

Informal Entrepreneurship as a Poverty Alleviation Mechanism in Zimbabwe: Challenges and Prospects

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Abstract: Informal entrepreneurship is a source of livelihood which provides employment and income to poor households in Chitungwiza Municipality in Zimbabwe. The dominant entrepreneurial activities are street vending, foreign currency exchange, urban farming, and home industries and cross border trading. The research approach that underpins this study is a triangulation of qualitative and quantitative. A semi-structured questionnaire and an interview guide were the instruments used in collecting data. The study sample was made up of 156 respondents that comprised informal entrepreneurs, social workers, municipal officials and community development practitioners from Chitungwiza Municipality. The findings revealed that few informal entrepreneurs are benefitting whereas the majority are failing to improve household income due to stiff competition, limited funding, poor infrastructure and harsh municipal policies. The paper recommends that the government of Zimbabwe should build infrastructure (shelters) for the informal entrepreneurs in their designated area of work.

Keywords: *Vulnerable, Poverty, Basic needs, Informal traders, Entrepreneurship*

1. Introduction

This paper focuses on assessing informal entrepreneurship as a poverty alleviation mechanism among poor households in Chitungwiza municipality in Zimbabwe. Informal entrepreneurship is an old phenomenon that is currently evolving in different ways world-wide. In many developing countries, the economies are based on both the formal and informal sector. Sinha and Kanbur (2012), as cited by Njaya (2014:94a), observe that the terms formal and informal have been misused through being used interchangeably in policy circles. The failure of the formal economy to create employment for the masses has led to the growth and expansion of the informal sector in Zimbabwe. In previous years, many governments used to thwart the informal sector because it was regarded as the “cash in market”, “black” market and “shadow” economy “where counterfeit goods were manufactured; bribery was widespread, selling of illegal goods and corruption rampant” (Sandada, 2014). However, individuals conduct legitimate businesses and provide standardized goods and service to the consumer. Therefore, this led to the modification of the term informal sector to informal entrepreneurship.

Informal entrepreneurship is expanding rapidly in developing countries as a source of livelihood for generating income (Rukmann, 2007). This sector represents a movement of poor individuals who are working out means of breaking the chain of poverty in both rural and urban areas (De Soto, 2000). These individuals are embarking on different activities in which they provide goods and services directly to consumers. There are a lot of entrepreneurial activities done by individuals in urban cities. The Southern African Migration Program (2014:2) observes that informal activities have become the “the big stories in African cities”. The reason is that the cost of living is high, and all goods and services are monetarized in order to survive, which leads to scrambling and hustling for survival. In Zimbabwe, informal entrepreneurship is now the most dominant form of economy that many households are relying on to earn income. Studies conducted by Chirisa (2009) and Dube and Chirisa (2012) in Zimbabwe revealed that many entrepreneurial activities being conducted in urban areas targeted income generation for households. These include activities by street vendors, cobblers, hawkers, foreign currency exchange dealers, cross-border traders, and various home industries such as salons, renting out rooms to tenants, part-time jobs, urban farming, carpentry, sculpting, brick molding and street car washing (ZEPARU, 2014:12). However, these informal activities often face a myriad of challenges rising from government regulations, insufficient capital and lack of proper infrastructure among others. This paper therefore interrogates the effectiveness of informal entrepreneurship in generating employment and improving household income among the urban poor in Chitungwiza municipality. The paper begins with the problem statement, followed by an overview of the literature on informal entrepreneurship before the theoretical framework and methodology adopted are

presented. The findings are presented and these are followed by a discussion of findings, a conclusion as well as recommendations of the study.

Statement of the problem: The major socio-economic problems facing Zimbabwe are poverty and failure to reengineer various economic strategies to alleviate poverty among urban households. The decline in the economy of the country exacerbates poverty and high unemployment, which have led to the growth of informal entrepreneurship in Chitungwiza Municipality. Residents of Chitungwiza have since embarked on various informal activities such as street trading, foreign currency dealers, backyard industries, and urban farming as poverty alleviation strategies. These informal activities are meant to generate employment and increase household income among the vulnerable urban households. Nonetheless, due to 'harsh' municipal regulation policies, underfunding, stiff competition, poor infrastructure, informal entrepreneurship has failed to entirely mitigate poverty in Chitungwiza Municipality. Although informal entrepreneurs have faced many difficulties in Chitungwiza, there are opportunities (prospects) for reducing poverty and unemployment if stakeholders (government, NGOs Multi-National Corporations) intervene and provide funding and infrastructure to the many struggling entrepreneurs. The paper is, therefore, aimed at achieving the following objectives: to determine the extent to which informal activities or entrepreneurship served as poverty alleviation strategies and to explore the challenges encountered in informal entrepreneurship as well as the prospects of informal activities in Chitungwiza Municipality.

Theoretical framework: This paper is underpinned by the Sustainable livelihoods approach (SLA). The term 'sustainable livelihoods' seeks to explain the relationship between poverty and the environment (Scoones, 1998). The concept of "livelihood" was developed by Robert Chambers in the mid-1980s to enhance the efficiency of development cooperation (Kollmair and Gamper, 2002). The concept of livelihoods led to the development of the sustainable livelihood framework, which was further modified by the British Department for International Development (DFID). Krantz (2001) states the following as the principles of SLA: people centered approach, responsive and participatory, built on people's strength, holistic in nature, it links micro-macro levels and it calls for all stake holders to be involved in poverty alleviation. The theory of SLA is applicable to this paper because it draws a number of assets that people use in constructing their livelihoods. These assets include physical, natural, social and human capital resources. Furthermore, it provides a framework for assessing the direct and indirect effects on people's living conditions rather than applying one dimensional productivity or income criteria. By using the SLA, NGOs in Zimbabwe can be able to find out ways to sustain available livelihoods in a given place (Solesbury, 2003).

2. Literature Review

There are a lot of entrepreneurial activities done by individuals in urban cities. According to Labor Force Survey (2012), female entrepreneurs accounted for 50,3 percent of those who were employed in the informal sector engaging in livelihood activities at homes and on the streets, whereas 40.7 percent were males who embarked on entrepreneurial activities such as carpentry, welding and transport industry. However, the informal entrepreneurs encounter a number of challenges in their endeavor's to make ends meet in the entrepreneurial world. These challenges affect their livelihoods and households because they solemnly rely on those economic activities to derive income for home use. Therefore, the lack of income hinders the households in accessing basic needs such as food and clothing, this perpetuate poverty.

Challenges facing informal entrepreneurs: Munyanyi (2013:5) submits that the private sector (NGOs, Community Based Organizations, Multinational Corporations, Pressure groups) are failing to support informal entrepreneurs in Zimbabwe. They do not assist them either with loans or business knowledge because they lack collateral security. The private sector does not even help entrepreneurs with workshops on how to start up economic generating projects that are sustainable. Lack of private sector intervention in informal entrepreneurship has contributed to the inability of informal entrepreneurs to alleviate poverty. Ndiweni and Verhoeven (2013) observe that information delinquency is a barrier to successful informal entrepreneurship in Zimbabwe. Remarkable is the improvement in access to Information Communication Technology (ICTs) in most parts of the country and in the African continent as a whole. Despite the abundance of cell phones and social networks that can be used to preach the entrepreneurial gospel, most informal entrepreneurs are still encountering the obstacle of access to detail and reliable entrepreneurial

information. Munyanyi (2013) believes that many informal entrepreneurs in Zimbabwe have the capacity to expand; the only challenge is that their efforts are incapacitated by their failure to obtain the right information which is a recipe for successful entrepreneurship and poverty eradication in vulnerable households.

Ndiweni and Verhoeven (2013:3) argue that the failed or unrealistic government economic policies fueled the informal sector in Zimbabwe. Despite acknowledging the significance of informal entrepreneurship through establishing the Ministry of Small and Medium Enterprises, the government is still grappling with funding challenges (Ndiweni and Verhoeven, 2013). Maseko et al. (2012:58) observe that informal entrepreneurs require extensive and consistent financial support from the government to spearhead their activities. Maseko et al. (2012:58) reiterate further that informal entrepreneurs need support in research, marketing, financial management, information technology and quality assurance. These factors are vital in enhancing informal entrepreneurship in the country. Structural transformational and emergence of productive entrepreneurship, in the words of (Brixiova, 2010), are vehicles which can be used to regenerate employment and uplift the standards of citizens in Zimbabwe. The Chitungwiza Municipality Bulletin (2012:4) points out that Chitungwiza municipality have persistently failed to address health and environmental challenges emanating from raw sewage as a result of pipe leakages and bursts. These challenges have compromised the health of many residents and various informal entrepreneurs in the suburb as they are leading to diarrhoea and typhoid.

The Chitungwiza municipality has shown signs of weaknesses through its administrative structures, such as engineering to control sewer and reticulation services which have been barriers to achieving sound informal entrepreneurship. Most informal entrepreneurs are failing to find suitable places to trade or those with designated trading places are fast losing the client base due to poor sanitation on their marketing stalls (Chitungwiza Municipality Bulletin, 2012). For example, toilets at Town Centre shopping area, Chikwanha market and Makoni shopping area last had running water over 5 years ago. Mabeza and Mawere (2012:47) reiterate that the effects of climate change in Zimbabwe have impacted negatively on urban farming as an entrepreneurial activity in Seke. Mawere (2011) posits that recent research expresses serious concerns on the rate at which the world is undergoing what he terms "serious climate change" due to the rise in global temperatures. The IPCC (2001) reveals that the Third Assessment Report of the Intergovernmental Panel on Climate Change established that the global average temperatures will increase by 1.4 degrees to 5.8 degrees Celsius between 1990 and 2001 unless the level of gas emissions is reduced in Zimbabwe. For instance, the effects of climate change manifest themselves in Chinyanga and Fumisi villages in Seke communal lands where agricultural production has been relegated to ashes due to poor production.

Government response to informal entrepreneurship: The Government of Zimbabwe in 2005 unleashed a reign of terror popularly known as Operation *Murambatsvina* (Clean out trash) to get rid of all informal activities in major towns and cities (Harare, Bulawayo), which dealt a major blow to informal entrepreneurs. Crush et al. (2015:40) laments the destruction of all urban informalities such as squatter camps, illegal markets spazza shops, illegal cottages, back yard saloons and home industries. People's properties and livelihoods were destroyed by municipal police, exacerbating urban poverty in Seke, Makoni and Town Centre shopping centres in Chitungwiza (ZEPARU, 2014). The repressive approach taken by the Zimbabwean government towards informal entrepreneurship is contrary to other governments in Sub-Saharan Africa. Mozambique and Malawian governments embraced Informal Entrepreneurship as an integral part of the mainstream economy (Crush et al., 2015:40). Informal entrepreneurship in these states contributed to employment creation and improvements in household income.

3. Methodology

This study was conducted in Chitungwiza Municipality, which is located south-east of Harare, the capital city of Zimbabwe. Using a mixed methods approach which triangulated quantitative and qualitative approaches, systematic and purposive sampling techniques were used to draw respondents from 156 informal entrepreneurs in Seke. This approach sits well with this study since it allows the researchers to tackle the research problem holistically as postulated by Leedy and Ormrod (2013:259) and Creswell (2007). In-depth semi structured interviews and a semi-structured questionnaire were used to solicit data from informal

entrepreneurs and key informants in Seke. Interviews were essential in building rapport with participants as they participated freely in the study (Leedy and Ormrod, 2010) and supplemented the quantitative findings. Questionnaire surveys allowed the researchers to conceptualize Informal Entrepreneurship holistically from different perspectives. The qualitative data was analyzed using thematic analysis and quantitative data was analyzed using the Statistic Package for the Social Sciences (SPSS) software and results are presented using percentages with the help of diagrams. The collected qualitative and quantitative data are presented in such a way that they respond to the objectives of the study. The ethical issues that were observed are confidentiality, informed consent, voluntary participation and non-judgment.

4. Findings

We begin by presenting the biographic information regarding the respondents. The major findings include the dominant forms of informal activities, entrepreneurship and poverty reduction and the challenges faced by informal entrepreneurs. These are presented immediately after the demographic characteristics of the respondents.

Demographics: The demographic characteristics of the respondents are presented in figure 1 below.

Figure 1: Age group distributions across gender of respondents

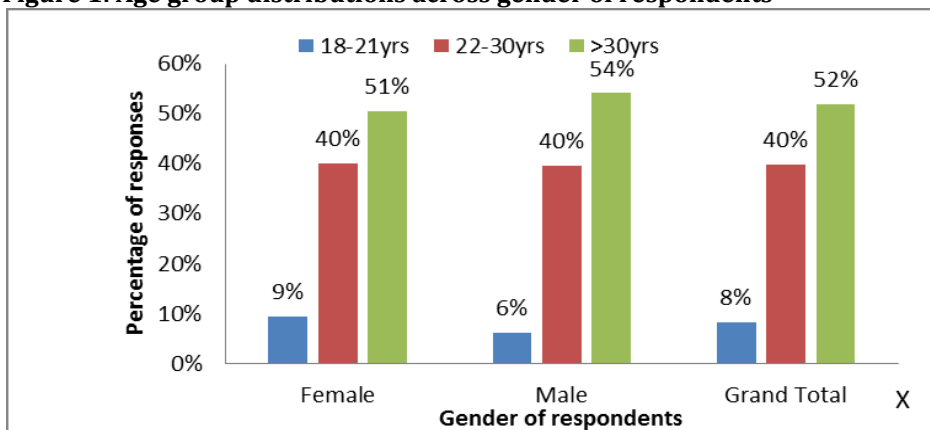
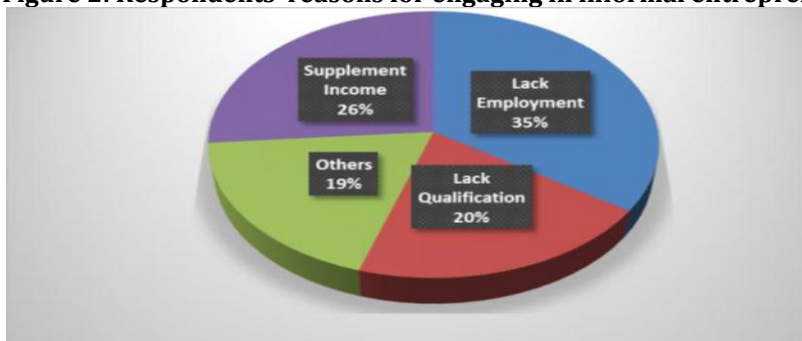


Figure 1 shows that there are various age groups, categorized by gender of the respondents, who took part in this study. The bar graph indicates that 52% of 150 respondents who took part in this study were above 30 years of age, 40% were aged between 22 and 30 years and 8 % were aged between 18 and 21years. It also shows that both males and females took part in this study. Also, individuals between the age group of 22-30, 40% were females and 40% were males and remaining 20% were ages above 30 years. Lastly, the age group of individuals 30 years and above indicated that 51% were females while 49% were males. The statistics above show that more females are involved in entrepreneurial activities and the age group of 30 years and above are tirelessly working for the betterment of their families. Figure 2 shows the reasons for engaging in informal entrepreneurship by the study respondents.

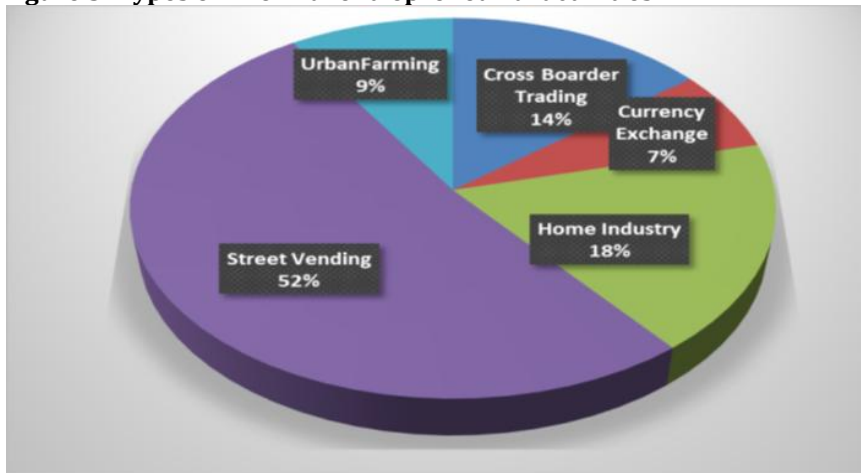
Figure 2: Respondents' reasons for engaging in informal entrepreneurship



The respondents provided various reasons that drove them into informal entrepreneurship. The pie chart shows that 35% of the study population elaborated that lack of employment led them to informal entrepreneurship whereas 26% stated that they wanted to supplement their income, 20% mentioned that lack of qualifications caused them to engage in these activities, and 19% did not disclose their reasons.

The dominant forms of informal activities: We also sought to establish the dominant type of informal activities carried out by the respondents. The results are presented in figure 3 below and include street vending, home industry, cross-border trade, urban farming and currency exchange.

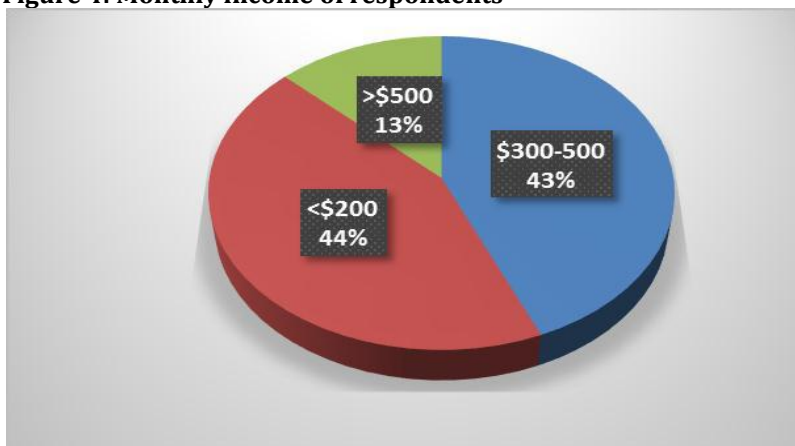
Figure 3: Types of informal entrepreneurial activities



The pie chart above indicates that 52% of the respondents are street vending, 18% respondents were into home industries, 14% were into cross-border trading, 9% were into urban farming, and 7% were into foreign currency exchange. Several were into more than one entrepreneurial activity, for example street vending and urban farming

Capitalization and income: In Chitungwiza Municipality, it is not easy to start up an entrepreneurial activity because of lack of funding. This is further aggravated by the fact that financial institutions regard informal entrepreneurs as risk borrowers because they lack collateral security. Furthermore, loan sharks provide high interest rates, which make it difficult for entrepreneurs to take loans because should they fail to pay they risk their goods being confiscated. The dominant form of obtaining a starting capital is from credit schemes, personal funds, remittances, friends and relatives. Moreover the profits they obtain per month differ based on the entrepreneurial activity one is embarking on; some get a lot of profits while others get very little. The monthly income of the informal entrepreneurs is displayed in figure 4.

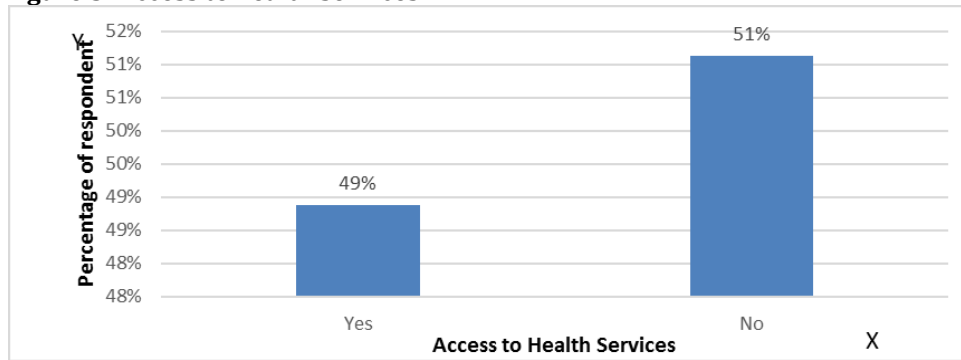
Figure 4: Monthly income of respondents



Legends: <\$200-Monthly Income less than US\$200, <\$300-500-Monthly between \$300-500, >\$500-Monthly Income greater than US\$500. As a source of employment, informal entrepreneurship is providing income to many households. The income generated depends on the livelihood activity one is doing. The pie chart above shows the profits entrepreneurs are making at the end of the month from their day-to-day operations. The figures above indicate that 44% of informal entrepreneurs in Seke, Chitungwiza Municipality are gaining profit of less than \$200 per month. Furthermore, 43% of informal entrepreneurs are gaining moderate profits that range between \$300-500 per month while 13% of informal entrepreneurs are gaining a profit of \$500 and above per month.

Informal entrepreneurship and poverty reduction: The perceptions of the respondents, based on their entrepreneurship as a poverty reduction mechanism, are presented in the figures written below: households' changes in food consumption, access to health facilities and perceptions on poverty reduction. Figure 5 shows the responses of individuals on how entrepreneurial activities are assisting them in alleviating poverty.

Figure 5: Access to health services



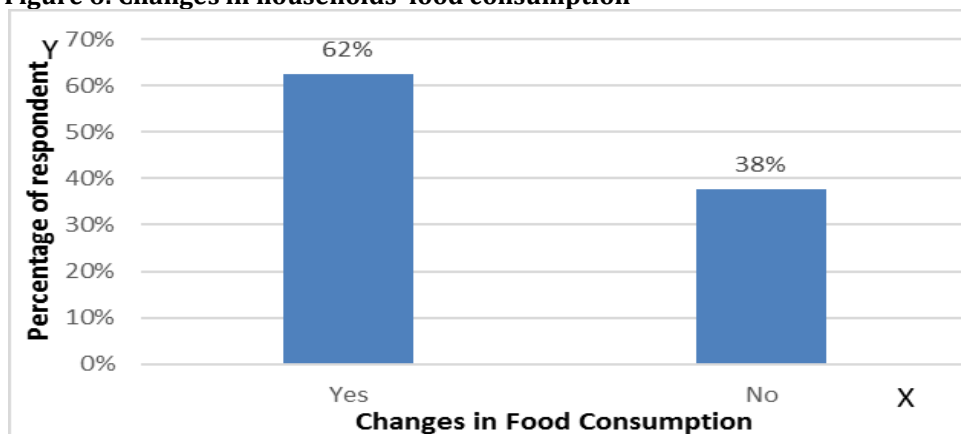
The researcher intended to get information on whether informal entrepreneurs and their households could afford health services. These services include medical treatment and dental check-ups. The findings show that 49% of the respondents could afford health services while 51% could not afford health services. Regarding access to health services, the participants revealed their frustration as portrayed by the following two excerpts:

When my children fall ill I take them to the prophets for spiritual healing because hospitals are too expensive. Imagine a child below 5 years is now paying for treatment; surely the priorities of our government are misplaced.

I travel over 2000km by road to Cape Town every week so that I earn an income for my family. Their well-being is of paramount importance to me. When it comes to their education, food and health I do not compromise, my children deserve better.

Changes in household food consumption as a result of informal entrepreneurship are presented in figure 6

Figure 6: Changes in households' food consumption



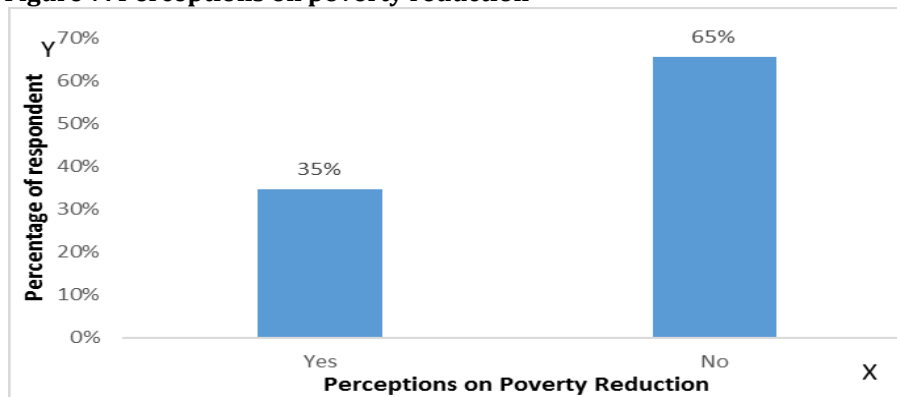
The researchers wanted to know whether there are diet changes in the households of informal entrepreneurs. The findings indicated that 62% agreed to have experienced a change in food consumption such as eating a balanced diet while 38% agreed that there was no change in their diet. On the changes in household food consumption, some informal entrepreneurs noted as follows:

My family is guaranteed never go to bed on an empty stomach. Every day I go to Chikwanha green market, I always bring tomatoes, fruits and meat for my family. If the customers do not buy from me, I do not lose anything because I will cook those produces for my family (Street vendor)

My children know that they do not have freedom to choose what to eat. If they do not like what is cooked they will go to bed hungry. I earn less than \$200 per month and if combined with my wife's part time income, it's not enough to cover rentals, amenities, school fees and to eat luxurious food. We only eat to have energy for work (Urban farmer).

We also sought to know from the respondents their perceptions regarding how informal activities had helped in poverty reduction. The findings are shown in figure 7.

Figure 7: Perceptions on poverty reduction



A general question was asked to the respondents on whether informal activities in Chitungwiza Municipality were reducing poverty or not. The informal activities referred to are street vending cross-border trading, home industries and foreign currency exchange. The findings indicate that 35% of the 150 respondents interviewed argued that informal activities were reducing poverty while 65% indicated that informal activities were not reducing poverty. The qualitative findings show something similar to the quantitative findings. The following excerpts are from some of the participants:

As for us green vendors we are in absolute poverty. Most of us earn not more than \$5 per day. We have families and relatives who depend on us for food, shelter, education and other necessities. We are not working to reduce poverty but to survive only (Street vendor).

If you go around locations such as Unit D, L, E and L you will see that people are living in dilapidated houses, children are going to school on empty stomachs but the parents are doing different informal activities. This shows that poverty is still there and is affecting the well-being of families (Poultry keeper).

The problems faced by informal entrepreneurs, as indicated by the participants above, included inappropriate shelter, rising educational demands and extended family commitments. A Social Worker elaborated that:

Many children are not going to school, those who are sick are being nursed at home and the physical well-being of elderly people is deteriorating. This shows that poverty is still persisting in this Municipality because households are lacking access and means to basic needs.

As a result of the many challenges, many children were out of school and many cannot afford medical bills. A Community development practitioner who participated in this study pointed out that entrepreneurial activities were no longer profitable as more and more people were engaging in these activities. This was due

to the wave of retrenchments that swept through Zimbabwe since the year 2015 (Mucheche, 2017) and increasing unemployment levels. The participant said:

Alleviating poverty in Chitungwiza is still a long way to go, because almost everyone is engaged in entrepreneurial activities and it's no longer profitable. Adults frequently visit our offices asking for food, school bursaries and clothes for their children.

The above responses commonly concur that informal entrepreneurship is fast losing its momentum or popularity as a poverty alleviation strategy due to increased competition from other entrepreneurs. The informal sector is no longer lucrative due to retrenchments in the public and private sector. Many people soon entered the informal industry which is already infested, thereby increasing competition of the same range of products thus losing the clientele of customer base to those already in the industry.

Challenges faced by informal entrepreneurs: At the peak of high unemployment and poverty, informal entrepreneurship has been widely embraced by several struggling households; however, several challenges are being met in an effort to generate household income. Some of the participants reported as follows:

The Zimbabwe Revenue Authority (ZIMRA) is making our lives very difficult and unbearable. Everything that we import they want u to pay duty, even if it is basic commodities. I have resorted to paying the bus conductors extra money so that they can bribe the ZIMRA Officials at Mussina Border Post (Cross border trader).

I was once out of business for some months when a female cross-border trader defrauded me of R22000 when she gave me \$2000 USD fake notes. I have recently resorted to the use of a torch scanner which detects fake money (Foreign currency trader).

It should be pointed out that some of the environments where these informal activities take place are very unhygienic. A case in point is that shown in figure 8 below.

A vendor elaborated on the issue of unhygienic working environments by stating;

There is no proper sanitation in this area, toilets are blocked, no tap water, garbage bins are not collected and the sewage pipes are bursting. Flies are all over our green products and this makes our customers vulnerable to diarrhea and typhoid (Street vendor).

Figure 8: Shows lack of hygiene in informal entrepreneurship



Cases of typhoid and cholera have been recorded in Harare and Chitungwiza almost on a yearly basis (Masunda, Chonzi and Mukeredzi, 2017). Further, infrastructure challenges were also cited by participants and an instance is depicted in figure 9 below:

Figure 9: lack of proper infrastructure to conduct informal entrepreneurship



Some of the challenges reported by the informal entrepreneurs alongside infrastructural problems were; stiff competition, which reduced profit margins; harassment by law enforcement officials; high cost of trading licenses and inability to secure start-up capital. The following excerpts summarize these challenges:

I do not have proper shelter in which I can protect myself and my goods from extreme weather conditions. Most of the times I have flu throughout the year and my products are affected by extreme sun and rain. I can't put a permanent structure because we are prohibited by the municipality, which is why we put these temporary shacks (Street vendor).

Competition is now stiff in this business and it has negatively affected my profit margins. I used to sell a crate of eggs for \$4,00 USD but I reduced to \$3,00, a full chicken used to be \$8,00 USD but now its \$6,00 USD (Street vendor)

A Community development Practitioner told the researchers that most informal traders reported negatively about their contact with council officials. The participant said;

Informal traders who visit our organization complain about harassments and bribery from the Municipal Police. The reasons being they do not have trading licenses and are operating in an undesignated areas.

Apparently, council officials took advantage of the fact that informal traders did not have trading licenses to cash in on them through demanding bribes and, in cases where traders failed to bribe officials the officials raided the vending stalls. This has also been documented by recent literature, for example Njaya (2014b).

The situation described above is compounded by the license application fees charged by the municipality. One municipal official reported that;

Informal traders complain about high levies being charged for trading license. Also they elaborate that the whole process is complicated and it takes 8-10 months to finally get the trading license

The period between the initial application for a license and finally getting the license is too long as the trader continues to face harassment from the municipal police. At the same time traders will be facing challenges establishing their businesses and, as reported by one social worker, most traders *“who visit our Department will be seeking loans to start up or boost their projects”*. Together, these issues compound the situation of informal entrepreneurs.

Discussion: The findings depicted that more females aged above 30 years were engaged in informal entrepreneurial activities as compared to men. A closer scrutiny makes one argue that gender bias is still prevalent in the current labor market as more females are involved in informal activities than males. The results from Ndiweni (2014:3) also show that women dominate in informal entrepreneurship probably due to misconceptions by men that street vending, among other informal entrepreneurial activities, are female jobs. Furthermore, entrepreneurial activities remain the only sustainable livelihood strategy to improve their household income. Deducing from the findings, it appears that most people joined informal entrepreneurship because of unemployment. This finding is not peculiar to the Zimbabwean situation since in other countries

lack of employment is the dominant factor that drives people into informal entrepreneurship. This is supported by a study done by Tanga (2009) in Lesotho where a large number of people in street trading have been driven because of lack of employment. This shows that there is a common trend or pattern in terms of unemployment since it is the root cause that triggers informal entrepreneurship, especially in third world countries.

The findings of this paper revealed that urban farming, cross boarder trading, street trading, foreign currency exchange and home industries are the dominant entrepreneurial activities being done in Chitungwiza Municipality. These findings collate with a study done by Njaya (2014a), which revealed that economic activities done in urban metropolitans are of small scale and they require little or no skills with low starting up capital. A study done by Khosla (2010) revealed that street vending in Latin America constitutes 79% in Hanoi and 65% in Ho Chi Minh City. Johnson (2014) expanded more on urban farming as a source of livelihood, which means that not all livelihood activities are done in all countries, but individuals embark on livelihood activities that provide goods and services on demand by their customers. In Chitungwiza, respondents indicated that stiffer competition, municipal raids, high levies and tedious process of applying for a hawkers license, lack of shelter, poor sanitation and theft, just to mention a few, hindered informal entrepreneurship. A study by Pzhekova and Williams (2014) in Bulgaria noted that informal traders were faced with lack of capital, a lot of challenges in getting permits and licenses and high levies, and these prohibited them to transform into the formal sector. Ndiweni (2014:6) corroborates the findings when he ascertains that informal traders in Bulawayo Metropolitan in Zimbabwe encountered the above mentioned challenges and "stiffer competition" was the most dominant challenge in this sector. Njaya (2014a) attests to the findings when he indicates that informal traders in Harare Metropolitan municipality trade their goods and services in streets, pavements and on any available open space that they see as lucrative to attract customers, hence they are always in conflict with the municipal police.

At the height of economic downturn in Zimbabwe, this study observes that informal entrepreneurship is perceived as an income generating activity by poor households. The findings point out that 44% are earning \$200 and below 43% are earning \$300-500 while 13% are earning above \$500 per month. These results show that informal entrepreneurs are working hard in spite of the hindrances they are encountering. The Zimbabwe Statistics (2016) asserts that the total Consumption Poverty line (TCPL) that a household with an average of 5 people should spend is at least \$552, 00 per month. Nonetheless, considering the income obtained by informal entrepreneurs per month, the researcher deduced that more households that were relying on informal activities to support their households often lacked other basic necessities due to inadequate funds. The findings of this study have shown that informal entrepreneurship has a long way to go in alleviating poverty in Chitungwiza Municipality. This is supported by the results of this study which revealed that 65% of 150 respondents in this study agreed that informal activities are not alleviating poverty. The reasons respondents gave in support of their argument have weight because the informal sector needs to be complimented by the formal sector in order for poverty to be alleviated, and for economic growth and development to be achieved. Ndhlovu (2011:20) affirms that informal activities are merely survival strategies by individuals who failed to get employment in formal sector. This shows that their efforts will be focused on just meeting the immediate needs for survival.

5. Conclusion

Based on the findings of the paper, it has been observed that informal entrepreneurship does not entirely alleviate poverty in Chitungwiza Municipality. This is supported by the findings which showed that the participants' efforts and sacrifices in their informal activities were not tallying with the profits they were earning on a monthly basis. The low profits being earned have a negative impact on the standard of living for households. This means that not all households have adequate means and access to basic necessities such as food, shelter, clothing, education, health services and investment. Therefore, it can be deduced that the majority of households in informal entrepreneurship are still living in poverty. The paper discovered that to a lesser extent, informal entrepreneurship was alleviating household poverty as supported by few participants who expressed improvements in their standards of living. The paper also noted that some of the informal activities that are lucrative, require a lot of capital injection and skills, hence those individuals who manage to

break through enjoy the advantage of low competition and high profit margins. This allowed them to have means and access to all basic necessities for their households.

Recommendations: The following recommendations were derived from the main findings of the paper. In the formulation of informal entrepreneurship policies and frameworks, there should be a consultative process whereby all stakeholders are involved. The stakeholders include entrepreneurs, Local government and the Department of Social Welfare. The inclusion of relevant parties instills a sense of “ownership” of that policy or framework on the minds of entrepreneurs. The local government should develop infrastructure that supports informal entrepreneurship. This includes building market stalls that will protect traders and their commodities from bad weather and theft. Furthermore, the local authority should provide proper sanitation, which includes inter alia building and renovating public toilets, collection of garbage and construction of boreholes and providing tap water. This will reduce health problems such as diarrhoea and typhoid and increase hygiene standards. The relevant stakeholders should train informal entrepreneurs in current business management skills so that they can be able to cope, adjust and adapt to the prevailing economic crisis. Furthermore, Informal entrepreneurs should work with stakeholders such as the Environment and Management Agency and the Municipal Police in establishing a clean and safe environment for business activities. The government of Zimbabwe should include informal entrepreneurship in their national budget. This allows the informal entrepreneurs to have access to loan facilities with low interest rates as compared to those offered in the private sector that actually perpetuate poverty instead of assisting them to alleviate poverty.

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