

**CRITICAL ANALYSIS OF THE CHURCH'S RESPONSE TO THE
DEVELOPMENT OF THE INFORMAL ECONOMIC SECTOR IN THE CITY
OF BULAWAYO, ZIMBABWE**

by

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ABSTRACT

This thesis examines the informal sector of the economy in Bulawayo, Zimbabwe, and the role the church can play in assisting those who are involved.

In describing the nature of the informal economic sector the thesis investigates the reasons for the existence of the informal sector, namely the economic structural adjustment programme, unemployment, land and climatic conditions in Bulawayo, post-independence political disturbances and easy entry into the industry; the types of the sector, namely, manufacturing and wholesaling, which has the clothing, steel and furniture manufacturing industries; the retail sector, which has the vegetable vending and the flea markets; and the service sector, which has the foreign currency traders and other activities such as television, radio and shoe repairs, prostitution, shebeens and pirate industries. The impact the informal sector has on established business has also been considered, and the role of the funders of the informal sector. Particular attention is drawn to the problems of the informal traders, which are identified as lack of legal protection and freedom of operation, lack of training, lack of access to business and marketing information, lack of credit facilities, lack of quality merchandise, the fact that it is considered illegal business, the problems of foreign currency, fuel shortage and high prices, lack of sanitary conditions, lack of adequate support from the city authorities, lack of equipment and lack of social security.

The thesis then presents an argument for the church's involvement in assisting people engaged in the informal economic sector, with a reflection on the Biblical tradition and the concept of humanization.

The projects of the Uniting Presbyterian Church in Southern Africa are discussed and attention is drawn to the background history of the activities and administration of the projects, the problems encountered and the way forward.

Finally, the thesis proposes eight key strategic initiatives that the church can take. These are the change of attitude of the church in order to meet the needs of the church, advocacy to government, advocacy to banks and financial institutions, by establishing financial support for the informal industry, by supporting organizations such as BUTA and the formation of the National Association of the Informal Sector, by offering training and mentorship, by giving support and counselling and finally by giving of the church's own facilities where necessary and appropriate.

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The author is equally indebted to Professor Neville Richardson, lecturer and head of the School of Theology at the University of Natal, Pietermaritzburg, for his concern, experience and wisdom. Finally, the contribution of his supervisor, Dr Steve de Gruchy, for his constructive criticism of the document, and for his guidance, patience and time he devoted to the compilation of this thesis.

DEDICATION

To my wife, Victoria, and my daughter, Nyasha Grace, for their love, encouragement and support.

DECLARATION

I hereby declare that the whole thesis, except where specifically indicated to the contrary in the text, is my original work.

A handwritten signature in blue ink, appearing to read 'Chatikobo'.

Rev. S. Chatikobo

ACRONYM LIST

BITA	Bulawayo Informal Traders' Association
BUTA	Bulawayo Upcoming Traders' Association
CABS	Central African Building Society
CADEC	Catholic Development Commission
CBZ	Commercial Bank of Zimbabwe
CCJPZ	Catholic Commission for Justice and Peace in Zimbabwe
ECF	Employment Creation Fund
ESAP	Economic Structural Adjustment Programme
GYBY	Generate Your Business Idea
IES	Informal Economic Sector
ILO	International Labour Organization
IYB	Improve Your Business
MYECC	Ministry of Youth Employment and Co-operatives
MISSEP	Micro and Small Scale Enterprise Promotion Programme
NAIS	National Association of the Informal Sector
ZANU PF	Zimbabwe African National Union Patriotic Front
SEDCO	Small Enterprise Development Cooperation
SYB	Start your Business
UANC	United African National Union
UITA	United Informal Traders' Association
UNMD	United Nations Millennium Declarations
UPCSA	Uniting Presbyterian Church in Southern Africa
UPCSACA	Uniting Presbyterian Church in Southern Africa Christian Aid
WVI	World Vision International
YWCA	Young Women's Christian Association
ZANLA	Zimbabwe African National Liberation Army

PF ZAPU	Patriotic Front of the Zimbabwe African Peoples Union
ZCC	Zimbabwe Council of Churches
ZCTU	Zimbabwe Congress of Trade Union
ZNCC	Zimbabwe National Chamber of Commerce
ZRP	Zimbabwe Republic Police
ZUPCO	Zimbabwe United Passenger Company

TABLE OF CONTENTS

ABSTRACT -----	ii
ACKNOWLEDGEMENTS-----	iv
DEDICATION-----	iv
DECLARATION-----	v
ACRONYMS-----	vi
LIST OF MAPS: MAP 1-----	3
MAP 2-----	20
MAP 3-----	23
MAP 4-----	26
MAP 5-----	36
CHART: Fig 1-----	27

CHAPTER ONE

1.1 Introduction-----	1
1.2 Location of study-----	2
1.3 The meaning of the word church in the present context -----	4
1.4 Motivation -----	5
1.4.1 <i>Personal motivation</i> -----	5
1.4.2 <i>Academic motivation</i> -----	6

CHAPTER TWO

THE NATURE OF THE INFORMAL ECONOMIC SECTOR

2.0 Introduction -----	8
2.1 Definition of the informal economic sector-- -----	8
2.3 What are the characteristics of the informal economic sector-----	10
2.4 The issue of gender and the informal sector-----	11

2.5	Statistics of the informal sector-----	12
-----	--	----

2.6 CAUSES OF THE DEVELOPMENT OF THE INFORMAL SECTOR

2.6.1	<i>Introduction</i> -----	13
2.6.2	<i>Economic structural adjustment Programme</i> -----	13
2.6.3	<i>Unemployment</i> -----	15
2.6.4	<i>Land and climatic conditions in Bulawayo</i> -----	16
2.6.5	<i>Post-Independence political disturbances</i> -----	17
2.6.6	<i>Easy entry into the industry</i> -----	18
2.6.7	<i>Analysis</i> -----	19

2.7 TYPES OF INFORMAL ECONOMIC SECTOR

2.7.1	<i>Introduction</i> -----	20
2.7.2	<i>Manufacturing and wholesaling</i> -----	20
2.7.2.1	<i>Clothing manufacturing</i> -----	21
2.7.2.2	<i>Steel manufacturing</i> -----	21
2.7.2.3	<i>Furniture manufacturing</i> -----	21
2.7.2.4	<i>Analysis</i> -----	22
2.7.3	<i>The retail sector</i> -----	22
2.7.3.1	<i>Vegetable vending and areas of operation</i> -----	22
2.7.3.2	<i>Flea market business and areas of operation</i> -----	23
2.7.4	<i>The service sector</i> -----	24
2.7.4.1	<i>Foreign currency traders</i> -----	24
2.7.4.2	<i>Other activities under the service sector</i> -----	25
2.7.4.3	<i>Analysis</i> -----	27

2.8 HOW DO THE ACTIVITIES OF THE INFORMAL ECONOMIC SECTOR AFFECT ESTABLISHED BUSINESSES IN BULAWAYO?

<i>2.8.1 Introduction</i> -----	28
<i>2.8.2 Relaxed credit facilities</i> -----	28
<i>2.8.3 Some supermarkets closed their vegetable stalls</i> -----	29
<i>2.8.4 Closure of National Foods Milling Company–Bulawayo branch</i> -----	29
<i>2.8.5 Suspension of operations in some city routes</i> -----	30
<i>2.8.6 Analysis</i> -----	30

2.9 THE PROBLEMS OF THE INFORMAL TRADERS IN BULAWAYO

<i>2.9.1 Introduction</i> -----	31
<i>2.9.2 Lack of legal protection and freedom of operation</i> -----	31
<i>2.9.3 Lack of training</i> -----	32
<i>2.9.4 Lack of access to business and marketing information</i> -----	32
<i>2.9.5 Lack of credit facilities</i> -----	33
<i>2.9.6 Lack of quality merchandise</i> -----	34
<i>2.9.7 The question of illegality</i> -----	34
<i>2.9.8 Problems of foreign currency, fuel shortage and high prices</i> -----	35
<i>2.9.9 Lack of sanitary conditions</i> -----	35
<i>2.9.10 Lack of adequate support from city authorities</i> -----	36
<i>2.9.11 Lack of equipment</i> -----	37
<i>2.9.12 Lack of social security</i> -----	37

2.10 THE INFORMAL SECTOR FUNDERS

<i>2.10.1 Introduction</i> -----	38
----------------------------------	----

2.10.2	<i>The Ministry of youth employment creation and co-operatives (MYECC)</i> -----	38
2.10.3	<i>The Commercial Bank of Zimbabwe</i> -----	39
2.10.4	<i>The Small Enterprise Development Corporation (SEDCO)</i> -----	40
2.10.5	<i>The Zambuko Trust Limited</i> -----	41
2.10.6	<i>The Zimbabwe National Chamber of Commerce (ZNCC)</i> -----	42
2.10.7	<i>The Bulawayo Upcoming Traders' Association (BUTA)</i> -----	42
2.11	CONCLUSION -----	44

CHAPTER THREE

THE CHALLENGE FOR THE CHURCH

3.0	Introduction -----	45
-----	---------------------------	----

3.1 WHY THE CHURCH SHOULD BE INVOLVED IN HOLISTIC MINISTRY

3.1.1	<i>Introduction</i> -----	46
3.1.2	<i>The Biblical prophetic tradition</i> -----	46
3.1.3	<i>Jesus' ministry was not only spiritual</i> -----	48
3.1.4	<i>Being a prophetic church</i> -----	49
3.1.5	<i>The church has to meet the needs of the people</i> -----	52
3.1.6	<i>The missionary legacy</i> -----	53
3.1.7	<i>The church as a primary group</i> -----	54
3.1.8	<i>The challenge to the church</i> -----	56

3.2 WHAT SHOULD BE THE VISION OF THE CHURCH: TO PROMOTE HUMANIZATION OF THE PEOPLE THROUGH SUPPORT OF THE INFORMAL ECONOMIC TRADE

<i>3.2.1 Introduction</i> -----	57
<i>3.2.2 What is humanization?</i> -----	57
<i>3.2.3 Humanization through non-categorization</i> -----	58
<i>3.2.4 Humanization through capacity building</i> -----	59
<i>3.2.5 Humanization through empowerment</i> -----	60
<i>3.2.6 Humanization through training</i> -----	61
<i>3.2.7 Humanization through legal rights and support</i> -----	62
<i>3.2.8 Humanization through moral development</i> -----	63
<i>3.2.9 Analysis</i> -----	64

CHAPTER FOUR

ONE CHURCH'S ATTEMPT TO MAKE A DIFFERENCE: ANALYSIS OF THE UNITING PRESBYTERIAN CHURCH OF SOUTHERN AFRICA'S CHRISTIAN AID

4.0 Introduction -----	65
4.1 UPCSA'S CHRISTIAN AID ACTIVITIES	
<i>4.1.1 The purpose of its activities</i> -----	66
<i>4.1.2 Background History and its Activities</i> -----	67
<i>4.1.3 Pre-school projects</i> -----	68
<i>4.1.4 Self-help projects</i> -----	69
<i>4.1.5 Supervision of projects and responsibility of projects committee</i> -----	71
<i>4.1.6 Problems of self-help projects</i> -----	72

4.1.7	<i>The way forward</i> -----	72
4.1.8	<i>Analysis</i> -----	74

CHAPTER FIVE

HOW THE CHURCH (OTHER DENOMINATIONS) COULD ENGAGE IN THE INFORMAL BUSINESS

5.0	Introduction -----	75
5.1	The change of attitude in order to meet the needs of the poor -----	75
5.2	Advocacy to government	
5.2.1	<i>Advocacy to local government (Municipality)</i> -----	77
5.2.2	<i>Advocacy to government policies</i> -----	78
5.2.3	<i>Advocacy to political leaders who use informal traders for vote capturing</i> -----	79
5.2.4	<i>Advocating for the deregulation and removal of some laws</i> -----	80
5.3	Advocacy to banks and financial institutions -----	81
5.4	By establishing financial support for the informal industry -----	83
5.5	Support	
5.5.1	<i>Existing organization such as BUTA</i> -----	84
5.5.2	<i>The establishment of the National Association of the informal sector</i> -----	85
5.6	Training and mentorship -----	86
5.7	Support and counselling -----	88
5.8	Use of own facilities where necessary and appropriate -----	89
5.9	Analysis -----	90

CHAPTER SIX

6.	CONCLUSION-----	93
7.	BIBLIOGRAPHY -----	94

CHAPTER ONE

1.1 INTRODUCTION

The informal economic sector is one of the major economic areas which is growing rapidly, especially in Third World countries. In many African countries the informal sector is regarded as *the* means of survival of poor communities.

Zimbabwe is no exception. Many people work in the informal sector. They are joining this sector because of the economic hardships currently being experienced in the country. In Bulawayo, the second largest city in Zimbabwe, the informal industry is demonstrating that it is a sustainer of the poor. This is why the present author has deliberately decided to analyze critically the development of the informal industry in the city of Bulawayo and the role which the church is playing.

Chapter One deals with four issues, namely the general introduction of the thesis, the location of study and the definition of the church. This will be followed by a description of factors which have motivated the present research on the informal economic sector.

Chapter Two seeks to deal with eight issues, namely: the definition of the phrase “informal economic sector”; the characteristics of the informal economy; the statistics of the informal economic sector in Bulawayo; the causes of the development of the informal economic sector in Bulawayo; the problems which informal traders are encountering in their business; and the type of activities which traders are involved in. The effects that the informal economic sector has had on the established businesses will also be considered. Lastly, the financial organizations behind the success of the informal economy in Bulawayo will also be analyzed.

Chapter Three will cover the informal economic sectors development as a challenge to the church. This chapter has two major issues to consider, namely how the church’s holistic ministry could promote humanization of poor people by its involvement in the informal industry and how the informal economic sector as an industry is failing to be legitimately recognized. How the church could assist the informal economic sector to become a legitimate economic programme in the city of Bulawayo will be discussed.

The fourth chapter of this thesis specifically analyses the Christian Aid Programme of the Uniting Presbyterian Church in Southern Africa. The UPCSA has a programme of assisting its members in developing small-scale, self-help projects. This is an example of one church denomination's involvement in the programme of the informal economic sector's development. The question is raised whether or not the UPCSA's self-help project scheme can be regarded as a development of the Church's engagement with the informal trade?

Chapter Five proposes how other church denominations could participate in the informal economic sector. This follows the serious issues raised in Chapter Two which are hindering the development and growth of the informal economic sector. There is need to establish ways of involving the church in the informal economy. There is a need to change the church's attitude towards business and small business. The church could be of great assistance to the informal traders through helping with training, mentorship and counselling.

The present author points out that political, religious and economic institutions should participate in assisting the development¹ of the informal industry and of humanity and in the empowerment² of poor urban communities. The author will be calling on the church (through its ecumenical body, the Zimbabwe Council of Churches) to participate in support and promote the development of the informal economic sector in all ways possible.

1.2 LOCATION OF STUDY

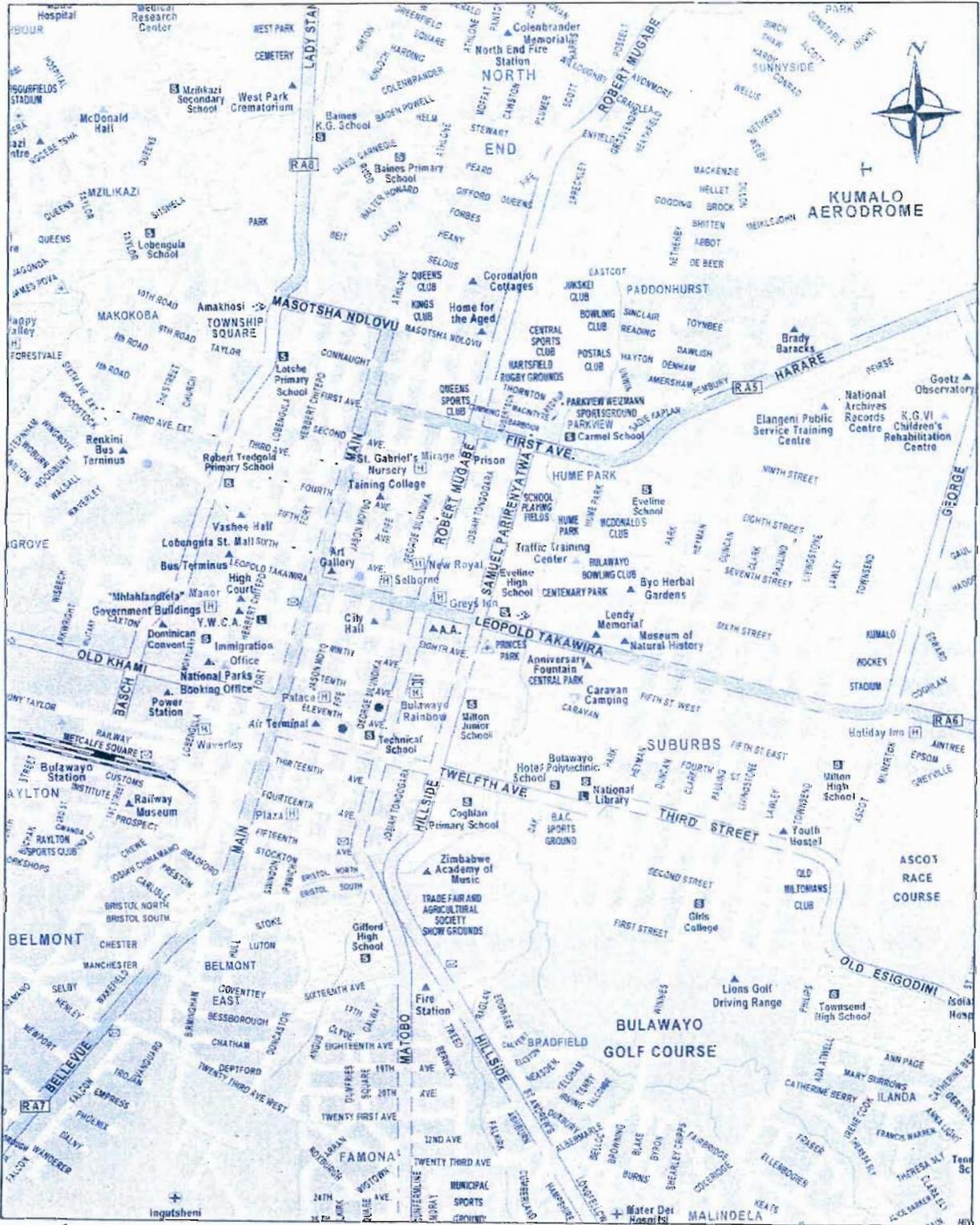
The location of the present study is the city of Bulawayo, the second largest city in Zimbabwe. Bulawayo is in the south west part of the country. Its population is over a million people, who are Ndebele-speaking. It falls within the region of Matabeleland South, which includes the districts of Matopos (Kezi), Gwanda, Beitbridge and Plumtree. It is nearer to the

¹ Development is a process by which members of a society increase their resources to produce sustainable and justly distributed improvement in their quality of life, consistent with their own aspirations see De Beer, F 1997. *Participation and Community Capacity Building in Liebenberg and Stewart (eds), Participatory Development Management and the RDP*, p 92. Cape Town: Juta.

² Empowerment aims to promote the human being and, in particular, the poor or the oppressed human being. It releases people from the poverty trap see Swanepool, H and De Beer, F 1998. *Community Development and Beyond: Issues, Structures and Procedures*, p25,27. ACADEMIC. Van Shaick JL.

two main boarder crossing of Plumtree to Botswana and Beitbridge to South Africa. This factor has contributed to the development of the cross-border trade of the informal sector. Below is the map of the city of Bulawayo.

Map 1: City of Bulawayo



1.3 THE MEANING OF THE WORD CHURCH IN THE PRESENT CONTEXT

The term “church” is widely used in several contexts referring to either the leadership of the church, the ecumenical organization or the local congregation. It is important that we understand the meaning of the word church as it is used in this paper. According to Davids & Martin (in the Dictionary of the Later New Testament and its Development):

The church is to be thought as the “Christian Community” because the early Christians were one in understanding that while men and women individually come to faith in Christ, this involved by definition becoming part of the family of the God, open to all people everywhere (1997:195).

Brown agrees with Rasmussen that:

The Greek word for church is Ekklesia which represents the Hebrew term qahal which means an assembly. Qahal occasionally stands for the whole congregation of the people to conclude the covenant as what happened at Mt Sinai (cf Duet 9:10; 10:4) (Brown 1975:293; Rasmussen 1987:20).

The church is called an assembly or a community of people. Yet Yoder goes further than thinking of a church as an assembly. He believes that:

The church is herself a society. Her very existence, the fraternal relations of her members, their ways of dealing with their differences and their needs are, or rather should be, a demonstration of what love means in social relations (1964:17).

The three definitions indicate the church as a community; the church as an assembly and the church as a society. But what would be its role as a society, as an assembly and as a community? Rasmussen states that:

In our times the Christian church is needed as a base for operations in a world that is still alien. It is needed as a source of guidance and power and healing for those who take up the hardest tasks in the world. It is needed as a bond of union between people who are divided by the most dangerous social and political conflicts...The church is a voice of criticism that continues to sound when most other voices have been silenced (1987:2).

Therefore, in the present paper, when the term church is used it could be referring to the community of Christ that is represented at local congregation level, at denominational level, or at ecumenical level. For instance, in Chapter Three the term church would be referring to denominational and ecumenical levels, whereas in Chapter Four the term church is

specifically referring (if used) to the Uniting Presbyterian Church in Southern Africa, unless otherwise indicated. But Chapter Five will be referring to interdenominational and ecumenical levels, represented by the Zimbabwe Council of Churches.

Basically, in this paper, the term “church” is simply referring to the collective Christian voice that criticizes injustices and is advocating a better society. The church is being presented as a pragmatic movement that is relevant to the social order and as an organization which is moving away from a passive position to an active social organization. The church is also being presented as an alternative society that is able to bond and unite the fragmented society. It is an organization that is able to stand and identify with the poor of society who are despised by the political and economic society. The church is presented as source of guidance for the community.

1.4 MOTIVATION

1.4.1 Personal motivation

The present author developed interest in the plight of the informal economic traders in the late 1980s when he was a student at the Theological College of Zimbabwe in Lobengula Street, which was then the rank of the emergency taxis. The informal market started when people were selling bananas, tomatoes, oranges, and green vegetables to the public, flat residents and commuters getting home after work. Lobengula Street (see the map on page 3) became a market for other commodities, as it was convenient for the public to buy all they wanted at the same place. Yet the informal economic traders were harassed by the council police who confiscated the goods of the traders if they were caught. The city council was so late to acknowledge the fact that many of those people were driven into the city by political instability (caused by the dissidents) in the rural areas as well as by poverty. The Zimbabwe Republic Police also thought that some traders in such businesses were criminals and they were always treated with suspicion.

When the author was appointed by the Presbytery to Njube Congregation in Bulawayo in 1997 he also realized that many households depended on selling tomatoes or vegetables along the streets or at home gates as a means of survival. This practice is not only found in Njube,

but is a common phenomenon in many surrounding locations, where individuals and families survive through small- scale trading. Many established shopping centres such as Sokhusile in Nkulumane, Entumbane Complex and Pumula Centre have a lot of people trading within their grounds and they are leading normal lives through such businesses. The informal economic sector has therefore to be taken seriously as a business by both the traders and the council so that it develops into a full-scale and respected form of business.

1.4.2 ACADEMIC MOTIVATION

Many authors have undertaken to write on the subject of the informal economic sector and they have conducted research from the economic point of view. Ndoro confirms that:

A number of studies which have been made on the informal sector in Zimbabwe vary in terms of their empirical coverage of the sector, focus (whether urban, rural or both), and their analytical framework. The first intensive study was conducted by the ILO/SATEP in 1985 and was commissioned by the Government of Zimbabwe and it focused exclusively on the sector. This study dealt with the informal sector in regard to the unemployment problem, having objectives of developing the sector into a viable sector, which was to provide productive employment, eradicating poverty, providing of the low cost goods and services and income generation (1996:23).

Ndoro further acknowledges that:

The other landmark study was the Gemini survey of the micro-enterprises done in 1991 and this study was commissioned by the USAID and it intended to find out the basic parameters of the micro-scale sector in Zimbabwe. Basic information pertaining to the sector's labour force as well as characteristics of the proprietor and the enterprise were collected. The survey also wanted to find out and estimate the number and type of micro-enterprise country-wide (1996: 24).

These were the major surveys and data which were carried at national level. They hardly refer to the city of Bulawayo, which is the main focus of the present work.

Clark (2000) wrote "Participation for Positive Change: A Case Study of the Bulawayo Upcoming Traders' Association and its Intra-City Relations", which focused on the informal

market, the relationship of the traders with the organization (BUTA), and the relationship between the traders and the city council.

However, there is no information dealing with the participation and involvement of the church with the informal economic sector. Given the situation of the informal traders, how they are mistreated on a daily basis, it has given the present author the desire to explore the subject and find out what the church could be doing to alleviate the problems of the informal economic sector in Zimbabwe. His motivation is therefore to make an original study which no other scholar has ever attempted to do in Zimbabwe and to critically analyze the response of the Church to the development of the informal economic sector. It is imperative to have such an intensive study at this level and to find out how best the church can assist in the viability of this sector, particularly in the city of Bulawayo.

CHAPTER TWO

THE NATURE OF THE INFORMAL ECONOMIC SECTOR

2.0 Introduction

The development of the informal economic sector has generally had a positive impact on the well-being of many societies. To the population of Bulawayo it came with its own successes, as well as its drawbacks, which are naturally found in many economic environments. Chapter two has been divided into nine segments: the definition of the informal economic sector; the characteristics of the informal sector; the statistics of the informal sector; the issue of gender and the informal sector; the causes of the development of the informal sector; the types of informal activities in Bulawayo; the effects of the informal sector on the already established businesses; the problems which the informal traders are facing in their operations and the analysis of the organizations behind the success of the informal industry in Bulawayo.

2.1 DEFINITION OF THE INFORMAL ECONOMIC SECTOR

In the present paper the term “informal economic sector”, “informal trade” and “informal sector” will be interchangeably used, and will mean one and the same thing. Defining the term “informal economic sector” is never easy, because of the variety of activities within this part of the economic sector. Preston-Whyte and Rogerson state that in the developed capitalist nations informal trade is defined as:

‘The marginal sector’ where marginal traders will include those who cannot find jobs, the apparently unemployable, recent migrants, house-wives, unskilled school leavers and those who, in the eyes of the employers and welfare bodies, are the unproductive ‘dregs’ of society (1991: 163).

The definition suggests that the informal trade is a business, which is carried out in desperation when individuals are no longer employable. They are thus mostly regarded as regressive and unclassified activities that are done by people who are dwelling in the values of the past.

Preston-Whyte and Rogerson (1991) and Gelinas (1998) view the informal sector in a rather negative light. It is clear that their understanding of the informal traders is pejorative and derogatory. Phrases like marginal sector, unemployable, dregs of society, regressive and anti-modern are demonstrative of their negative perception of the informal industry.

Ndoro understands that:

The informal sector is merely a state of not being formal (which) is basically a denial of whatever at any specific point in time is defined as 'formal' by whoever (1996: 21).

Mhone gives a broad operational definition of the informal sector that:

It refers to very small-scale units producing and distributing goods and services, and consisting largely of independent, self-employed producers in urban areas of developing countries, some of whom employ a few hired workers or apprentices; which operate with very little capital or none at all, which utilize low levels of technology and skills; which therefore operate at a low level of productivity; and which generally provide very low irregular incomes and highly unstable employment to those who work in it (1996:1).

Mhone's definition is rather too broad and too general. In this thesis Ndoro's definition will be used:

The informal sector in Zimbabwe consists essentially of enterprises with one person who is self-employed, with additional one or two helpers, who typically are related to the owner of the enterprise. These enterprises are unregistered and are typically characterized by low initial capital and skill requirements. The traders often face fierce competition amongst themselves. Additionally, the term "Informal Sector" refers to enterprises which market at least 50% of their products and are engaged in economic activities other than agriculture or primary production (1996:21).

The aspect of being unregistered does not imply that the informal sector is an underground or illegal enterprise. It simply means the enterprise has not been registered with the registrar of companies, but in essence the informal traders are recognized entrepreneurs. They operate under city council regulations with official hawkers' licenses, which are applied for at city council offices and are renewed every year. It should be understood that the informal economic network of the day is more transparent with honest dealership and is a real means of survival, which in the very best of itself constitutes a true economic network.

2.3 WHAT ARE THE CHARACTERISTICS OF THE INFORMAL SECTOR?

According to Gelinas the informal sector is called:

The 'people's economy' because it develops under the important gaze of the government apparatus, beyond the control of administrative regulations considered by the productive classes to be ill-conceived, unsuitable, unjust or too restrictive (1998:98).

This is a true reflection of the informal sector in Zimbabwe, which developed as a response to the State's incapacity to satisfy the basic needs of the people (to be covered in Chapter Two under causes).

But Mhone believes that:

The informal traders are unregulated and unrecorded in official statistics; they tend to have little or no access to organized markets, to formal credit institutions, to formal education and training institutions or to many public services and amenities; they are not recognized, supported or regulated by the government; they are often expelled by circumstances to operate outside the framework of the law. They are almost invariably beyond the pale of social protection, labour legislation, and protective measures at the workplace. Informal sector producers and workers are generally disorganized and in most cases beyond the scope of action of trade unions and employers' organizations. They generally live and work in appalling, and often dangerous, and unhealthy conditions, even without basic sanitary facilities, and in the shantytowns of urban areas (1996:2).

The Bulawayo informal economy discussed in this study is not operating outside the framework of the law, apart from the black marketing sector (which is discussed in Chapter Two and Three). It must be understood that, the informal sector in the city of Bulawayo is becoming more organized as the city authorities realize the vital role it plays in the economy of the city and the general welfare of the people. The establishment of the Bulawayo Upcoming Traders' Association (BUTA) is also assisting in helping the informal trade operations to be recognized by both city authorities and law enforcers. Though the government does not directly regulate the sector, the city council controls the traders by issuing licenses to operators.

Despite low level productivity and limited capital, the informal sector in Bulawayo is no longer operating on a supplementary basis, but is actually generating household income for

the support of families. This therefore means that some of the characteristics that are generally known as part

of the informal industry are no longer applicable to the informal sector, because it is a dynamic economic sector which evolves with time.

2.4 THE ISSUE OF GENDER AND THE INFORMAL SECTOR

The present thesis is indirectly aiming at challenging the issues that are oppressing women. Statistics have shown that there are many women in the industry and whatever problems are being experienced, such as lack of financial support, could be regarded as gender-related problems. Culturally, politically and socially women have never been regarded with dignity and their concerns have never been addressed. In the economic sphere women have never been viewed as players who could bring change. Women have always been deprived by not being given the same educational opportunities and property rights as men in society. Hence Nussbaum points out that:

Politics should not treat people as agents and supporters of other people, whose mission in the world is to execute someone else's plan of life. It should treat each of them as ends, as sources of agency and worth in their own right, with their own plans to make their own lives to live, therefore, as deserving of all necessary support for their equal opportunity to be such agents (2000:58).

If the development and empowerment of women are being discussed Sen's definition of development should be considered:

Development requires the removal of major sources of unfreedoms; poverty as well as tyranny, poor economic opportunities as well as systematic social deprivations, neglect of public facilities, as well as intolerance or overactivity of repressive states (1999:3).

In this regard women should be viewed not as recipients of welfare but as active agents of change and dynamic promoters of social transformation that can alter the lives of both women and men. It is important that the informal sector be given support to develop self-reliance in women so that they may exercise full control of their lives As women are developed through the informal economy there will be more stability in the family,

guaranteed education of children, provision of food and great health in society. In essence, it guarantees sustainable development of the whole society.³

2.5 STATISTICS OF THE INFORMAL SECTOR

The statistics to be presented in this paper will promote understanding of the development of the informal economy in Zimbabwe/Bulawayo. They will also provide current information concerning the number of informal operators in the industry.

In 1986/87 a labour survey estimated that, "Unemployment had reached 26% of the labour force, where the labour-force was estimated to be 4,3 million (Mhone 1996:28)". Mhone further notes that, "The 1991 Gemini survey of small-scale enterprises estimated that the informal sector absorbs about 27% of the labour-force (1996:28)". And in the same year (1991) the Gemini report indicates that:

There were some 845 000 micro- and small-scale enterprises employing 1, 6 million, about 27% of adult people in Zimbabwe. This survey reveals that 70% of all informal sector activities fall in the manufacturing category while 23% can be classified as traders and 3% were in the service sector (1996:32).

Given the situation as it stands in Zimbabwe at the time of writing and recognizing how the economy has declined, it may be appreciated that the informal industry should have doubled in size from what it was in 1991. It should be understood that in 1991, when the Economic Structural Adjustment Programme (ESAP) was being introduced, no serious retrenchments had taken place. Blair estimated that:

Unemployment is over 50% of the Zimbabwean population. That could have precipitated the sharp rise of the informal economy as people seek to survive. And it could be estimated that between 30% and 40% of the labour force could be involved in the informal sector (2001:19).

Diarra and Mafu (2001) estimated that "Bulawayo could be having about 32% of its population in the informal sector". It can also be accepted that (from the Gemini report),

³ Sustainable development is a development which lasts and which ensures that the interests of the next generation are secured see Midgley, J 1995. *Social Development: The Developmental Perspective in Social Welfare*, p137. London. Sage Publications.

“67% of all the informal sector activities are run by women (1996: 36)”. Therefore, women make up a high percentage of the informal sector, which demonstrates that it is an economy of women.

2.6 CAUSES OF THE DEVELOPMENT OF THE INFORMAL ECONOMIC SECTOR

2.6.1 Introduction

This section seeks to analyze five problems that caused the development of the informal economic sector in Bulawayo. These are: the structural adjustment programme (ESAP); the climatic conditions of the region; the problem of poverty; unemployment; and the post-independence political disturbances in the Matabeleland region.

2.6.2 Economic Structural Adjustment Programme

Soon after independence Zimbabwe was faced with the two dissident problems. The first was the civil war in Mozambique. Zimbabwe could not afford not to protect the railway ‘lifeline’ from the Renamo Movement. The line runs from Beira to Mutare. It is vitally important because it is the pipeline of economic viability that supplies fuel to Zimbabwe. Zimbabwe showed support to Mozambique for being housed in Maputo during the liberation struggle. Secondly, Zimbabwe had a civil war in the Matabeleland region. This war was a financial drain on the national budget. Sithole confirms that:

The involvement of Zimbabwe in Mozambique incurred a lot of expenses to maintain the army, which later contributed to the problems of balance of payment and the servicing of foreign and local debts by the government. Due to economic predicaments, the Zimbabwean government adopted the Economic Structural Adjustment Programme (ESAP) in 1991 (D. Sithole 2001).

According to Ngoro:

The economic reform programme (ESAP) intended to stimulate investment and sustainable economic growth based on the implementation of the standard structural adjustment proscriptions. The Programme’s key aspects were to offer trade

liberalizations domestic deregulation and generally there was a movement towards market determined allocation of resources (1996: 29).

ESAP caused a number of problems, including retrenchments. Both the public and private sectors were allowed to downsize their labour-forces and people were given retrenchment packages. Private and parastatal companies were expected to operate at full profit-making capacity and one way of achieving that was through laying off some of the workers. Since the market was opened up there was competition among the companies and those companies which could not perform well were pushed to the verge of bankruptcy and could even close down. Sithole confirms that:

One such company was Fox and Bookless that could not withstand competition in the freight services. It closed down and all workers (Bulawayo residents) became jobless (D. Sithole 2001).

The impact of ESAP in the second phase is still being felt. Sithole further confirms that:

The National Foods Company (Bulawayo) branch is relocating to Harare due to stiff competition with the small millers coming into industry such as Zambezi and Mugigwa milling companies. And more workers are going to be jobless and could join the informal economic sector soon (D.Sithole 2001).

Ndoro adds:

ESAP hoped at its inception to retrench about 20 000 private sector employees because of the adjustment, and 12 000 public sector employees were to be fired as a way of trimming the civil service (1996: 29).

ESAP, therefore, due to its structural proscription and competitive activities, directly contributed to the development of the informal economic sector in Bulawayo.⁴

⁴ For the effects of Structural Adjustment programme and Privatization. See the PACSA FACTSHEET. *PRIVATIZATION*, (January 2001). No 49.

2.6.3 Unemployment

Soon after independence, Zimbabwe adopted free labour movement policies and many able-bodied people who were in the rural and tribal trust lands moved into the city to look for employment. Mhone states that:

The advent of independence in Southern Africa generally heralded the emergence of the informal sector, when the colonial control regulations were disbanded. Now when people flooded the cities at an increase from 13% in 1960 to 23% in 1980, the formal economic sector's absorption capacity could not provide adequate employment for all people and those who could not get employment could have resorted to the informal sector (1996: 11).

Dornbusch & Fischer pointed out that:

The other major causes of unemployment which could have caused the development of the informal economic sector is called the 'cyclical unemployment', which occurs when output is below its full-employment or trend level. 'Cyclical unemployment is associated with a temporary insufficient level of aggregate demand and is sometimes called the *Demand-deficiency unemployment*' (1995: 312).

This then means that when the aggregate demand rises, firms increase their hiring, and when aggregate demand falls, firms retrench workers. The situation in Zimbabwe is that companies are not able to employ more workers because there is low demands for commodities.

It is estimated that Zimbabwean schools produce 200 000 to 300 000 school leavers every year, who enter the job market. Ngoro (1996: 28) confirms that 'by 1986, only 20 000 to 30 000 could have been employed by the formal sector'. This meant that thousands of school leavers could not be employed. The structure of the economy, even if it were at peak performance, could not absorb the existing labour force.⁵ The weaknesses of the economy and the increase in excess labour in Zimbabwe, which could not be taken up by formal sector, contributed to the development of the informal sector as people fought for survival.

⁵ For the structural Unemployment see Dornbusch, R and Fischer, S 1995. *Macro-Economics. Third Edition*, p312, 313 ff. Johannesburg. Lexicon Publishers.

2.6.4 *Land and Climatic Conditions in Bulawayo*

The problems of the land in Zimbabwe have a historical background. Ndoro (1996: 22) states that, “colonial land dispossession and relocation of Africans to reserves are very familiar stories”. The region of Bulawayo, has poor and infertile soils due to the type of vegetation found in the area. It falls within the agriculturally marginal areas of Natural Regions Four and Five. According to Weiss:

Zimbabwe has been divided into a number of agro-ecological or natural farming regions, where region four is semi-extensive farming region, livestock and drought resistant crops and irrigated farms such as sugar cane and has rainfall between 450-650mm annually. And region five is an extensive farming region with cattle and game ranching with annual rainfall below 450mm which is very unreliable (1991:98-99).

The erratic rainfall pattern of Bulawayo has had an immense negative effect on the vegetation of the area. Therefore the shortage of land and poor rainfall patterns has pushed the rural labour force to seek employment in the city of Bulawayo.

Since communal people do not have sufficient land for agriculture, it means that people cannot rely on the land for survival. During periods of drought, when the agricultural sector fails to provide sufficiently for the economy, (e.g. during the 1981/82, 1982/83 and 1991/92 drought seasons in the country), many people were forced to seek refuge in the city of Bulawayo.

Furthermore, persistent and unequal access to agricultural resources, where the agricultural land quality of Africans in the communal areas is poor compared to the land of the white commercial farmers is another factor that drives people to the city of Bulawayo. Therefore, due to the communal areas’ reduced income base, it significantly augmented the rural-urban migration. Ndoro confirms that:

The informal sectors development was established involuntarily as a panacea for employment hence it is regarded as a residual sector and an employer of last resort, which is afflicted with various inadequacies and deficiencies (1996:2).⁶

⁶ For solutions to the informal sectors land issue see Clark, DG 1978. *From Rhodesia to Zimbabwe the Unemployment Crisis*, p 30. London. Catholic Institute for International Relations.
- Matsebula, MS 1996. *The Urban Informal Sector: A Historical and Structural Analysis*, with reference to Swaziland, p22. Harare, SAPES BOOKS.

Therefore it is correct to say that the Matabeleland regions are exceptionally poor and the communities around have to seek survival in one way or another.

2.6.5 Post-Independence Political Disturbances in Matabeleland

Unlike other African nations, the then Rhodesia endured a 17-year liberation struggle, which was intensified between 1975 and 1978. This war displaced a number of communities from the rural areas to the urban centres. Many could not find accommodation and they became squatters and refugees within their own country. They were assisted by the Red Cross Society with food. It is from among these groups that people decided to develop the informal sector as a means of survival in the peri-urban areas. After the liberation war some returned to their homelands, whilst those who felt comfortable with their new surrounding decided to continue with town life.

At independence the current ruling party, ZANU PF, won fifty-seven seats and PF ZAPU won twenty seats. The UANC of Bishop A. Muzorewa got three seats. Prime Minister R.G. Mugabe decided to make Joshua Nkomo the President and S. Muzenda the vice Prime Minister. The Constitution at that time gave little power to the President, which meant that for Nkomo being President was just a ceremonial post. Instead Nkomo refused the post and he was given the portfolio of Minister of Home Affairs, which he accepted.

Spring notes that:

There was a reshuffle that made Nkomo to be Minister of Public Service and this was followed by another reshuffle in February 1982 that made Nkomo to lose his post. The PF ZAPU felt very uncomfortable to an extent that all PF ZAPU cabinet ministers withdrew from parliament (1986:80).

The CCJPZ report elaborates:

PF ZAPU army cadres were also feeling discriminated against the ZANU PF army cadres in getting promotions. At the same time the ZAPU army leaders were said to be disappearing mysteriously at the main assembly barracks in Entumbane Bulawayo.⁷

⁷ For more extensive reading of this issue see *Breaking the Silence, Building True Peace*, (1999) - A Report on the Disturbances in Matabeleland and Midlands 1980-1988. A Summary Report. Catholic Commission for Justice and Peace in Zimbabwe-The Legal Resources in Zimbabwe.

Furthermore, there were discoveries of arms, which were hidden by the ZIPRA Forces, and the ZANU PF government openly accused the ZIPRA Forces that they were plotting another war. Due to discontentment, the two groups exchanged fire in the barracks and those ZAPU cadres who were loyal to Nkomo left the barracks and started fighting the Zimbabwean government. This group was then called the Dissidents. Mugabe decided to destroy the dissidents by deploying the Fifth Brigade, which was a Korean trained army, in 1983. The Fifth Brigade (or Gukurahundi as it was known), destroyed families and all those who were suspected to be dissidents. Most young men in the Matebeleland region moved into the city of Bulawayo and many families left their homes for the city of Bulawayo (CCJPZ Report 1999:5-11).

The problem with dissidents was mostly concentrated in the Bulawayo regions and part of the Midlands, especially the districts of Gwanda, Matopos, Plumtree, Tsholotsho, Nkayi and Gokwe. The main problem was that the dissidents were looting shops and killing those whom they thought were spying on them for the Fifth Brigade, and the Fifth Brigade were targeting those they thought knew something about the dissidents. So the communities became the victims of political struggle and the only solution was to move to the city of Bulawayo. This is one of the major causes of unemployment, informal sector development and urbanization in the city of Bulawayo. Its impact cannot be underestimated because at the time of writing people were still feeling the pain and nursing the wounds.

In 1987 (December 22), ZANU PF and PF ZAPU merged, and it could be called '*the absorptional unity*', where the unified party was called ZANU PF and had a new logo. That was the end of PF ZAPU . It meant the return of Nkomo as second Vice President of the State. Other members of PF ZAPU were given some influential posts in the new government. However, people who had taken refuge in the city of Bulawayo could not return to their home areas after unity because some had had their homes destroyed during the dissident war. Many who remained were the ones who further developed the informal sector in Bulawayo.

2.6.6 Easy Entry into the Industry

Among other reasons the informal economic sector was established because it is a form of self-employment, where individual participants are people with a low-level of literacy and education and yet they can become their own bosses. According to Ndoro:

The informal sector was permitted to operate without much official interference. This is described as, '*tolerance with misgivings*'. There is also easy access into the industry and it does not require large sums of money for its operations. It is estimated that women own two-thirds of the informal economic sector activities in Zimbabwe to supplement family income and that makes it to be a crucial industry for the uneducated women (1996:27&37).

From the start, the Zimbabwe government promised the informal sector the necessary infrastructure and assistance to promote productive employment. Ndoro confirms that:

In 1981 there was an official acknowledgement of the informal sector through the adoption of the economic policy of Growth with Equity that was a further recognition of the sector in employment terms, and in the provision of goods and services to the public (1996:47-48).

The introduction of ESAP brought hope to the poor informal traders, as it liberalized the regulations governing the licensing of small businesses. And in Zambia Banda and Nyirongo affirms that:

The major objective of the development efforts (of the informal sector) aimed at diversifying the economy from one that pivoted around the copper industry to other worthwhile activities (1996:91).

Therefore the informal economic sector was developed to enhance the livelihoods and empower poor communities, especially women.

2.6.7 *Analysis*

The informal sector in Bulawayo came into being through pre-independence problems, post-independence political struggles, problems of the land, poverty and climatic conditions of the region, unemployment and as a result of the Economic Structural Adjustment Programme, which pushed people in both rural and urban to the limits of survival. People entered in the informal sector as a means of survival. These are the issues that started the development of the informal sector in the Bulawayo area.⁸

⁸ For further reading on rural-urban migration and development of informal sector see Jagannathan, NV, 1987. *Informal Markets in Developing Countries*, p 93-97. New York. Oxford University.

2.7 TYPES OF INFORMAL ECONOMIC SECTOR

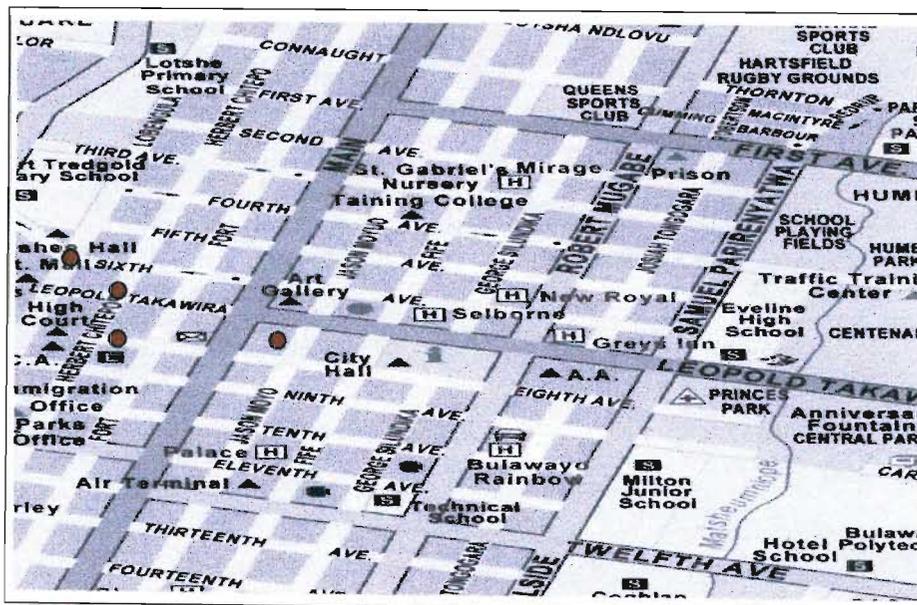
2.7.1 Introduction

The informal sector has four categories, which comprise manufacturing, wholesaling, retailing, and servicing. These categories will be considered in this paper. The servicing category is the only one with a remarkable history because it was always done at home, for example radio and TV repairs. The manufacturing category forms a strong component of the informal sector and in this paper is combined with the wholesaling category. This is because, after making the products, the producers will sell them either as single commodities or as bulk commodities, which will be given a special wholesale price. This is why the manufacturing and wholesaling categories have been combined.

2.7.2 Manufacturing and Wholesaling

Ndoro regards the manufacturing category of the informal economic sector as the “Final Goods and Commodities Producing Informal Sector” (1996:30). This sector feeds a market not served by the formal sector in terms of price and quality considerations. What do they manufacture? Most of them are in the business of tailoring and knitting, tinsmithing, carpentry, welding and brick making.

Map 2. Some Areas of Informal Trading Operations



2.7.2.1 Clothing Manufacturing

Bulawayo has an advanced final goods and commodities-producing informal sector. For instance, at the Central African Building Society property (CABS), (corner of 6th Avenue and Lobengula Street, see Map2), there are many tailoring and knitting businesses and the same businesses can be found at Bradlows Building (corner of 8th Avenue and Jason Moyo Street-see Map 2 of Bulawayo). At Victoria House (along Herbert Chitepo Street and 8th Avenue-see map above), there are tailoring and knitting shops. These are some of the centres which are engaged in the manufacturing sector. The knitters sell their jerseys in the local shops and tailors have their market with local shops and individuals. The manufacturers will market their commodities at times at wholesale prices (with special discount) to their customers who order in bulk. This means that they do both manufacturing and wholesaling.

2.7.2.2 Steel Manufacturing

Out the of central business district, other manufacturers in the informal economic sector include welders and carpenters who do not operate in the city because of the high charges for electricity and rental of shops. One such place is the Njube Shopping Center, where there are sales of window frames, door frames, French doors, sliding gates, scotch carts and where steel repairs are carried out (see Table 1). It should be understood that some of the things bought in city stores are manufactured in the informal industry. Many of the goods found at the Njube Centre are marketed in city shops such as the Save the Nation Centre, Nyore Nyore Building Suppliers, Gold Medal and others.

2.7.2.3 Furniture Manufacturing

At Cowdray Park Home Industries, which is to the north west of the city of Bulawayo, there is a carpentry centre where room-dividers, kitchen units, wardrobes, head-boards and other wooden items are made. It is interesting to note that there are strong markets in city shops such as Station Furniture, Gold Medal, Budget Beaters and others. At Njube Shopping Centre there is an established carpentry shop where beds, wardrobes, chairs, and stools are made. There are also markets in city stores (see Map 1).

2.7.2.4 Analysis

The most viable manufacturing sector is welding, due to the high demand for construction materials such as window frames, doorframes, burglar-bars and sliding gates. These commodities are becoming more expensive day by day in the market. Clearly, Bulawayo has all the manufacturing sectors which are found in the informal economic sector.

2.7.3 The Retail Sector

According to Ndoro:

The informal retail services sector is essentially 'a merchant group, which depends on buying from the formal sector and selling it to the final consumer' (1996: 31).

According to the findings of the present author, the retail sector has two categories which are the street vendors, and the flea markets. Bulawayo has a large industry of vendors, most of whom sell fruit and vegetables on the streets.

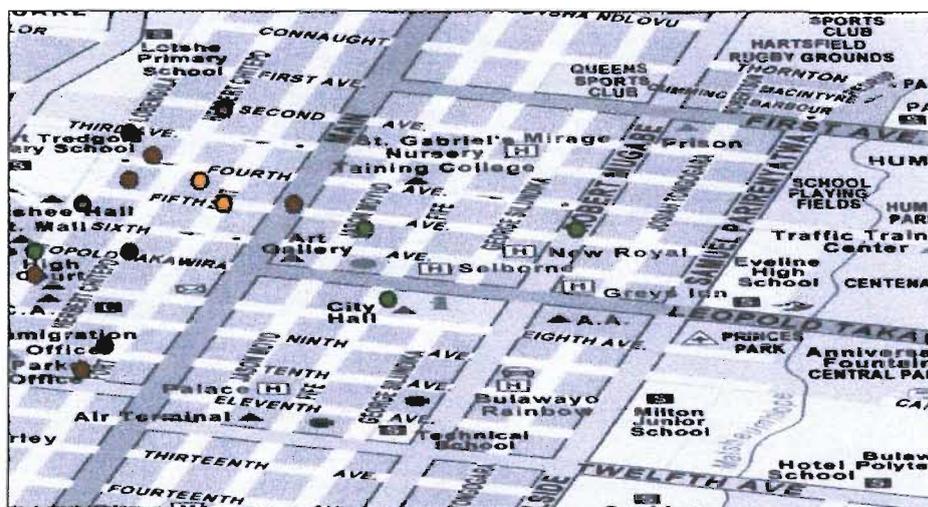
2.7.3.1 Vegetable Vending and Areas of Operation

From the corner of Lobengula Street to 8th Avenue Extension to the corner of Lobengula Street and 3rd Avenue, there are vegetable and fruit vendors. The part of Takawira Avenue and Herbert Chitepo Street, at the City Hall, Fifth Avenue and Jason Moyo Street to Fifth Avenue and Robert Mugabe Street are areas used by street vendors selling vegetables and fruit. The vendors along Fifth Avenue are within the wholesale market zone, so they can sell in bulk at wholesale prices and also to the public, of course, with allowance for negotiations and bargaining. Although the Bulawayo areas do not produce large crops of vegetables and fruit due to its climatic conditions, vending of fruit and vegetables occur on a fairly large scale. Other stalls are found at TM Hyper and at the long-distance bus terminus (see Map3).

2.7.3.2 *Flea Market Business and Areas of Operation*

Bulawayo has a commanding flea market business because it is close to the borders of Botswana and South Africa, where cross-border traders buy commodities for the flea markets. The flea market business has brought in goods that range from electrical appliances to clothing and hardware. The major established flea markets include the Unity Village (corner of Main street and Sixth Avenue), Fort Street Flea Market (corner of Fort Street and Tenth Avenue), Romax Flea Market (corner of Sixth Avenue and Fort Street), Fourth Avenue Flea Market (corner of Fourth Avenue and Fort Street), Fifth Avenue Flea Market (corner of Fifth Avenue and Fort Street), Lobengula Flea Market (corner of Lobengula Street and Fifth Street), OK Bazaars Flea Market (corner of Sixth Avenue and Lobengula Street) and at the corner of Herbert Chitepo Street and Ninth Avenue. These are the ones in the city centre (see Map 3).

Map 3 Flea Markets, Vegetable Vending and Foreign Currency Trading Areas



- Foreign currency trading
- Vegetable vending
- Flea Markets

Outside the city there are some established flea markets such as the Nkulumane (Section 10) at the Sokusile Shopping Centre, the Njube Complex Flea Market and a small one near the long- distance bus terminus. The flea market business is one of the most flourishing enterprises in the city of Bulawayo, perhaps because of the easy entry into the business sector.

At times, traders also sell pirate cassettes and some non-genuine clothing that is reasonably cheaper than in the shops. It is possible that one can buy sports shoes labeled Nike, which of course is a fake label.

2.7.4 *The Service Sector*

Within this sector is found the foreign currency traders, prostitutes and people who repair shoes, television sets or radios, and who run shebeens.

2.7.4.1 **Foreign Currency Traders**

The foreign exchange informal sector is operated by the Johane Masowe Apostolic Church, which has its headquarters in the Entumbane suburbs. It is mostly conducted by women who are easily identified by their attire of white dress, white head-scarves or laced pink, cream, yellow or green dresses and matching scarves on their heads. They operate on the corner of Fifth Avenue and Fort Street and along part of Herbert Chitepo Streets (see Map 3). To passersby, they have one question, “*usipathelani*”, (“what do you have for us?”). The question is code for “Do you want to buy or sell foreign currency?”

Zimbabwean law is against the currency Black Market system because at the time of the liberalization of the economic system, the government allowed the opening up of several *Bureaux de Changes* to allow easy access to foreign currency. It must be acknowledged that the Black Marketing of foreign currency is a sector in Bulawayo with a unique feature in the informal business. It is believed that the foreign currency traders are operating under the disguise of some shop owners who keep the foreign cash for them while they trade on the streets. They deal in US Dollars, British Pounds, South African Rands and Botswana Pula, which are the currencies commonly needed by the public for exchange with local money or *vice versa*.⁹ The foreign currency traders are vulnerable because they operate at the fringe of the economic law and the State law.

⁹ Further discussion on the types of the informal sector in Zimbabwe see Kaliyati, J, 1994. *The Informal Sector and Small Business Development in Venter, M(ed), Prospects for Progress Critical Choices for Southern Africa*, p157. Longman.

Due to such predicaments, they operate in fear and are easily duped, since the law does not protect them.¹⁰

If the informal sector's development came as a response to the State's incapacity to provide employment, it follows that its consequences, such as the development of foreign currency trade will be difficult to deal with. In fact, this research has been done at a time when the Zimbabwean economy is on the verge of collapse, due to the shortage of foreign currency, to the extent that the country is failing to procure the most needed precious commodities such petrol, diesel and paraffin. Banks have been told not to release any foreign exchange to the public. The foreign currency Black Market industry is thus becoming of substantial assistance to international and cross-border traders and even to individual travellers. It will remain an important component of the informal sector in spite of its illegality.¹¹

2.7.4.2 Other activities under the service sector

Other activities include illegal services such as prostitution and shebeens (see Table 1). Prostitutional zones are found near the Manor Hotel (corner of Eighth Avenue Extension and Lobengula Street) and the Exchange Bar (along Main Street and Takawira Avenue), mostly at night. Shebeens are common in the high-density residential areas and they normally operate after the closure of the beer halls at 22:00.

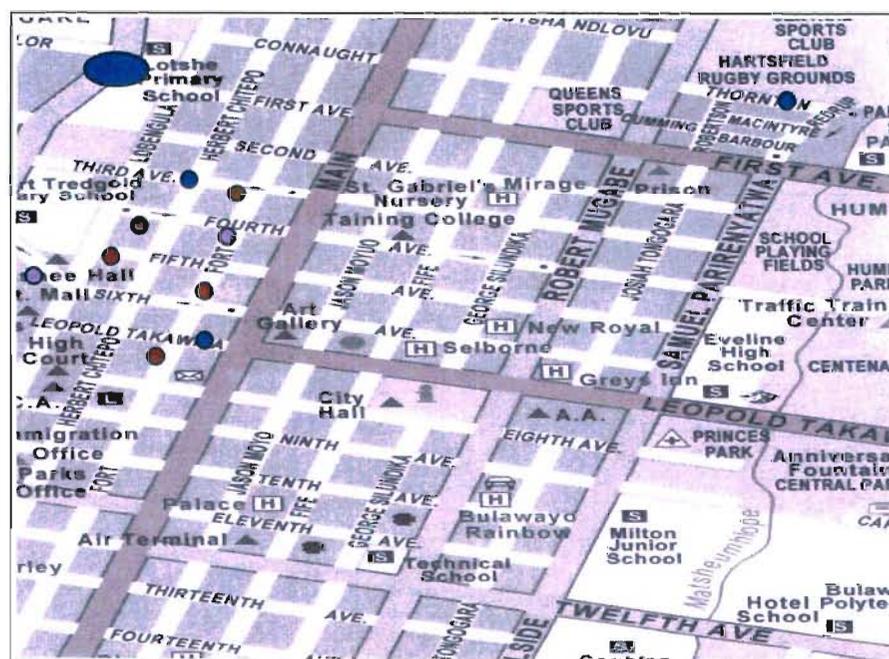
The other service sectors such as shoe and TV repairs are found at Victoria House along Herbert Chitepo Street and Eighth Avenue and at the TM Hyper Supermarket where shoe repairs carried out whilst the customer does his or her shopping. Hair dressers are found at the CABS Building along Lobengula Street and at Victoria House. Within the service sector also fall have the taxis and emergency taxis, which have been pushed outside the central business district. They are located at the TM Hyper Supermarket (where Tshova Mubaiwa taxis are found) and Lobengula and 4th Streets where the taxis start out for the western areas

¹⁰ Further reference to Black Marketing see Mhone,G (ed), 1996. *Informal Sector In Southern Africa, an Analysis of Conceptual Research and Policy Issues*, p18. Harare. SAPES BOOKS.

¹¹ Blair, D 2001. Watching Mugabe Wreck His Jewel of Africa. Insight. Sunday Times.7th July, p19.

of the city (Gwabalanda, Magwegwe, Makhandeni, Cowdray Park and Luveve). From the ZUPCO bus terminus taxis go to the south of the city (Hillside, Kilarney and the United Bulawayo Hospitals), and south-western parts of the city, which are Nkulumane, Nketa, Sizinda, Tshabalala, Mganwini, as well as Pumula Lobengula, Njube, Entumbane and Baberfields and Mpilo Hospitals. At the taxi rank along Lobengula and 3rd Streets there are taxis that take the northern routes covering the areas of Northend, Sourcetown, Queens Park, Mahatshula and Fairbridge. The taxi rank along Parirenyatwa Street and 2nd Avenue is the starting point for taxis going to Ndabazinduna and to the Bulawayo Hospitals. Taxis at the long-distance bus terminus take passengers to the western and south-western areas of the city.

Map 4 Other Areas of Informal Operations and Illegal Dealings



- Service sector
- Transport sector
- Illegal dealings

Within the service sector are found scanias (small pushing trollies which are used to carry luggage, especially when people are coming from the long-distance buses). They are commonly found where long-distance buses stop, such as at Naik and at the long-distance bus terminus.

2.7.4.3 Analysis

During the present research it has been discovered that many people from the western suburbs rush to buy furniture in the city shops, which is manufactured in the informal industries within their areas. They do not know that if they bought from the manufacturer (in the informal industry) it would be cheaper. The people are not aware that the goods they see in the home industries are the same which are displayed in shop windows and, of course, the difference will be the price.

The following activities of the informal sector, both legal and illegal, can therefore be found in the city of Bulawayo.

Table 1. Types of Informal Activities

Types of Informal Sector	Manufacturing and Wholesaling Sector	Retailing Sector	Service Sector
Legal	Window Frames, Door Frames and Steel Gates, Sewing and Knitting	Flea Markets and Vegetable Markets	Shoe, Television and Radio Repairs, Hairdressing, metered Taxis and Emergency Taxis, Scania
Illegal	Drug Manufacturing	Pirate Music, Cassettes Fake Labels and Videos	Shebeens, Foreign Currency Trading and Prostitution

2.8 HOW DO THE ACTIVITIES OF THE INFORMAL ECONOMIC SECTOR AFFECT ESTABLISHED BUSINESSES IN BULAWAYO?

2.8.1 Introduction

Many Zimbabweans had already been engaged in cross-border trade with Botswana and South Africa on a small scale before the introduction of ESAP. People were interested in buying personal household commodities. The introduction of trade liberalization opened up the eyes of many people to how lucrative the informal sector was, especially the flea market industry. This section covers five areas in which established industries have been affected by: relaxing credit facilities; closing vegetable stalls in some supermarkets; closure of the National Foods Milling Company (Bulawayo branch) and the suspension of some city routes by the Zupco Bus Company in Bulawayo. Such a development in the business world will be analyzed.

2.8.2 Relaxed Credit Facilities

In the mid-nineteen nineties some local business people started to develop flea market stands for rental. In 1995 the flea market business came into operation. The flea markets brought in many high-quality commodities, which most local shops did not have in stock. This intensified the competition between the already established businesses and those which were going to start. The

established businesses had to devise some methods to remain in business. Sithole explains:

The business types that were most affected are those in the clothing industries, furniture and electrical business. As a result of the intensified competition some companies relaxed their credit facilities. Companies like Edgars, Radio Ltd and Bradlows introduced the zero deposit systems and no limit to credits. Initially, such companies would require some references and a certain salary scale for one to qualify for the credit. The coming in of the informal sector business made them remove some of the policies, which hindered the greater public to open up installment facilities. This was done in order to allow people of lower income brackets to be account holders (Sithole, 2001).

2.8.3 Some Supermarkets Closed their Vegetable Stalls

During the present research it was discovered that some vegetable departments in certain supermarket did not have much in their stock. For instance, outside OK Bazaars of Lobengula Street there are many vegetable vendors who always indulge in bargaining with the customer. It has been evident that the cabbages of the street vendors sell very fast, solely because the price is low. The cabbages at OK Bazaars may not be fresh because they are not being sold so quickly. Many big supermarkets, of course, claim that they do not compete with vegetable and fruit vendors, because their produce is of higher quality. But the issue is that vegetable and fruit vendors are actually intensifying their competition with the big supermarkets. One interesting observation is that the TM Supermarket (just opposite OK Bazaars), does not have the vegetables and fruit stalls simply because the management could not afford to compete with the vendors who do business just a step away from the entrance. Sithole (2001) confirms that “there is serious competition between the vegetable vendors and the supermarkets”. This demonstrates how intense the competition is when dealing with the informal sector business people.

2.8.4 Closure of National Foods Milling Company-Bulawayo Branch

Tangible evidence of how informal business people are overtaking the market of the already established businesses is illustrated by The Sunday News, which reported that:

The National Foods Milling Company was closing its depot in Esigodini, forty kilometers south of Bulawayo. The Company realized that people of Esigodini are becoming more interested in the Induna Milling Products which is a newly established informal milling company and is selling its products along the road in the locations, as well as in the supermarkets to have as many customers as possible (7th January 2001).

Sithole further confirms that there were strong rumours that:

The entire National Foods Company was relocating to Harare, because Bulawayo was proving to be difficult for business operations due to developing small milling companies. Apart from the Induna Foods, Bulawayo has also other small millers such as Zambezi and Mugigwa and these are putting a lot of pressure on big milling companies, which is resulting in the retrenchments of the workers (2001).

For established businesses to continue operations they would be forced to improve the quality of their commodities, as well as the quality of service.

2.8.5 *Suspension of Operations in Some City Routes*

In the transport services in Bulawayo the takeover of transport routes formerly used by the government-owned bus company ZUPCO has occurred. Zupco (formerly Omnibus Company) had permits to carry out business in the cities. Individual companies were only allowed to go to the rural areas or to travel inter-city on long-distance journeys. However, the introduction of the deregulation policies saw many private operators being given operation permits for business in cities. The emergency taxis were also introduced. To date ZUPCO has suspended most operations with large buses in Bulawayo to Gwabalanda, Luveve, Pumula, Magwegwe, Nketa, Nkulumane, Emakhandeni and Cowdray Park. ZUPCO is now using the small Toyota Dynas, which can easily compete with the emergency taxis. This shows how well-established businesses have been affected by the development of the informal industry.

2.8.6 *Analysis*

The informal business should not be underestimated, despite the operators' lack of experience and managerial skills. The desire of all informal economic sector operators is to succeed and survive and such determination is always a sustainer of hope. Given enough financial support and educational skills, the informal economy is able to withstand competition and it is a promising sector, with a promising future, if its problems are attended to.

2.9 THE PROBLEMS OF THE INFORMAL TRADERS IN BULAWAYO

2.9.1 *Introduction*

This section will deal with eleven problems which the informal traders are facing in their industry. These problems are: lack of legal protection and freedom of operation; lack of training; lack of credit facilities; lack of quality merchandise; the question of legality; problems of foreign currency, fuel shortage and high prices; lack of sanitary conditions; lack of adequate support from the city authorities; lack of equipment and lack of social security.

2.9.2 *Lack of Legal Protection and Freedom of Operation*

The informal traders are facing serious predicaments in their operations. To begin with, they are not legally protected. It must be noted that the legal framework in Zimbabwe has not been supportive of the free operation of such businesses as the informal economic sector. Mavundla echoes the same sentiments:

The business laws are not meant to protect the public, but are instead made to protect the vested interests of the city authorities. Despite the fact that the informal traders need to be where their customers are, they are not allowed to decide where to operate. It is the local authorities that decide for them. And in most cases, local authorities decide to keep informal traders from competing with the established businesses, because the established businesses pay rates and taxes which cannot be done by informal traders (1990: 127).

So it will be true to say that they may not create a law that will make an informal trader compete and disturb the established businessman. In Bulawayo, the author's observation is that many informal businesses are concentrated along Fifth Avenue, Lobengula Street and Fort Street (see Map 5). Whether it was by design of the city authorities or by choice of the informal traders themselves, the obvious thing is that the traders have been pushed out of the city centre, where they could compete with Edgars, OK Bazaars, Woolworths, Cash Wholesalers, Topics, Powersales, Express Stores, Miekles and other big shops. The system is

meant to preserve big companies, whilst the informal traders have been allocated to the peripheral areas of the city.¹²

2.9.3 Lack of Training

The informal sector lacks training in basic principles of business such as costing, pricing and marketing. This is one of the major drawbacks, which traders are facing every day. There are institutions which claim to give training, but what they offer is knowledge to the participant of servicing the credit facility so that they will not default. Very seldom do the informal traders have a sale like what Edgars sometimes does, (e.g. to offer a ‘Red Hanger Sale’) to its customers. Informal traders do not have adequate skills for promoting their goods. The present research has shown that some informal traders have had some basic training, mostly those who will be looking forward to borrowing money from financial institutions. Training has become a prerequisite if one has to qualify for credit from a bank. This means that those who do not need to borrow money will not be trained. There is no basic training system for informal traders in Zimbabwe, particularly in Bulawayo. Different organizations, such as Zambuko, the Commercial Bank of Zimbabwe, SEDCO, ZNCC, BUTA and the Ministry of Youth Employment Creation and Co-operatives, have different training systems and approaches. It is surprising that Mhone (1996) did not consider it as one of the issues lacking in the informal sector while Kaliyati (1994:160) confirms that ‘managerial, technical, and marketing skills are essentially needed for a successful enterprise’.

2.9.4 Lack of Access to Business and Marketing Information

It has been noted that the misconception of the “Informal Sector or Informal Trade” is the problem, which implies that the traders do not do things formally, due to lack of education and training in managerial skills. Since the traders are said to be lacking such formal skills,

¹² For a more comprehensive discussion of this issue see Mavundla, L 1990. Informal sector: Let the Buyer decide in Markman, T & Vorhies, F (eds) *Consumer Power in a Free Market*, p127-129. Cape Town. Geda Press.

they are therefore not entitled to access business and marketing information. The informal traders are not welcome in business forums where business information is discussed, because they are not regarded as eligible to having such information. The representatives of the Bulawayo Upcoming Traders' Association can attend such forums, but they have a problem of how information can be disseminated to all the traders on the street corners. This means that the informal sector is deprived of the recent business and marketing information which could assist them in shaping their future and businesses.

2.9.5 Lack of Credit Facilities

The next major problem is that of credit facilities. It has been noted earlier in this paper that informal traders are a group of vulnerable and residual people who would have failed to secure employment in the formal sector. It therefore follows that most of such people may not have permanent residences of their own, or other collateral, which would qualify them for credit facilities from financial institutions. In some institutions such as Zambuko Trust they do not need collateral. They have established a guarantee system, whereby someone will promise to pay in case the borrower defaults or dies. Though Bulawayo has established financial institutions that are ready to assist the informal traders, the prohibitive factor at this juncture is the high interest rate. At the time of writing:

Zambuko Trust is offering an interest rate of 48%, SEDCO is offering a monthly rate of 55% and the Commercial Bank of Zimbabwe's Community Banking Programme gives loans at an interest rate of only 3.5% above the base lending rate. Yet the base lending rate at this particular moment is within the range of 56-58%, which means that at the end of the day the informal traders will pay over 60% interest to the Bank. The government department which seems to give a reasonable interest rate of 15% per-annum has one problem of inadequate financial support and bureaucratic systems which make people go to other high rated institutions (Zambuko, SEDCO, CBZ, & MYECC 2001).

Therefore the prohibitive interests charged by the financial institutions are an impediment to the development of the informal sector in Bulawayo.

2.9.6 *Lack of Quality Merchandise*

Informal traders suffer from the problem of low-quality merchandise. As noted earlier in this paper, the big supermarkets are not afraid of competition because they sell good quality commodities. It is true that the quality of vegetables and fruit that are found along the streets are as fresh as what could be found in the OK Bazaars. But the problem is that the informal market stalls are not covered from the sun and the vegetables are in the open for the entire day. The fruit at times, loses taste and colour; hence they are sold at cheaper rates. Although they do not buy cheap quality from the market, at the end of the day they seem to sell low-quality products. The Bulawayo City Council has not erected shade for the traders along Lobengula Street, Fifth Street or even at the City Hall (see Map 5). Individual traders cover their goods with plastic. The problem of shelter is particularly severe during the hot and rainy seasons.

2.9.7 *The Question of Legality*

Some informal traders are regarded as involved in a hidden economy, which involves occupational theft, illegal transaction and drug dealing. Due to such a conception by the public, council authorities and law enforcement agents, the informal traders are treated with suspicion. Moyo (2001, Foreign Currency Trader) condemned the action of the council police and the Zimbabwe Republic Police, who chase them away from the street corners. If caught they are harassed and charged Z\$100.00. Moyo (2001) elaborates:

The police confiscate any foreign cash. The traders are always harassed by police because their business is regarded as illegal, and they do their transactions on street corners and in corridors, which are also dangerous places, and they sometimes lose their money to conmen.¹³

¹³ For further reading of the Hidden Economy, the Black Marketing or the Underground Economy see Harding, P and Jenkins, R 1989. *The Myth of the Hidden Economy, Towards a New Understanding of Informal Economic Activity*, p15-29. Philadelphia. Open University.

2.9.8 *Problems of Foreign Currency, Fuel Shortage and High Prices*

It is unfortunate that the problems of the informal traders are far from being over, especially in view of the economic situation of the day. Zimbabwe is in a foreign currency crisis. The critical shortage of foreign currency is making the government struggle to procure precious fuels such as petrol, diesel and paraffin. Due to the fuel shortage and scarcity it is expensive. Blair (2001:19) confirms that:

Transport is becoming expensive for travelers locally and across the borders. This year alone, fuel is expected to rise by 7-8 times and the recent increase was by 74% per-liter. The fuel prize in Zimbabwe is about Z\$75.00 per-litre.

In-as-much as the transporters are affected, so too are the commuters and, worse still, the informal traders, who are struggling to make ends meet. As the cost of fuel goes up the cost of transport and the price of food go up. At the time of writing no commercial bank was allowed to release any foreign currency to the public, especially, US Dollars, Pounds, Pula and Rands. So the cross-border traders, especially those in the flea market business, are finding it difficult.

Once the buying power of people is low, the informal businesses will dwindle. When the informal traders (cross-border traders) fail to secure foreign currency from the Commercial Banks, they will go to the foreign currency street traders, whose exchange rates in March 2002 were between twenty-five and thirty Zimbabwean Dollars to one Rand. This means that more money will be spent because of the exchange rate.

2.9.9 *Lack of Sanitary Conditions*

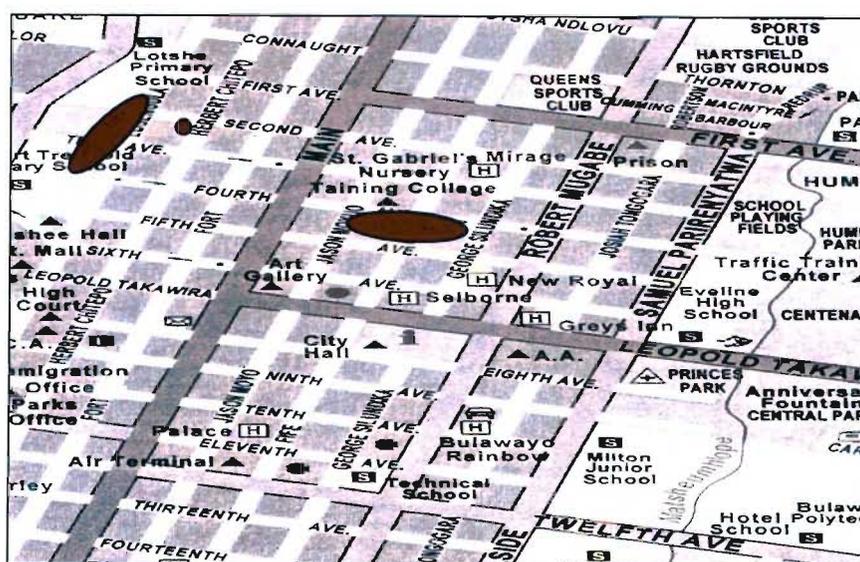
The informal economic sector traders lack hygienic conditions. According to the author's observation, the informal traders between Fort Street and Herbert Chitepo Street and along Fifth Avenue (see Map 5) do not have ablution facilities. It is not known where they go to relieve themselves; possibly to Lobengula Street. Were such facilities not supposed to have been provided before the traders were allocated to that place? Due to such conditions, hygiene cannot be guaranteed and during the rainy season the possibility of an outbreak of

cholera cannot be dismissed. With such conditions they are not able to wash their hands regularly because water is not easily available.

2.9.10 Lack of Adequate Support from City Authorities

The other problem that the informal traders are facing in Bulawayo is the lack of concern by the city authorities. The Bulawayo city council does not seem to show support to informal businesses. According to the author's observation, apart from those in the flea markets, who will be renting to local business people, the bulk of the people in the vending department, especially the vegetable and fruit vendors, do not have even one shelter erected by the council. Along Lobengula Street (see Map 5), people have erected plastic shades. The same applies to the traders along Fifth Avenue, between Jason Moyo Street and Robert Mugabe Street (see Map5). There are no city council shelters. Despite the council's claim that they are in support of informal business, they have not erected any shelter to protect the commodities of people. If the council had erected shade, they would be charging the vendors more and would get more revenue. So it seems true to say that there is lack of adequate support for the informal traders from the city authorities in Bulawayo.

Map 5 : Areas of Vending Operations without Council Shelters



2.9.11 Lack of Equipment

The author has held discussions with people in the metal work business and carpentry trade. They expressed concerns that they face serious problems with lack of tools and machinery for their work (see Kaliyati in Venter 1994: 160). Many of these people hoped to be national suppliers, but due to their inadequate machinery they are limited in their production.

Whilst they would need large spaces to operate from, their problem will be getting the money to pay for the expensive rentals. They would rather minimize as much as possible on rental expenses because they cannot scrimp on expenditure on materials such as wood and steel-force for the making of window frames and other commodities.

2.9.12 Lack of Social Security

Another problem is the lack of social security such as insurance, funeral policies, pension schemes, and medical aid. Most informal traders fail in business if they become involved in an accident or if they become sick, because they use the money that was perhaps intended for more orders. As such mishaps are not always anticipated, they find themselves out of business forever. In the event of death of the husband, if he was the one in business, the family will suffer. This is one of the critical issues at the present moment in Zimbabwe due to the AIDS epidemic. Many HIV/AIDS, patients in the informal industry are dying miserable deaths due to lack of pension, insurance and medical aid policies. Such emergencies are worse when people are not prepared for them.¹⁴

¹⁴ For further reference to the problems facing the informal business sector see Ndoro, H 1996. Zimbabwe: The Informal Sector in a Decontrolling Formally Socialised Economy in Mhone, GCZ (ed) *The Informal Sector in Southern Africa: An Analysis of Conceptual Research and Policy Issue*, p42-44. Harare. SAPES Books.

- See Kaliyati, J 1994. The Informal Sector and Small Business Development in Venter, M (ed), *Prospects for Progress: Critical Choices for Southern Africa*, p 159-161. Cape Town. Maskew Miller Longman.

- See Harding, P and Jenkins, R 1989. *The Myth of the Hidden economy: Towards a New Understanding of Informal Economic Activity*, p15-29. Philadelphia. Open University Press.

- See Preston-Whyte, E & Rogeson, C 1991. *South Africa's Informal Economy. Contemporary South African Debates*, p165. Cape Town. Oxford University.

- See Clark, J 2000. Participation for Positive Change: A Case Study of the Bulawayo Upcoming Traders Association and its Intra-City Relationship p13,15,21-27.

- MISSEP 2000. Council By-Laws. Rules and Regulations of Business for Micro, Small and Medium Scale Entrepreneurs, English and Ndebele. Series 7.

2.10 THE INFORMAL SECTOR FUNDERS

2.10.1 *Introduction*

This section considers six organizations that are assisting in the development of the informal sector in Bulawayo: the Ministry of Youth Employment Creation and Co-operatives; the Commercial Bank of Zimbabwe; the Small Enterprises Development Corporations; the Zambuko Trust Limited; the Zimbabwe National Chamber of Commerce; and the Bulawayo Upcoming Traders' Association.

2.10.2 *The Ministry of Youth Employment Creation and Co-operatives (MYECC)*

The government of Zimbabwe has a Ministry of Youth Employment Creation and Co-operatives (MYECC), under which the informal sector falls. The government of Zimbabwe, in its yearly fiscal budget, allocates money to this Ministry, which supports the informal traders. Mafu and Diarra claim that:

The government is fully committed to the development of the informal traders by providing the Employment Creation Fund, which is given to people without the consideration of collateral as what banks do (2001 Bulawayo Regional Office MYECC).

They do assess the property of the borrower but, in most cases, the government does not consider the value of assets to match the value of the loan. The borrowers are always given more than what their assets are worth. Individuals can receive loans to a maximum of Z\$200 000 payable in two years at an interest rate of 15%.

To prepare people for efficient business management Diarra and Mafu (2001) point out that:

The ministry does co-ordinate the courses in conjunction with the International Labour Organization (ILO). 'Start your Business' (SYB), is the first course which is done in a week, followed by 'Improve Your Business' (IYB) for another week. And the ILO has just introduced another course called 'Generate Your Business Idea' (GYBI).

After training, the individuals will be eligible to apply for funds, when project proposals have been accepted. The Ministry has also some officers who do regular checks on the progress of the projects and in some cases the projects may need more money than what was initially applied for. The money is always given if it is available. Diarra and Mafu (2001) say that, 'the assessment of progress is called *Multiple Check List* or the *Multiple Criteria Matrix*'. The Ministry provides funding to groups who form co-operatives and to individuals, unemployed and employed, if they create employment.

According to the present author's assessment of the Ministry's activities and involvement in the informal trade, it *does* fund informal trade projects at a minimal interest of 15%, whereas most of the funders are asking for more than 15% interest rates due to financial constraints. However, the government has little to offer to the informal traders. For instance, Mafu and Diarra (2001) reported that the whole of Matebeleland (Matebeleland North and South) has been allocated two million dollars, which the present author believes is not sufficient to develop the informal trade.

2.10.3 The Commercial Bank of Zimbabwe (CBZ)

The Commercial Bank of Zimbabwe (CBZ) has a Community Banking Programme, which provides Community Banking Accounts, Community Business Loans and some basic training in business management. To have a Community Banking Savings Account, one should maintain a minimum balance of Z\$600. More often, the bank encourages people to apply for the loans in groups and these individuals guarantee each other. According to a CBZ Brochure (2001), "The loans provided under this facility are given to individuals at an interest rate of 3.5% above the base-lending rate". At the time of this research the CBZ interest rate was 56% due inflation and other economic predicaments. Now it follows that the Bank is lending its money to the community at an interest rate of 59.5%. The CBZ has a flexible method of loan payment, which is done to suit the requirements of the borrower, thus having the payments in three, six or twelve months. The loan is granted according to the savings of an individual or a group or a club. This means that the more one has in a savings account, the more the chances one has of borrowing money from the bank.

According to the author's observation and assessment of the CBZ Community Banking Programme, the system is very friendly, but the problems of prohibitively high interest rates are making it very difficult for people to borrow money. Secondly, the prerequisite of having to deposit some money in the account for one to qualify for a loan is also prohibitive. This is because most of the people in the informal trade do not have money that they can use to declare their eligibility. In many cases they start projects without any money and they depend solely on such funds.¹⁵

2.10.4 The Small Enterprise Development Corporation (SEDCO)

The Small Enterprise Development Corporation (SEDCO) is a parastatal that was established in 1983 as a development finance institution. It operates under the Ministry of Industry and Commerce. This organization offers micro-finance for informal business up to a maximum of Z\$50000. Whilst SEDCO does offer training to the informal traders, the organization does not consider training as a pre-requisite for financial borrowing. According to a SEDCO brochure:

People can still access for the funding without the training (such as that given by the Ministry of Youth Employment Creation and Co-operatives and the CBZ). SEDCO has stiffer regulations, which are applied when individuals fail to pay their loans. The organization applies the SEDCO Act- Section 38, which allows the organization to attach the property of the borrower. This section also requires the borrower to declare his/her wherewithal if he/she is to qualify for the loan (2001).

Bhala (Regional Manager SEDCO Bulawayo Office), confirms that:

SEDCO has a monthly interest rate of 55% and, depending on the nature of the project, it allows a grace period of not more than three months for a short term loan (a loan repayable over three years), twelve months for a medium term loan (repayable over five years), and twenty-four months for a long term loan (repayable over five to ten years).

Women form the majority of the borrowers. Most borrowers are middle-class employed people who are seeking the supplementary funds. People are afraid to borrow money due to

¹⁵ For further reading and reference see CBZ Brochure.2000. Jewel Community Banking Programme, Supporting the Informal Sector, Commercial Bank of Zimbabwe Limited. The Jewel bank with a vision.

the fear of failure to repay the loan, caused by high interest rates. Though relatives could be guarantors for the borrowers some people do not have guarantors. Some people fail to raise the 15% project initial cost capital required by SEDCO, which will be a down payment before SEDCO gives the 85% for the project cost.¹⁶ This is a problem to school leavers, who cannot raise such amounts if they want to start projects.

2.10.5 The Zambuko Trust Limited

Zambuko Trust is one of the fastest-growing organizations which support the informal sector. Zambuko Trust has eighteen branches nationwide in Zimbabwe, excluding regional offices. Unlike SEDCO and the CBZ, Zambuko Trust has managed to establish branches in the locations. According to the Annual Report:

Zambuko has the Bulawayo City branch along Jason Moyo Street, and branches in Nkulumane, Mpopoma, Pumula, and Gwanda. This shows the desire of the organization to assist the informal traders. Zambuko Trust (1996-1997:14. Annual report).

And Mlilo (Zambuko Trust Regional Manager Bulawayo) elaborates:

The organization was established to cater for those people who could not be accepted by the Commercial Banks, people who were below the poverty datum line, with women having 77% rate of borrowing and men are 23% and they all belong to the middle age group of between 25-60years.

Unlike SEDCO and CBZ, Zambuko has a flat interest rate of 48%, which is, of course, below the current rate of the Commercial Banks. For the people to benefit from the Zambuko Trust, they are given basic business education during a week-long course on topics such as costing, marketing, pricing and basic accounting. During the training Zambuko arranges for the trainees to have special visits to existing established projects.

Due to severity of the HIV/AIDS epidemic in Zimbabwe, the Zambuko Trust has opened a funeral policy for the informal traders. This policy will cover for the borrowed money in the

¹⁶ Further reading see Standard Chartered. SEDCO-Small Enterprises Development Corporation 2000-for Commercial and Industrial Financing Management Consulting and Training of Small Enterprises (SEDCO Brochure).

event of a member's death. This helps the family not to be indebted after the death of the parent or bread-winner. To assess the progress of the projects, loan officers constantly visit the projects. The Zambuko Trust is geared to empower the community through financial and moral support.¹⁷

2.10.6 *The Zimbabwe National Chamber of Commerce (ZNCC)*

What is the role of the Zimbabwe National Chamber of Commerce in the informal business? The ZNCC plays a middleman's role in training people who would have been selected by donor organizations (such as Orap, YWCA and World Vision International), which co-ordinate community-based projects. Individuals from these organizations come to the ZNCC offices for week-long training sessions in basic bookkeeping, accounts, calculating profit, purchasing, marketing and customer care. The ZNCC does not lend money to individuals. The ZNCC conducts at least one session per month, with about twenty people in each session. ZNCC is a partner in the development of the informal economy. ZNCC seeks to guarantee quality of individuals or groups in business, thus assuring the progress and development of the informal economy in Bulawayo.

2.10.7 *The Bulawayo Upcoming Traders Association (BUTA)*

From 1995, the Bulawayo Informal Traders' Association (BITA) and the United Informal Traders' Association (UITA) were operating as separate entities representing the interests of those working in the Bulawayo informal economy. It was realized that the two organizations were essentially striving for the same goals and therefore in 1997 the interim committee of the Informal Traders' Association in Bulawayo was formed. In 1999, the Bulawayo Upcoming Traders' Association (BUTA) was developed. According to Clarke:

The BUTA seeks to develop and protect its members and their businesses and ensure that they are accorded the dignity they deserve under conditions which are conducive to a better business environment (2000:7-8).

¹⁷ To have a fuller understanding of Zambuko Trust's involvement in the financial assistance to the public see Zambuko Trust (Pvt Ltd) 1996 – 1997. Annual Report. Tripple -R Printers.

In March 2002 BUTA had an official membership of about 800 traders and the organization was gaining more support. To be a member of BUTA one has to pay a joining fee of Z\$15, after which every member pays a monthly subscription of Z\$10. But what is the role of BUTA? BUTA acts as a “mouthpiece” for the people discussing with, and lobbying the local government on behalf of the traders.¹⁸ BUTA plays the middleman’s role between the traders and the civil authorities. For instance, when the council increases its rates for the stalls, the BUTA will be informed initially to consult with its members. Of course, there are instances when city authorities dictate to the traders. BUTA makes sure that the city authorities deliver the services to the informal traders, especially services pertaining to hygiene such as the removal of garbage from the market places, policing of the area and sanitation. BUTA seeks financial support which is payable with little interest for its traders. BUTA also offers skill-training sessions of management to its members. In case of somebody’s wares are confiscated by the council police, the BUTA will legally represent its member and seek redress or settlement for the action against the trader. This means that BUTA seeks to empower people so that they are able to take action against abuses. In that regard, BUTA ensures that every member has access to business knowledge which strategically improves livelihoods (through self-esteem) and a better understanding of the enterprise. This guarantees success in business.

Therefore BUTA is more involved with the daily activities of the informal traders. BUTA’s role is complementary enough to support the informal business. It is an organization which pays attention to the daily needs of the informal business operators.¹⁹

¹⁸ Mouthpiece-Voicing against high rents of bays that is Z\$172 per month and encouraging the council to build shelters

¹⁹ For more information and activities of BUTA see Clark 2000. Participation for Positive Change- A Case Study of the Bulawayo Upcoming Traders’ Association and its Intra-City Relationships. Constitution and Rules for the Administration of the Bulawayo Upcoming Traders’ Association.

-MISSEP 2000. Council By-Laws. Rules and Regulations of Business for Micro, Small and Medium Scale Entrepreneurs. English and Ndebele. Series 7.

2.11 Conclusion

Having examined the nature and causes of the development of the informal sector, types of the informal sector, the informal sector activities, the problems uncounted by the traders, the funders of the informal economy and other supportive organizations, it cannot be doubted that the informal economy in Bulawayo has many problems, but it is also graced with the support offered by various institutions.

CHAPTER THREE

THE CHALLENGE FOR THE CHURCH

3.0 Introduction

The issue of the informal economic sector and the involvement of the church is something which is virtually new. For a long time the church has not been involved in the informal sector, though it has played a substantial part in social development, education and health. The questions often asked are, what roles can the church play in the development of the informal economy? And is the church able to support the informal economy financially, given the fact that many informal traders need financial support? Furthermore, does the church have the expertise to deal with the informal traders?

In the liberation era of the nineteen-sixties and nineteen-seventies, the church played a substantial role in Africa supporting the revolutionary movements against colonial regimes. The church had realized the need to confront the colonial oppressors of the day and liberation was brought into Africa through its effort and support. The role of the church today is to raise the economic standards and develop a better livelihood for the people in peripheral economic areas. The involvement of the church in the informal economic sector has to be regarded as a call for the church to a holistic ministry. This should be done to bring about humanization of the communities in the informal sector.²⁰ Furthermore, if the church becomes involved in the informal sector, it will perhaps assist in making of the informal economy a legitimate economic programme which would warrant the support of all parties such as the government, the civil authority and the private sector. This is the challenge that the church is facing and it cannot afford to ignore it because the informal sector is genuine and vigorously expanding.

²⁰ Suggest self-actualization with regards to human values, models, ideas and norms. It is a process of transformation of humanity into truly human, where humanity discovers its potential, self-worth, dignity and above all to discover that it was made in the image of God (*Imago Dei*), and that it could learn to accept and respect others as he/she may want to be respected.

Chapter Three seeks to consider the holistic ministry of the church, which encompasses the informal sector. The chapter also seeks to highlight the fact that the informal economy, if supported, could bring about the humanization of the communities involved. It must be emphasized again that there is a need for real support for this sector of the economy, so that it may not be regarded as a vulnerable and residual economy, which is only carried out during periods of desperation. It is Chitando's opinion that:

The believer is called to a life of success and the will of God is for people to prosper or to succeed in every area of life. Success in material terms is regarded as part of the divine plan for humanity (1998:6).

3.1 WHY THE CHURCH SHOULD BE INVOLVED IN HOLISTIC MINISTRY

3.1.1 Introduction

This section will consider five reasons why the church has to be involved in the informal sector. As Chitando (1998:11) states: "The church ought to do more if the situation in which most Zimbabweans find themselves is to be improved". The church has to be involved in the informal economy because: it follows the Biblical Prophetic tradition; Jesus' ministry was not only spiritual; there is a requirement for the church to meet the needs of the people; of the missionary legacy and the church is regarded as a primary group in society.

3.1.2 The Biblical Prophetic Tradition

In the Old Testament (Amos 2: 5 ff), God spoke against the shameful treatment of the once free and independent Israelite peasant population, which was suffering at the hands of the economically powerful group of landowners. There was serious lack of social responsibility and lack of justice to the peasants. Amos did not spare the oppressors. He rebuked them because they took advantage of the poor and powerless people through heavily indebting them. The problem of the day was that the political leaders of Israel were economically oppressing the people. God could not condone such a system. Amos realized himself as a

prophet who had an obligation to challenge the existing political issues. Amos lashed out at the profiteering and fraudulent business transactions of the wealthy grain merchants of the cities. Wittenberg (in Nurnburger 1978: 146) confirms that:

The issue of the administrative justice was also an instrument of oppression by depriving those (poor) of their rights, who on account of their inferior social position, were in the greatest need of protection of the law courts.²¹

The Bible affirms the liberation and freedom of humanity through the story of the struggle for freedom by the Israelites during many long years in the desert. And Isaiah (5: 84) attacks the rich for their exploitation of the poor, for the corruption of justice and exploitation in general, and he made a special reference to orphans. He stresses a new point when he speaks about the promulgation of decrees and ordinances, which create the opportunity for the ruling class to set aside the old order. For Isaiah, the deprivation of the peasants of their ancient inherited rights was the main issue of justice. In this regard we see Isaiah speaking against the evil systems of his day. His prophecy was to change the anomalies and the evils of his day, which were perpetrated by the political and religious leaders.

Therefore it follows that the church has an obligation to oversee the justice of the communities, to see that widows and widowers, divorcees and orphans are accorded their rights as far as informal trade is concerned. The church cannot allow economists, the government or the civil authorities to ill-treat the poor informal traders. The challenge from the Biblical narratives make Christians understand the call of Isaiah the prophet, when he says that:

Is this not the sort of fast (religion) that pleases me: to break the unjust fetters, and to undo the thongs of the yoke, to let the oppressed go free and to break all yokes. Is it not sharing your food with the hungry and sheltering the homeless poor, if you see someone lacking clothes, to clothe him and not to turn from your own kin (Isa.58: 6-7a)?

It is such ministry, as Micah says (in Micah 6:8), which brings peace, prosperity, contentment and the presence of God in society. Therefore, what God requires is for his followers to act

²¹ Further reading on prophetic response to Affluence and Poverty and the Word of God see Wittenberg, G 1978. *The Message of the Old Testament Prophets During the Eighth Century BC. Concerning Affluence and Poverty* in Nurnburger, K (ed). *Affluence, Poverty and the Word of God*, p146. Durban. Lutheran Publishing House.

with justice, to love tenderly and to walk humbly with Him. The church has an obligation to take a prophetic position for the sake of the poor, in this case the informal traders.²²

3.1.3 *Jesus' Ministry was not only Spiritual*

The church could stop the tendency of concentrating exclusively on the soul of mankind, as if humankind does not have a body. The church has not been able to address itself fully to the development of the total person. For instance, despite Jesus' preaching on the occasion of the Sermon on the Mount, he clearly demonstrated the need to take care of the body as well by feeding the multitudes. At Cana during the wedding Jesus provided wine. And one of the most striking teachings of Jesus is found in Matthew (25: 31-40), when he was teaching on the coming judgment and the selection of the faithful against those who will be condemned to judgment and eternal life. He said:

I was hungry, and you fed me,
I was thirsty, and you gave me something to eat
I was naked, and you clothed me

According to these remarks, Jesus is demonstrating that spiritual food is essential, but giving of social needs is equally as important as prayer. In fact, prayer supplements good deeds of service done to fellow humanity. It agrees with Paul's message that even if we speak with heavenly tongues, but if we have no love, it is nothing (1Cor.13: 1). The church should see to it that the hungry are fed, the thirsty are given water and the naked are clothed.

In the teachings of Jesus on the Kingdom of God, he says that "the Kingdom of God is among you" (Lk 17:21) and that meant God becoming king in the midst of the misery which the Roman Empire had caused. Jesus announced the change of power. This was a fundamental alteration of relationships in the midst of an apparently hopeless situation that reduced people to powerlessness. Duchrow (1995:182) believes that:

²² For further reference to the issue of development, justice and the contribution of the church to development see Magesa, LC 1989. *Theology of Integral Development in Africa* in Agbasiere, JT & Zabajungu, BK (eds), *Church Contribution to Integral Development. African Theology in Progress Vol.2*, p113-121. Kampala. AMECEA Gaba Publications Spearhead.

Jesus' concentration on changing people in small groups is all about the conversion of Israel, which in turn is about the transformation of the peoples. Apparently, the teachings of Jesus such as, "you are the salt of the earth, you are the light of the world, and that a city built on top of a hill can not be hidden", (Matt 5:13ff), together with the parables (from Matt 13: 1ff), of the seeds which are sown and grown (v1ff), of the yeast and flour (v33), the parable of the weeds (v24), the parable of the mustard seed (v31), applied to the emerging groups of the disciples. Just as in the ancient tradition of Israel, God's new act of liberation and the building of the alternative society begins among the excluded, the impoverished and the oppressed. Jesus raises up the powerless and lives with them, which is an alternative to the existing order. According to Jesus, the new society builds up from below, near to God, which was in clear contrast to the surrounding reality of his day (1995:185).

The New Testament depicts Christ as the epitome and means of self-affirmation under God. Christ came to set humanity free, in the comprehensive sense, avoiding a further enslavement (cf Gal 5:1). Therefore, the church should emulate the master's example, by meeting the needs of the suffering poor, through its support for the informal activities in the city of Bulawayo. Jesus preached the gospel of salvation and, at the same time, he acted out his message.

3.1.4 *Being a Prophetic Church*

Critically analyzing the involvement of the church in the informal industry, it has been realized as minimal, and the question to be asked is why? Duchrow explains that:

The priests and the preachers of the mainline churches in the Middle Ages and the Reformation were not constitutively on the side of the socio-economically and politically weak and oppressed, unlike the prophets and Jesus. The church as an institution was supposed to have taken sides for economic and social justice, quite apart from charitable care for the poor (1995:216).

The church could have been feeling very uncertain with its position concerning its engagement in the informal trade. One of the issues that make the church uncomfortable is the idea of receiving interest for money lent. According to Duchrow, the Reformers, especially Luther, clearly spelt out that:

If you know for a fact that someone is an usurer, remember not to give him either the sacrament or absolution until he or she repents. Otherwise, you will be conniving in his usury of sins. Then you too will go to the devil with him because of his sins. Since he is a usurer and idolater, since he serves the mammon, he lacks credibility, and cannot have or receive the forgiveness of sins, neither the grace of Christ nor the community of the

saints. He has damned, isolated and banned himself, until he confesses his sins and does penance (1995: 220-221).

Duchrow reiterates that Calvin elucidated the principle by saying that:

It is hardly possible that anyone charging interest should not thereby burden his brother, and so it would be good to bury the names of usury and interest and wipe them out of human memory completely. However, since business dealings are not possible without it, one must always be careful to know what is permitted and to what extent it is permitted (1995: 224).²³

There is no doubt that the Reformers seriously considered Ezek 18: 6-8 as a yardstick for the life of the believers and the influence of the Reformers on protestant theology is significant. Such teachings directly or indirectly negated the desire of the church to be involved in social activities such as assisting the poor to economic betterment. The church has always wanted to uphold integrity and credibility, which if it had to be involved in the money business, could have forfeited the church's forgiveness. The Reformers stated that the church is in no way worthy of the name if it charges interest like everyone else. This implies that the church could perhaps only speak against evil. Now the question is how relevant would its theology be if it could not assist poor communities to survive?

In that regard we would agree with Rauschenbusch that:

The Traditional Theology (or Doctrinal Theology) has diverted our minds from the powers of the social transmission, from the authority of the social group in justifying and idealizing wrong. The church has focused much on the individual soul and has remained uneducated as to the more complex units of spiritual life (1917:69).

From this argument it is time that the church revised some of its theological positions to allow real engagement in the social activities of communities, i.e. to develop people's livelihoods. It is time that the church reconsidered its ideas and formulated a theology which takes seriously the social implications of the gospel.

²³ For information about the views of Luther and Calvin on usury see Duchrow, U 1995. *Alternatives to Global Capitalism. Draw from Biblical History, Designed for Political Action*, p220-224. Heidelberg. International Books with Kairos Europa.

The church has always played a priestly role, such as being a middleman and being sincerely convinced that it is necessary for the good of humanity and that Christianity will perish without it. Yet Rauschenbusch argues that:

A priest is a religious professional, who performs religious functions which others are not allowed to perform. It is therefore in his interest to deny the right to free access to God and interpose himself and his ceremonial between common mankind and God. The priestly attitude of the church has made her to fail development of the communities. She has always considered new ideas as a threat to tradition, doctrine, and spiritual development of believers (1917:274-275).

In this regard the church has always protected its way against external influences and new proposals. However, that has not been good for the church. Instead, the priestly attitude of the church has shown how weak and insensitive it has been to issues that affect its people on a daily basis.

The church should have taken a prophetic position, which Rauschenbusch explains:

A prophet becomes a prophet by personal experience with God. The interest of the prophet is freedom, reality, and immediateness. His religious experience often gives a profound quickening to his social consciousness, an unusual sense of the value of life and strong compassion with the suffering and weak, and a keen feeling for human rights and indignation against injustice. A prophet has a religious conviction that God is against oppression, and is on the side of the weak. You can tell where the conflict is, when you hear the voice of the prophetic oracles. The prophet's sense of justice, compassion, and solidarity send him into tasks, which will be too perilous for others. The prophet is always connected with the oppressed classes as their leader. And this puts him in the position of heretic, a free thinker, an enemy of (priestly) religion (1917: 275-277).²⁴

The church should adopt the prophetic position as far as its engagement in the informal economy is concerned. The cross of Christ has always contributed the strength to the power of prophetic religion. What the informal traders are facing today in Bulawayo calls for the prophetic oracles and prophetic rebukes, so that enough attention could be given to dealing with the informal economy. The church should move from priestly position to prophetic position, where it will stand with the weak.

²⁴ For further reading and understanding of the differences between the priest and the prophet see Rauschenbusch W, 1917. *A Theology for the Social Gospel*, p174-179. Nashville. Abingdon Press.

The informal economy is often brutally abused (as already discussed in Chapter Two) by the formal economy, because it is the lowest link in a cheap supply chain for production for the world market. It is characterized by constant struggle for survival. It is not a self-contained free sector. Duchrow reiterates that:

We need to improve the conditions for the revival of the free economy. If we look at the informal economy not only as a desperate form of survival economy, but as a testing ground for a future life-sustaining economy, it must be in the light of learning from mistakes or wrong developments, which have been made so far. The church's responsibility is to set a good example to the worldly estates where setting a good example means giving a sign, showing that there is another way. The church should build a community, locally and globally with those presently sidelined or excluded (1995: 251& 276).²⁵

Rauschenbusch (1917:279) concluded that 'the era of prophetic and democratic Christianity has just began because the social Gospel is the voice of prophecy in modern life'. It is the present author's hope that the church in Bulawayo would see it as an obligation that it should get involved in the business of the informal economy to uplift the lives of the traders. The church should challenge some of its traditional and doctrinal theology, which prohibited such activities, and understand that the time for participation is now.

3.1.5 The Church has to Meet the Needs of the People

The church should be involved in issues that affect its people, be they political, social or economic issues. Through faith, the church motivates humanity to explore possibilities that might be difficult in dimensions of reality. Faith provides humanity with meaning in the face of meaninglessness; it gives assurance in the face of failure and authority to take people's lives into their own hands where the powers of dehumanization are overwhelming. This demonstrates that the church has the power to enter into any social aspect of humanity where its assistance is required and called for.

What should the church do in Holistic Ministry? It is often argued that Christianity is the most materialistic of all religions. This is indicated by the words of the Lord's Prayer – "give

²⁵ For further reading and understanding of the differences between the Priest and the Prophet see Rauchenbusch, W 1917. *A Theology for the Social Gospel*. p174-179. Nashville. Abingdon Press.

us this day our daily bread". It is expounded that the prayer focuses more on the material well-being of people. Human life is sustained by food and preaching the gospel. Therefore, without assisting the people to survive physically it might not be regarded as a valid gospel. According to Wilson (in Cochrane and West 1991: 17), Jesus's declaration that "your sins are forgiven: Behold, I come to bring life, I come to bring it more abundantly" is the core of the Holistic Ministry. The church surely cannot attempt to make whole by preaching the gospel alone, without giving the assurance that the people have enough food to survive on. Giving life abundantly would signify that the totality of humanity is well ministered. This means that, if need be, the church should also assist in the organization of employment opportunities. And support and involvement in the informal economy is part of the proclamation of the gospel.

The greater necessity of justice and support of the informal traders should be a strong thread of Biblical teachings. When Isaiah and Lk4: 18 are being referred to, the church should always consider the plight of the informal traders. Furthermore, the story of the Good Samaritan demonstrates that able-bodied people who have the means and the capacity to help should do so. In that case the church should stand up for those who are at the periphery of humankind's economic sphere. At the Day of Judgment, one of the most difficult questions would be: When I was in need, what did you do for me?

3.1.6 The Missionary Legacy

There is no doubt that the church has been responsible for the promotion of education through the building of schools and colleges and the development of health facilities such as clinics and hospitals. The gospel was preached through social development by developing communities. The church did what it could to equip people with the means of self-sustainability. Although the church gave more to poor communities through subsidies it did not lose focus for participating in development.

Earlier on, the question was asked whether the church was equipped to deal with the issue of the informal sector in a holistic manner. One of the areas in which the church is equipped is that teaching. For decades the church has offered real education to orientate or conscientize people in such a manner that they will appreciate the dignity of labour, especially the small scale. Communities have been made to understand that humble beginnings can lead to great

achievements. This is why many people looked down upon the informal trade as a way of making a living not to be emulated. Since the first missionaries the church had not been very enthusiastic about economic development but rather it had become pre-occupied with spiritual matters. Unfortunately it became insensitive to people's needs. Khoza (in Nurnburger) felt that:

It is unfortunate that the church is more sadly associated with the issue of death, than the affairs of the living. People have realized that going to church will earn one a decent burial, which indirectly means that as long as one is alive, the church has not much time with you (1978:93).

The church should learn from the missionary vision, where development was the heart of the gospel. It should be more concerned with the affairs of the living than with those of the dying. Its aim should be to give spiritual, social, economic and political support to those who need it, in order to fulfil its holistic mission.

3.1.7 The Church as a Primary Group

The church for many years has been responsible in offering what the believers ought to be, and also giving critiques and confirming values, norms and goals. It offered acceptance and belonging and substantially assisted in the building of self-confidence in individuals and groups. Pietistic tendencies have brought about the problem where religious groups have developed tendencies to restrict themselves to narrowly defined spiritual objectives. Nurnburger (1999:269) feels that such restrictions "must be penned open to allow for more holistic and natural relations within the group".

When considering African communities today, the level of poverty is very high and human lives are threatened daily. The United Nations Millennium Declaration states that:

Some people are surviving with almost one single meal a day. The number of stunting and malnourished children is a demonstration of these phenomena,²⁶ and such problems

²⁶ For the problems of infant mortality, stunting and malnourishment see Ntuli, SM & Ggubo, T 1999. *National Integrated Community Curriculum (Induction Course) Technical Report of the Training of Trainers in KwaZulu- Natal Province on the Induction Course*. Kwadlangezwa: University of Zululand.

are so high in the Third World communities, where there is need of poverty eradication and sustainable development programs (2000:2,5,7,8).²⁷

The majority of such people could be part of the church. The church should be obliged to assist communities in improving their lives. A major problem of many governments is that of unemployment, which has become the main manifestation and cause of poverty. Unemployment directly and indirectly affects the church, because it cannot preach to hungry congregations. The issue of the Holistic Ministry of the church in assisting the welfare of communities in which it is part is thus very crucial. Those who are miserably suffering in poverty question the meaning of life and doubt the existence of God. It is through the intervention of the church that lives can become meaningful and the involvement of God in human life evident. The Holistic Ministry of the church should thus sustain human lives. The church should focus every day on the issues that are central to the lives of the communities. To deal with poverty and unemployment, which are the most challenging problems the church has to be involved in the alternative means of community development, which can be done through the support of the informal economy.

Poverty has adverse effects on humanity. For those who have to endure it, poverty demeans humanity, it diminishes people, it assaults human dignity. And Wilson (in Cochrane and West) believes that:

Helping people to deal with the enduring of poverty in order to empower them is where the churches must come in, but not in mere pity, because Christianity that focuses solely on the spiritual, which is not fundamentally concerned with human dignity and human well-being, is a ghostly Christianity (1991:18).

Nurnburger (1999: 37) points out that, “the church is one of the institutions, which has access to the most deprived grassroots communities”. It has stations in the remotest areas, where the government has failed to put a post office, a school, or a clinic. It also has members who are part of the political, economic and civil leadership. This demonstrates how capable the church is in working with diversified community groups from both the poor and the affluent classes. It has always been part of the mission of the church to uplift the lives of poor communities. Its involvement in the informal sector is part of its ongoing mission.

²⁷ For further reference to the issues of poverty see United Nations General Assembly, 2000. 55th Session. 18th September. (www.un.org/millennium/assembly.htm). Pages 2, 5, 7 & 8.

The church has an obligation to preach a "*full gospel*," which brings real redemption to humanity. The church should not be caught up in a half-spiritualized ministry, which leaves the community unsatisfied in every sense.

3.1.8 *The Challenge to the Church*

The question to ask is what God requires of us? Magesa responds to this question by analyzing the Pope Paul VI's (1971) description of development, in which he said that:

The human person is more than an economic animal. The fullness of human life, as Jesus Himself puts it, does not depend on 'bread alone'. The enjoyment of liberty for enhancing the intellectual and moral culture, and developing one's self-understanding, as a human being with the rights and dignity, within a community of other equally privileged human beings, is equally important (1989:115).

In this regard, development cannot be regarded as an economic Programme only, but it is surrounded by real human values such as freedom and liberation in the political realm. Gutierrez confirms that:

Christians cannot claim to be Christians without commitment to liberation and that salvation of humankind is centred upon Christ the Liberator and mankind is saved by opening themselves up to God and to others (1973:145,150,151).

The church has to play the role of the '*brother's keeper*' and has to have a liberatory role, spiritually, politically, socially and economically. In essence, this will be the church's involvement in the holistic ministry. Magesa expresses the opinion that:

The church should undoubtedly have a vision for health, education, shelter, and clothing; the enhancement of economic growth, in agriculture, industry, and technology; the provision of opportunities for leisure and the growth of culture and the establishment of appropriate communication systems (1989:120).

Theologically, the church should be alongside the people who are enduring poverty, and in this case the vulnerable informal traders, especially in the city of Bulawayo.

One of the greatest issues that the church has to offer to the community is hope, and that cannot be given by the political world. The political and economic environment of Zimbabwe

is not at its best at this moment and such a situation will always cause doubt for the future of the informal economy. Now is time that the church should tackle the challenge of a hopeless situation and cast off the spell of misery to instill hope within the poor communities. Indeed, hope comes as a result of individual and community commitment to the changing of the environment of the poor. The challenge to the church is to promote humanization. This will be the theme of the following section.

3.2 THE TASK OF THE CHURCH IN PROMOTING HUMANIZATION THROUGH SUPPORT OF THE INFORMAL ECONOMIC SECTOR

3.2.1 Introduction

The many institutions supporting the informal sector are not, in the first instance, interested in developing the people as human beings. Many informal business people fail because they are not developed to be real business people. In this section the author will discuss five key issues regarded as visions for humanization. These key issues are: humanization through non-categorization of the informal traders; humanization through capacity building; humanization through empowerment; humanization through training; and humanization through legal support. But before going such detail it is perhaps important to discuss the meaning of humanization if it is to be understood what the church should, be in reality be promoting.

3.2.2 What is humanization?

Humanization, as Kung (1979: 532) defines it, 'is self-actualization with regard to human values, priorities, models, ideas, and norms'. Kung continues, 'mankind should realize, not necessarily a principle or universal norm, but should realize itself in all dimensions'. This realization is what could be called humanization, where humanity and those in the informal industry become fully human through their involvement in, and the development of, creativity. Humanization is a process of transformation of humanity into true human beings, where humanity discovers its potential, self-worth, dignity and, above all, discover that

humanity was made in the image of God (*imago dei*), and that it should learn to accept and respect others as many want to be respected.

It could be elaborated, that humanization is giving people the future and empowering the powerless, especially women, where the people will all feel that they have a say in the reconstruction of the economy. Indeed, people must be able to know their rights as communities and individuals, where they will be able to actively participate in the development of their social lives.

3.2.3 *Humanization through non-categorization*

It has been noted in this paper that the informal trade is rocked with many predicaments, ranging from the vulnerability of operators to financial woes. Informal traders experience a loss of worthiness and loss of dignity by spending the whole day in an open space in scorching heat, yet they had paid the local council for their stands.

It has also been noted that people join the informal economic sector because they were retrenched or had failed to be absorbed by the formal economy. Such a sector is regarded as a 'vulnerable' and 'residual' economy. The categorization of this sector into such classes as residual is derogatory to the operators. Most of the operators feel that they are not secure to stay for a long period in such an environment. Many operators wish to operate as part-time, informal traders, or as supplementary jobs,²⁸ whilst they are formally employed. Others regard themselves as unemployed because their perception of employment is working for someone. Apparently, because the informal sector is not regarded as employment, many people do not to consider 'salaried' themselves and having such benefits as pension, medical aid, and insurance policies for themselves.

²⁸ See Kaliyati, J 1994. The Informal Sector and Small Business Development in Venter, M (ed), *Prospect for Progress: Critical Choices for Southern Africa*. p158. CapeTown. Maskew Miller Longman.

The church's involvement could help the activities of the informal sector, and the informal traders to understand that they should not categorize themselves as unemployed or belonging to a residual economy. The church could help promote humanity to have the understanding that even self-employment is employment and people should honour God with that.

3.1.5 Humanization through capacity-building

Several organizations claim their funding programmes are developmental, but it cannot be substantiated whether or not their activities are developing the traders to self-sustainability. From the author's observation informal traders are developing more of a *dependability syndrome*. In most cases, such developmental programmes are questionable. For instance, the informal traders have only been helped to know where they are able to source financial assistance in case of need, but have not been able to survive without financial borrowing. Such a situation makes them directly dependent on the financial institutions. The church should ensure that the informal sector development-process should bring life-sustenance, self-esteem and freedom from servitude through developing people's capacities and bringing them to equity.²⁹ In this regard, the fundamental objective of informal business support is to introduce the idea of an environment in which individual informal participants have an inalienable right to live a life of well-being, worthy of a human being. The idea of the informal business should bring about real development of humanity. As the saying goes, a good teacher is one who teaches someone to catch fish rather than giving them fish. In the same way, the informal sector funders should assist people to become self-sustaining.

A programme that brings about humanization is the one that allows the informal traders to be fully developed and enables them to participate in their development with confidence. It is imperative that the informal economy should be allowed to develop in an atmosphere, where the traders are not to depend on institutions for the viability of their projects. Instead, they must be able to become independent, without much indebtedness to the financial institutions. The church should thus consider being involved in the informal sector, so that the people may have their capabilities, abilities and livelihoods developed.

²⁹ For further reference to participation and community capacity building, see De Beer, F 1997. Participation and Community Capacity Building, in Liebenberg, S & Stewart, P (eds), *Participatory Development Management and the Rural Development Programme*, p21-32. Cape Town. Juta

3.2.5 Humanization through empowerment

Perhaps similar to the above-mentioned idea is that of empowerment. The creation of long-term credit facilities for informal traders does not necessarily bring sustainable development for the traders. It is creating a heavy debt, which if the business is not viable, could cause serious indebtedness to the family. The solution to the informal sector predicaments is empowerment. The empowerment of the informal traders should aim at promoting the human being and, in particular, the poor and oppressed in the informal trade. Swanepoel & de Beer (1998:2) state that, “empowerment seeks to release people from poverty”. In this regard, informal traders should be advised, encouraged and educated to know how to survive in the difficult economic situations. For instance, concerning the problems that the population of Zimbabwe is currently facing with the economy, the idea is to equip informal traders to face the challenges of economic instability and how to survive in business. This means that the informal traders should be allowed to use community knowledge and resources and have self-reliance, initiative and decision-making freedom. The church could assist in making the informal traders become real participants in development, by making sure that they actively participate in the economic process.

Whilst the idea of empowerment is emphasized, it must be acknowledged that most of the parties involved in informal activities are not so much concerned about empowerment of the traders, but, more so about the viability of their own institutions. Even for the government, the empowerment process is a threat. There is a need for change in the political will within the government if empowerment of informal traders is to be realized.

It is unfortunate that the informal industry is mostly regarded as a strategic and powerful sector only during election campaigns, during which their votes are regarded as important. It is through and during such periods that a little and unsubstantial support is given for a little while. This means that the informal sector industries are ‘voting agents’, which are forgotten after the election. The church should have an obligation to see that such attitudes are not perpetrated, because they further dehumanize people. Informal traders should be treated with dignity and as individual men and women with integrity and rights.³⁰ If the government wants

³⁰ For further reference to community participation and empowerment see, de Beer, F and Swanepoel, H 1998. *Community Development and Beyond; Issues, Structures and Procedures*, p17-31. Cape Town. van Shaik JL. CADEMIC.

to support the informal sector it should be done to empower the poor for the sake of their future and that of the informal economy.

3.2.6 *Humanization through training*

The concept of empowerment is quite broad and would even include training. Perhaps it is important to note that the training given to the informal traders was not in the form of a dialogue, at the time of writing. From the initial stages, the informal traders as participants are not given the opportunity to have input into the programme. The situation is one of a teacher and student, where the teacher does the planning, choosing and delivery of the knowledge. The fact that people who come for training sessions could be coming from the industry with much experience is not taken into consideration. The process of education could be regarded as the “banking system of education”, which minimizes the student’s creative power, and furthers the interests of the oppressors. Freire explains that:

The banking system has such programmes where the teacher chooses and enforces his choice, and the students comply, the teacher chooses the programme and the students (who are not consulted) adapt to it, the teacher is the subject of the learning process, while the pupils (in this case the informal traders) are mere objects (1970: 54).

It is the opinion of Freire that:

In order to achieve humanization, which presupposes the elimination of the dehumanizing oppression, it is absolutely necessary to surmount the limit-situations, in which people are reduced to things (1970:84).

In this regard, it could be understood that the problems of the underdevelopment of the informal sector could be attributed to their dependency. This represents the limit situations, which is characteristic of societies of the third world. Therefore, if the training offered to the informal traders is going to make an impact on the informal industry, there is a need to have some thematic investigation of the people’s problems, issues and struggles, so that the learning and training process will be relevant. The thematic investigation should be done to

determine the real needs of the informal industry. Therefore there should be a problem-posing system of training through dialogue, as Freire explains:

The teacher of the students and the students of the teacher cease to exist and a new term emerges: teacher-students-of-the-teachers. The teacher is no longer merely the-one-who-teaches, but the one who is taught in dialogue with the students, who in turn while being taught also teaches. They become jointly responsible for a process in which all grow (1970: 61).

This system of education would enable the trainers to have the correct education, which is relevant to the needs of the traders. More often, the training given to informal traders does not contribute to self-sustenance and humanization but instead dependability. The problem-posing system will bring about self-actualization and self-worthiness, where the peripheral informal traders will feel like real participants in the education and training process. Therefore, it follows that what the funders, Zambuko Trust, SEDCO, the Commercial Bank of Zimbabwe and the Ministry of Youth Employment Creation and Co-operatives, would need to do is to investigate whether or not their training is having an impact. The present research has shown that a number of informal traders have not gone through the system of training simply because they feel that it is not important to the situations they encounter in their business. They are tired of the narration sickness that is the depositing system commonly used in high schools. This system does not contribute to humanization. The church could assist in developing a training system which develops the character, the confidence, the hope and the integrity of the informal traders. They need to be developed and they need to know that they are in a real business and not a residual programme or project.³¹ At the same time the training programmes should develop the basic capabilities of individual informal traders.

3.2.7 Humanization through legal rights and support

The training sessions should at least address the rights of the informal traders. Some of the problems of the informal traders are harassment by police and the lack of shelter. Law enforcement agents must provide real protection to vulnerable groups such as the informal

³¹ For further reading on the problems of the Banking System of education and the advantages of the Thematic Investigation and Problem-Posing concept of education, see Freire, P 1970. *Pedagogy of the Oppressed*, p52-67. London. Penguin Books.

traders.³² It is important that informal traders should know their basic rights and that they are entitled to basic human rights, such as shelter and protection from the unruly behaviour of the police. Almost everyday the informal traders have problems and it is essential that their problems are addressed if the real development of both individuals and the informal economy is to occur.

The church (the ecumenical body-all denominations) can play a major part in the understanding of the freedom of operation of the informal traders. This is because the church preaches freedom of conscience and personal liberty. The freedom of operation is the most fundamental aspect that the informal traders require if they are to be developed and become humanized. They need to know that they are respected as human beings, through their contribution to the economy. Such information comes from the fact that a human being is special and important in the eyes of God. Therefore religious liberty is extremely important.

3.2.8 Humanization through moral development

The city authorities or the financial institution and the police cannot bring morality into the informal business. The involvement of the church (at ecumenical level) in the informal sector will bring moral dignity. The fact that many people are entering the informal economy due to unemployment and the desire to fight poverty may cause people to be involved in the immoral activities only for the sake of survival. This is why some economic analysts would call it a hidden economy (see Chapter One) because it will be an informal sector activity, which cannot be openly practiced. Although there is need to generate income for the welfare of the people, at the same time it is important to understand which activities are morally acceptable and which would bring disgrace to the entire sector. The mere involvement of the church could screen out the operators such as those involved in drugs, prostitution and the selling of stolen goods. The influence of the church would make many people cease operating the illegal commodities. In essence, the involvement of religion (the church) would help the informal economy to have informal activities that are legally and morally acceptable.

³² For further reference to the capabilities approach and the issue of rights of individuals see Nussbaum, MC 2000. *Women and Human Development: The Capabilities Approach*. Cambridge. University Press.

3.2.9 *Analysis*

The involvement of the church (the ecumenical body) in the informal economy will bring about humanization, capacity building and the non-categorisation of informal traders as residual and vulnerable. It will also assist in the empowerment and the development of the rights of the informal traders, the development of the morality of the informal sector and its education. This will effectively bring maximum participation of the informal traders by their involvement in the formulation of the training programmes. The most important aspect is that the church should always advocate, on behalf of the informal traders, that the training sessions must be relevant. The time has come for the informal traders to be consulted on which problem areas should be covered during the training sessions. The type of banking system of education is over. If people are serious about the real development of the informal sector there is need for dealing with real and relevant issues which are touching and affecting the informal traders. The church, through its moral, social and educational support, will be able to bring humanization to the informal industry, where individuals will recognize their worthiness, dignity and rights.

CHAPTER FOUR

ONE CHURCH'S ATTEMPT TO MAKE A DIFFERENCE: ANALYSIS OF THE UNITING PRESBYTERIAN CHURCH OF SOUTHERN AFRICA'S CHRISTIAN AID

4.0 Introduction

As pointed out in the previous chapters, the informal business sector is an industry that has not been given enough attention by the government and local council authorities. On the other hand, the church has always been involved in emergency circumstances, and it performs works of charity such as giving blankets to street dwellers during the winter season. No serious strategic attention has ever been given to the poor urban communities. The Roman Catholic Development Commission (CADEC) has always been active in assisting poor communities, especially in the rural areas. The general notion is that those who stay in cities have the means of survival and they are able to fend for themselves. This has led to the total neglect of the urban peripheral poor communities.

During the development of the informal sector in Bulawayo, the church did not have much to say. The informal industry was regarded not as the church's concern, but rather the city council's problem. The church did not respond immediately to the problems for the reason that it did not know how to deal with the situation. Perhaps now the church still does not know how to become involved in the informal business. The problem is that from the outset the informal business is a complicated industry, due to its diversified economic activities.

Furthermore, the issues of the informal economic sector have never been on the agenda of church meetings. During the present author's ministry, he has attended seminars on AIDS, Justice, the Millennium Celebrations and the street children problem. There has never been any discussion on the informal sector. The Zimbabwe Council of Churches has been organizing several general public meetings and a number of seminars, but has never had a forum on the informal trading business. The Uniting Presbyterian Church's Christian Aid Programme was only implemented in Bulawayo in December 1999 and only to the benefit of the Presbyterian Church members. It involved starting capital for small-scale projects. This is

one church Programme, but there are many denominations in the city of Bulawayo. This chapter seeks to analyze critically the activities of the Uniting Presbyterian Church's Christian Aid Programme, beginning with the purpose of its activities, the background history and its activities, the pre-school projects and the self-help projects.

4.1 UNITING PRESBYTERIAN CHURCH OF SOUTHERN AFRICA'S CHRISTIAN AID ACTIVITIES

4.1.1 The purpose of its activities

For some decades international donor organizations have believed that the alleviation of poverty was done by giving handouts, which were acts of charity to poor communities. It was later discovered that the acts of charity did not develop the poor but instead sustained poverty and dependence. The Uniting Presbyterian Church's (UPCSA) Christian Aid self-help schemes initiative:

Is an outreach programme that seeks to encourage people to be self-reliant, in order to restore their dignity and to develop their God-given talents (Christian Aid Report 26 Nov.1999).

Christian Aid facilitates the development of self-help micro-projects through its revolving fund, which is lent to individuals or groups. The success of the projects depends mainly upon the repayment of the loans granted to congregational members. It is quite clear that each organization has its target groups. For the UPCSACA, its priority is women, believing that the end beneficiaries are children if the income of the women increases. This is because women are believed to be advocates for change for better living standards for the family. Furthermore, there is a saying: "If you educate a woman you educate the society and if you empower a woman, you empower the family, and you empower the society".

4.1.2 Background history and its activities.

How did the Christian Aid of the Presbyterian Church start? According to Christian Aid (CA:1999), 'The history of the activities dates back to the late 70s during the period of political struggle in Zimbabwe'. Many of the black communities lost their properties such as houses, cattle and other people lost relatives, during the liberation war. Due to such circumstances, coupled with fear and the need for security, many unfortunate people sought refuge in the cities, especially Harare. As a result, there were refugee squatter camps established in Mbare and Chitungwiza, where the Red Cross Society, together with the assistance of some church denominations, including the Presbyterian Christian Aid, gave food and blankets to the destitute. However, during the turn of events in 1980, when independence came, many families decided to return to their rural areas and, since they were living destitute lives they were assisted to repatriate. Above all, they were given some food to carry home, including maize seed and farming requirements. The people were given their immediate necessities as they returned home. According to the Christian Aid, 'since that time the Christian Aid (CA) has been working as a relief and charity organization helping the Presbyterians with food' (1999).

The Christian Aid operates under the Presbytery's guidance. The Christian Aid executive committee is a sub-committee of the Justice and Social Responsibility Committee (JSR), but it reports to the Presbytery. The Christian Aid has an independent sub-committee. Before 1992, the then Presbyterian Church of Southern Africa (in Zimbabwe) had two Presbyteries; the Northern, or Mashonaland Presbytery as it was called and, the Southern, or Matabeleland Presbytery. The two Presbyteries had a joint meeting once a year called the Synod. The amalgamation of the two Presbyteries in 1992 saw a lot of committees moving from regional to national level, meaning that there would be one Moderator, Presbytery Clerk, Ministry Convener and JSR committees. But due to the fact that the Christian Aid programme is so important, it was necessary to have two Christian Aid conveners, one from each region, the southern and the northern. This was done to make sure that the local and regional conveners would be able to co-ordinate the self-help projects and the urban feeding relief scheme, which could not be done by an individual national convener. Each convener has a sub-committee in his or her region, which is responsible for the regional programmes and activities. Despite having two different conveners, it was important to have two quarterly joint meetings of both conveners and the executive committee, to discuss regional progress.

To date, the church is supporting the urban-feeding-relief-scheme for needy members within the church. At each local congregation there is a feeding committee which draws up a list of people who require assistance and the list is sent to the Christian Aid Executive Committee, which will arrange for the payment of maize-meal. As soon as the milling companies are paid they deliver the allocations to specific congregations for distribution to the people. It must be noted that 'the urban feeding scheme happens when the funds are available for such Programme' (CA: 2001). The urban feeding scheme is greatly assisted by faithful donor agencies from overseas partner churches.

4.1.3 Pre-school projects

For the sake of diversification the CA has developed a pre-school training centre, which trains pre-school teachers for six level courses for a period of twelve weeks. At each level (of two weeks), the attendant is given a certificate, up to the final level. Every week, lessons are given on different aspects of the child's needs and development. At the same time, the trainees have an advantage because between the courses they have an opportunity of teaching at the centre's pre-school for their assessment. Each year three groups of forty trainees complete the course. This means that every year the centre trains about one hundred and twenty participants. According to the Report:

The centre has now started another programme of caregivers, especially caring for the sick at home. This course has had an overwhelming response due to problems of the Aids pandemic where such people can no longer be kept in hospital (CA:1998).³³

The centre offers refresher courses for people who are already working and who may need further training. It receives donations from abroad for its sustenance. The pre-school project trains pre-school teachers from various congregations within the Uniting Presbyterian Church and other church denominations. The purpose is to train people so that they can establish pre-school centres in their respective congregations, thereby creating employment and developing education. As a result, congregations like Highfields Presbyterian Church, Mabvuku,

³³ In 1998 sixty three women and one man attended the care givers course from various non-governmental organizations such as the Island Hospice, Red Cross, Musasa Project, Gracious Women, The Leprosy Association and the Epilepsy Support.

Kuwadzana, Chitungwiza, Makokoba and Mbare established pre-school centres within their grounds.

4.1.4 Self-help projects

With regard to the self-help projects, the Uniting Presbyterian Church of Southern Africa targets poor families and orphans without a breadwinner. This scheme is geared to help affected women and children, especially widowed women. The programme is open to the congregation to choose whether they want to have group or individual projects. The church at local level, as it is part of the community, 'should make a decision and a project proposal so that the entire project remains their responsibility' (CA: 1996). The idea of the self-help project scheme is to empower the poor within the Presbyterian family. Many people have found relief through such programmes. The Christian Aid says that:

The self-help projects encourage self-reliance of the people involved in the projects, helping them to know the importance of relying on their labour, experience and effort for their survival. It teaches the people to be honest and diligent in financial management (CA: 1996).

After a while they are required to pay back the money they have borrowed from the revolving fund of the Christian Aid. The loan is paid back with minimal interest and therefore it teaches people to be good stewards for financial management and to be committed to Jesus Christ and to the church.

The programme is helping the needy, raising their financial ability and enabling them to support their families, as well as meeting the financial requirements of the church, such as pledging, tithing and contribution to the harvest. In the best sense, the programme is being done to alleviate poverty in the community and to create employment. Above all, it is another way of earnestly taking the Gospel in its totality. The Presbyterian Church has realized that it is important to teach people to fish rather than just to give them a fish.³⁴

This is the same programme that was introduced in Bulawayo towards the end of 1999. Realizing that the Presbyterian Churches of Bulawayo were not involved in the projects, the

³⁴ Adopted from the Christian Aid Report of 29th November 1999.

church decided to have some small pilot projects. Initially, there was a survey conducted to find out whether people would be interested in the self-help projects. The confirmation of the interest was done at the Women's Conference in Ndabazinduna-David Livingstone Presbyterian School on the 8th of August 1999. It was later organized that the Christian Aid Project Trainer was to come from Harare to hold training sessions in Bulawayo. From October 27th-29th the trainer held a three-day seminar on how to start your own business, identification of the project, making of a project proposal and identifying the market. During the first session in October there were fifty-five women and men participants.

The next session was held in November 1999 and had an overwhelming response, with over seventy-five people coming for three days. This was the final moment where people had to bring their project proposal for submission to the Christian Aid executive for funding consideration. Not all project proposals succeeded in qualifying for funding. For instance, one envisaged project of selling firewood to filling stations was rejected for the reason that such a project would encourage deforestation and cause natural disasters such as soil erosion. The committee does scrutinize the project proposals seriously before money is released.

Over seventy-five people, mostly women, either in groups or as individuals, had successful project proposals and the Christian Aid executive committee released over Z\$150 000 to projects at Njube, Makokoba, Khayelitsha and Sigola Presbyterian Churches in Bulawayo. The projects included handcrafts, peanut butter making projects, sewing, brick making, *freezits* making projects and poultry. The money is given according to the project proposal submitted. During that period the individual who received the highest amount was a woman who needed Z\$10 000 for the development of her clothing manufacturing company. Others were interested in buying goats from nearby farms and selling them to soldiers in the Llwelin Army barracks. One individual wanted to open a spaza shop in one of the developing residential areas of Mahatshula.³⁵

³⁵ The author was working as one of the conveners, approving and co-ordinating the projects in Bulawayo

4.1.5 Supervision of projects and responsibility of project committee

How are the projects supervised? Every congregation with people in self-help projects has a local project committee. This project committee has an account with the Central African Building Society (CABS), in which the Christian Aid treasurer deposits the money for the projects. The local project committee has the responsibility of disbursing the funds to the individuals or groups of people and they keep a record of those who have been given the money. The same project committee has the responsibility of checking the progress of projects within the bounds they are situated and they encourage the people to pay back the money. Individuals or groups pay back the money through their local committee, which will make an internal transfer of the funds into the national Christian Aid account. The other responsibility of the projects committee is to make sure that those who default in payment of the funds are covered, by paying for them in case of failure, death, or sickness. The other members or the congregation will pay for the defaulting member. This means that the congregation has a responsibility for the defaulting partner.

How does the project committee get money to pay for the defaulters? Initially, Christian Aid was asking for 5% interest on the money borrowed by the participant. Recently, the Christian Aid executive was requesting the project committees from the congregations to pay back the loan, plus 2% of the 5% interest. This means that the project committee was using the remaining 3% for the purpose of the development of the local congregation or the payment of the funds for the defaulters. Due to the rising inflation in Zimbabwe the Christian Aid has reviewed the interest rates. They have raised the interest rates in the following stages, according to the Christian Aid's current regulations:

For those borrowing for the first time they are required to pay 10% and 4% will go to the Christian Aid and 6% will remain with the local project committee. Those wishing to have a second loan will be required to pay 15% and 6% will go the Christian Aid and 9% will remain with the local project committee. And those for the third loan will pay 20% and of that 6% will go to the Christian Aid and 14% will remain (CA:2000).

The purpose of giving more to the local co-ordinating projects committees is to assist them to establish their own funds for the future. The idea of the revolving fund is to help people not to misuse the money, but instead to use it and pay it back. The system of using the co-

ordinating projects committees is also giving a sense of unity and caring among members and it assists members to be determined to conduct their projects in a business like-manner.

4.1.6 Problems of self-help projects

It must be understood that despite the viability of the self-help scheme there are some problems being encountered. One of the biggest predicaments which many people encounter is the rising inflation. This has made the money borrowed to be insufficient, since the prices of commodities are always going up due to the constantly rising cost of fuel and its shortage. With that predicament the Christian Aid may not be able to top up the money because the revolving fund does not always make funds available in the account. There are some reports that confirm that people did not research enough as to which projects to do. They are realizing that some of the projects are not as viable as they anticipated. It has also been argued that the project monitoring system is poor.

There has never been a serious follow-up system to check the progress and development of the projects. As a result, many people did not finish repaying their loans, which puts them in a precarious condition of not being able to re-borrow. It has also been suggested that the project committees should attend the seminars so that they can acquire the knowledge of monitoring projects, as well as knowing what viability and non-viability of a project is. This will help them to acquire skills so that they are able to advise the participants soundly.

Some concerns were raised that those who are getting the project funds are those already with means of survival. In other words, those who really need the assistance are not getting it due to the lack of support from the coordinating committees. The poor are regarded as precarious liabilities for real development of the informal trade.

The Bulawayo self-help projects cannot be compared in viability to the Harare projects, because the Bulawayo business environment is not very conducive to competitive business ventures.

4.1.7 *The Way Forward*

What should the Uniting Presbyterian Church Christian Aid do for the real development of the informal trade among its people? At a seminar conducted in Harare, one of the presenters from the Zimbabwe Council of Churches encouraged the project participants to:

Look for new ways of improving their ways of life through forming partnerships with women in other churches as well as engaging in 'look and learn' trips.³⁶ This will help those involved in projects to learn from other people's activities and sharing information of how they can improve their businesses. The trips do not need to be abroad but even local and regional (CA: 1999).

During the same seminar it was discussed that there was need for having quarterly training workshops. The participants gave inputs to the issues which they thought could be included in the training sessions. According to the report:

Communication skills, accounts, budgeting, planning, and market research were requested to be included in training sessions. The Christian Aid trainer has already included a number of topics such as research, planning and book keeping and filing skills (CA:2000).

4.1.8 *Analysis*

Should the activities of the Uniting Presbyterian Church's Christian Aid be regarded as a step towards the alleviation of poverty through support of the informal trade? The Church is assisting the communities to work and it is providing the means of survival. In actual fact, from the discussion presented, the church is offering a much better service for the informal business sector than any financial institution in the country. It is demonstrating a selfless effort and is more interested in the affairs of the poor, witnessing to real redemption, socially, economically and spiritually. The Uniting Presbyterian Church's informal business support is demonstrating how it is possible for the church to be engaged in the informal industry in an unselfish way for the sake of the people of God. The problems the church is encountering are challenges for its development and should not be considered as negative. At the time of

³⁶ These are trips where project participants are taken to visit other established projects in order to learn as they observe other people's efforts.

writing, there is no financial institution in Zimbabwe which is giving loans with such low interest rates and also allowing the co-ordinating projects committees to have sustainable funding.

It is, however, unfortunate that the Uniting Presbyterian Church has such a small financial base that it cannot open it up to the general public to participate and benefit, for the alleviation of poverty and the creation of employment. What could be further improved is the giving of further training to the co-ordinating committees, so that there is real and up-to-date monitoring of the projects. The effort of the UPCSA could be regarded as an example of the church's involvement in the informal sector business and the work of the UPCSACA could be regarded as small-scale project programme.³⁷

Clearly, in order to have a greater impact, the Uniting Presbyterian Church in Southern Africa's Christian Aid will need to expand its own involvement in the range of concerns facing the informal sector; and more churches (denominations) will need to get involved. The next chapter will deal with these concerns.

³⁷ With the growth of awareness of the self-help activities, there is a possibility that very soon the church may not have enough funds to cover all the congregations country-wide. To date, only seventeen congregations (apart from those who are applying for further loans) are servicing their loans. This is a great success. It should be remembered that the idea of self-help is still in its embryonic stages in many congregations. For instance, the congregations in Masvingo and Gweru are not yet involved in the self-help projects.

CHAPTER FIVE

HOW THE CHURCH (OTHER DENOMINATIONS) COULD ENGAGE IN THE INFORMAL BUSINESS

5.0 Introduction

The emergence of the informal sector in Bulawayo and some of its key characteristics have been examined. It was argued that the church needs to be involved, and the contribution of one church (UPCSA) through its Christian Aid Programme, was described.

Chapter Five will deal with how this and other church denominations could be more adequately engaged in the informal sector. Eight key strategies in which church denominations could be involved will be considered. These are: the church's change of attitude towards business and especially small business; the church's advocacy towards government, law enforcement agents and the municipality; advocacy towards banks and financial institutions; training and mentorship of the informal traders; support and counseling of the informal traders; the church's support for the establishment of the National Association of the Informal Sector (NAIS); and the church's use of its own facilities where necessary and appropriate, such as buildings and staff. These strategies will help the church support the work of the informal traders.

5.1 A Change of Attitude in Order to Meet the Needs of the Poor

What then should be done? From the beginning there is a need to change the stigma of poverty, together with understanding the informal economic sector. Hirschowitz argues that:

The phrase 'Informal sector' is understood to be a sector of the disadvantaged, unskilled people, poor, and illiterate; a sector of people who are unreliable and incompetent (1991:213).

This is a widespread perception of the informal sector held by the formal businesses, the financiers and the local city authorities. This means that the informal traders are regarded as second-class economic participants who cannot be accorded benefits like any other business partners. It will be important for the church to challenge such perceptions. This negative attitude contributes to the lack of official recognition of the sector in Bulawayo, despite the huge contribution made by the sector to society and industry.³⁸

As was argued in Chapter Three, the church should re-engage with the theology of the suffering poor, who in this case are the informal traders. There is need for siding with the poor and speaking for the poor and the destitute, who are not being defended because they have no one to defend them. The church has to change its attitude towards being engaged in business or supporting those in business such as the informal traders.

According to Gelinas:

The informal sector provides livelihood to the majority of the active population in West Africa, where in Senegal it is estimated to employ 90% of the labour force, 85% in Mali, 62% in Guinea and 66% in Burkina Faso. And Women are strongly represented in this sector throughout the region (1998:97).

Given such figures, the church cannot ignore the informal sector issue. The church is directly or indirectly involved in the informal economy through the participation of its members. The figures from the West African countries show that the informal trade is a substantial economic factor, which has been adopted and regarded as a legitimate economic programme for the alleviation of poverty. It is apparently clear that poverty is driving people into the informal business. Moll points out that 'economic growth on its own is not sufficient for the alleviation of poverty' (1991:1). This implies that there are other means for the alleviating poverty, including the informal sector. Not only does it apply to the West African countries, but it is now a common phenomenon in Southern Africa, where many of the unemployed youth, women and men are involved in informal business. As was noted in Chapter Two the informal industry is flourishing in the city of Bulawayo. It cannot be overlooked that many families are surviving, thanks to the informal business, so there should be recognition from

³⁸ For further reading on the issues of negative perception of the informal sector see Hirschowitz R, *et al.*, 1991. *The NTB/HSRC Investigation into Training for the Informal Sector Main Report*, p213-214. Pretoria. Human Sciences Research Council Publishers.

the state and the city authorities and it should be made a legal and licensed business. The church should speak in favour of the informal business being recognised as an employer of the jobless in the city of Bulawayo.

Preston-Whyte and Rogerson state that:

In the international literature, the informal sector is considered in terms of the poverty of women-headed households, the need for supplementary income, and the flexibility of the informal work (1991:172).

The informal sector in Bulawayo is providing employment for a great number of uneducated women, as a long-term employment programme and as a way of surviving on a daily basis. The informal sector business is no longer regarded as supplementary. It has become a job and real employment because it is enabling thousands of people to survive. It is essential that it should be considered an economic phenomenon that is respected by the traders themselves, the formal sector and the government. It is an industry for both men and women, young and old. It is no longer an industry used for convenience at a time when people need extra money. The informal sector is now their only hope of survival and gone are the days when informal traders would hope to leave the industry in preference for a 'proper' job. Today one is employed formally or informally or one has no job. The church needs to change its own attitude so that it can start to really work on the range of strategies. Indeed, the informal industry deserves legitimacy because it is serving many poor people in the city of Bulawayo.

5.2 Advocacy to Government

5.2.1 Advocacy to local Government (Municipality)

The church, through the Zimbabwe Council of Churches (Bulawayo office), should call for public meetings to discuss the way forward and the best possible means of pressing for the official recognition of informal traders. The church should facilitate a forum at which the leaders of the informal traders could give a petition to the Bulawayo City Council Executive Mayor. The response to this will help the traders to know how they are viewed by the city council and what agenda the city council has for the development of the informal industry. This will be a crucial programme, which will also bring public awareness and

conscientization of the city authorities to regard the informal industry as a real business within the city.

The church should encourage the council to develop the premises from which many informal traders are operating. The existing premises must be improved so that the informal traders have shelter during the rainy and hot seasons. The informal industry will not be recognized unless the traders are given the care and support that they need.

5.2.2 Advocacy to Government Policies

A major contemporary development should be observed in the policy formulation for those involved in the informal economy. Midgley points out that:

The dynamic expansion of the East Asian economies has demonstrated that a culture of enterprise can transform backward societies. And the adoption of policies by governments, which foster entrepreneurship, competition, and initiative, can bring dramatic change to all low-income societies (1995: 105).

For individual informal traders to promote their welfare as independent economic actors the government will have to create institutions that will facilitate the traders' sufficient use of the market. This requires the development of the institutions that will support informal business and enhance the informal sector's ability to function effectively. The involvement of the government in the legalization of the informal sector cannot be underestimated and downplayed. In fact, the change of policy cannot be discussed without involving the policy-makers. The government is the only institution that can change the number of policies which affect the development of the informal economy. The development of the informal economic sector is of great help because it helps political stability.

In Kenya, informal traders have no unemployment insurance, yet most of the unemployed workers are economically active, not as employees, but as workers in the informal sector of small enterprises, ranging from backyard repair shops to vending stalls in street markets. And such enterprises are owned and operated by families. According to Midgley:

An ILO study has shown that the informal sector enterprise offers promising opportunities for individuals to apply their entrepreneurial skills, generate income, and

enhance their welfare and the study of the informal sector in Kenya has shown that the bulk of employment in the informal sector, far from being only marginally productive, is economically efficient and profit making. The government was urged to view the informal sector as a positive resource for development and to adopt policies that support and foster its growth (1995:108).

It is important that the church should be engaged in preliminary studies of the economic environment in Beltway so that it can produce a report to the ministry of labour in Zimbabwe, urging the government to take a positive stance in support of the informal economy. Many big manufacturing companies are being severely affected and are rapidly stream-lining their workforce, whilst the small-scale business sector is flourishing. From such a situation it can be argued that there needs to be a deliberate change of focus concerning the informal sector. The policy-makers (including the civic leaders, political leaders, the leaders of the ecumenical body of Christ and the economic players) should make policies that are favourable for the operation of the informal industry. In fact, the informal sector offers the best hope for social and economic prosperity for the future, in the city of Bulawayo and should be given better attention through policy support.

5.2.3 Advocacy to Political Leaders who use Informal Traders for Vote Capturing

When dealing with the informal trade, the means of survival of the vulnerable critical mass is being considered and we need to discuss such issues with real caution. Kaliyati has already mentioned:

Many governments in Southern Africa region have of course adopted the policies that are intended to facilitate and enhance the growth and development of the small-scale enterprises (1994:55).

However, the political motivation is not clear. Politicians can use their support of the informal trade for the sake of reducing political unrest and others are supporting it from the desire to redress the imbalances created during colonial rule. It is not doubted that, as a vulnerable group, the informal traders (together with the landless and those without accommodation) are used for vote capturing. Vote-seeking politicians are developing and pursuing programmes designed for the majority of voters.

In countries like Zimbabwe, where the majority of voters are unemployed, the growth of small enterprises would be regarded as potential job creation, and politicians are capitalizing on this during their campaigns. The church (through its ecumenical body such as The Zimbabwe Council of Churches) should not allow its members to be used in political games. Politicians should be made aware that they should support the informal trade for real development and not use the informal trade for vote-seeking. Informal traders should be conscientized to guard against such opportunistic individuals who do not care about the development and nurturing of poor people.

5.2.4 Advocating for the Deregulation and Removal of some Laws

There are laws that prohibit the free operation of informal traders, especially the collateral laws, which preclude many informal traders from qualifying for credit facilities. The removal of such laws will help informal traders have easier access to funds, which could be used for the development of the industry and individual entrepreneurship. The opening-up of easy access to funds will assist individual traders to participate in the development of the informal industry. It should be acknowledged that it is not usually by choice but by circumstance and economic instability that people are involved in the informal sector. People in the sector are not to be regarded as semi-humans but as people with dignity in society. It is essential that the treatment of the informal traders be changed.

The council authorities need to be reminded that traders with trading licence should not be harassed by council police. According to MISSEP:

The holders of a hawker's licenses or street vendor's license must hold: a valid health certificate obtained from a medical practitioner or medical officer of health, if he/she wishes to sell food. The city council at its own discretion can cancel a license issued under the by-laws, despite the fact that the hawker or vendor holds a valid health certificate (2000:13).

The clause presupposes that all hawkers should be holders of a valid licence, which therefore follows that the council should force all hawkers to have licenses. Such traders should not be constantly harassed by the police but should be allowed free business operations without disturbance. It should be ensured that the holders of such licences are respected as much as

business people in the formal industries. The other part of the clause describes the power of the council to revoke the licences, which implies that the traders have no security. They operate at the mercy of the council authorities. Revoking the licence at will by the council means that the informal traders' work cannot be guaranteed, which returns to the issue of vulnerability. It must be remembered that many such people have no access to legal means and if such situations happen they have nobody to appeal to. In most cases they are threatened with loss of their licences if they pursue legal procedures against the city council. They could become black-listed and may not have their licences renewed at the end of the year. In this regard, the church, with other role players, should assist the informal traders in advocating for such laws to be amended or removed. This will allow free trading by the vendors without fear of losing their business. This is what is needed to make the informal sector a legitimate and economic issue, which is well respected by all in the city.

5.3 Advocacy to Banks and Financial Institutions

There will be need to bring awareness to the financial industry. It is true that the bankers have serious objections to the granting of small loans to the informal traders at low interest rates. In fact, the idea of skyrocketing the interest rates is to stifle the small borrowers and encourage those with already established businesses. According to Hirschowitz:

The bankers claim that the procedures for the granting of small loans to informal traders are primarily the same long procedures and the costs, which are incurred during the granting of bigger loans, are the same yet the informal traders have such a high risk and insecurity (1991:226).

In this regard a forum is necessary to present to the commercial banks and the Bankers' Association of Zimbabwe a petition stating that the commercial banks of Zimbabwe are not in favour of the informal business, as witnessed by their interest rates when giving loans to the informal sector.

The church should press for the financial institutions to simplify their borrowing procedures when dealing with the informal traders, so that they do not consider the informal traders' borrowing as costly as when other clients borrow large sums of money. At the same time, the financial institutions should not always consider the granting of loans to the informal

business as too risky. Instead, they need to consider and concentrate on the character and ability of the borrower, as well as expressing solidarity and trust in the enterprise they assist, rather than on the negativity of the informal business. The commercial banks should at least consider some positive aspects of the informal business. Harper has suggested that it could be important to replace some of the highly qualified personnel in the office with some well-trained low-level village or community bank managers, who will make the bank spend less and achieve better results.³⁹

For instance, the Diakonia Council of Churches has a campaign to “Give Credit where Credit is Due”

The campaign will lobby the banking sector to extend loans to micro enterprises, support the establishment of alternative financing bodies and lower the income level required for ordinary savings accounts, making them more accessible to the poor (Annual Report 2000/2001:8).

This is what the Zimbabwean Council of Churches would need to lobby the government and the financial institutions for highlighting the difficulties that poor people have when they try to get a loan from a bank to start a small business.

If the financial institutions introduced to help informal traders want to remain in the profession of supporting the small business they should not act like commercial banks. According to Challenge Magazine:

The Oikocredit has been giving and will continue to give loans to people who would normally not qualify for Bank Credit facilities, thereby building bridges between the rich and the poor, by making credit accessible to the disadvantaged communities (October/November 2000:6).

Financial institutions should aim at alleviating poverty within poor communities by showing solidarity with the disadvantaged. In essence, such a practice is what could bring about the development of the informal sector in Bulawayo. There is a requirement for organizations that are committed to the development of the poor.

³⁹ The idea comes from Harper, M1984. *Small Business in the Third World: Guidelines for Practical Assistance*, p54. Chichester. John Wiley and Sons.

5.4 By Establishing Financial Support for the Informal Industry

The establishment of the Small Enterprises Development Corporation (SEDCO) was geared to assist the development of the informal sector, but to date its policies are so prohibitive that it is difficult to access funds from the organization. Whilst SEDCO could have contributed immensely to the establishment of the informal industry, its assistance is not much appreciated and recognized due to the high interest rates it charges. It would have been very useful if it had developed into a financial institution like the Grameen Bank of Bangladesh, which was designed to provide banking services for the poorest of the population. According to Hirshowitz:

Through an open and pioneering management strategy, it acted ultimately as a catalyst for social as well as economic development. The Grameen Bank achieved that through the establishment of credit facilities with little interest rates. Now the informally employed people are able to access funds at reasonable interest rates, which could be paid without losing much of the profits (1991:117).

If such facilities are obtained in Bulawayo, there will be a great possibility of social and economic development of the marginalized informal traders. The church could encourage the government to allow the poor informal traders to access funds at low interest rates from its para-organizations. This will enable a quick recognition and development of the informal industry.

A similar style of development is found in Gujarat in India, where there is the Self-Employed Women's Association (SEWA). Hirshowitz (1991:117) draws attention to this organization and Nussbaum elaborates that:

This organization has been in operation for over twenty years and has a membership of more than 50 000. This organization is helping female workers in the informal sector to improve their living conditions through credit, education, and labour unions. It is estimated that in India, among workingwomen, 94% are self-employed in the informal sector. Together the members of SEWA fought for the introduction of minimum wages, maternity benefits, and childcare services, compensation for accidents, housing, and welfare measures (2000:15).

It must be understood that the SEWA movement⁴⁰ as a whole is built around the idea of the dignity and independence of the individual, through its control over its own material and social environment. Easy access to funds will assist in the development of the informal sector, thereby helping the sector to be a legitimate industry. For instance, if the informal traders are advised to establish their own facilities for credit, pension, insurance, and housing, more people will realize the progress and importance of the informal industry. Such programmes will help to develop the dignity and independence of the informal traders. The traders will also understand that because of pension facilities they will be able to retire like any other worker. Furthermore, due to insurance policies, they will never be fearful for the security of their businesses and future of their families. Such a scheme will assist in the acceptance of the informal economy as a force within the economic industry.

5.5 Support

5.5.1 Existing Organizations such as BUTA

Though SEWA is a women's organization, there is something to be learnt here. Women realized that they were not getting support from the male-led organizations, so the need was to establish something which was women-oriented which would assist women in their development endeavours. In the same way, if the informal sector of Bulawayo is going to progress there is a need for an organization which understands the requirements of the informal traders. An organization such as BUTA may be of much assistance because of its relationship with the traders. Social and financial support will develop the industry to legitimacy and recognition. Every organization becomes legitimate, powerful and recognized through the participation of its members in social life. This means that the participation of the informal traders in socio-economic development will help it to be regarded as a legitimate economic programme. BUTA (as a registered organization) will stand for the rights of the traders registered with the organization. That will obviously mean that the traders are officially legitimate and recognized to operate under the auspices of BUTA.

⁴⁰ SEWA see Nussbaum, M 2000. *Women and Human Development: The Capabilities Approach*, p15, 67 & 68. Cambridge. University Press.

With such facilities as credit, pension, insurance and housing schemes, many black informal traders (both men and women), who are presently struggling to make ends meet due to economic hardships and present financial policies of institutions, will be able to transform their lives. The examples of the Grameen Bank and the SEWA are demonstrating that by allowing the traders to operate as non-vulnerable members of the community it could *legitimize* the informal sector. If informal traders are to be regarded as co-participants in development, they need to be acceptable in society as people who are able to contribute towards economic development. Though credit programmes are an essential component of its development it must be understood that the informal traders need more than that.

5.5.2 The Establishment of The National Association of the Informal Sector

The above-mentioned arguments would only be successful if there is a co-ordinating body for the informal traders. This introduces the next point, namely, that there is a need for having a co-ordinating board for the informal sector. This board will help in the development of the informal economic industry. BUTA, has already been established, but a National Board, which will incorporate the BUTA, is necessary. A national association will look after the interests of the informal business owners. Basically, the Bulawayo financial institutions are regional offices, which cannot make decisions to reverse national financial policies. A national association will fight for the common good of all informal traders' associations.

BUTA belongs to the Zimbabwe Congress of Trade Union (ZCTU) and this is good, but there is something amiss. The problem is that the ZCTU mainly represents the formal workers who pay contributions to the organization. The informal industry is such a complicated phenomenon, which would need representation of its own. In this regard, the National Association of the Informal Traders would co-ordinate such events, as previously discussed. This should be part of the influence of the church to organize and facilitate such programmes. A national association could be encouraged to develop, and could have representatives from the grass-roots level, so that the informal traders themselves can participate in its formation and development. The members of the association should decide what services they want and how they want the services to be offered by the association. Therefore, the National Association of the Informal Sector would be able to launch petitions with the national offices

of the Bankers' Associations of Zimbabwe and that could possibly bring the desired results of reducing the interest rates.

What then could be the further responsibility of the National Association of the Informal Sector (NAIS)? As a national board the NAIS will be responsible for the presentation of the informal sector as a viable business sector to the general public and to the potential customer. To reiterate, the NAIS will make sure that the informal industry has a positive image as a business sector. It will encourage the financial organizations to explore new ways of financing the industry, which will encourage the financiers to grant loans and the traders to borrow. The major point to be made is that the NAIS will help to facilitate partnership between the financiers and the informal business sector, a situation that is currently lacking. The obvious result will be that the partnership will encourage the formal business to form links with the informal sector. Despite the fact that the problems of the informal business are complex and diverse, there should be a development of faith in the informal business by several groups within the economic industry. Furthermore, the partnership of the informal sector with the financiers and the formal business will eventually assist the informal industry to have formal links with the suppliers, such as wholesalers and producers.

In the event of the informal sector businesses establishing links with the suppliers, it will also encourage the growth of the industry where they will perhaps be allowed to purchase on credit, like the formal business partnership. For instance, a number of businesses in Bulawayo deal on credit with major city wholesalers such as Advance, Fortwell, Jagers and Red Star, which are paid monthly or every three months. It is essential that the informal traders should be given the same facilities, which will encourage the growth and development of the informal industry. Such facilities will help the traders buy their commodities in bulk at cheaper rates and they could possibly be given transport to deliver their goods and thereby reduce the cost. This shows, undoubtedly, how vital and critical the need for having an association is to the informal industry.

5.6 Training and Mentorship

The other factor of having the NAIS is the question of training. The training being given at the present moment is not geared to develop the traders' potentialities. The present training is

developing dependency and not the sustainability of the traders. A training programme is necessary which will attempt to improve the negative image that people have about the informal business, such as being a 'vulnerable and residual' economy.

Constant refresher courses should be held for the trainers so that they continue to deal with existential issues. Constant training programmes should be offered to the trainers for them to have updated information. Hirschowitz supported the idea that:

There is need to give training to the officials of the municipalities and government departments to enable them to give guidance and education to the informal business owner (1991:316).

Quite often, the municipal officials have a negative perception and understanding of the informal traders, perhaps due to the fact that they are not really informed about the informal business. It will be important to have them trained so that they know how to deal with the traders. It has been noted previously, that council police and the Zimbabwe Republic Police often harass the street traders and one of the factors could be that they lack basic training and understanding of the needs of the informal sector. The city officials and the government departments should be of service to the informal industry and this applies to the way they treat the informal traders.

The informal traders need to be equipped with training in areas like market research and the making of business plans, which will assist the traders develop proper plans and new markets for their commodities. One of the areas of weakness in the Uniting Presbyterian Church's Christian Aid project programme was the lack of supervision and monitoring of projects. For the informal sector projects to succeed there is need for having serious monitoring and mentoring. The project co-ordinators should always give the best expertise to the traders for them to become successful business people. The co-ordinating board (NAIS) should develop a method of evaluating development of the small business training programmes. It is very important to have some evaluation programmes to see whether the training does meet the needs of the community. The involvement of the association in training will encourage the

development of mentorship⁴¹ programmes for the informal business development. De Beer concurs:

Mentorship programmes arise from a learning process in which the local people and Programme staff have an equal share in which their knowledge and resources are shared to establish a programme (1997:28).

5.6 Support and Counselling

One of the issues that the church should propose among the programmes for training is the subject of counselling and advice. Most of the informal traders enter the industry and operate under emotional and spiritual stress, which makes them lose focus on their business. At times, such stress drives many into illegal dealing as a way of making a 'quick killing'.⁴² It has been noted that the informal sector has more women, mostly single parents after having been divorced or separated from their husbands. Some are widows, who would be using the little pensions of their deceased husbands to go into business. If it is a man entering the informal industry, he possibly could have been retrenched from work or had failed to secure a job in the formal industry. However, such circumstances cause negative emotional stress, aggravated by the feeling of loss, of either the husband or loss of employment. Therefore, when people enter the informal industry they need counselling so that they are not weighed down emotionally by past experiences. Having such people enter the industry without offering counselling will have effects such as failure to handle customers and lack of concentration. Counselling is essential because it helps the individual to leave the past and look ahead and forget the previous situations.

⁴¹ To date, the informal traders are trained for starting the business and are not given further advice and supervision when operating the business. Mentoring means that the training does not end when one finishes the course like what is happening. The training continues to make sure that the informal sector develops and that the individual business operator succeeds in his/her goal of giving the best service to the public.

-For further reading of the idea of functions of the National Associations of the Informal sector see Hirschowitz, R Acutt, J & Koch, A 1991. *The NTB/HRCIS Investigation into Training for the Informal Sector*, p316. Main Report. Pretoria. Human Sciences Research Council.

⁴² A phrase which implies to have or to make money much more rapidly or instant richness

The church could be of great assistance by giving counselling to the emotionally stressed informal business peoples. In essence, this would be one of the ways the church could show its support to the informal traders. Such a programme will assist the traders to have a clear mind and objectives when entering the industry. They must be assisted to understand that in business there is competition and they must not be discouraged when business seems to be slow.

5.8 Use of own Facilities Where Necessary and Appropriate

If the association is established, it could develop, through the contribution of its members, into an Informal Industry bank or the Informal Industry Financial Society. Recently, the agricultural industry developed its financial assets and established an Agricultural Bank (AgriBank) in Zimbabwe. The idea of the AgriBank is to give special services to the Commercial Farmers' Union's members and the Zimbabwe National Farmers' Union and all who would open savings accounts with the bank. It is being proposed in this paper that such a similar phenomenon could assist the informal industry of Zimbabwe. For instance, the Grameen Bank of Bangladesh could help Zimbabwe understand how a bank facility could assist the poorest in the society. According to Hirschowitz:

It is believed that the Grameen Bank has 85% of its clients, who are single parents, female, rural but landless peasants and it establishes a close relationship between the bank and the borrower. The bank is more of a community, where it is sheltered in the community houses, and this develops the confidence and trust of the people (1991:226).

The Grameen Bank managers adopt the problem posing approach (discussed in Chapter Three), when talking to the people. Hirschowitz explains further that:

The aim of the bank is to help the community identify and solve problems of potential borrowers, which are related to running micro-enterprises. The system of management is horizontal, where it develops relationships with clients, unlike the hierarchical and bureaucratic systems. The most interesting phenomenon of the bank is that it does not consider individual evaluation of credit worthiness of the borrower. Instead, the borrowers are urged to organize themselves into groups. (1991:227).

The Uniting Presbyterian Church's Christian Aid could have adopted the Grameen method of operations, because the bank (Grameen) encourages the group responsibility over an individual, which will ensure that the debt incurred by members of the group is paid. Members of the group cannot obtain further loans until the debt has been settled. This means that peer group pressure will push the individual member not to default, and the individual's failure will automatically affect the entire group's future borrowing. In case of failure to pay the loan, group solutions are found to solve the problems related to the repayment of money. This is the kind of programme that could assist the informal traders in Bulawayo. They need a financial institution which is linked to the community, an institution that understands the problems of the community and gives the best service. They need a financial institution which relates and identifies with the community.

In this regard, the church could assist in its operation in the community, for instance having the services of the bank conducted at the church, where it will be charged minimal rental charges. This also would mean that the bank would also charge less interest to the people who will be borrowing money. It will be easier to organize people into groups when such programmes are done at the church, because many people at church are able to relate with others in groups such as Bible study groups, prayer groups, youth groups and women's groups. This means that the church could immensely assist in the organization of the informal industry, because the group idea is already within the church community.

Training sessions could be held within the church facilities, where there is enough space for having group discussions. This implies that training will be conducted in the communities where people can give examples of what they see from the community. Such a programme can be guaranteed success due to massive support from the church community. The possibility of having volunteer workers is also high, since most of the church people are keen to assist without payment.

5.9 Analysis

God was always concerned about the poor and how they were treated by society, especially the elite class. Jesus has also shown his support and concern for the poor. The church's involvement in the development of the social lives of the poor is a noble spiritual activity.

The Gospel does not take root by sermon, prayer and fasting alone. Instead, there is more response to the Gospel when it takes the form of social assistance, poverty alleviation, political and economic challenges. The unrighteous and unholy church will ask: 'Lord, when did we see you hungry or thirsty, or a stranger, or needing clothes or sick or in prison, and did not help you'. And the answer will be: 'whatever you did not do for one of the least of these [informal traders] you did not do for me' (Matt 25: 44-46).

Therefore, the assistance of the church in the informal business should be encouraged, as it is a method of living the Gospel amongst the poor of the communities. The Church's offer of its facilities, training, counselling and mentorship, among other things, should be regarded as tangible assistance to the development of the informal sector.

It has been suggested that the informal trade has been instigated by the problems of the instability of the economy and by retrenchments and unemployment. It should be understood that such a phenomenon has physical effects such as lack of daily balanced rations, inadequate housing, medical care problems and people who are always fatigued. They also have psychological neuroses such as lack of autonomy and opportunity, hopelessness and meaninglessness of life, breakdown of morals, and self-confidence and lack of dignity due to unfulfilled life. Socially, the unemployed suffer severe stresses on family and community life and commit acts of desperation. Politically, unemployment leads to unrest, instability and crime. All these problems could have their answers in church, where people are encouraged to persevere in daily business such as in the informal business. This is why the church could and should assist in the informal sector because this is the only hope that Zimbabwean society has for survival.

The informal sector is perhaps the only solution to people's social problems, because it destroys the stigma of low self-esteem, which makes people into social misfits. As Cochrane and West state:

Persons are only considered to be worthy members of the community if they work for their living and make an active contribution to the overall welfare of the community. Those who cannot work are considered to be social parasites, both in their own eyes and in the eyes of the public. And being a parasite implies contempt and which on the other hand means that the elderly, the handicapped, the poor, and the jobless are not accorded dignity. And nothing is more humiliating, de-motivating and dehumanizing than being a beggar who depends on the grace of others or public welfare for survival (1991:33).

This is why it has been argued in this paper that it is imperative for the church to be involved in the uplifting of human life through its support for the informal sector (those who have taken an initiative to fend for themselves), with the hope of humanizing the poor and developing them to sustainability.

Since there is no hope for the resuscitation of the formal economic sector to a point where it will employ the unemployed masses, the informal sector is the only hope for the provision of employment, which provides income, dignity, self-worthiness, self-actualization and humanization. The church is part of the problem because its members are victims of the economic imbalances. The church's assistance in creating a more conducive environment for the suffering people is in the context of its prophetic ministry. This may refer to challenging and advocating for systems and policies for the development of change in the informal industry. The church could express solidarity with the weaker partners of the society, especially the vulnerable informal traders, who should be accorded the first priority in support and development. The church should use its power to assist and intervene because it has members from the poor residual informal community, as well from the affluent society, which include the decision-makers.

The informal economic sector could be assisted by the church to develop from being a residual and vulnerable economic sector to a real economic sector, which is as legitimate as the formal sector. It will be through the assistance of the church and other role-players (such as political, economic and civil leaders) that the development will happen. The informal sector must not continue to be exploited by political leaders, that is, to be used for campaigning purposes. This is why the church's involvement will dispel such malevolent systems which have seriously affected the development of the informal industry.

CHAPTER SIX

CONCLUSION

The general argument that has been presented in this paper is that there is a need to give more attention to the small-scale entrepreneurs, regarded as informal traders. It has been noted with regret that retrenchments caused by denationalization, deregulation and privatization of state assets, together with drought and political disturbances, all contributed to the rise in the development of the informal economy being experienced in Bulawayo today. And now, as Midgley summarises:

The informal sector is more labour intensive and is likely to create more employment and is likely to foster a sustainable economy in the long term, and to adapt to changing local needs and circumstances (1995: 112).

In this regard, it has been argued that the church should actively participate in the sustainability of this sector, through its supportive programmes such as what the UPCSA has ventured into, or by advocating for changes in legal and financial support from the state, the local government, as well as the law enforcers. Given the economic situation of Zimbabwe, that is showing no sign of recovery from huge debts, fuel shortage, unemployment and retrenchments, the informal economy is growing at a time when there is no other option for survival. Therefore, it is imperative that the informal economic sector receives full and unwavering support from all the stakeholders. The informal economy should be developed from being marginally productive to being economically efficient and involving profit-making enterprises. Such development could be achieved if the government and financial institutions are urged to improve credit facilities to small business enterprises.

The church is being further urged to conscientize the informal traders to understand the need to address inequalities and oppressive conditions, which are causing poverty and deprivation. One such result of conscientization will be the development of the NAIS that will be able to deal with critical issues affecting the informal industry at national level.

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