the acronym 'CIPP Model' formed by combining the first letters of the sub-set evaluation steps or stages

(Stufflebeam and Shinkfield 1985:79). The four sub-set stages of policy evaluation are described as:

2.6.4.1 Context Evaluation

It serves SMMEs public policy and SMMEs planning decisions. This aspect entails determining what aspects in the SMMEs public policy and the SMMEs environment need to be addressed in the initial stages of crafting the objectives of the economic programme (Ibid:79). Under Alkin's (1969) UCLA model, this aspect is referred as systems assessment and provide information about the state of SMME policy and the SMMEs environment (Alkin 1969:3). In this study an exposure of the SMMEs policy has been given (See section 2.3) and so are the macro and micro economic variables in the SMMEs environment.

2.7.4.2 Input evaluation

It serves SMMEs public policy makers and SMMEs structuring decisions. This involves determining what resources are available, what alternative strategies for the economic programme should be considered, and what plan seems to have the best potential for meeting identified needs which themselves should facilitate the designing of the economic programme procedures and regulations (Ibid:79). Under Alkin (1969) UCLA model, this aspect is referred as programme planning and should assist in the selection of particular strategies likely to be effective in meeting specific economic needs.

2.7.4.3 Process Evaluation

This serves SMME public policy and SMMEs implementing decisions. Questions such as, “How well is the SMMEs policy being implemented? What policy entrepreneurial barriers in the environment threaten its success? What revisions are needed? When these questions are answered, procedures for example, about how to start a business can be monitored, controlled, and refined. In the UCLA model it is the aspect referred as ‘programme implementation’ and improvement. In this study that entailed providing information about the SMMEs policy and economic functions to the appropriate group of entrepreneurs in the manner designed or intended. Furthermore at this stage of the study, it sought to provide information about the SMMEs policy and the subsequent SMMEs economic programme was functioning, whether the set objectives were being achieved, and whether unanticipated outcomes appeared.

2.7.4.4 Product Evaluation

It serve policy and SMMEs recycling of decisions. Under the Alkin (1969) UCLA model of evaluation is the form of evaluation referred as programme certification which is meant to provide information about the value of the programme and its likelihood of use in other settings. As part of processes evaluation it is referred as summative evaluation which itself is alternatively referred as retro-active, ex-post, impact, outcome or effectiveness evaluation. (Chivore 1990:11). Hancock (1977:324) defines summative evaluation as:

A process of data collection designed to provide decision makers with a more comprehensive understanding of how a project succeeds or fails in

reaching its goals. It differs in time perspective from formative evaluation and is usually aimed at those decision-makers who control funds to continue or terminate the project.

The definition above is echoed in some respects by Guba and Lincoln (1985:51), who say among the aims of summative evaluation include:

To critique a completed entity in terms of professional expert standards so as to be able to certify and warrant merit.

From the perspective of impact evaluations, summative evaluation affect other forms of evaluation in the degree to which the search for appropriate indicators goes beyond the immediately stated objectives or expectations of the economic programmes designers, directors, or sponsors of the evaluation. Thus Chivore (1990:10) summarized the purpose of evaluation as:

- (i) Obtaining information on the effectiveness of a programme in achieving stated aims and objectives;
- (ii) Assessing the programme contributions to the achievement of sectorial or national planning targets and development goals;
- (iii) Determining the self-sustaining character of changes resulting from that programe.

2.7.5 The Key Aspects of the SMMEs Policy that should be evaluated

In their studies on Policy Evaluation, Dye (1998:339) and Hanekom (1987:91-92) argue that the following aspects of a public policy should be evaluated.

- Measuring policy impact, not merely output. Where output merely refers to Government activity, impact of policy refers to the difference and changes the policy makes to the public as a result of Government activity. In this study impact evaluation data would be obtained from clients or customers of the Small, Micro and Medium size Enterprise (Waldt 2002:192). This researcher will seek to establish whether the main goals of generating employment, foreign currency, poverty reduction and economic growth are being realized following government interventions spelled out as strategies.
- Measuring target groups. These are the people who are directly affected by the policy, in this study these are the proprietors of the Small, Micro and Medium size Enterprises, and representatives of their respective business organizations, Chamber of Zimbabwe Industries and Zimbabwe National Chamber of Commerce.
- Measuring non-target groups. All programmes and policies will have different effects on other sectors of the community and it will not be easy process identifying the impact on these groups. Using the SMMEs policy in this study, there are supposed to be positive impacts on the building and construction industry and revenue collection by local authorities as they would charge rates and supplementary charges on buildings erected or land being leased to emerging entrepreneurs. The local authorities would also

have to provide water and sanitation services to the new business facilities (Waldt 2001:182).

- Measuring short and long-term effects. It will be important to note when the benefits of the policy started to be felt. Was the policy designed for short-term emergencies (for example temporary draught disaster relief for people fleeing from affected rural areas or the provision of infrastructure and skills development a long term SMMEs policy entrepreneurial development effort (Ibid:183).
- Measuring indirect and symbolic (intangible) costs and benefits. Whilst certain policies and programmes have a tangible benefit and can be measured in dollars and cents, other policies and programmes cannot be quantifiably measured. The SMMEs policy has both tangible and intangible costs and benefits. The aspects of the policy that have tangible benefits and costs are investment promotion, financial assistance, market promotion, technology and infrastructural development. The aspects of the policy that have intangible benefits are entrepreneurship, management and skills development and the regulatory framework. Other aspects that have both tangible and intangible costs and benefits are user friendly immigration regulations as a marketing intervention, provision of information and advice and the undertaking of institutional reform in the form of capacity building (Waldt, et al 2002:19).

Overall, according to Hanekom (1987:91), Policy Evaluation at all phases, pre-implementation, implementation and post-implementation phase should be carried out within the context of the personal characteristics, social, economic, political and technological variables.

2.8 The critical steps or stages in SMMEs policy evaluation

According to Cloete (2000:213), the decision to evaluate should be a carefully considered decision as it is a complex task that can consume considerable resources and determine the destiny of a many an enterprise. Each step or steps in the policy evaluation process is of critical importance:

- 2.8.1 Determining the decision-makers' needs. This involved establishing the perceptions of the decision-makers involved. The decision-makers should be thoroughly knowledgeable about the nature and scope of the public policy and the entrepreneurial environment. In this study the perceptions that are established are of the government of Zimbabwe represented by the officials in the Ministry of Small, Micro and Medium size Enterprise Development. They firmly hold the view that the previously marginalised majority black Zimbabweans should be supported to gain entry into the economic sector through the SMMEs programme (Cloete 2000:14; Government of Zimbabwe, Zimprest:

Zimbabwe Programme for Economic and Social Transformation 1996 – 2000, 20th February, 1998).

- 2.8.2 Design. That occurred when the evaluators identified crucial policy issues, isolated the main variables, formulated the research questions, stated the objectives of the study and put in place the research methodology and design, which in essence is the plan of executing the evaluation (Chapter 1, 2 and 3 of this research study).
- 2.8.3 Implementation. The research evaluator gathered the data from sample sites and target groups in Mutare urban's industrial setting. The data underwent analysis and was synthesized triangularly by combining qualitative descriptive data and quantitative statistical data.
- 2.8.4 Reporting. This researcher would handover the findings of the study to the Institute of Peace, Leadership and Governance in the form of a written document. According to Cloete (2000:214), written reports, verbal briefings and film or video presentations are commonly used reporting methods .
- 2.8.5 Dissemination. This would involve the distribution of the research findings to external stakeholders such as other programme managers or administrators, legislators and social scientists involved in policy research (Cloete, 2000:215-216; Fox, et al, 1991:32). For this study, it was solely

the responsibility of the researcher to decide who to distribute to the findings of the study.

2.9 Key requirements for a successful policy evaluation

Hanekom (1987:275-6) and Dun (1994:405) suggest the following key requirements for a successful policy evaluation:

- 2.9.1 Relevance. The evaluator or researcher should make sure that the information obtained is relevant to the policy problem, succinct and easily assimilable.
- 2.9.2 Significance. The information generated by undertaking the research exercise should be of the greatest possible policy decision-making value within the budget and time constraints placed upon its production.
- 2.9.3 Validity. The real outcomes and not the perceived outcomes should be determined.
- 2.9.4 Reliability. The information should be obtained scientifically and reliably, and the methodology should be intelligible to the layman.

2.9.5 Objectivity. The evaluation should be undertaken impartially and without bias.

2.9.6 Comprehensive. The evaluation process should be able to address all variables that affect directly or indirectly the successful implementation of the policy.

2.9.7 Usability. The information derived from the evaluation should be presented in a user-friendly manner and should be focused on practical, problem-solving ideas.

2.10 A theoretical framework of entrepreneurial environmental factors or variables affecting policy implementation

Du Toit (2006:36) describe the environment as something consisting of the phenomena surrounding people and having the ability to influence the behavior of people directly and indirectly. The literature reviewed has shown that environmental factors that influence public policy are the same with those that influence entrepreneurs with their small to medium size enterprises (Hanekem 1986:28; G Van Der Waltd et al 2006:29-39). However, in this study, the researcher will focus on how the environmental factors are affecting the implementation of the small to medium size enterprises policy.

Broadly viewed, this entrepreneurial environment includes geographic characteristics such as climate, natural resources and topography. The environment also consists of demographic variables such as population, political culture, social structure or class

system and the economic system (Anderson, 1994:47). According to Fox, et al (1991:18), the environment should be divided into a general or macro-environment and a specific environment. The macro-environment is everything external to the institution or organization, and in this study it is the small to medium size enterprise; while the specific environment influences the availability of resources more directly. To the same enterprise Stoner and Freeman (1992:63), concur and categorise the environment into external and internal environment. The two writers defined the environment as classified into direct and indirect action. All elements outside small to medium size enterprises which are relevant to their operations. According to Hodge and Anthony (1978:57), most organizations are an open, dynamic, multi-goal seeking purposeful systems that have elements of concreteness and abstraction. They consists of resources which are transformed into outputs for users. All organizations fit this description whether they are public or private, profit or non-profit, business or government, socialistic or capitalistic, small or large, efficient or inefficient, or weak or powerful. See the process undertaken by these organizations in coming paragraph. Hodge and Anothony (1979:58) and Fox, et al (1991:31), diagrammatically, illustrated the relationship among the SMMEs policy, the SMMEs themselves and the environment through using the systems approach to policy-making implementation and evaluation. See diagram overleaf.

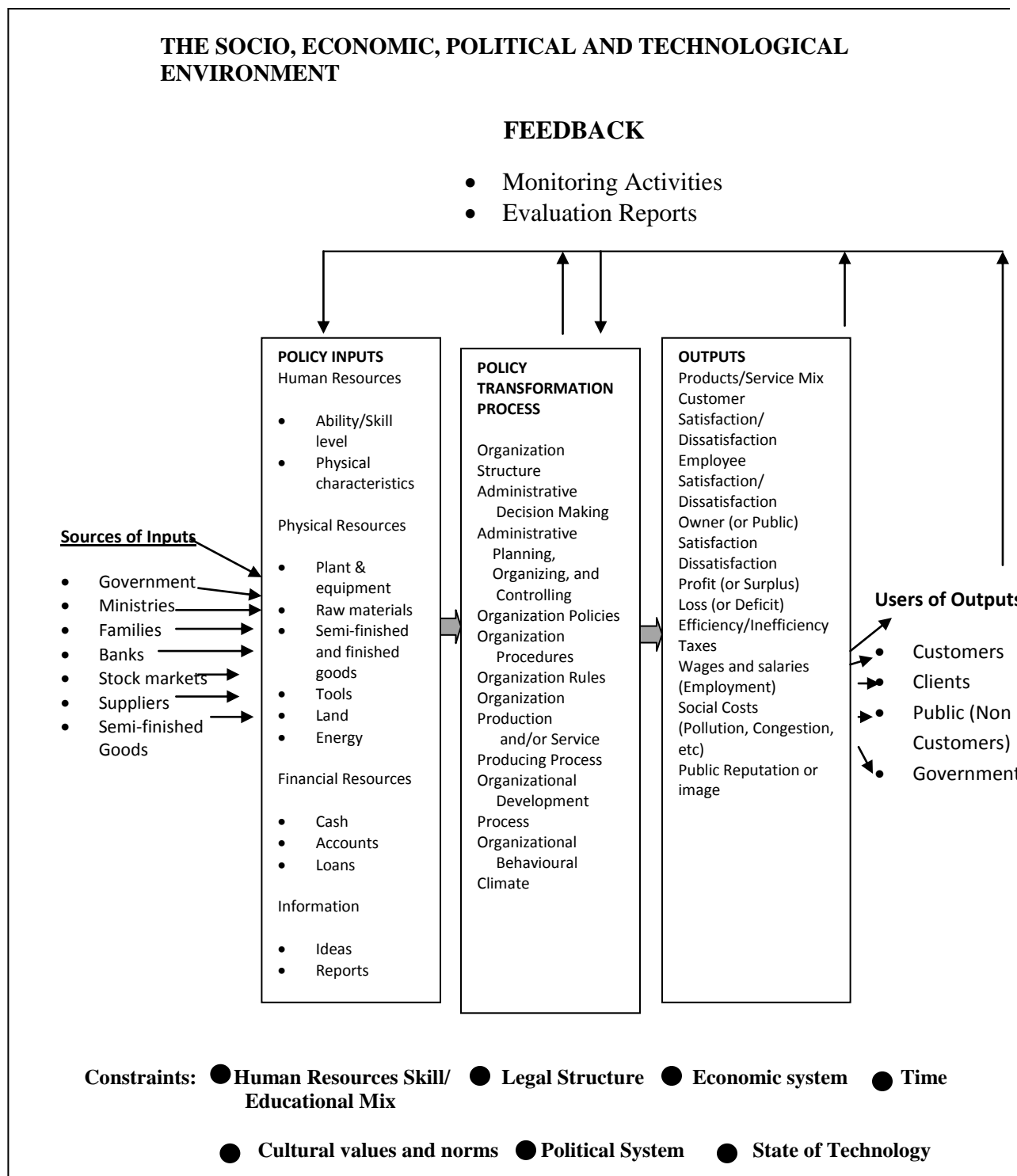


Figure 1: The public or private organization as an illustration of the systems approach to policy-making (Adapted from Sources: Hodge & Anthony (1979:58) and Fox et al (1991:31))

2.11 The Micro-Intermediate-Macro Environments

According to Hodge and Anthony (1978:67), in a way concurring with Stoner and Freeman (1992:165) a good way to conceptualize the interaction of an organization with its environment is to use the micro-intermediate-macro-environment distinctions. The micro environment is the organization itself, in this study it is the Ministry of the Small, Micro and Medium size Enterprise Development and the Small, Micro and Medium size Enterprises themselves. What constitutes these organizations include the mission, people, objectives, resources, policies, procedures, product/service, production, process, and product/service produced. The intermediate environment is those systems which span the boundaries between the organization and its general or macro environment. The macro environment is the general environment within which the organization works. Figure 3 depicts the interaction of these three environments. See the diagram overleaf.

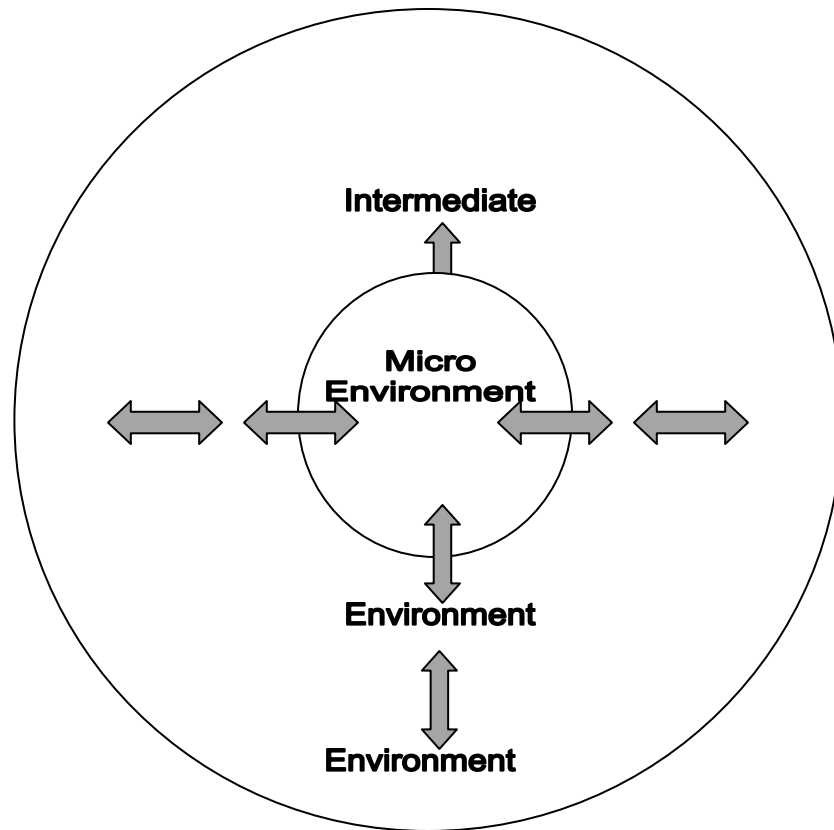


Figure 2: The organisation's micro-intermediate-macro environment.

The micro environment (the organization itself) can be visualized as being made up of three major subsystems.

- 1) The goal and work system; 2) the structure, communication, authority, and power system (internal linking system); and 3) the human factors system.
- These three systems are the major systems in the organization which operate to produce the outputs of the organization (Stoner and Freeman 1992:40).

The goal and work system of the organization is made up of the primary mission, the specific objectives, and the types of work (including the technology involved) undertaken to accomplish the mission and objectives of the organization. These factors serve as the basis for all organization activity. Without the mission, objectives, and work subsystems, there would be little need for the other organizational systems. (Ibid:47).

The power and authority system is concerned with the way the organization allocates decision-making authority throughout the organization. Such concepts as organization design, delegation, and control are primary considerations here. These systems-communication, power, authority, and structure – are linking systems which operate to ensure that the work which is required to produce organization objectives is carried out efficiently and effectively. (Hodge and Anthony 1978:70).

The human factors system in the network of interpersonal relationships and behavior patterns that exists within the organization. Both formal and informal interrelationships are part of the human factors system. Such concepts are role behavior, motivation, perception, reference groups, and leadership are all components of the human factors system. (Ibid:71).

2.12 The Intermediate Environment

According to Hodge and Anthony (1978:69), the intermediate environment provides a link between the organization and its macro environment. The intermediate environment is made up of linking systems which provide interface facilitation between the micro and macro environments. It is made up of the following components:

- 1) Suppliers/distributors
- 2) Advertising/public relations agencies
- 3) Brokers/agents
- 4) Employment agencies
- 5) Service units e.g., law firms, lending institutions, and insurance agencies.

2.13 The general external or macro environment

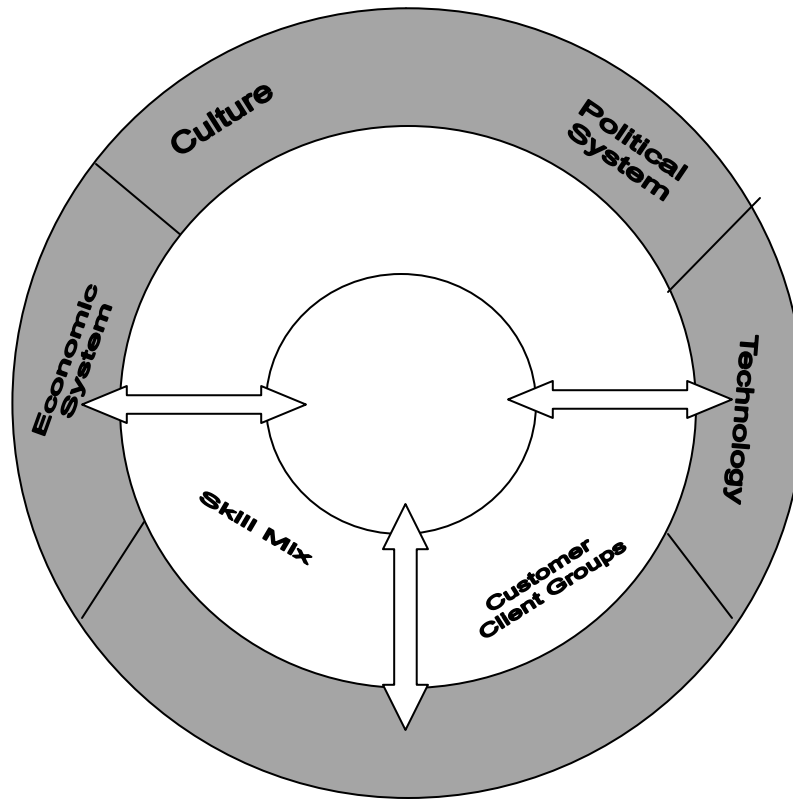


Figure 3: The public or private organisation's macro environmental components

Adapted from Source: Hodge & Anthony (1978:90)

The observations made in the studies undertaken by Stoner and Freeman are echoed by Hodge & Anthony (1978:90), who define the general or macro environment of small to medium size enterprises is the broader environment outside these entities and their processes and is also referred as indirect action elements. This indirect-action component of the external environment affects small to medium size enterprises in two ways. First, forces may dictate the formation of a group that eventually becomes a stakeholder. Second, indirect action elements create a positive or negative climate –

rapidly changing technology, economic growth or decline, changes in attitudes towards work- in which the small to medium size enterprises exist and to which they may ultimately have to respond. For example, today's computer technology makes possible the fast acquisition, storage, co-ordination, and transfer of large amounts of information about individuals, and banks and other small to medium size enterprises use this technology to maintain, store, process, and exchange information about the credit status of potential buyers.

1. If the external entrepreneurial climate is positive there will be no delays in p. 190 and other things being equal.
2. If the same external climate will be negative, it will be the reverse or opposite of the desired environment.

Charantimath (2009:334); 5 alternatively call these negative external environmental elements exogenous business sickness causing factors and these relate to public policies pertaining to resolution.

In their studies, Faisey and Narayanan (1986:74 – 78), have grouped these complex interactions by indirect action elements into five broad factors or variables that influence the small to medium size enterprises and must be considered by public policy-makers and entrepreneurs: personal characteristics, social, economic, political and technological.

(iii) **Political Variables**

As seen in the preceding sections, social scientists agree that culture is one of the many factors that shades or influences social action such as policy design, formulation and implementation. What is relevant here is that part of culture, which is called political culture, that is, widely held values, beliefs, and attitudes concerning Governmental policies and actions and some of the implications and significance of this culture for policy formulation and implementation. According to Easton (1965), in his analysis of political systems, he argues that the political system is that part of the society, which is engaged in the “authoritative allocation of values”, and authoritative in the sense that the Government enact and apply laws such as labour and personnel laws, building codes, granting of credit and consumer rights. Besides the enactment of laws, the government provide public utilities such as advice on income tax, subsidies, police and fire protection services. The same view of the political system is echoed by Dye (1987) who accepts that policy-making and implementation are essentially a political process and goes further to agree with the perspective that politics is the value-oriented and subjective interplay of interests that determine public policy. He further asserts that it is the process of making practical decisions on who receives what, when, where and how? It would be politics at play, in political parties, pressure groups, lobbying groups, public opinion and the power struggle for preferment, dominance, control, influence and position (Carley 1980:21).

Whatever the case, the main element of politics is value-conflict and resolution which has to be done in an honest, morally desirable, ethically and legitimate manner. As a consequence, the Government at national, provincial or local level enact laws, regulations or policies that promotes uniformity, certainty, engenders mutual trust, fair competition among interest groups and entrepreneurs, large and small, and democratize the work place, and overally the entrepreneurial environment. (Hodge and Anthony 1978:98 – 99).

The legislation enacted or policies adopted by Government are influenced by the ruling political party's ideology. In present day Zimbabwe, the economic ideology adopted by the government is liberalism also referred as capitalism whose main interrelated principles are involved in the broad concept of freedom: (1) Personal Freedom; (2) Limited Government; (Equality of Right; and (4) Consent of the governed. Personal freedom refers to the absence of coercion in the various realms of life. It includes free speech, religious liberty, private property and the right of political opposition. Limited government means that the state is understood as an instrument serving a particular function in society rather than being in general charge of all of society. Equality of right implies that all must abide by the same laws impartially enforced by the state. Consent of the governed means that government emanates from the people, is responsible to them and may be changed by them; it is a moderate and practical way of implementing the doctrine of popular sovereignty. In the analysis of the liberal tradition or theory, although the three other principles are important, particular attention will be paid to the

principles of personal freedom and limited government as they have a strong influence in a free market or laissez-faire economy.

As a consequence, in the global economic sphere liberalism is identified with the free market economy. The principles of the free market, summarily explored above, were brought to light in the eighteenth century by numerous writers, of whom the most famous is Adam Smith. In his book “Wealth of Nations” used the metaphorical term “invisible Hand” to describe the results of the individual seeking to promote his own self-interest:

He intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand. To promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. (p. 16)

Smith articulated in the preceding passage a central belief of liberalism, that a common good can be served by individual initiative without state direction in the economic sphere. The same idea was echoed by a French contemporary of Smith, who came up with the term Laissez-Faire (“Let Alone”). The terms “invisible hand” and Laissez-Faire both imply that human needs anywhere in the world were best served by free competition in the globalized economic market place. The implication this belief has for government, including those of 3rd World Countries alternatively referred as

countries of the South, or lowly developed countries is that they have to enforce the rules of property and agreements that make competition possible, but need not otherwise direct the process. These scholars of the enlightenment period did not develop their thoughts in an empty space. They were attempting to influence government across the whole world to put an end numerous constrains or restrictive practices that hinder market competition in all countries irregardless of economic ideologies cited in the earlier section of the paper, i.e. capitalism, communism or a combination of both which is what is commonly referred as socialism. In all countries' governments the world over, it is common knowledge that they put in place high tariffs to frustrate importation of certain commodities, to allocate monopolies to preferred or favoured interests, to try to set prices of sale and in many other ways interfere in the market (p. 69). However, this dominant role of the state is characteristic of socialistic and planned mercantilist or communist – like ideologically driven economies.

The Economic ideology is actually a facet of political ideology or culture. Almond and Vebra in Basu (1994:439). Differentiated between parochial, subject and participant social, economic and political cultures. In a parochial social, economic and political culture, citizens have little awareness of or orientation of their need to participate in the geo, socio, economic or political process of their country. In a subject political as that of many developing countries like Zimbabwe, India and many others, the majority of the general citizenry is oriented towards the political system, yet they have very little awareness of themselves as participants. They are aware of governmental authority,

they may have political views, but the people are generally passive. In a participant political culture, which Almond and Vebra (1997:40), found in the United States of America and other First World countries, citizens have a high level of political awareness and information and have explicit orientations towards the political system as a whole, and a notion of meaningful citizen participation in politics. Included in this orientation is an understanding of how individuals and groups can influence decision-making, policy formulation and implementation. The implications of these differences in political culture for policy formulation and implementation seem readily apparent (Basu 1994:439).

iv. Economic Variables

Stoner and Freeman (1992:77), state that economic variables on aggregate economic conditions that may affect the business of Small, Micro and Medium size Enterprises positively or negatively, for example, inflation, exchange rates, lending rates, unemployment, wages, prices charged by suppliers and competitors, and government fiscal policies, affect both the costs of selling products, producing products or offering services and the market conditions under which they are sold. Each of the stated is an economic variable. Common economic indicators are measured by national income and products, savings, investment, prices, wages, productivity, employment, government activities and international transactions. See Exhibit 2.1 showing Typology of common economic indicators.

(iv) **Common Economic Variables or Indicators**

<ul style="list-style-type: none">• National income and product<ul style="list-style-type: none">○ gross national product○ personal income○ disposable personal income○ personal consumption○ expenditure○ retail sales• SAVINGS<ul style="list-style-type: none">○ Personal savings○ Business• Investment<ul style="list-style-type: none">○ Industry investment○ Investment expenditures○ New equipment orders○ Inventory investment○ Housing starts• Prices, Wages and Productivity<ul style="list-style-type: none">○ Inflation rate○ Consumer price (index) changes○ Producer price (index) changes○ Raw material price (index) changes○ Average hourly earnings○ Output per hour per business sector	<ul style="list-style-type: none">• Labour Force and Employment<ul style="list-style-type: none">○ Numbers employed by age/sex/class or type of work○ Unemployment• Government Activities<ul style="list-style-type: none">○ Federal Surplus/deficit○ Expenditures by type○ Government purchases of goods○ Services○ State and local expenditures○ Defense expenditures○ Money supply charges• International Transactions<ul style="list-style-type: none">○ Currency exchange rates○ Exports by type○ Imports by type○ Balance of trade○ Merchandise goods and services○ Investment abroad
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Exhibit 1: Adapted from source: Stoner and Freeman (1992:78)

All the above macro-economic factors from the environment within which the small to medium size enterprises operate. All these factors vary or fluctuate over time.

According to Lipsey (1992), states that:

Macroeconomics is the field of economics that studies the behavior of economic aggregate and average such as unemployment, employment, inflation, the trade cycle, stagflation, economic growth, the exchange rate and balance of payments (p. 445).

There are also factors falling under micro economic variables. According to Stanlake (1989:20), micro economics is a field of study that studies the detailed workings of individual markets and interrelations among them.

Entrepreneurs who are proprietors of small to medium size enterprises should have keen interest in both micro and macro economics in order to make informed decisions in response to indogenous and exogenous shocks caused by events inside our own country or outside.

According to Charantimath (2009), the negative impact of the microeconomic environment variable become challenges which cause the small to medium size enterprise units to be regarded as struggling or being sick. The Reserve Bank of India (BRI) considers a small to medium size enterprise as being sick:

If any of the borrowal accounts of the unit remains substandard for more than six months, that is, principle or interest, in respect of any of its borrowal accounts has remained overdue for a period exceeding one year. The requirement of overdue period exceeding one year will remain unchanged even if the present period for classification of an account as substandard is required in due course; or When there is an erosion in the net worth due to accumulated losses to the extent of 50 percent of its networth during the previous accounting year; and When the unit has been in commercial production for at least two years”

The Reserve Bank of India definition of a sick SMME above is to some extent echoed by Subbarao (2001:188) who adopted the definition given by the State Bank of India which regards a sick Small to Medium size Enterprise as one:

Which fails to generate internal surplus on a continuing basis to meet its obligations and depends for its survival on frequent infusion of external funds?”

By combining the salient aspects of both definitions, borrowal accounts remaining substandard, borrowal accounts remaining overdue for one year, erosion of the net worth of the sale and its dependence on the infusion of external funds for its survival may be accepted to identify sick SME units (Subbarao 2001:189).

Concurrently, Lancaster (1924:62), in his studies stated that microeconomic variables in the context of small to medium size enterprises focus on the supply and demand of commodities in individual markets and why the prices of commodities may fluctuate up and down. For example, the supply and demand of poultry products would be seriously be affected by the outbreak of bird flue. Alternatively, the Small to Medium size Enterprises trading in clothing supply and demand would be affected either positively or negatively by Government's fiscal policy. Small to medium size enterprises are encouraged to keep track of the trends of market behavior, behaviours of individual consumers or clients, related enterprises, other industries and macro-economic variables as they interact and influence each other (Frank 1997:31 – 51).

Lipsey (1992:54), explains the indispensable relationship between microeconomics and macroeconomics. The two categories of variables are different but complement each other when the business or entrepreneurial environment is enacted. He states that:

Microeconomics deals with the determination of prices and quantities in individual markets and with the relations among the markets; and contrastingly.

In sharp contrast,

Macroeconomics focuses on much broader aggregates. It looks at such things as the total number of people employed and unemployed, the average level of prices, total national output and aggregate consumption macroeconomics.

Macroeconomics asks what determines these aggregates and how they vary in response to changing social, economical, political and technological conditions. Whereas microeconomics looks at demand and supply with regard to particular commodities, macroeconomics looks at aggregate demand and aggregate supply (Lipsey 1992:54).

Both macroeconomics and microeconomics challenges in the Zimbabwean economy can be resolved, other things being equal, through the enactment and adoption of appropriate macro and microeconomics policies. Thus at a higher and broader level, according to Lipsay (1992:785), macroeconomic policies are measures undertaken to and directed at influencing such macroeconomic variables as the overall levels of employment, national income and the price level. With regards to microeconomic policies, again these are measures enacted and adopted by the Zimbabwean Government for the efficient and effective allocation of resources and the distribution of income at lower and individual level as they are affected by the working of the price system which itself result from higher and broader level policies of (macroeconomic policies) of the Central Government, regional and the International Community (Stoner and Freeman 1992:80).

From the foregoing argument, it can be stated with certainty that there are public policy measures a Government can enact to stabilize and grow a country's economy, for example, the adoption of a multi-currency system by the Zimbabwean Government just like the adoption of the Euro by the member countries of the European Union, removed to a large extent the monetary policy role from the respective Government(s) to the regional block and to the international institutions and developed countries (Financial markets). In this context this researcher concurs with the limited interventionist theory of Liberalists Keynesians that give specific prescriptions for each policy variable in the economic environment. The proponents of this school of thought advocate for active use of discretionary monetary and/or fiscal policy to stabilize output and employment. Despite the imperfections caused by lags and incomplete knowledge, they believe such policies are helpful. The macroeconomic public policy tools available to Governments are in two sets. One set, referred as the demand-side policies, deals with issues on the demand side of the economy's markets, and the policies are called policies of demand management. The other set, called supply-side policies, deals with the supply side of these markets (Lipsey 1992:458).

In his studies on ethical dilemmas, among which are corruption and administrative secrecy and other aspects, encountered by public, officials, private business entrepreneurs and the society at large, Hanekom (1986:151), states that the reputation and success of a government depend upon the behavior of public employees and private companies and how the public view the behaviour of both public and private employees.

Consequently, it is of utmost importance that both public and private workers should act justly and fairly to one and all, not only paying up-services to justness and fairness, but making sure that these are implemented to the letter and spirit. It is fundamentally important that every person upon accepting employment in whatever sector of the economy, seriously take note that he or she has a special role to be fair and impartial in his or her dealings and transactions with all members of society. Individual self-interest should in all circumstances be subordinate to the good of the majority of the people oftenly referred as the 'public good', particularly if situations are created where chances of conflict of interest may become an ethical dilemma. The activities of public officials and private entrepreneurs, in this context proprietors of small to medium size entrepreneurs ought to be of high standards that they should not bring discredit to their posts, business enterprises, the government and the nation at large (Hanekom 1986:151).

In order to promote the public good, the actions of every citizen in whatever capacity should be by and large be in the public interest, i.e. in their official and recognized roles should always be 'good', 'right' and positive. With regards to public functionaries in particular, they re expected to abide at all times to the intra vires rule, and ethical conduct is, within the public service, always subject to formal prescriptions based on the policy of the ruling party, as expressed in terms of law. If public functionaries do not adhere or abide by the intra vires rule, which refers to acting in accordance with the formal pronouncements of the law, the courses of action that may be under taken may lead to ethical quagmire or dilemma. Predominant issues regarded as ethical dilemmas

which public officials and entrepreneur encounter during their course of duties take the form of administrative or managerial discretion with regards to promoting public good or the interest of the generality of the people or furthering self interests for personal gain or profit, corruption and administrative or managerial secrecy. (Ibid:151-2).

The management of Small to Medium size enterprises and officials in the responsible ministries are not simply implementers of public policy; they make decisions which affect not only their enterprises or institutions, but the lives of people, for example, mark ups on items for sale, payment or levying of taxes, consumer and labour relations. In undertaking these activities they exercise discretion. The fact of the matter is how decisions are to be made to avoid ethical dilemmas (Fleishman & Payne 1980:36). In other words, the promotion of the general welfare hinges onto a great extent on the use or abuse of managerial or administrative discretion (Rohr 1978:399).

In addition, "... he who has the state of another in his hands ought never to think of himself..." (Machiavelli 1958:129), but ought to put the promotion of the welfare of the generality of the people above his or her own interest. The barriers to realizing this aspect are corruption and administrative secrecy.

In its studies on good governance policy, the Norwegian Financial Mechanism (2004L2009), defined corruption as “the abuse of entrusted authority for private gain”, and has become a major hurdle in the entrepreneurial activities and growth of small to medium size enterprises. The partners constituting the financial mechanism list forms of corruption as including bribery, embezzlement, fraud, extortion, favouritism, and nepotism. These elements of corruption run counter to the core values and elements of good governance or corporate governance namely accountable management or leadership structure, transparency in entrepreneurial or business transactions (Secrecy is an ally of corruption and corruption is always participation in decision-making at various management levels by employees, equality in treatment of employees and customers, observance and adherence to the enterprise or company constitution, selection and recruitment of employees with capacity and competence and lastly, an enterprise leadership or management structure that is response to the employee and the client’s needs. (Ibid:2 – 3).

Although as seen above that fiscal policy can be blighted by corruption and overall lack of good governance in his studies Worrel (1992), puts a strong case for employing fiscal policy as the main instrument of stabilization. “Adjustment policies may be improved upon by better articulation of fiscal policy. Fiscal policy must bear a much greater burden of responsibility for export promotion, economic stabilization and ensuring the provision of essential social and economic services”. Worrel 1992:5). He further argues that fiscal policy has direct effects on growth of business such as small to medium size

enterprises, the balance of payments, inflation and social welfare and can address several targets. In addition, he opens that fiscal policy can be supported by monetary and exchange rate policy to secure a target rate of investment, basic services, and economic stabilization (Ibid:6).

(v) **Technological Variables**

According to Stoner and Freeman (1992:88), another importance force in the macro environment is the state of technology – the techniques and science of production and distribution. Every organization, public or private, employs technology to some extent, whether that organization is a small club that uses a typewriter to send out notices of monthly meetings or a highly complex industrial plant that relies on sophisticated computerized data processing equipment to control its assembly lines (Ibid 1992:99). It has been shown in studies that to a large extent public and public organization's economic progress depends on its ability to develop and utilize technology in both the labour and material areas. Hodge and Anthony (1978:102), concurred with the findings of Stoner and Freeman (1992:89), when they wrote that for organizations to be able to compete successfully, they must have access to modern technology. It is simply not feasible for an organization to compete unless an adequate organization technology is available to it.

How would a carpenter using hand tools fare against one who uses power equipment? How could a retail store that relied on old-fashioned cash registers and bookkeeping methods hold its own against a retail chain store that uses computers for inventory control and financial record keeping? The examples serve to make the point that present entrepreneurs and proprietors of small, micro and medium size enterprises must put emphasis on technology when deciding to form business enterprises, what products or services they will make and distribute, and what processes to employ in daily operations. Stoner and Freeman (1992:102), noted that there is an economic side to technology decisions. For example, one deterrent to the establishment of a proper mill, cotton ginnery or fruit canning factory would be without doubt the enormous amounts of capital required to obtain and maintain a competitive level of technology in the production process. This condition on its own serves as a regular on the entry of organizations into the respective industries, and thus it is incumbent on Government as well as the respective industries themselves to police their activities to ensure that there is a reasonable level of competition. (Ibid 1992:103).

It can be safely stated that the success of any organization is measured by the ability of the organization to adjust to and to employ technological innovations. According to the Financial Gazette of February 14, 2013, Zimbabwean products are expensive as compared to those produced in the region and beyond. The writer of that feature article attributed the production of expensive products to usage of outdated technology in most of Zimbabwean companies, and called for industrial technological revolution to be

initiated by the Government. Hodge and Athony (1978:55), echo this view when they said First World countries, for example, United States of America, China and Japan, witnessed a massive technological revolution. This revolution has brought new products and production techniques to the market that have enabled succeeding generations of organizations to profit from them as their products conquer world markets. (Ibid:1978:03).

Among their responsibilities, then, public administrators and managers of private enterprises should forthwith count on the obligation to maintain a spirit of creativity and ingenuity among members so that continued progress on the technological front can be made. The ever-growing shortages of resources of all types are but one indication of the seriousness of this obligation. Therefore, no theory of organization would be complete that did not include technology and its effect on both public and private organizations as a vital component of the macro environment. (Ibid:104)

Environmental Variables Linkages

According to Hodge and Anthony (1978:72), all organizations are linked to the macro environment whether they interact through a fully developed intermediate environment. Some organizations incorporate aspects of the intermediate environment into the organization. A business firm's board of directors may include bankers and major

suppliers. Through vertical integration, an organization may own its own suppliers and dealers. It may have its own legal, personnel recruiting, and advertising staffs. Whether it performs these functions itself or uses intermediaries in the environment, it is developing and using linkages which give the organization its life line to the environment. See diagram below.

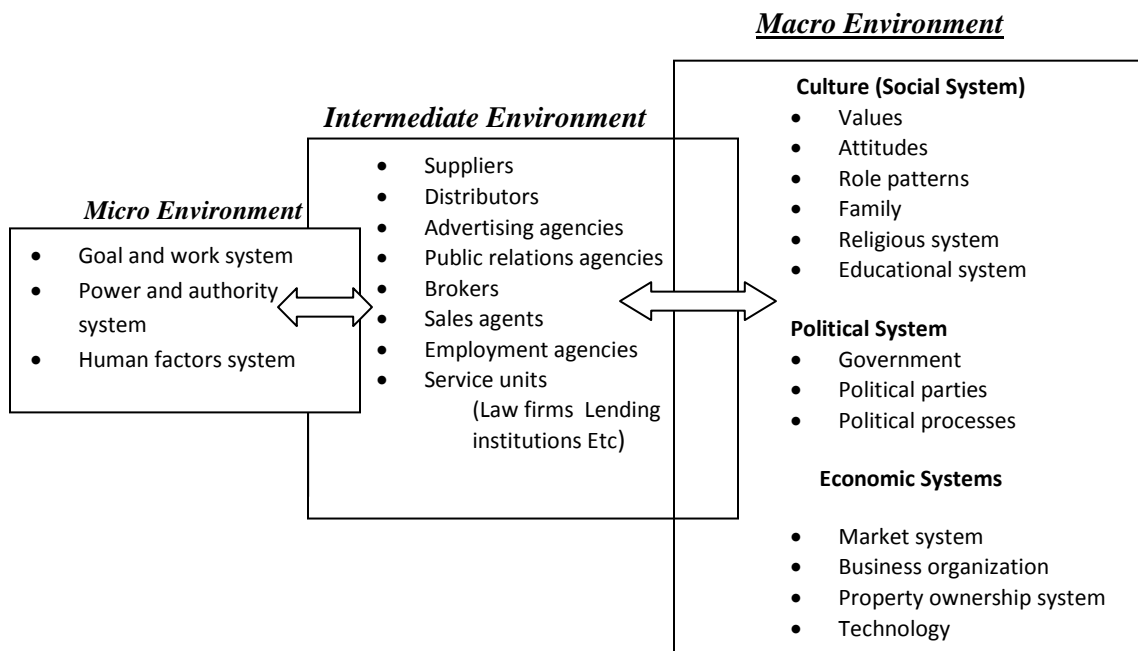


Figure 4: Linkages of components of the organization's micro, intermediate, and macro environments

Adapted from Source: Hodge & Anthony (1978:72)

Organizations which adopt a closed system philosophy and attempt to totally sever ties with the environment will eventually cease to exist. They will atrophy because of their inability to bring in new resources from the environment. In addition, their inability to effectively provide goods and services to the environment will ultimately result in their demise since they will no longer be satisfying a need in society. Of course,

organizations realize a closed system philosophy will lead to their ultimate demise and few, if any, have ever attempted to adopt such a philosophy. More commonly, what occurs is that the organization uses the intermediate environment as a barrier or screen to make it more difficult for certain aspects of the macro environment to impinge upon the operation of the organization. Since organizations depend upon the macro environment for resources and markets for outputs produced, building too great a buffering or blocking system will reduce resource and product market opinions. Often this unnecessary buffering structure occurs because an organization does not adequately understand and, therefore, cannot cope with its environment. In effect, it begins to act as a closed system, at least in the short run, and begins to suffer the consequences of this short run philosophy. (Ibid:73).

2.13 Summary of Literature Review

The literature review covered the theoretical framework of process model and public policy making, the theoretical framework of the CIPP model of evaluation and that of the environmental variables that affect the implementation of the SMMEs public policy namely personnel characteristics, social, political, economic, technological and infrastructural variables.

CHAPTER III: RESEARCH METHODOLOGY

3.0 Introduction

In this chapter, the researcher described and discussed the methodology, research design, population and sampling methods, instrument design, validity and reliability, data collection plan, data analysis, procedures and summary.

3.1 Research methodology

Leedy (1993:28) says “methodology is merely an operational framework within which the facts are placed so that meaning may be seen more clearly”. Leedy goes on to say: “All research methodology rests upon a bedrock axiom; the nature of data dictates the research methodology.”

The data used in this research document is of two kinds, namely qualitative descriptive survey and quantitative statistical data. These terms were used to distinguish between the use of natural language (qualitative) and the use of numerical values (quantitative) to record observations. Each data type required systematic analysis and interpretation. Qualitative descriptive data was obtained from national, district, local business institutions, local authorities, individual levels at which entrepreneurial issues are articulated, the nature of those issues and how they can be resolved at those levels.

Statistical data was derived from the configuration of the responses of the district officials, local business institutions representatives, local government representatives, individual entrepreneurs and their clients.

The research methodology used in this study is the descriptive survey method, though having some aspects of the analytical survey method. Consequently the study combines the two methods.

3.2 Justification of the choice of the survey method

According to Alreck and Settle (1993:76), survey research is not concerned with the characteristics of individuals as individuals but with generalized statistics that result when data are distilled from a number of individual cases.

Lazarsfeld and Seiber in Borg (1983:40) did an analysis of social research appearing in forty journals in 1964 and found out that one third of them involved the use of the survey method. Therefore surveys are extensively used in social research.

First and foremost, this researcher opted to use the survey research method because it is comprehensive. Alreck and Settle (1991:6) argue that surveys can be designed to measure things as simple as respondent's physical or demographic characteristics as complex as their attitudes or preferences. In this research the survey method enabled the

present researcher to retrieve information that is regarded as personal, private and sensitive such as personal attributes, relationship between the government and society and the soundness and impact of government initiated legal institutes and fiscal policies. Alreck and Settle (1993:6) also assert that another advantage of surveys is that they are versatile. Survey research can be designed to collect data by personal interview, telephone interview or by direct mail. Respondents can be reached with only visual contact, only audible stimuli, or both. They can be reached in their homes, at work or during recreation.

Surveys are also flexible. The volume of data collected and the degree of complexity are a matter of choice depending on information requirements. This researcher also chose the survey method because it is efficient. Since survey research uses sampling, information about an extremely large population, for example, the large population of entrepreneurs, could be obtained from a relatively small sample (Ibid:10).

However, surveys have marked limitations. They are time-consuming and costly. They require complete planning and very careful execution at virtually every step in the process (Alreck and Settle 1993:7). To counteract the shortcoming, this researcher has a clear picture of the whole survey process right from the start. He also resorted to

complete planning and careful execution of the study to avoid major errors and oversights.

3.3 Research Design

According to Baily (1982:215), the design is the plan for the study providing the overall framework for collecting data. According to Moss (1988:120) the forthright answers to the questions being only research planning into clear focus.

The questions were answered under the subheadings Population, Sampling, Procedures, Data Collection Instruments, Data Collection and Data Analysis, Presentation and Interpretation.

3.4 Population

Moss (1988:443) defines the population as the total group of persons or objects that meet the designated set of criteria established by the researcher. The target population of this study comprised of Ministry of Small, Micro and Medium Size Enterprise Development district officials, entrepreneurs who are proprietors of Small, Micro and Medium Size Enterprises, their clients, City of Mutare representatives and representatives from the two major business organizations namely Zimbabwe National Chamber of Commerce (ZNCC) and Chamber of Zimbabwe Industries (CZI). The study

focused on eighty (80) people described above who play various roles in entrepreneurial activities in Mutare urban and these constitutes the population.

3.5 The Sample

The method of selecting subjects for participation was a combination of subcategories of purposive stratified sampling, namely non proportional quota sampling, expert sampling and snowball sampling. Patton (1990:174) argues that stratified purposeful sample is the most straight-forward form of non probability sampling and a systematic design the yield a sample where the probability of inclusion of units is equal, hence this type of sampling is an approach whose purpose is to capture major similarities rather than variations, although the latter may also emerge during data analysis. The current researcher divided the population into four segments according to variables in different strata, that is , Ministry of Small, Micro and Medium size Enterprise Development district officials, entrepreneurs drawn from the four different clusters of business activity, the clients of the entrepreneurs and representatives drawn from the City of Mutare and those from the two major business organizations namely the Chamber of Zimbabwe Industries and Zimbabwe National Chamber of Commerce.

Alreck and Settle (1993:68) argue that the smaller the proportion of the entire population, the greater the sampling error. The current researcher opted for a sample greater than ten percent of the population to reduce the sampling error.

In essence two (2) District Officials per cluster with ten (10) entrepreneurs and five (5) clients respectively and all of them with ties and get representation from the City of Mutare and the two business organization (CZI and ZNCC). 8 Ministry of Small, Micro and Medium Size Enterprise Development District officials, 40 entrepreneurs, 20 clients, 6 City of Mutare SMMEs liaison officers and another 6 representatives from the two business organizations constituted the sample. The total number of participants was 80.

3.6 Selection Procedure

Alreck and Settle (1993:68) assert that the sample frame is a list of the sample units in the population. The researcher used purposive sampling which is marked by the use of personal judgment and a deliberate effort to obtain representative samples by including typical areas of groups in the sample. Thus the selection procedure involved selecting particular individuals in the organization such as the Ministry of Small and Medium size Enterprise Development, Chamber of Zimbabwe Industries and Zimbabwe National Chamber of Commerce and City of Mutare as well as those constituting part of the community of entrepreneurs and their clients. The selection of participants or cases was based on specific purpose (involvement in entrepreneurship) rather than randomly.

3.7 Data Collection Instruments

3.7.1 Questionnaires

There are two types of questionnaires, namely closed and open-ended. In open-ended questionnaires, the subjects make any responses they wish in their own words. In closed questionnaires, the nature of questions permits only certain responses. Borg (1983:419) asserts that it is desirable to design questions in closed form so that the qualification and analysis of survey results will be carried out efficiently. It is for this reason this researcher used closed questionnaires.

The use of questionnaires permits the respondents to give answers freely without pressure that is often generated by the presence of the researcher. Alreck and Settle (1993:8) postulate that one disadvantage of a questionnaire is that it calls for an interview back up so as to accommodate reluctance and evasiveness of respondents' answers. It is also not easy to follow up omissions or situations of zero responses. This disadvantage was counteracted by the conduct of interviews. The same questionnaires and interview items were listed from Ministry of Small, Micro and Medium Size Enterprise Development District Officials, Entrepreneurs, representatives of the City of Mutare and those of the two business organizations. This was done so that analysis of data using the Likert scale could be easy.

3.7.2 Interviews

Borg (1983:442) argues that there are two major types of interviews, namely the semi-structured and unstructured. This researcher settled for the former type because it is reasonably objective while still permitting a more thorough understanding of the respondents' opinions and reasons behind them. It provides a desirable combination of objectivity and depth. It also permits gathering valuable data that could not be successfully obtained by any other approach.

Alreck and Settle (1993:42) assert that interviewing provides the most complete contact with respondents since with face to face contact, there is both audible and visual contact. Respondents can examine, touch or try objects that are relevant to the question. In this research, the respondents were able to touch, point or show where challenges in the entrepreneurial environment, for example, struggling or closed enterprises, lack of infrastructure, absolute and dilapidated machinery.

Since interviews are flexible, there was room for this researcher to probe for more information. He repeated a question in another form when he was not understood. Respondents who are illiterate were able to answer the questions as the interview also gives room for non verbal behavior to be observed, the validity of the respondents' answers were thus assessed.

One limitation of interviews is that since it is easier to ask questions than to conduct observations; the interview is often misused to collect qualitative data that can be measured more accurately by other methods. This researcher optimized the type of data derived from interviews and questionnaires.

Bailey (1982:63) asserts that during interviews, the respondents' answers can be affected by reaction to interviewers sex, social class and so forth. To counteract the response effect, this researcher ensured that the subjects were made to feel at home by creating a free atmosphere. They were assured that their responses would be held in strict confidentiality.

3.7.3 Layout of the Instrument

The instruments, using the Likert Scale, had a key consisting of variables below

SA	-	Strongly Agree	<input type="checkbox"/>
A	-	Agree	<input type="checkbox"/>
D	-	Disagree	<input type="checkbox"/>
SD	-	Strongly Disagree	<input type="checkbox"/>
N	-	Neutral	<input type="checkbox"/>

Questions 2 to 4 on the questionnaire and interview schedule were meant to collect data on the personal attributes of the respondents. However, for clients of the SMMEs, the personal attributes questions were left out as that data of that particular strata of subjects was found not to be necessary.

3.7.4 Validity and Reliability

Leedy (1980:25), defines validity as “referring to how sound or effective the measuring instrument is”. The chief question answered by validity is: Are we really measuring what we think we are measuring? In this study this researcher was concerned with criterion, content, construct and external validity. Criterion validity was used to check whether the subjects really participated in business related education and training. Some criteria such as age range, marital status, gender, academic, professional qualifications and business management related studies were used. Content validity which is the accuracy with which an instrument measures the factors or situation under study. In the context of the study undertaken, this researcher was concerned with identifying personal characteristics and environmental variables affecting the implementation of the SMMEs policy. Construct validity would be used to explain abstract attributes such as leadership practices, motivation of self and subordinates, innovation and creativity. These attributes are broadly categorized into Reddin’s 3-D Leadership Theory whose three major areas of concern are described as the leadership’s inclination to task orientation, the leadership’s inclination to relationships or interpersonal relations inclinations and the leadership’s own personal effectiveness inclination. The attributes are described as construct and were measured indirectly through a series of different out related observations and questions. As for external validity, the researcher was concerned with the generalizability of the conclusions to other subjects throughout the country.

Reliability is the consistency and accuracy of an instrument. In this study, the writing up of comprehensive questionnaire items and interview guides and the consequent submission of the same instrument to different subjects and professionals like the researcher's project supervisor for cross-checking and approval went a long way in ensuring that they are reliable.

3.7.5 Data Collection Procedures

Consultations to carry out the research project were undertaken with key stakeholders, that is with the research supervisors, Ministry of Small, Micro and Medium Size Enterprise Development officials, the City of Mutare Council and the two major business organizations in the country namely, the Chamber of Zimbabwe Industries and the Zimbabwe National Chamber of Commerce. During the initial stages of data collection, the researcher was accompanied and introduced to the subjects by the heads of department of the particular Government Ministry. When undertaking this exercise, no handicaps were encountered since necessary protocols were adhered to. In a bid to avoid disturbing the usual patterns of behavior, in some cases, this researcher conducted the interviews in the subjects home environment when relaxing. Questionnaires were given to the subjects during their monthly meetings held at designated venues in their respective work or business settings. To ease follow ups on respondents, the researcher assigned numbers on each questionnaire given out.

3.7.6 Ethical Considerations

According to Gay (1992), “there are ethical considerations involved in all research studies. (p.75). Strict adherence to ethical standards in planning and conducting research is most important. Researchers have obligations both to their subjects and to their professions. The researcher had a moral and professional obligation to be ethical even when research subject where ignorant or unworried about ethics. The researcher therefore did not take advantage of the subjects unawares about ethics to harm them in any way.

3.7.7. 1 Informed Consent

Tuckman (1978) stated that consent in the context of research involves the procedure by which subjects choose whether or not they wish to participate in a study. Essentially, this means that prospective research participants must be fully informed about the procedures and risks involved in research and must give their consent to participate. Therefore the researcher had to seek permission from informants for them to freely participate in the research process. The researcher made the participants become aware that their participation in the study was voluntary and it was up to them to decide to take part in the study. The researcher asked the participants to put in writing their consent in order to avoid allegations of forceful collection of information. The consent form described the purpose of the study, the risks, benefits if any, the right not to answer some questions if they choose and the right to withdraw from the interview or to refuse to answer the questionnaire at any time and without giving reasons why. Respondents

were given the right to stop the study if they felt an infringement on their privacy or could not continue with the study for one reason or the other.

3.7.7.2 Risk of harm

Ethical standards also require that researchers not put participants in a situation where they might be at risk of harm as a result of their participation. Harm can be defined as both physical and psychological. The researcher made the participants aware in the consent form that there may be risks that are not anticipated, however, every effort was made to minimize any risks, for example the responses of the entrepreneurs were camouflaged by the responses from other participants such as clients.

3.7.7.3 Confidentiality, privacy and anonymity

The researcher assured the respondents that their responses shall be treated with confidentiality and used strictly for academic purposes and also that identifying information will not be made available to anyone who is not directly involved in the study. In this study the researcher maintained anonymity and assured the interviewees that no names will be mentioned.

3.7.8 Data Analysis and Interpretation

The aim of data analysis is to reduce and synthesize information to “make sense” out of it – and to allow inferences about populations. The aim of interpretation is to combine the results of data analysis with value statements, criteria and standards set in previous

studies in order to produce conclusions, judgments and recommendations. The data that was analyzed and interpreted in this study were of two types: qualitative and quantitative.

3.8 Summary

In this chapter, the methodology, research design, population and sample, selection procedure, data collection instruments, validity and reliability, data collection procedures, ethical considerations, data analysis and interpretation were discussed. In chapter four data was presented, analyzed and interpreted.

CHAPTER IV: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 INTRODUCTION

The data was collected through questionnaires and interviews and depicted in tabular form. It was analysed, interpreted and conclusions were drawn as per the chronological order of the research questions presented in Chapter 1 and also given below.

- To what extent have the main goals of the policy been achieved through the formation of small, micro, and medium size enterprises in Mutare urban in terms of job creation, foreign currency generation, poverty reduction, and overally economic growth?
- What are the political variables affecting the implementation of the small, micro and medium size enterprises policy?
- What are the economic variables (investment/financial factors both at micro and macro economic levels) affecting the implementation of the small, micro and medium size enterprises policy?
- What are the technological/infrastructural variables affecting the implementation of the small, micro and medium size enterprises policy?

Table 3 was used to portray data collected on research question number 1 regarding the extent of achievement of the SMMEs policy goals; tables 4 depicted data gathered on research question 2 concerned with the political culture; Tables 5 and 6 reflected data

collected on research questions 3 to 4 pertaining to economical and technological/infrastructural variables. The percentages were rounded off to the nearest 100 for all tables especially during interpretation and presentation of data.

4.1 Research Question Number 1: The extent of achievement of main policy goals.

Table 3: Establishing the extent of achievement of main policy goals

N = 80											
Designation	Personal Entrepreneurial Characteristics	SA	%	A	%	D	%	SD	%	N	%
MSMED District Officials	1. Job creation			4	50	4	50				
	2. Foreign currency generation			4	50	4	50				
	3. Poverty reduction			4	50	4	50				
	4. Economic growth			4	50	4	50				
City of Mutare Representatives	1. Job-creation					4	67			2	53
	2. Foreign currency generation					4	67			2	53
	3. Poverty reduction					4	67			2	53
	4. Economic growth					4	67			2	53
CZI and ZNCC Representatives	1. Job creation					5	83			1	17
	2. Foreign currency generation					5	83			1	17
	3. Poverty reduction					5	83			1	17
	4. Economic growth					5	83			1	17
Entrepreneurs	1. Job creation					5	12.5	30	75	5	12.5
	2. Foreign currency generation					5	12.5	30	75	5	12.5
	3. Poverty reduction					5	12.5	30	75	5	12.5
	4. Economic growth					5	12.5	30	75	5	12.5
Clients	1. Job creation					4	20	13	65	3	15
	2. Foreign currency generation					4	20	13	65	3	15
	3. Poverty reduction					4	20	13	65	3	15
	4. Economic growth					4	20	13	65	3	15

Table 3 depicts an equal number of 4 (50%) of the respondents designated as MSMED officials who agreed and those that disagreed the main goals of job creation, foreign currency generation, poverty reduction and economic growth are being realized.

In the next stratum subjects designed as City of Mutare representatives, Chamber of Zimbabwe Industries and Zimbabwe National Chamber of Commerce representatives, the majority 4 (67%) and (83%) respectively disagreed that the main goals of the SMMEs policy are being achieved. In the same stratum a minority 2 (33%) and 1 (17%) decided to be neutral.

In the last two strata consecutively consisting of entrepreneurs and their clients a majority of 30 (75%) and 13 (65%) respectively disagreed. The same majority respondents' observations were boosted by another 5 (12.5%) and 3 (15%) respectively who strongly disagreed on the same matter. A mere 5 (12.5%) and 4 (40%) were of the opposing view that the goals were being achieved. In their explanations the majority respondents said the process of labour retrenchments started at the same time with the process of deindustrialization in the late 1990s following the introduction of the Economic Structural Adjustment Programme (ESAP). The process of job losses and company closures accelerated with the imposition of the illegal sanctions by Britain and her Western allies coupled with corruption, outright economic mismanagement in both private and public enterprises and the uncertainty generated with the promulgation and

operationalization of the Indigenization and Economic Empowerment Act on March 10, 2010. They further stated that very few jobs are being created as similarly the few people who have started their small businesses are some kind of recycled retrenches who were lucky to get their retrenchment packages which they used to start their own enterprises in order to survive rather than to generate jobs or foreign currency. To quote one respondent:

Murumewe, zvetiri kuita ndezve kukiyakiya neku piyapiya kuti tirarambe. (Man, what we are doing are mere haphazard measures for survival

An analysis of the data above shows that the responses by subjects designated as MSMED district officials (Ministry of Small and Medium size Enterprise Development District officials) were split equally in half resulting in a cancelling off effect of the responses of those who agreed and those who disagreed with regards to the achievement of the SMMEs policy goals. The responses from the public officials clearly show one thing: they did not like to find fault or criticize a government system they are part of, hence they gave balanced responses. On page 22 of the literature review Chapter 2, it was noted that:

Public officials who belong to government institutions or departments are responsible for the actual implementation of the policy, while the political office-bearers such as cabinet ministers, are held responsible for the action or inaction of their departments (Van der Waldt 2000:185).

The responses from the government officials are a sharp contrast to those of other subjects in the subsequent strata as the majority 60 (83%), combined with those who strongly disagreed, overwhelmingly responded that the SMMEs main goals of job

creation, foreign currency generation, poverty reduction and economic growth are far from being achieved. A mere 12 (17%), also combined with those who decided to be neutral, agreed that the policy goals are being achieved.

A further analysis of the majority responses reveals that when there are no jobs being created, the other three goals cannot be achieved. This observation was echoed by some of the respondents who said:

As poverty at household level worsens, parents are failing to pay school fees, hospital bills, utility charges and families are feeding on a once-a-day poor diet consisting of starches.

4.2 Research Question Number 2: Political Culture Variables

Table 4: Political culture variables affecting the implementation of the SMMEs policy

N = 80

Designation	Political Variables	SA	%	A	%	D	%	SD	%	N	%
MSMED District Officials	1. Existing relationship between business and government					4	50			4	50
	2. Other government initiated legal aspects on business					4	50			4	50
	3. Political culture and the history of administration in the country					4	50			4	50
	4. Labour and personnel policies					4	50			4	50
City of Mutare Representatives	1. Existing relationship between business and government			4	67					2	23
	2. Other government initiated legal aspects on business			3	50	3	50				
	3. Political culture and the history of administration in the country			3	50	3	50				

	4. Labour and personnel policies			3	50	3	50				
Designation	Political Variables	SA	%	A	%	D	%	SD	%	N	%
CZI and ZNCC Representatives	1. Existing relationship between business and government			4	67					2	33
	2. Other government initiated legal aspects on business			4	67					2	33
	3. Political culture and the history of administration in the country			4	67					2	33
	4. Labour and personnel policies			4	67					2	33
Entrepreneurs	1. Existing relationship between business and government	6	15	30	75	2	5			2	5
	2. Other government initiated legal aspects on business	6	15	30	75	2	5			2	5
	3. Political culture and the history of administration in the country	6	15	30	75	2	5			2	5
	4. Labour and personnel policies	6	15	30	75	2	5			2	5
Clients	1. Existing relationship between business and government	3	15	12	60	2	10			3	15
	2. Other government initiated legal aspects on business	3	15	12	60	2	10			3	15
	3. Political culture and the history of administration in the country	6	30	12	60					2	10
	4. Labour and personnel policies			6	30	12	60			2	10

Table 4 portrays an equal number of 4 (40%) of the respondents designated as MSMED officials who disagreed and those who decided to be neutral on the political variable regarding the existing relationship between business and government whether it is affecting the implementation of the SMMEs policy. The same respondents responded in

a similar pattern on the remaining political variables namely, other government initiated legal aspects on business such as the Indigenization and Economic Empowerment Act (Chapter 14:33) and Labour Laws, political culture and the history of management or administration in the country.

In the next stratum with subjects designated as City of Mutare Representatives, the majority 4 (67%) responded that the political variable on the existing relationship between business and government is affecting the implementation of the SMMEs policy. A minority 2 (33%) decided to be neutral. With regards to the three other political variables, namely, other government initiated legal aspects on business, political culture and the history of management or administration in the country, labour and personal policies, an equal number of the respondents, 3 (50%) agreed and another 3 (50%) disagreed that these variables are affecting the implementation of the SMMEs policy.

In the next following stratum consisting of respondents designated as Chamber of Zimbabwe Industries and Zimbabwe National Chamber of Commerce the majority 4 (67%) agreed that all the political culture variables numbered from 1 – 4 in Table 7 (a) are affecting the implementation of the SMMEs policy. A minority 2 (33%) of the respondents decided to be neutral.

In the last two stratum consecutively consisting of entrepreneurs and their clients an average majority of 75% and 60% respectively of the respondents agreed as opposed to an average minority of 5% and 7% of the respondents in the same strata who disagreed on whether the first four political culture variables are affecting the implementation of the SMMEs policy.

An analysis of the data above shows that the responses of the Ministry of Small and Medium Size Enterprises were split equally in half among those who disagreed and those who decided to be neutral with regards to the effect of the first four political on the implementation of the SMMEs policy. The responses by the public officials reflect the same attitude found when analyzing data depicted in Table 2: These subjects did not like to find fault or criticize a government system they are part of, hence they gave balanced responses and explanations. On page 22 of the literature review, it was noted that “Public officials who belong to government institutions or departments are responsible for the actual implementation of the policy, while the political office-bearers such as cabinet ministers, are held responsible for the action or inaction of their departments (Van der Waldt 2000:185).

The responses from the government officials are radically different in one aspect only from their local government colleagues. The pronounced difference between the two sets of officials is reflected in how they responded to the first political variable – the

existing relationship between business and government. Of the eight subjects categorized as Government officials 4 (50%) responded that they disagree whereas 4 (67%) of their counterparts designated as City Council representatives agreed. In their explanations the City of Mutare representatives stated that due to wrong monetary policies, particularly during the Zim dollar era, for example, the existence of multiple exchange rates, the relations between the business community, economic enablers such as ZESA and relations with the government at large nose dived. As the local authority, they are now feeling the effects of those bad economic policies as many long established SMMEs have closed shop, some are being liquidated and some are struggling in their business operations. When business enterprises – Small, Medium and Large – financial fortunes are down, they fail to recapitalize, pay workers salaries, taxes, debts, rates and utility bills. Ultimately all institutions, private and public, including national and local governments and households financial coffers are depleted and this phenomenon is described as bankruptcy which is being euphemistically disguised as the familiar liquidity crunch. The end result of this financial situation is that both national and local government ability to provide social services and public goods such as law and order are eventually compromised.

Other subjects falling under CZI, ZNCC, entrepreneurs and their clients all in their majority numbers responded that the first political variable is negatively affecting the

implementation of the SMMEs policy. The subjects' responses were corroborated by their explanations many of which can be summed up by quoting one of them:

Notwithstanding the challenges our economy faces regarding inadequacies relating to our tangible economic enablers such as energy shortages, constraints in the supply of clean water as well as generally failing critical infrastructure, investor confidence, though intangible, remains a key economic enabler which, if left unattended to, may render futile to all our efforts towards restoring our economy to its former glory”

Another phenomenon which evoked an equal split (half – half) responses amongst the MSMED and City of Mutare officials and an overwhelming agreement among subjects falling under CZI, ZNCC, entrepreneurs and their clients was with regards to the 2nd, 3rd and 4th political culture variables which were compounded by the issue of uncertainty generated in the minds of the business community and would-be foreign investors following the enactment and subsequent operationalization of the Indigenization and Empowerment Act (Chapter 14:33) on the 1st of March, 2010.

In their explanations 75 (93%) of the respondents admitted that the Zimbabwean economy was dominated by few whites and foreign conglomerates with the majority black indigenous people marginalized to the periphery of the mainstream economy. Thus since the crafting of the first five year economic blue print thirty-three years ago, other economic development plans which followed and the present Zimbabwe Agenda for Sustainable Socio Economic Transformation (ZIM-ASSET), the clearly expressed intention in all these documents is to create an egalitarian society, i.e. equitable

development and prosperity for all Zimbabweans. Consequently the social and economic policies of the ZANU PF Government right from the dawn of Independence can be described as redistributive. It is in this context that the Minister of Finance described the 2014 budget as policy-driven.

However, according to the respondents they are questioning the sincerity of the government in growing the economy by above the regional average of 4% GDP and transferring wealth to the ordinary people through implementing the indigenization and Economic Empowerment Act. To quote one respondent:

There is no way we are going to achieve the 6.1 percent growth when we are stifling growth in the economy by insisting on the 51percent local ownership on foreign investment. Which investor would be willing to put 100 percent of the money, take 100 percent of the risks and only retain 49 percent of the profits

As the Indigenization and Economic Empowerment general regulations (Statutory Instrument) 21 of 2010 typically fits under political culture variable number two (other government initiated legal aspects on business) an overwhelming 72 (90%) of the respondents recommended the need to amend or modify the Indigenization and Economic Empowerment Act so that it attracts investors and also plug loopholes so that the Act is not abused by politicians or other people of influence who due to flaws in the current state of the law, such as selective application, are capable of negotiating separate proposals which can lead to self-enrichment by a few elites at the expense of the

majority ordinary people. These remarks concur with the statements made by Machiavelli (1958:129) on page 93 under the literature review section:

One who has the state of another in his hands ought never to think of himself, but ought to put the promotion of the welfare of the generality of the people above his or her own interest.

The findings from analyzed data and the recommendation above by the respondents concur with the findings on page 77 of the literature review which reveal that: The legislation enacted or policies adopted by government are influenced by the ruling party's ideology. Whatever the case, the main element of politics is value-conflict and resolution which has to be done in an honest, morally desirable, ethically and legitimate manner. As a consequence, the government at national, provincial or local level should enact laws, regulations or policies that promote uniformity, certainty, engenders mutual trust, fair competition among interest groups and entrepreneurs, large and small, and democratize the work place, and overallly the entrepreneurial environment (Hodge and Anthony 1978:99).

The same subjects, that is CZI and ZNCC representatives, entrepreneurs and clients, in their comments on political culture variable number 3 – political culture and the history of management or administration in the country-stated that the colonial inherited culture of disregarding and pathetic unresponsiveness to people's needs, a culture that view the generality of the people as less than human, that legitimized their brutalization,

subordination, and exclusion from economic power and political participation should come to an end.

The explanation by the subjects concurs with a quotation by Olowu (2005:155) cited in the literature review on page 32:

A modern democratic state is expected to deal with all citizens equitably and to provide equitable access to public services. Rhetoric of governmental decision-making often calls upon political and administrative leadership to be responsive to all sections of the population and more often than not the principle is also enshrined in the constitution. To that extent political executives, legislature, media, and interest groups are alert and carefully monitor policy formulation and policy implementation to safeguard their interests, policy designs should incorporate responsiveness. In the context of many developing countries, however, these institutions are still weak and policy pluralism is limited.

As a consequence of the foregoing discussion it is therefore recommended that there is a need to make policy responsiveness an integral criterion of policy analysis in Zimbabwe and other developing countries. In other words policy designs, policy objectives, policy options, and their consequences, and policy impact, need to be appraised on the extent to which the policy is responsive to all groups affected by public policies.

With regards to political culture variable number 4, unlike the unanimity in responses that obtained in preceding variables 2 and 3, the subjects designated as clients differed with the CZI, ZNCC representatives and the entrepreneurs the majority 12 (60%) of them disagreed that the Labour and personnel policies variables are affecting the

implementation of the SMMEs policy. In their explanations accompanying their responses these subjects stated that labour and personnel policies are not an issue as the workers' rights are favourably covered under the country's Labour Act and the International Labour Organisation's statutes.

The position taken by these subjects contrast with the majority 4 (67%) of the CZI and ZNCC representatives and 30 (75%) of the entrepreneurs who explained that the labour laws favour employees as the country has been using the inefficient inflation adjusted remuneration system adopted during the Zim dollar era. Consequently, these subjects recommended that the government should revise the country's labour laws to make them flexible enough to allow companies to pay productivity-based salaries and wages as accrual of wages and salaries during shut-downs as a result of load-shedding would mortgage future production and this is not sustainable.

4.3 Research Question Number 3: Economic Variables

Table 5: Economic variables affecting the implementation of SMMEs policy

N = 80

Designation	Economic Variables	SA	%	A	%	D	%	SD	%	N	%
MSMED District Officials	1. Stringent conditions attached to borrowing moneys from banks or money-lending institutions.	8	100								

	2. Duty taxes and high interests charged on borrowed funds.	8	100								
	3. Executive rates.							8	100		
	4. Manner of analyzing and selection of capital investment opportunities			8	100						
City of Mutare Representatives	1. Stringent conditions attached to borrowing moneys from banks or money-lending institutions.	6	100								
	2. Duty taxes and high interests charged on borrowed funds.	6	100								
	3. Executive rates.							6	100		
	4. Manner of analyzing and selection of capital investment opportunities			6	100						
Designation	Economic Variables	SA	%	A	%	D	%	SD	%	N	%
CZI and ZNCC Representatives	1. Stringent conditions attached to borrowing moneys from banks or money-lending institutions.	6	100								
	2. Duty taxes and high interests charged on borrowed funds.	6	100								
	3. Executive rates.							6	100		
	4. Manner of analyzing and selection of capital investment opportunities	6	100								
Entrepreneurs	1. Stringent conditions attached to borrowing	40	100								

	moneys from banks or money-lending institutions.										
	2. Duty taxes and high interests charged on borrowed funds.					20	50				
	3. Executive rates.							40	100		
	4. Manner of analyzing and selection of capital investment opportunities	40	100								
Clients	1. Stringent conditions attached to borrowing moneys from banks or money-lending institutions.	20	100								
	2. Duty taxes and high interests charged on borrowed funds.	20	100								
	3. Executive rates.							20	100		
	4. Manner of analyzing and selection of capital investment opportunities	20	100								

Table 5 shows a shift in the pattern of responses by the subjects designated MSMED district officials. All 8(100%) the subjects strongly agreed that the economic variables in the form of stringent conditions attached to borrowing moneys from banks or money-lending institutions, duty, taxes and high interest rates charged on borrowed funds and the manner of analyzing and selection of capital investment opportunities are affecting the implementation of the SMMEs policy. However, they all strongly disagreed with regards to the economic variable of exchange rates. The other clusters of subjects, except entrepreneurs who splitted their responses equally on economic variable No. 3 relating to duty, taxes and high interest rates charged on borrowed funds, with 100%

majority responded in a similar manner. The entrepreneurs could have responded in the manner they did because they want to protect their markets and businesses by way of imposing punitive duties on imports. With regards to the issue of exchange rates and selection of capital investment opportunities, they explained that the former fell away with the dumping of the Zim dollar and subsequent substitution with the multiple currency, and for the later they are urging the government to put money into the productive sectors of the economy.

However, all the subjects over and above their explanations, they recommended that for a new momentum to be unleashed in the revival and growth of the SMMEs, there is urgent need for fresh capital injection into the economy of between US\$20 to US\$30 billion that will easily be accessed by entrepreneurs and repaid at low interest rate over a reasonable duration.

4.4 Research Question Number 4: Technological/Infrastructural Variables

Table 6: Technological/infrastructural variables affecting the implementation of the SMMEs policy

N = 80

Designation	Technological/ Infrastructural Variables	SA	%	A	%	D	%	SD	%	N	%
MSMED District Officials	1. Absence of new technology	8	100								
	2. Lack of infrastructure to keep delicate and expensive machinery							8	100		
	3. Lack of skills among entrepreneurs to operate new equipment			8	100						
	4. Absence of the computer and its uses in business management			8	100						
City of Mutare Representatives	1. Absence of new technology	6	100								
	2. Lack of infrastructure to keep delicate and expensive machinery							6	100		
	3. Lack of skills among entrepreneurs to operate new equipment			6	100						
	4. Absence of the computer and its uses in business management			6	100						
CZI and ZNCC Representatives	1. Absence of new technology							6	100		
	2. Lack of infrastructure to keep delicate and expensive machinery			6	100						
	3. Lack of skills among entrepreneurs to operate new equipment			6	100						
	4. Absence of the computer and its uses in business management	6	100								

Designation	Technological/ Infrastructural Variables	SA	%	A	%	D	%	SD	%	N	%
Entrepreneurs	1. Absence of new technology	40	100								
	2. Lack of infrastructure to keep delicate and expensive machinery							40	100		
	3. Lack of skills among entrepreneurs to operate new equipment			40	100						
	4. Absence of the computer and its uses in business management			40	100						
Clients	1. Absence of new technology	20	100								
	2. Lack of infrastructure to keep delicate and expensive machinery							20	100		
	3. Lack of skills among entrepreneurs to operate new equipment			20	100						
	4. Absence of the computer and its uses in business management			20	100						

Table 6 shows a repeated feature of all the subjects in the different strata in agreement that technological variables in the form of absence of new technology, lack of skills among entrepreneurs to operate new equipment, absence of the computer and its uses in entrepreneurial or business management, for example, computer assisted decision-making are affecting the implementation of the SMMEs policy. In their explanations the subjects attributed this challenge to lack of funding which itself is being caused by

difficulties in accessing funds available with local financial institutions. The subjects went further to explain that if any entrepreneur eventually succeed in accessing the funds, the next hurdle to be encountered is that of high lending rates and short repayment period. They further elaborated that the challenge of non-availability of funds is being compounded by the fact that Zimbabwe under illegal sanctions which restrict international multi-lateral financial institutions to lend cheap money to Zimbabwe.

It can be therefore safely stated that the success of any organization, including SMMEs, is measured by the ability of the organization to adjust to and employ technological innovations. According to Financial Gazette of February 14, 2013, “Zimbabwean Products are expensive as compared to those produced in the region and beyond. The writer of that feature article attributed the problem of expensive products to usage of outdated technology in most of Zimbabwean companies, and called for industrial technological revolution to be initiated by the Government. Hodge and Anthony (1978:55), echo this view when they said First world countries, for example, United States of America, China and Japan, witnessed a massive technological revolution. This revolution has brought new products and production techniques to the market that has enabled succeeding generations of organizations to profit from them as their products conquer world markets. (Ibid: 1978:03).

4.5 Summary

Data was presented, analysed and interpreted with the intention to establish the extent of achievement of the SMMEs policy goals, identifying personal entrepreneurial characteristics, social, political, economical and technological/infrastructural variables affecting the implementation of the SMMEs policy.

CHAPTER V: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter the researcher summarized the study, presented the findings, made conclusions and recommendations.

5.1 Summary of the study

The purpose of the study was to evaluate the implementation of the Small, Micro and Medium size Enterprise policy in Zimbabwe with the view to establish the extent of achievement of the policy goals and identifying the political, economic, technological and infrastructural variables affecting the implementation of the policy. The study was informed by the Process Model of policy design, implementation and evaluation. The type of evaluation adopted for the study is the C.I.P.P Model which dovetails with the Systems Approach of studying organizational activities.

In the study a combination of subcategories of purposive sampling, namely non-proportional quota, expert and snowball sampling were used to come up with a sample of 80 participants from whom descriptive survey data was collected using questionnaires and interviews.

5.2 Summary of Findings

From the evaluation of SMMEs policy in the face of environment challenges being faced by entrepreneurs in Mutare urban, the researcher drew the following summary of findings.

5.2.1 With regards to the extent of achievement of the main goals of the SMMEs policy stated as job creation, foreign currency generation, poverty reduction and economic growth, the majority of the respondents said the goals are far from being achieved as there is large scale job losses due to SMMEs closures, liquidations and downsizing of operations. Job losses leads to failure in the achievement of the other three goals namely poverty reduction, foreign currency generation and overally economic growth.

5.2.2 Relating to the political culture variable as per the SMMEs policy document, the SMMEs are supposed to be carrying out their operations in a conducive free market environment. The majority of the respondents stated that job losses started with retrenchments effected with the implementation of the Economic Structural Adjustment Program (ESAP), which was followed up by punitive illegally imposed sanctions which themselves were exacerbated by corruption in both private and public enterprises and the uncertainty generated with the promulgation and operationalization of the indigenous and economic empowerment act of

March 10, 2010. The respondents also bemoaned labour policies which are largely biased against employers in favour of employees. The participants in the study said the business environment is frustrating, uneven and selective thereby not conducive for the growth of SMMEs, including large enterprises.

5.2.3 With regards to the economic variables, the majority of the respondents bemoaned the stringent conditions and high interest rates being attached to borrowing funds as gravely impacting on the implementation of the SMMEs policy. This phenomena is preventing entrepreneurs to recapitalize in order to increase capacity utilization either by way of modernizing productive processes or expanding the business venture by opening up new ones. The same financial impediments are negatively affecting the adequate provision of services such as water, electricity and road infrastructure which are key economic enablers. Lack of new technology, compounded by inconsistent supplies of water and electricity, makes productive work processes cumbersome, expensive and wasteful as valuable time is spent repairing inefficient, absolute machinery and waiting for the resumption of electricity and water supplies. Furthermore the majority of the participants are in favour of salary and wages remuneration system based on productivity as opposed to a system hinged and determined by the poverty datum line.

5.3 Conclusions

The conclusion that can be drawn from the above findings is that the environment is not conducive for doing business, hence many companies have closed shop and this has given birth to unprecedented unemployment. Consequently the main goals of the SMMEs policy stipulated job creation, foreign currency generation, poverty reduction and economic growth are not being achieved.

5.4 Recommendations

As a result of the evaluation, the following recommendations were made.

- 5.4.1 There should exist sound relations not only with local business, but with western countries since these countries are seemingly the pace setters in influencing the direction of trade and economies at large and their political and economic clout on the international stage is intact and visible.
- 5.4.2 The ruling party and the business community should constantly engage each other in order to promote understanding of the other's vision, and expectations, thus also doing away with mistrust and suspicion, and overally instill confidence in the economy.
- 5.4.3 There is need to amend or modify the Indigenization and Empowerment Act so that it attracts investors and also plug loopholes so that it is not abused by politicians or other people of influence who due to flaws in the current state of

the law such as selective application are capable of negotiating separate proposals which can lead to self-enrichment by a few elites at the expense of the majority ordinary people.

5.4.4 In order to attract foreign investment on a long-term sustainable basis in the form of equity partnerships and long term financing and technical support, there is need for the government to urgently craft corporate code of good governance to deal with corruption across all sectors of the economy in order to create investor confidence and shake of the negative sentiment that hangs on the mind of the international investment community.

5.4.5 There is need for government to put in place measures to ensure accountability and service delivery, chief among them the creation of National Economic Council (NEC) which will among other measures enforce and monitor a result-based managed system as well as charging and trying economic saboteurs under an economic crimes tribunal.

5.4.6 Since Zimbabwe has been using the inefficient inflation adjusted remuneration system adopted during the Zim dollar era, the country must now adopt a productivity based remuneration system to increase output.

- 5.4.7 There is an urgent and serious need to concede to, implement and honour the legal clause on property rights on land as ownership enables people to access collateral, breeds productivity and enhances preservation of the land property for posterity.
- 5.4.8 There is the urgent need to reduce the current account deficit through decreasing the import bill by increasing productivity in the agriculture and manufacturing sector.
- 5.4.9 To unleash new momentum in economic growth, there is urgent need for fresh capital injection of between US\$20 to US\$30 billion in the economy for entrepreneurs to access easily and repayable at low interest rate over reasonable duration.
- 5.4.10 There is need to make policy responsiveness an integral criterion of policy analysis in Zimbabwe and other developing countries. In other words policy designs, policy objectives, policy options, and their consequences, and policy impact, need to be appraised on the extent to which the policy is responsive to all groups affected by public policies.
- 5.4.11 Small, Micro and Medium size Entrepreneurs should be encouraged to have keen interest and be educated to acquire knowledge in both microeconomics and

macroeconomics in order to be able to analyse how prices and outputs respond to endogenous and exogenous shocks causing events in their own or other markets or by government policy, such as the Indigenization and Economic Empowerment Act.

5.4.12 Overallly the government should foster a participant political culture by involving the general citizenry in policy design, implementation and evaluation.

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<http://www.socialresearchmethods.net/kb/samprnon.php> 10/09/2011: Ethics in Research

<http://www.socialresearchmethods.net/kb/qualval.php> 10/09/2012 : Research Designs

Appendix 1: permission letter to undertake research



INSTITUTE OF PEACE LEADERSHIP AND GOVERNANCE

P.O. BOX 1320, MUTARE, ZIMBABWE, - TEL: (263-20) 65788/6007/60025/81611-FAX: (263-20) 66788/61785/61788- E-MAIL: Iplgsec@africau.sc.zw

15 September 2013

TO WHOM IT MAY CONCERN

Re: Permission to Undertake Research for Dissertation at Africa University

Argument Ivan Mbengo student registration number **118342** is a student at Africa University. He is enrolled in a degree program in Public Policy Studies and Governance and is currently conducting research for his project, which is required for completion of the program in June 2014. The research topic is “**An Evaluation of the Implementation of the small, micro and medium size enterprise policy in Zimbabwe: A case for SMMEs in Mutare Urban**”. Argument is expected to undertake this research during the period September 2013 – April 2014 before the dissertation can be submitted to the Faculty in May 2014.

The study will share with you the results of this research after its approval by the Institute.

We thank you for your support and cooperation regarding this research.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Machakanja', is written over a printed name and title.

Prof. P. Machakanja
Director

Appendix 2: Questionnaire for business organisations

(CHAMBER OF ZIMBABWE INDUSTRIES (CZI) AND ZIMBABWE NATIONAL CHAMBER OF COMMERCE (ZNCC), ENTREPRENEURS AND THEIR CLIENTS

Using the key below, please indicate by means of a tick the extent to which you agree or disagree to each statement.

KEY - SA = Strongly Agree ☐
 A = Agree ☐
 D = Disagree ☐
 SD = Strongly Disagree ☐
 N = Neutral ☐

PART A:

1. Achievement of the SMMEs main policy goals.

SA A D SD N
☐ ☐ ☐ ☐ ☐

2. Political culture variables affecting the implementation of the SMMEs policy.

- (a) The implementation of the SMMEs policy is being affected by the existing relationship between business and government.

SA A D SD N
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (b) The implementation of the SMMEs policy is being affected by other government initiated legal aspects of business.

SA A D SD N
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (c) The implementation of the SMMEs policy is being affected by the political culture and the history of management or administration in the country.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

- (d) The implementation of the SMMEs policy is being affected by labour and personnel policies.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

- (e) The implementation of the SMMEs policy is being affected by the systems concept and its application to entrepreneurial related activities.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

- (f) The implementation of the SMMEs policy with regards to promoting foreign investment is being affected by the SMMEs legal provisions.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

- (g) The implementation of the SMMEs policy is being affected by other variables other than by political variables.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

3. **Economic variables affecting the implementation of the SMMEs policy.**

- (a) The implementation of the SMMEs policy with regards to promotion of investment is being affected by stringent conditions attached to borrowing monies from banks or money-lending institutions.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (b) The implementation of the SMMEs policy is being affected by duty, taxes and highest interest rates charged on borrowed funds.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (c) The implementation of the SMMEs policy is being affected by the exchange rates.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (d) The implementation of the SMMEs policy is being affected by the manner of analyzing and selection of capital investment opportunities.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (e) The implementation of the SMMEs policy is being affected by the entrepreneur's understanding and usage of accounting knowledge.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (f) The implementation of the SMMEs policy is being affected by the entrepreneurs' understanding of markets and marketing function.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (g) The implementation of the SMMEs policy is being affected by other variables other than the economic ones.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

4. **The technological variables affecting the implementation of the SMMEs policy**

- (a) The implementation of the SMMEs policy is being affected by absence of new technology.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (b) The implementation of the SMMEs policy is being affected by lack of infrastructure to keep delicate and expensive machinery .

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (c) The implementation of the SMMEs policy is being affected by lack of skills among entrepreneurs to operate new equipment.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (d) The implementation of the SMMEs policy is being affected by the absence of the computer and its uses in entrepreneurial or business management.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (e) The implementation of the SMMEs policy is being affected by absence of computer assisted decision-making.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

- (f) The implementation of the SMMEs policy is being affected by the non-use of information technology management systems by the entrepreneurs.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

- (g) The implementation of the SMMEs policy is being affected by the capital required to establish modern plants and sanctions included inhibitions to undertake technological innovations.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....
.....

Appendix 3: Questionnaire for small and medium enterprise development district officials and City of Mutare SMMEs liason officers

QUESTIONNAIRE FOR MINISTRY OF SMALL AND MEDIUM SIZE ENTERPRISE DEVELOPMENT DISTRICT OFFICIALS AND CITY OF MUTARE SMMEs LIASON OFFICERS

Using the key below, please indicate by means of a tick the extent to which you agree or disagree to each statement.

KEY	-	SA	=	Strongly Agree	<input type="checkbox"/>
		A	=	Agree	<input type="checkbox"/>
		D	=	Disagree	<input type="checkbox"/>
		SD	=	Strongly Disagree	<input type="checkbox"/>
		N	=	Neutral	<input type="checkbox"/>

PART A:

1. Achievement of the SMMEs main policy goals.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. **Political culture variables affecting the implementation of the SMMEs policy.**

- (a) The implementation of the SMMEs policy is being affected by the existing relationship between business and government.

SA	A	D	SD	N
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explain.....

.....

- (b) The implementation of the SMMEs policy is being affected by other government initiated legal aspects of business.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (c) The implementation of the SMMEs policy is being affected by the political culture and the history of management or administration in the country.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (d) The implementation of the SMMEs policy is being affected by labour and personnel policies.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (e) The implementation of the SMMEs policy is being affected by the systems concept and its application to entrepreneurial related activities.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (f) The implementation of the SMMEs policy with regards to promoting foreign investment is being affected by the SMMEs legal provisions.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (g) The implementation of the SMMEs policy is being affected by other variables other than by political variables.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

3. **Economic variables affecting the implementation of the SMMEs policy.**

- (a) The implementation of the SMMEs policy with regards to promotion of investment is being affected by stringent conditions attached to borrowing monies from banks or money-lending institutions.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (b) The implementation of the SMMEs policy is being affected by duty, taxes and highest interest rates charged on borrowed funds.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (c) The implementation of the SMMEs policy is being affected by the exchange rates.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (d) The implementation of the SMMEs policy is being affected by the manner of analyzing and selection of capital investment opportunities.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (e) The implementation of the SMMEs policy is being affected by the entrepreneur's understanding and usage of accounting knowledge.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (f) The implementation of the SMMEs policy is being affected by the entrepreneurs' understanding of markets and marketing function.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

- (g) The implementation of the SMMEs policy is being affected by other variables other than the economic ones.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....
.....

4. **The technological variables affecting the implementation of the SMMEs policy**

- (a) The implementation of the SMMEs policy is being affected by absence of new technology.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (b) The implementation of the SMMEs policy is being affected by lack of infrastructure to keep delicate and expensive machinery .

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (c) The implementation of the SMMEs policy is being affected by lack of skills among entrepreneurs to operate new equipment.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (d) The implementation of the SMMEs policy is being affected by the absence of the computer and its uses in entrepreneurial or business management.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

.....

- (e) The implementation of the SMMEs policy is being affected by absence of computer assisted decision-making.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (f) The implementation of the SMMEs policy is being affected by the non-use of information technology management systems by the entrepreneurs.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

- (g) The implementation of the SMMEs policy is being affected by the capital required to establish modern plants and sanctions included inhibitions to undertake technological innovations.

SA **A** **D** **SD** **N**
☐ ☐ ☐ ☐ ☐

Explain.....

Appendix 4: Consent form



INSTITUTE OF PEACE LEADERSHIP AND GOVERNANCE

P.O. BOX 1320, MUTARE, ZIMBABWE, - TEL: (263-20) 65788/6007/60025/81611-FAX: (263-20) 66788/61785/61788- E-MAIL: iplgsec@africau.sc.zw

15 September 2013

CONSENT FORM

This research is being conducted on the topic: **AN EVALUATION OF THE IMPLEMENTATION OF THE SMMEs POLICY IN ZIMBABWE: THE CASE FOR SMMEs IN MUTARE URBAN.** This research is being carried out for academic purposes. It seeks to collect information on the challenges being faced by SMMEs which could be contributing to the non achievement of the stated SMMEs policy goals.

Your contribution is highly appreciated and it will be treated with respect and high level of confidentiality. This form serves to seek your consent for you to become part of the study. Please fill in the space below as proof that you will freely contribute. Please keep a copy of the consent form for the purpose of your records.

I have been informed of the nature of this research and I voluntarily agree to be part of the study. I also understand that I may withdraw from being part of the study any time or refuse to respond.

.....
SIGNATURE OF RESPONDENT

.....
DATE

.....
SIGNATURE OF RESEARCHER

.....
DATE