An Evaluation of the Policies Instituted By the Government of Zimbabwe in Promoting Survival and Growth of SMEs: The Case of Glenview Area 8 SMEs

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Abstract: The main objective of this study is to evaluate the policies instituted by the government of Zimbabwe in promoting the survival and growth of SMEs using a case of SMEs in Glen View Area 8. This was done with a view to draw up strategies aimed at improving the contribution of SMEs to Zimbabwe's GDP. The research used a qualitative research design, a random sample was chosen to which a survey questionnaire was administered to collect data. Interviews were also conducted with personnel from the Ministry of Small and Medium Enterprises and Harare City Council Department of Health and Social Services. Findings indicated that little had been done by government in addressing SME concerns and accord priority to the SMEs so that they are enabled to contribute to the betterment of the economy. Challenges found to be facing SMEs were issues such as capital availability, difficulties in procuring raw materials, low technological capabilities, and difficulties in securing permits and licences. The study recommended that SMEs are a significant sector that should otherwise be contributing significantly to the economy and recommended that government should prioritise SMEs by establishing finance schemes, training programmes and encourage clustering.

Keywords: GDP (Gross Domestic Product), IDP (Industrial Development Policy), ZIMASSET (Zimbabwe Agenda for Sustainable Socio-Economic Transformation).

1. INTRODUCTION

Mugano (2012) noted that Zimbabwe experienced growth of Small and Medium Enterprises (SMEs) after the collapse of the formal economy. It is against this background that a Ministry was put in place to support SMEs. According to Business Council of Zimbabwe, SMEs have in the past been experiencing different challenges to their growth and survival that include limited access and high cost of finance, lack of proper and adequate infrastructure, use of old technology, information asymmetry, lack of marketing skills and market knowledge and also inadequate management and entrepreneurial skills. According to Federico et al (2012) social skills are complemented by policies oriented to enlarge and develop SMEs.

Ekpenyong (1997) argues that the problems bedevilling the SMEs in Zimbabwe are multifaceted. Reason et al (2002) reiterated that in the Czech the government implemented policies that were aimed at increasing support for SMEs. The Zimbabwean government came up with various support measures to support SMEs among them were the liberalization policy, preferential purchasing policies of the Central Purchasing Agency, the deliberate policy to have market stalls in all urban centres, intention to legalise street vending at designated areas and even establishment of green markets in high densities of Harare (IEE 2010). The results on the ground are not reflective of a winning situation and stakeholders are more comfortable to referring to them as the, 'informal sector', although SMEs could be the answer to Zimbabwe's

economic problems since the same kind of businesses command European economies. The Portfolio Committee on SMEs Cooperative Development in 2010 recommended that there was need to review SME legislation in order to promote the growth of SMEs and the Executive should speedily bring before parliament the SME Bill, so that SMEs have an appropriate framework in which to conduct business.

The Zimbabwean government was committed to focusing on strategically supporting and investing in the informal economy (Biti, 2010, p.102) In the monetary policy review it was mentioned that, it is important to regularise the tax affairs of those corporates that had gone informal, in order to expand the tax base as well as provide a window of opportunity for these taxpayers to benefit from Government business which requires up-to-date tax returns. It was further proposed that tax amnesty be granted to SMEs who were willing to normalize their tax obligations for periods prior December 2008. This was done in an effort to encourage SMEs to formalize their day to day business.

Mashayahanya (2014) indicates that SMEs need to identify their problems so that they can find the appropriate solutions instead of solely complaining of being financially excluded. It is argued that the country's economic policy framework is weak and this includes SMEs Policy and Strategy Framework, 2002-2007.This was also supported by the Business Council of Zimbabwe (BCZ) as it introduced the Indigenization and Economic Empowerment policy (IEE) in 2011. The country crafted the Industrial Development Policy (IDP) for 2012-2016, with specific provisions on SMEs growth as they are viewed as important engines for employment creation and economic growth and should be prioritized and supported. This is indicative that policy is put in place however SMEs are not growing or surviving. According to SEDCO (2004) in Mudavanhu et al (2011), about 60% of SMEs in Zimbabwe fail in the first year of establishment, 25% fail within the first three years and the remaining 15% are likely to survive. This therefore implies that about 85% of SMEs will eventually collapse. The Zimbabwean SME sector is highly affected by high exit rates and instability. Eggers et al (2013) concentrated their research on the implications of customer and entrepreneurial orientations for SME growth. Hart et al (2000) research on public policy and SME performance was done in the context of SMEs in Northern Ireland. Salvato (2006) argues that there are different variables that affect growth of SMEs however these researchers do not bring out the implications of policy on growth. An in-depth study into the essential features of the existing small and medium scale industries is justified on the grounds that many policies in the past, which sought to address the problems of the real sector of the Zimbabwean economy, seem to have failed.

2. LITERATURE REVIEW

Evaluating policy implementation involves assessment of the institutional performance of the institutional system in its locale (Blais and Gagne, 2010). Zimbabwe is known for coming up with brilliant and well thought policies but the problem has been on implementation (Zindiye et al, 2008). Policy implementation is viewed by Gerston (2009) as the process that involves those actions by the public or private individuals that are directed at the achievement of the objectives set forth in prior policy decisions. After implementation the next process has to be evaluation of the policy to assess the effectiveness and efficiency of a public policy in terms of its perceived intentions and results (Gerston, 2009; Papaconstantinou and Polt (2009)). In other words policy evaluation entails a comparison of what happened after the implementation of the policy with what would have happened had the policy not been implemented. Evaluation of implementation of SME policy is religiously done in the developed world and this explains why there is consistence in terms of the contribution of SMEs to the GDP in the First World. It appears there is a different approach in developing countries as evidenced by slow growth and short-term survival of SMEs. This study explores further into issues of evaluation of implantation SMEs policy in Zimbabwe focusing on Glenview Area 8 SMEs.

In Southern Africa previous studies have also shown that a number of policies have been adopted to promote SMEs as soon as the countries attained independence. When Namibia attained independence in 1990, the government adopted policies to redress some of the apartheid legacies. Jauch, Edwards and Cupido (2009) postulate that Affirmative Action and Black Economic Empowerment (BEE) programmes were some of the measures taken to empower formerly marginalized blacks under Article 23 (2) of the Namibian constitution. At independence in October 1964, Zambia adopted the socialist mode of economic development, ostensibly to redress colonial imbalances and bring about a more equitable distribution of wealth (OECD Investment Policy Reviews: Zambia (2012). In South Africa there was a review of the country's SME policy through the formulation of the Black Economic Empowerment policies after the attainment of independence in 1994 (Nieman, 2008). The studies further revealed that 91 percent of the formal business entities in South

Africa are SMEs and they contribute between 52 to 57 percent to the GDP and further provide about 61 percent of employment. Therefore SMEs have been established to be a drive for economic growth in African developing countries.

In Zimbabwe when majority rule was attained in 1980, the new government adopted Growth with Equity Policy in 1981, Transitional National Development Plan (TNDP) and Five Year National Development Plan (FFYNDP) guided by socialist and democratic principles in the allocation of and distribution of resources and social benefits (Maseko et al, 2012). The Government of Zimbabwe launched the Short Term Emergency Recovery Programme (STERP 1) in February 2009, which was followed by the Three (3) Year Macro-Economic Policy and Budget Framework 2010-2012 (STERP II) on the 23rd December 2009 (Government of Zimbabwe, 2009). The key objective of both STERP 1 and STERP II was to resuscitate manufacturing activity and increase capacity utilisation levels from the low levels of approximately 5% in 2008 to around 80% by 2012. The manufacturing sector at its peak, contributed 23% to GDP since its lowest slump to about 12%. Government of Zimbabwe (2009) further states that the manufacturing sector was diversified and well integrated with the rest of the Zimbabwean economy, exhibiting, particularly, strong linkages with agriculture, mining, construction and commerce. Government of Zimbabwe (2009) further states that the economy had been facing severe challenges, with the annual real GDP growth suffering declines averaging -5.9% since 2004. Cumulatively, output declined by more than 40% during that period. The deepening economic crisis is reflected in sectorial performance, which followed the same trend. Since 2006, virtually all sectors recorded declines in output with agriculture, manufacturing and mining estimated to have declined by 7.3%, 73.3%, and 53.3 respectively in 2008 (Government of Zimbabwe, 2009). It was further noted that average capacity utilisation in most industries was between 30% and 45%. Hence, while some progress had been realised across some sub-sectors, during this policy framework period Government would continue instituting measures to further raise capacity utilisation to 100% by 2015 (Government of Zimbabwe, 2009) which has not yet been achieved.

As earlier alluded to, Kachembere (2011) also acknowledges that industry itself was operating at low capacity utilisation across the board, which reached record low of 5% on average in 2008. Furthermore, the country suffered an exodus of qualified and technical personnel who were emigrating to greener pastures in neighbouring countries. Herbst (2008) adds that raw material shortages owing to low agricultural productivity and foreign currency shortages also played their part in contributing to the manufacturing sectors woes. As a way of resuscitating the ailing industry, the Government of Zimbabwe crafted the Industrial Development Policy (IDP) to cater for the period 2012 to 2016. Funds were unveiled to support ailing small and large manufacturing firms. Earlier, government of Zimbabwe established many institutions to help with financial and institutional support to the SMEs and some of these institutions are Zimbabwe Development Bank (ZDB) and SEDCO among others. However there was nothing much to write home in terms of growth and survival of SMEs in Zimbabwe. Against this background, Anseeuw and Alden (2010) note that the early policies after independence led to the greater concentration of wealth and means of production in the hands of 'foreign' and local elites rather than equitable distribution for the benefit of general citizenry. The Zimbabwean Government on current policies, is yet to be seen whether the policies will yield the desired objectives. It is therefore the purpose of this study to assess the SME policy with the aim of unearthing the challenges they are posing to growth and survival of SMEs in Zimbabwe.

Support policies for SMEs vary from country to country and from developed countries to less developed countries due to differences in business contexts, culture and the level of industrialization. Van Praag and Versloot (2007) postulate that the only government in the world that has fully identified the scale of taxpayer funds devoted to "supporting" small firms and entrepreneurship is the United Kingdom. They note that each year around £8 billion is spent. They also acknowledge that this is approximately the same sum as spent on the Police and more than is spent on Universities. Since East European countries are now European Union (EU) members, there are various EU programmes for SMEs that cover a range of needs. These include vocational training and education, infrastructure projects, individual and information technology development (Bass, 2012). In addition, SMEs in these countries also receive direct support from local authorities and the government. Bass (2012) further notes that Poland and Bulgaria are a case in point where SMEs are provided with training and advisory services, management, market information, credit access, exports promotions and the introduction of high-tech production. This approach could have worked very well in Poland and Bulgaria but may not work in Zimbabwe due to a number of factors.

The trajectory and evolution SME policy in Zimbabwe is traced back from 1980 to 2014 according to Sharara (2013) different policies were crafted from 1980 to the current Zimbabwe Agenda for Sustainable Socio-Economic

Transformation (ZimAsset). According to the Government of Zimbabwe (2013) the successful implementation of the ZimAsset Plan will be anchored on sustainable economic empowerment and employment creation programmes for the citizenry. The main thrust of the SMEs and Co-operatives policy will be on creating and growing opportunities for business, skills development and provision of funding for indigenous business ventures especially start-ups and those run by previously disadvantaged individuals. Government of Zimbabwe further notes that SEDCO will be capitalized to finance the development of the said projects to enable innovative youths and women in the formal sector to achieve financial inclusion. In pursuance of the aforementioned sustainable developmental thrust, it is further noted that Government will continue with the "Look East" Policy to unlock the inflow of potential investment into the country. However, this new policy is yet to yield desired results since its implementation is still in progress. Furthermore, the ministry responsible for Small and Medium Enterprises was put in place but development of SMEs and their contribution the country's GDP seems to be below expectation. Some scholars blame sanctions on poor performance of SMEs while some attribute the same to policy inconsistency and bad governance (Campel, 2005).

Hansen, Rand and Tarp (2009) conducted a study that provided evidence on survival and growth of SMEs in Vietnam during 2006- 2012. The finding were supported by (Bass, (2012); Klepper, (2010); Audretsch, (2009)) who identify the determinants of survival, growth and performance to be innovation, firm size and age, diversification, ownership, location, degree of capital intensive production. Regarding innovative firms Bass (2012) postulates that technological and knowledge conditions determine the relative ease with which new firms are able to innovate and therefore survive and grow. Complementing this study, Audretsch (2009) suggests that technological opportunities are very important in the long run for new firm competitiveness. More specifically, considering the United States (U.S.) manufacturing sector in industries where small firms have a relatively higher innovation rate as compared to larger firms the survival and growth rate of small firms is higher. Agarwal and Audretsch (2010) also suggest that the relationship between the likelihood of survival and firm size is dependent on technology and on the stage of the industry life cycle. They note that exit hazard is greater in more innovative industries and evidence suggests that the probability of exiting is higher when industry unemployment is high.

Jovanovic (2008) focuses specifically on the issue of diversification and discusses how this can improve the probability of survival and growth. Gaining market power, avoiding risk, having access to funds, making products compatible and reaping efficiency gains are in his view some of the potential benefits from diversification. Jovanovic (2008) develops a general equilibrium model of the degree of diversification by firms, and it turns out that it is more efficient to make two products rather than one at a larger scale. Although evidence from developed countries is substantial it is not clear whether the above conclusions concerning firm dynamics carry over to developing countries. First of all, Tybout (2008) documents, in an excellent survey of the empirical literature concerning manufacturing firms in developing countries, that there is no serious scale inefficiency problem in developing countries. Survey based evidence suggests that the potential efficiency gains from increasing plant size are probably much smaller than one might think. Moreover, Söderbom and Teal (2010) show for firms in Ghana's manufacturing sector that human capital does not appear to be quantitatively important in determining productivity. Liedholm and Mead (2009) have made great efforts to uncover the characteristics of the African region. Using data from eight countries they confirm that firm age and firm size are important variables in analysing the enterprise life cycle. Location, composition of activities, labour force characteristics and gender of the entrepreneur also turn out as important determinants of firm survival and growth.

Jauch et al, 2009 look at five African countries, and his findings confirm that the level of human capital, location, sector, and gender are important determinants of growth. Consistent with the results obtained from analysing developed countries he also finds an inverse relationship between enterprise growth and firm age and size, respectively. In a related paper, Jovanovic (2008) theory of firm evolution does not hold in his sample of four African countries. Size and the probability of exiting the industry are not negatively related. Liedholm and Mead (2009) point out that the above theoretical models are somewhat limited in their choice of explanatory variables. There are other important variables, which may affect firm dynamics, and the key determinants of managerial ability are also left out. Consequently, in generating more comprehensive hypotheses about the determinants of firm survival and growth, the analyst must ultimately move beyond variables identified in the theoretical literature, seeking inspiration from empirical sources.

The general picture emerging from the above review is one of widespread support for the evolutionary theory of Jovanovic (2008). The probability of survival increases with size and age, but larger and older firms tend to experience

lower growth rates. Furthermore, it also appears that characteristics regarding the owner (education and gender), firm (location, ownership form and sector) and production (innovation, diversification in terms of demand and supply, and capital intensity) play an important role in explaining firm dynamics. In what follows, the researcher relies on the above framework to study SME firm dynamics in Zimbabwe. However, the above framework may not apply in Zimbabwe. It is therefore the importance of this study to come up with a framework that best suits and guarantee survival and growth of SMEs in Glenview Area 8 home industry. The development of viable and efficient SMEs is hampered by several constraints. The constraints may differ from region to region, between rural and urban, between sectors, or between individual enterprises within a sector. However, there are certain constraints that are common to all SMEs. According to Bass (2012), these common constraints include lack of capital, difficulties in procuring raw materials, lack of access to relevant business information, difficulties in marketing and distribution, low technological capabilities, high transportation costs, communication problems, problems caused by cumbersome and costly bureaucratic procedures (especially in getting the required licenses), and policies and regulations that generate market distortions among other problems.

According to Reserve Bank of Zimbabwe (RBZ) (2014) January Monetary Policy, SMEs account for significant economic activity and Bank encourages financial institutions and other stakeholders to increase their support to the SMEs sector. The Monetary Policy Report further notes that the prevailing status quo where 70% of the Zimbabwean population, mostly women, derives livelihood from agriculture further calls for special focus. It notes that smallholder farmers continue to be deprived of much needed agricultural funding as a result of constraints mainly related to lack of collateral. In addition, most smallholder farmers lack agricultural expertise. The RBZ (2014) Monetary Policy acknowledges that de-industrialisation of the economy has given rise to the influx of SMEs in the manufacturing sector which requires financial and technical support. The same holds for other SMEs in the various sectors of the economy. Against this background the Bank urges development partners and financial institutions to facilitate the provision of appropriate and affordable credit to SMEs through the establishment of soft funding schemes. The schemes should incorporate a capacity building component. In this regard, stakeholders are advised to take a cue from successful initiatives by some stakeholders that have made a significant positive impact on the livelihoods of communities. Developmental institutions should be adequately capacitated to provide support to the SMEs sector.

The other strategy for enhancing growth and survival of SMEs sector is that there is need to form clusters, pool risks together in order to stand a better chance of accessing the much-needed credit from banks (Kachembere, 2011). Clustering essentially, allows banks to develop an efficient tracking mechanism that is key for accountability purposes. Although it yet to be seen whether this strategy bears fruits, banks in Zimbabwe continue to stick to the issue of collateral security which has been viewed by stakeholder as one the factors derailing the growth and survival of small firms.

From the above it can be argued that SMEs who constitute a significant economic constituency face real, substantial and peculiar challenges that need to be tackled in a systematic manner. However, as highlighted in the RBZ (2014) January Monetary Policy, it is worth noting that some efforts by the government and other stakeholders to promote small businesses are being made through the SMEs ministry, SEDCO and other initiatives. Maseko et al (2012) adds that SMEs need tailor made business and technical training. The level of business management skills and knowledge that is required by a textile manufacturing SME that supplies Edgars and Power Sales is certainly different from that required by a vegetable vendor selling his/her wares at farmers' market hence the need for specifically designed training programmes that address the knowledge needs of their target audiences. There is also a dire need for each stakeholder in the SME sector to play its role fully. To begin with SMEs should formalize their businesses. Formalization means that business registration, licensing, opening of bank accounts, business record keeping, joining associations that look after their common interests and so on (Maseko et al, 2012).

3. METHODOLOGY

People operating small businesses at Glenview Area 8 have different perceptions on the implementation of SME policies in Zimbabwe and how these policies have impacted on the survival and growth of their businesses. For the reasons outlined above, this research shall be guided by the Constructivist/ interpretivist paradigm in evaluating the policies instituted by the Government of Zimbabwe in promoting the survival and growth of SMEs in Glen View Area 8. 50 questionnaires were circulated to entrepreneurs at Glen View Area 8, sample includes employees from the Ministry of Small and Medium Enterprises as well as Harare City Council employees. Interviews were also conducted to reach at an

evaluation of the policies instituted by the government of Zimbabwe to ensure the survival and growth of SMEs at Glen View Area 8. These were conducted in a complementary fashion to the quantitative aspects of the research. However, they were primarily targeted at the three (3) Ministry of Small and Medium Enterprises employees as well as the three (3) Harare City Council employees interviewed. The same were regarded to be custodians of the SME policies under review. Key informant interviews aimed to provide deeper insights into the obtaining policy positions on the sustainability of Small and Medium Enterprises.

4.   DISCUSSION OF FINDINGS

A total 50 questionnaires were distributed and 45 were returned. This represents 90% of the circulated questionnaires. From the 45 questionnaires distributed 29 of them had operated for periods under 3 years and this constitutes 64% of the total sample. This therefore entails that in general SMEs fail to survive beyond 3 years irrespective of the type of trade that is ventured into. 12 out of 45 had operated for 4 to 6 years, this represents 27% of those questioned. The remainder of 9% had operated for periods exceeding 7 years and below 9 years. None had survived in excess of 10 years. This implies that SMEs have not been able to survive their infancy stage while probability of survival according to Jovanovic (2008) increases with among others age. This substantiates the problem identified by the research where there was the need to evaluate if policies had an impact on the high death rate of SMEs. A total of 34 out of 45 respondents signifying 75% of the sample were in agreement that there are high prospects for future survival and growth of SMEs at Glen View Area 8. 18% were neutral to this assertion while three who represent 8% were in disagreement. The above is testimony to the general agreement that there are high prospects for future survival and growth for SMEs at Glenview Area 8. Some respondents, however, decry that such prospects were being hampered by challenges such as funding, equipment, space, competition and lack of government support. Bass (2012) weighs in by pointing out that some of the most common constraints facing SMEs include lack of capital, difficulties in procuring raw materials, Lack of access to relevant business information, low technological capabilities, difficulties in marketing and distribution as well as policies and regulations that generate market distortions.

From the 45 questionnaires which were returned 30 out of 45 (67%) respondents strongly disagreed that there are significant and consistent efforts on the government's part in the implementation of SME policies in Zimbabwe. Zindiye et al (2014) was also of the view that Zimbabwe was known for crafting brilliant policies while implementation was the main problem. 10 respondents agreed that SME policies received adequate implementation although it was generally cited that poor funding disrupted operations. 5 of the respondents remained neutral. Therefore the problem does not lie with policy formulation but rather implementation. The responses above indicate 67% inclination towards disagreement with the assertion that the government of Zimbabwe is expending enough effort in implementing policies crafted with the intention of ensuring the continued survival and growth of SMEs in Glen View Area 8. This finding coincides with the view of Campel (2005) in the literature review who points to SME policy implementation inconsistency as a major reason why SMEs in Zimbabwe are not contributing meaningfully to the country's GDP. The findings above clearly reflects that there is general agreement with the notion that SME policies impact significantly on the operations of SMEs in Glenview Area 8 as depicted by the 56% of respondents who strongly agree as well as 22% in agreement of the same notion. This notion is buttressed by Van Praag and Versloot (2007) who observe that developed countries like United Kingdom spent around 8 Billion pound on SMEs and entrepreneurship which is significant enough as it equates to budgetary provisions that are almost the same as sectors such as the police and academia. Likewise, it is expected that the government of Zimbabwe treats the issue of funding SME programmes with the priority they deserve to ensure that they are going concerns.

35 respondents constituting 78% of the responses were in strong agreement to the assertion that policy crafting in Zimbabwe is above board while its implementation needs a lot to be desired. 6 or 13% were in agreement with the same while none were neutral. 3 respondents which depict 7% disagreed while 1 that is 2% strongly disagreed to this assertion. The above clearly highlights general agreement toward the fact that there is craft literacy in Zimbabwe. However the government lacks on matters to deal with implementation of these policies, a situation which has negatively impacted on the survival and growth of SMEs at Glen View Area 8. This observation was also made by Zindiye et al (2008) in the literature who avers that Zimbabwe is well known for crafting brilliant and well thought policies although it has problems in the implementation.

Interviewees unanimously agreed in their view that Zimbabwe seemingly lags behind in as far as policy crafting (specific to SME survival and growth) and implementation is concerned. The fact that a ministry responsible for small and medium enterprises was instituted notwithstanding, policy directed at ensuring that SMEs are on the growth path and that they remain going concerns has remained hugely unimplemented. Citation of the SME policy framework was made by 2 interviewees who mentioned that the framework was on paper but had not been implemented since 2007. Five of the interviewees, however, were optimistic that the thrust of the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET) would yield a significant turnaround for the generality of SMEs at Glen View Area 8. The sixth respondent expressed pessimism with ZIMASSET arguing that tradition has proved that policy brilliance remains on paper. Mention was also made of policy shifts such as the Look-East campaign which presents potential opportunities to SMEs at Glen View Area 8 in particular and Zimbabwean SMEs in general. However, others also complained that they are yet to feel the contribution of such shifts to the viability of SME operations in Zimbabwe. Put differently, this could relate to lack of implementation of plans crafted for the purpose of SME survival and growth, and lack of financial recourses to support SMEs.

Several factors were cited by the interviewees as challenges bedevilling the operations of SMEs at Glen View Area 8 and Zimbabwe in general. Chief among them were issues such as capital availability, difficulties in procuring raw materials, low technological capabilities, and difficulties in securing permits and licences. Specific to the last challenge cited, entrepreneurs have experienced tough times at the hands of council authorities since when authorities called in those operating were found without permits and licences which resulted in a cat and mouse game between SME operators and the relevant authorities. Their views coincide with the assertion by Bass (2012) that the above mentioned constraints are the culprits at impeding SME growth and survival. Bass further cites lack of access to relevant business information, difficulties in marketing and distribution, high transportation costs, communication problems caused by cumbersome and costly bureaucratic procedures (in getting the required licences) as well as policies and regulations that generate market distortions as other issues disturbing SME growth and survival.

Interviewees suggested, as a strategy, that SMEs should seek financial and technical support. In their view, this could be achieved through partnering with financial institutions and development agencies. This helps in the facilitation of soft funding schemes as well as impartation of knowledge relevant to the furtherance of the SMEs' survival and growth aspirations. Interviewees further assert that these development partners should be adequately capacitated to provide support to the SMEs sector by creating an enabling environment devoid of strict government intervention and unnecessary politiking. Another strategy proffered by key interviewees was that, SMEs should group themselves so as to spread risk as well as to enhance their creditworthiness. This view is buttressed by Kachembere (2011), avers that clustering allows banks to develop an efficient tracking mechanism that is the key for accountability purposes. Interviewees also noted the need for specially designed training for the benefit of the varying SMEs. As noted by Maseko et al (2012) in the literature review, SMEs need tailor made business and technical training. This ensures that the same are adequately equipped and can introduce ideas into their businesses aimed at prolonging their survival in the sector.

It was found that there is inconsistency on the government's part in addressing SME concerns. This was evidenced by the absence of policy specific to SME operations. The researcher found that SMEs were catered for by macro-policies such as ZIMASSET which also seek to address a host of other areas of the economy. Under such settings, instead of SMEs being regarded for their worth, they are viewed as peripheral issues. The findings confirm the proposition that indeed SME policy implementation lacks considerably in Zimbabwe. This assertion draws credence from the fact that many SMEs are finding it difficult to survive and grow in the current environment. This finding is consistent with the observation by Zindiye et al (2008) that Zimbabwe is well known for coming up with brilliant and well thought policies but the problem has been on implementation.

Concerning policy inconsistency, it was found that government has not done enough to draw up policies that support the furtherance of the lives of SMEs in general and those at Glen View Area 8 in particular. This coincides with the view of Campel (2005) who points to SME policy implementation inconsistency as a major reason why SMEs in Zimbabwe are not contributing meaningfully to the country's GDP. This scenario is departed from that obtaining in developed economies. For example, Bass (2012) posits that SMEs in the European Union member countries receive direct support from local authorities and the government. He cites countries such as Poland and Bulgaria where SMEs are provided with training and advisory services, management, market information, credit access, exports promotions and the introduction of

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high-tech production. In contrast, the Zimbabwean situation seemingly places priority on other welfarist issues like national security, health, education, transport and others which the government regards as more important than SME related issues. Several challenges bedevil SMEs at Glen View Area 8. Chief among these were issues such as capital availability, difficulties in procuring raw materials, low technological capabilities, and difficulties in securing permits and licences. It was also found that issues to do with licensing presented serious challenges with council authorities and the Zimbabwe Republic Police (ZRP). These findings confirm the assertion by Bass (2012) that the above mentioned constraints generally affect SME growth and survival. Bass (2012) further cites lack of access to relevant business information, difficulties in marketing and distribution, high transportation costs, communication problems caused by cumbersome and costly bureaucratic procedures (in getting the required licences) as well as policies and regulations that generate market distortions as other issues disturbing SME growth and survival.

5. RECOMMENDATIONS

Based on the analysis of the study results, the study made a number of recommendations, which if carefully considered and implemented, would help address SME concerns and challenges at Glen View Area 8. First, the government of Zimbabwe should aim to prioritise SMEs the same way it regards other sectors of the economy like agriculture, mining, and security. This would see SMEs contributing significantly to the country's Gross National Product (GNP). It is also recommended that finance schemes favourable to the development of SMEs be crafted and that loan facilities be extended to them on relaxed terms. An institution that acts as a guarantor to the SMEs could also be established so that the SMEs are able to borrow from banks and access credit from suppliers. It is also recommended that training be availed to SMEs on how to professionally and ethically run their businesses. This could be augmented by technological support on the part of government to ensure that they contribute maximally to the wellbeing of the economy. It is also recommended that SMEs be encouraged to form clusters and pool their resources and risk together in order to stand better chances of accessing the much needed credit from financial institutions.

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