

**REGIONAL ECONOMIC RESILIENCE: EXPLORING INDUSTRIAL
DECLINE IN BULAWAYO METROPOLITAN PROVINCE, ZIMBABWE**

By

TAZVIONA RICHMAN GAMBE

Dissertation presented for the degree of Doctor of Philosophy (Urban and Regional Science) in
the Faculty of Arts and Social Sciences at
Stellenbosch University



Supervisor: Prof. Hermanus Stephanus Geyer

Co-supervisor: Dr. Anele Horn

December 2020

DECLARATION

By submitting this dissertation electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (save to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

December 2020

Copyright © 2020 Stellenbosch University

All rights reserved

ABSTRACT

This study sought to investigate the strategy options for regional economic resilience in the face of industrial decline in Bulawayo Metropolitan Province in Zimbabwe. Bulawayo has been going through a protracted period of crippling industrial decline. Using the economic resilience concept and theories of regional development, the study analysed the different factors behind industrial decline, firm resilience strategies, policy strategy options for firm and economic resilience, strategy options for economic resilience in Bulawayo, and the conceptualisation of economic resilience in cities in the Global South whilst drawing lessons from the study area. The study utilised mixed methods. The positivist and interpretivist philosophies were both adopted to achieve a detailed understanding of economic resilience. Data was collected from 392 industrialists operating in Bulawayo through questionnaires and observations. Eight key informant interviews were also conducted. Data was analysed through chi-square analyses, Fisher's exact tests, trend analyses, regression analyses, content analyses, and descriptive statistics.

The study found that, a prolonged period of industrial decline has 'locked-in' the economy of Bulawayo in a path of economic decline that has altered the structure of the economy. The city is now dominated by micro, small, and medium enterprises constituting approximately 90% of the total number of firms. However, small firms were found to be more resilient, compared to large firms. The study also found that firm resilience, coupled with economic diversification, firm linkages, and regional patriotism are some of the important determinants of economic resilience in Bulawayo. It was also found that measuring and analysing economic resilience in cities in the Global South, such as Bulawayo, is marred by low quality and the dearth of data. Accordingly, the study recommends a long-term investment in the creation of quality datasets required for the analysis of economic resilience and for regional policymaking. A clear separation between national and regional policies in Zimbabwe is also recommended. This would encourage the formulation of policies that address unique and region-specific economic challenges. Finally, the study recommends complementary linkages between formal and informal firms as a precursor to unlock dead capital trapped in the informal sector. Unlocking capital would address the dire need

for funds to stimulate firm growth and economic development in Bulawayo Metropolitan Province.

Keywords and phrases: Agglomeration economies, city competitiveness, industrial decline, economic resilience, firm linkages, firm resilience, regional development

OPSOMMING

Die studie doen ondersoek na strategie opsies vir ekonomiese herstel en voortgesette nywerheids groei in die metropolitaanse streek van Bulawayo met die oog daarop om 'n einde te bring aan die voortslepende gebrek aan nywerheids groei in die stad. Die studie maak gebruik van die konsep van voortgesette ekonomiese herlewing en teorieë van streekontwikkeling om eensyds die faktore wat gelei het tot die historiese nywerheidsagteruitgang van die Bulawayo metropolitaanse streek te identifiseer, en andersyds strategieë vir besigheids herlewing en strategiese beleidsopsies vir nywerheids- en ekonomiese herlewing te vind wat ook wyer bruikbaar mag wees in die Ontwikkelende Wêreld. Die studie maak gebruik van 'n gemengde-metode benadering. Beide positivistiese (kwantitatiewe) en interpretivistiese (kwalitatiewe) filosofiese benaderings word gebruik om 'n gedetailleerde begrip van ekonomiese verouwing en voortsetting in die studiegebied te weeg te bring. Deur middel van vraagbriewe en waarneming is data van 392 industrialiste wat nog in die Bulawayo metropolis opereer, versamel. Dit sluit agt sleutel onderhoude in. Data is ontleed deur gebruik te maak van die metodes van Chi-kwadraattoetsing, Fisher se presiesheidstoetsing, neigingontleding, inhoudanalise en beskrywende statistieke.

Daar is gevind dat 'n langdurige periode van nywerheidsagteruitgang die ekonomiese vooruitgang van Bulawayo belemmer het. Dit het die struktuur van die ekonomie van Bulawayo verander. Die stad word nou gedomineer deur mikro-, klein- en middelgrootte ondernemings wat ongeveer 90% van die totaal vorm. Tog is daar gevind dat klein ondernemings meer deursettingsvermoë besit as groot ondernemings. Voortgesette groei van ondernemings gekoppel aan ekonomiese diversifikasie, skakelingseffekte en streek patriotisme is van die bepalende faktore wat die herstel en voortgesette groei van die ekonomie van Bulawayo sal verseker. Daar is ook gevind dat die meting en ontleding van ekonomiese herstel en groei van stede soos Bulawayo, wat tipes van stede in die Ontwikkelende Wereld is, gebrek gaan aan goeie kwaliteit en selfs ontbrekende data. Gevolglik doen die studie aan die hand dat 'n langtermyn belegging gemaak word in die skepping van kwaliteit datastelle wat geskik is vir die ontleding van, en beleidsformulering vir volgehoue ekonomiese herstel en groei. 'n Duidelike skeiding tussen nasionale and streekbeleid work ook vir Zimbabwe voorgestel. Die doel daarmee is om beleid

daar te stel wat streek-spesifieke uitdagings die hoof kan bied. Ten slotte stel die studie voor dat onderling ondersteunende skakelingseffekte tussen formele and informele ondernemings as 'n vereiste gestel word om dooie kapitaal in die informele sektor te ontsluit. Daar is 'n groot behoefte aan kapitaal in die stad vir ondernemingsontwikkeling en -groei.

Trefwoorde en-frases: Agglomerasie-ekonomieë, stad mededingendheid, industriële agteruitgang, ekonomiese veerkragtigheid, firma skakels, firma veerkragtigheid, streeksontwikkeling

ACKNOWLEDGEMENTS

I am very grateful to my main supervisor Prof. H.S. Geyer for his immense contribution in shaping the conceptual base of this study. His guidance and critical analysis informed arguments presented in this study. I would not have done it without his critique which, sometimes made me feel, it will be difficult to complete this doctoral study. However, with time I eventually adapted to his way of assessment. With his support, I managed to attend an international conference in South Africa and presented a research paper. The opportunity opened my eyes to the rigor that characterises high-impact academic work. In addition, I gained confidence in contributing to the economic-resilience debate. The paper produced insights that partly shaped this current study. I also thank Prof. H.S. Geyer for his immense contribution in translating the abstract from English to Afrikaans.

I thank in a special way my core-supervisor Dr. A. Horn. Her support and encouragement made me believe I could do the impossible. When I told her of my intention to submit my thesis, her exact words were, “I think the deadline for December graduation is ... tight, but perhaps not impossible.” As she may or may not know, these words became the driving spirit behind those chapters I revised while under Covid-19 lockdown in Zimbabwe. These words turned the fear and uncertainty I had, into hope and faith that I could meet the deadline in spite of the Covid-19 pandemic. She worked tirelessly in order to give this study shape and meaning. Despite time constraints, she remained ‘resilient’ making sure that I got feedback in the earliest time possible.

I thank Jana Walters and Prof. A. Chennells for their valuable editorial comments and suggestions that improved the readability of this dissertation. I am also indebted to Prof. I. Chirisa and Mr. J. Chaeruka for their comments and guidance on my very first PhD proposal. The discussions we had turned a raw research idea into a researchable one. Though the focus slightly shifted from the initial research idea, I cherish the discussions we had, and their comments on my submissions. I respect them for their commendable work ethics.

I acknowledge and thank my colleagues and friends, Trevor Chikowore, Wendy W. Tsoriyo, and Dr. B. Gweshengwe for their encouragement. The rigorous discussions we had as PhD students and colleagues, the experiences, reading materials, and insights we shared and exchanged proved to be an important part of the entire intellectual exercise that this dissertation represents.

Thanks are also owing to Great Zimbabwe University Research Board for a data collection grant. Though inadequate for the whole data collection process, the grant afforded me a good head-start. I am grateful to the key informants who participated in this study together with the industrialists in Bulawayo Metropolitan Province who provided data in this study. This made my research enjoyable! I also thank my research assistants, especially Patience Chimbunde for her key role in data collection. Thanks as well to Sr. M. Rukasha for the transportation of questionnaires.

I thank in a special way my wife Dr. K. Banda Gambe, for her motivation and being there for me throughout the process. I also thank my daughters Kim and Kuu for keeping me company while I struggled to bring the study ideas together. I remember taking them to their room and tucking them in before going back to the couch to resume my PhD work. My daughters motivated me to work harder.

Thanks are owing to my mother and sisters for their moral support, understanding, and patience. It was not an easy journey, but they were with me in prayer.

Above all, I thank God for His guidance and protection. My prayer remains: “Glory be to the Father, and to the Son and to the Holy Spirit. As it was in the beginning, is now, and ever shall be world without end. Amen.” (Catholic Truth Society 2006: 179).

DEDICATION

For my lovely wife Dr. Kudzanai Banda Gambe.

For Kimberly Makomborero, Kudzai Megan, and Richman Alex Gambe.

For my father, mother and four sisters.

CONTENTS

DECLARATION.....	ii
ABSTRACT	iii
OPSOMMING.....	v
ACKNOWLEDGEMENTS	vii
DEDICATION.....	ix
CONTENTS.....	x
TABLES	xx
FIGURES	xxii
ACRONYMS AND ABBREVIATIONS.....	xxiv
CHAPTER 1: SETTING THE CONTEXT - PROMOTING ECONOMIC RESILIENCE IN DECLINING REGIONS.....	1
1.1 INTRODUCTION.....	1
1.2 ECONOMIC DEVELOPMENT PATTERNS IN THE GLOBAL SOUTH.....	1
1.3 RATIONALE	6
1.4 STATEMENT OF THE PROBLEM	8
1.5 AIM OF THE STUDY	8
1.5.1 Study objectives.....	8
1.5.2 Major research question.....	9
1.6 SIGNIFICANCE OF THE STUDY	10
1.7 SCOPE OF THE STUDY.....	12
1.7.1 Conceptual scope.....	12
1.7.2 Physical scope	14

1.8 DEFINITION OF KEY TERMS	15
1.8.1 Global North versus Global South	15
1.8.2 Agglomeration versus deglomeration economies	16
1.8.2.1 Agglomeration economies	16
1.8.2.2 Deglomeration economies	17
1.8.3 Industrial clustering	18
1.8.4 Industrial decline	18
1.8.5 Industrial displacement	19
1.8.6 Deindustrialisation	19
1.8.7 Outsourcing	20
1.8.8 Growth pole	21
1.8.9 Value addition	21
1.8.10 Linkages	22
1.8.11 Basic versus non-basic industries	22
1.8.12 Local versus mesa versus global regionalisation	23
1.8.13 Market	23
1.8.14 Industrial corridor	24
1.9 DESCRIPTION OF STUDY AREA	24
1.9.1 An overview of Zimbabwe	24
1.9.2 An overview of Bulawayo Metropolitan Province	26
1.10 CHAPTER OUTLINE	29
1.11 CONCLUSION	32
CHAPTER 2: ECONOMIC GROWTH AND RESILIENCE – CONCEPTUAL AND THEORETICAL UNDERPINNINGS	33
2.1 INTRODUCTION	33

2.2 CONCEPTUAL FRAMEWORK.....	33
2.2.1 The concept of resilience	34
2.2.1.1 Economic resilience	35
2.2.1.2 The concept of path dependence.....	38
2.2.1.3 Measuring regional economic resilience	39
2.2.2 The concept of agglomeration economies	41
2.2.3 The concept of global regionalisation.....	43
2.3 THEORETICAL UNDERPINNINGS.....	44
2.3.1 Theories of regional development.....	44
2.3.1.1 Core-periphery theories	44
2.3.1.2 Circular cumulative causation theory	48
2.3.1.3 The theory of unbalanced growth	50
2.3.1.4 Economic base theory	51
2.3.1.5 Industrial district theory versus industrial cluster theory.....	53
2.3.2 Business relocation theories	58
2.4 CONCLUSION	59
CHAPTER 3: DEVELOPMENT DRIVERS AND RESTRICTORS.....	60
3.1 INTRODUCTION.....	60
3.2 THE CONCEPT OF DEVELOPMENT.....	60
3.2.1 Development as economic growth	60
3.2.2 Development as ‘sustainable development’	65
3.3 DRIVERS AND RESTRICTORS OF ECONOMIC GROWTH AND DEVELOPMENT	68
3.3.1 Drivers of economic growth and development.....	69
3.3.1.1 Natural resource endowment	70
3.3.1.2 Improved innovation and technology	71
3.3.1.3 Increased investment and capital accumulation or formation.....	74

3.3.1.4 Human capital factor.....	75
3.3.1.5 Politics and administration.....	77
3.3.1.6 Structural changes in the economy	79
3.3.1.7 Social attitudes and institutional factors	80
3.3.2 Restrictors of economic growth and development.....	83
3.3.2.1 Colonialism.....	83
3.3.2.2 Lack of investment capital.....	84
3.3.2.3 Limited foreign trade earnings.....	86
3.3.2.4 Social disturbances and terrorism	88
3.4 CONCLUSION	89
CHAPTER 4: ECONOMIC DEVELOPMENT IN ZIMBABWE – A HISTORICAL PERSPECTIVE.....	90
4.1 INTRODUCTION.....	90
4.2 AN OVERVIEW OF ECONOMIC DEVELOPMENT IN ZIMBABWE.....	90
4.2.1 Pre-independence economic development (1890-1979).....	91
4.2.2 Socialist economic development phase (1980-1989).....	95
4.2.3 Neo-liberalism phase (1990-1999).....	99
4.2.4 Rapid economic decline phase (2000-2008)	104
4.2.5 A liberalised economic phase (2009-2018)	108
4.3 AN OVERVIEW OF ECONOMIC DEVELOPMENT IN BULAWAYO.....	114
4.4 IMPLICATIONS FOR FUTURE GROWTH	117
4.5 CONCLUSION	118
CHAPTER 5: RESEARCH METHODOLOGY	119
5.1 INTRODUCTION.....	119
5.2 RESEARCH PHILOSOPHY AND PARADIGM.....	119
5.2.1 Research philosophy	119

5.2.1.1 The positivist philosophy	121
5.2.1.2 The interpretivist philosophy	122
5.2.2 The research paradigm.....	124
5.3 RESEARCH APPROACH.....	125
5.4 RESEARCH DESIGN	125
5.4.1 The case study strategy.....	126
5.4.2 Research methods	127
5.5 STUDY POPULATION	130
5.6 SAMPLING DESIGN.....	130
5.6.1 Sample size determination	131
5.6.2 Sample selection procedure.....	134
5.7 DATA COLLECTION	135
5.7.1 Questionnaires.....	136
5.7.2 Interviews.....	136
5.7.3 Observations.....	137
5.7.4 Archival analysis	137
5.8 DATA ANALYSIS	138
5.9 VALIDITY AND RELIABILITY	142
5.9.1 Validity.....	142
5.9.2 Reliability.....	143
5.10 RESEARCH ETHICS	144
5.11 CONCLUSION	145
CHAPTER 6: THE IMPACT OF INDUSTRIAL DECLINE ON THE ECONOMY OF BULAWAYO METROPOLITAN PROVINCE.....	146
6.1 INTRODUCTION.....	146

6.2 FACTORS BEHIND INDUSTRIAL DECLINE IN BULAWAYO.....	146
6.2.1 High costs of production.....	147
6.2.2 Shortages of raw materials.....	148
6.2.3 Political instability	150
6.2.4 Market shrinkages	151
6.2.5 Foreign ownership of businesses.....	152
6.2.6 International restrictions on local companies and business people.....	153
6.3 EFFECTS OF INDUSTRIAL DECLINE ON BULAWAYO'S ECONOMY.....	154
6.3.1 The current structure of the industry in Bulawayo.....	155
6.3.2 Effects on the city's export levels.....	161
6.3.3 Effects on employment levels	164
6.3.4 Effects on the Bulawayo's attractiveness.....	168
6.4. CONCLUSION	171
CHAPTER 7: STRATEGY OPTIONS FOR FIRM RESILIENCE IN BULAWAYO METROPOLITAN PROVINCE.....	172
7.1 INTRODUCTION.....	172
7.2 FIRM RESILIENCE IN BMP	172
7.3 FIRM RESILIENCE STRATEGIES IN BMP	179
7.3.1 Diversification of products and services	181
7.3.2 Broad customer base and loyalty.....	182
7.3.3 USD-based pricing system strategy	183
7.3.4 Adoption of new technology.....	185
7.3.5 Strict financial control.....	189
7.3.6 Downsizing strategy	190
7.3.7 Additional firm resilience strategies utilised in Bulawayo.....	192

7.3.8 Skills trainings and linkage programmes	194
7.4 CONCLUSION	196
CHAPTER 8: POLICYMAKING FOR ECONOMIC RESILIENCE IN ZIMBABWE.....	198
8.1 INTRODUCTION.....	198
8.2 EFFECTS OF POLICYMAKING ON THE ECONOMY OF BULAWAYO.....	198
8.2.1 Government efforts to improve industrial performance 2009-2018	199
8.2.2 Effects of government policy interventions on industrial growth	202
8.3 STRATEGIES FOR IMPROVING THE POLICYMAKING PROCESS	204
8.3.1 Avoiding politicisation of policies	205
8.3.2 Evidence-based policymaking.....	208
8.3.3 Policy guaranteeing availability of business finance.....	209
8.3.4 Industrial protectionism policies	210
8.3.5 Earnest policy implementation	210
8.3.6 Security of firms' assets.....	211
8.3.7 Needs-driven policymaking.....	212
8.4 REVIEWING THE ZIMBABWE NATIONAL INDUSTRIAL DEVELOPMENT POLICY (2019-2023).....	213
8.4.1 Sector strategies	214
8.4.2 Financing industrial development.....	214
8.4.3 Local content strategy.....	215
8.4.4 Improvement of innovation and technology.....	216
8.4.5 Embracing the fourth industrial revolution	217
8.4.6 Industrial cluster initiatives	217
8.4.7 Entrepreneurship and micro, small, and medium enterprises	218

8.4.8 Reflections on the ZNIDP (2019-2023).....	219
8.5 CONCLUSION	220
CHAPTER 9: STRATEGY OPTIONS FOR ECONOMIC RESILIENCE IN BULAWAYO METROPOLITAN PROVINCE.....	221
9.1 INTRODUCTION.....	221
9.2 AN OVERVIEW OF ECONOMIC RESILIENCE IN BULAWAYO.....	221
9.2.1 The shock experienced in Bulawayo	222
9.2.2 Analysing the resilience of the economy	222
9.3 STRATEGIES FOR ENHANCING ECONOMIC RESILIENCE IN BULAWAYO	226
9.3.1 Diversification of the economic base	226
9.3.2 Firm linkages for economic growth and development	228
9.3.2.1 Local linkages	228
9.3.2.2 National linkages	229
9.3.2.3 International linkages.....	231
9.3.2.4 Industrial cluster strategy.....	234
9.3.2.5 Industrial districts expansion and re-orientation.....	235
9.3.3 Improving city’s attractiveness.....	236
9.3.4 Infrastructural development strategy	238
9.3.5 Favourable regional policy.....	240
9.3.6 Regional patriotism.....	241
9.4 CONCLUSION	243
CHAPTER 10: CONCLUSIONS, POLICY IMPLICATIONS AND RECOMMENDATIONS – RECONCEPTUALISING REGIONAL ECONOMIC RESILIENCE	244
10.1 INTRODUCTION.....	244

10.2 SUMMARY OF KEY FINDINGS	244
10.2.1 Effects of industrial decline on the economy of Bulawayo.....	245
10.2.1.1 The structure of the industry in Bulawayo.....	245
10.2.1.2 The city's export levels.....	246
10.2.1.3 Employment levels in Bulawayo	246
10.2.1.4 The city's attractiveness.....	247
10.2.2 The operational challenges and resilience strategies of firms.....	247
10.2.2.1 Diversification of products and services.....	247
10.2.2.2 Broad customer base and loyalty	248
10.2.2.3 USD based pricing system strategy	248
10.2.2.4 Adoption of new technology.....	249
10.2.3 Policymaking for regional economic resilience	249
10.2.3.1 Avoiding politicisation of policies.....	250
10.2.3.2 Evidence-based policymaking	250
10.2.3.3 Policy should guarantee availability of business finance	250
10.2.3.4 Industrial protectionism policies.....	251
10.2.4 Economic revitalisation and resilience in BMP.....	251
10.2.4.1 Diversification of the economic base.....	252
10.2.4.2 Business linkages for economic growth and development	252
10.2.4.3 Improving city's attractiveness	252
10.2.4.4 Infrastructural development strategy	253
10.2.4.5 Favourable regional policy	253
10.2.4.6 Regional patriotism.....	254
10.3 CONCLUSIONS: REGIONAL ECONOMIC RESILIENCE IN THE SOUTH....	254
10.3.1 Analysing regional economic resilience in Global South metropolises.....	255
10.3.1.1 Driving factors	255
10.3.1.2 Processes involved.....	257
10.3.1.3 Regional attributes	257

10.3.1.4 The observed outcomes in metropolitan cities.....	258
10.3.2 Re-conceptualising economic resilience in metropolises in the South	258
10.4 POLICY IMPLICATIONS AND RECOMMENDATIONS	263
10.4.1 Enhancing firm resilience strategies	263
10.4.2 Policymaking for regional economic resilience in Zimbabwe.....	263
10.4.3 Improving economic resilience in BMP	264
10.5 AREAS FOR FURTHER STUDY	265
10.6 CONCLUSION	266
REFERENCES.....	268
PERSONAL COMMUNICATIONS.....	291
APPENDICES	292

TABLES

Table 3.1 Amount of loans by Japan Development Bank 1951-1982	85
Table 4.1 Rhodesia's economic performance 1963-1975.....	94
Table 4.2 Average capacity utilisation by subsectors.....	114
Table 5.1 Possible decision rules in statistical analyses	133
Table 5.2 Interpretation of Phi and Cramer's V tests	139
Table 5.3 Research methodology matrix	140
Table 6.1 Factors behind industrial decline in Bulawayo.....	147
Table 6.2 Chi-square tests - period of operation in Bulawayo vs. industrial decline	159
Table 6.3 Number of employees versus earnings regression analysis.....	167
Table 6.4 Participants reasons for locating in Bulawayo.....	169
Table 6.5 Chi-square test – investor's area of residence vs. size of firms.....	170
Table 7.1 Firm employment trends in Bulawayo.....	176
Table 7.2 Firm resilience strategies in Bulawayo.....	180
Table 7.3 Chi-square test – firm size vs. adoption of diversification strategy.....	181
Table 7.4 Chi-square test – industrial decline over one year vs. USD-based pricing system	185
Table 7.5 Chi-square test – firm ownership vs. adoption of new technology	186
Table 7.6 Chi-square test – firm sizes vs. adoption of new technology	187
Table 7.7 Chi-square test – firm ownership type vs. adoption of strict financial control.....	189
Table 7.8 Chi-square test – age of a firm vs. downsizing strategy	190
Table 7.9 Chi-square test – firm sizes vs. downsizing strategy.....	191
Table 7.10 Chi-square test – employment trends vs. downsizing strategy.....	192
Table 7. 11 A summary of chi-square tests – resilient strategies vs. firm characteristics	197
Table 8.1 Government policy interventions 2009-2018	199
Table 8.2 Policies that benefitted participants	202
Table 8.3 Negative effects of policy interventions	203
Table 8.4 Strategies for improving industrial and economic policies	205
Table 8.5 Sub-strategies under the Local Content Strategy.....	215
Table 9.1 Bulawayo export earnings in 2017	227

Table 9.2 Types of local linkages	228
Table 9.3 Chi-square test – local linkages vs. competitiveness of goods	229
Table 9.4 Types of national linkages	230
Table 9.5 Chi-square test – national linkages vs. competitiveness of goods	230
Table 9.6 Fisher’s exact test – national linkages vs. exports/imports relationship	231
Table 9.7 Types of international linkages	232
Table 9.8 Chi-square test – international linkages vs. competitiveness of goods	233
Table 9.9 Fisher’s exact test – international linkages vs. firms’ export/import levels	233
Table 9.10 Possible strategies by BMM for industry revival	238

FIGURES

Figure 1.1 GDP per capita growth in Southeast Asia and Sub-Saharan Africa, 1960-2008	2
Figure 1.2 FDI in Africa for the period 2003-2010	4
Figure 1.3 Location of Zimbabwe in Southern Africa.....	25
Figure 1.4 Location of Bulawayo in Zimbabwe	27
Figure 1.5 Bulawayo Metropolitan Province boundaries	28
Figure 3.1 Real GDP in Japan from 1880-1995 (in Trillions of 1990 Yen).....	73
Figure 3.2 Government, corporate, and household savings in China (1995-2006)	81
Figure 3.3 Power generation in Japan, 1926-1984 (in million Kilowatt-hours).....	86
Figure 4.1 Output growth in textile industry in Zimbabwe	102
Figure 4.2 Contribution of the mining industry to national exports	111
Figure 4.3 Sector contribution to exports in Zimbabwe, 2019-2019.....	112
Figure 5.1 The dimensions of understanding regional economic resilience.....	141
Figure 6.1 Firm employment levels in Bulawayo.....	156
Figure 6.2 Year participants started operating in Bulawayo.....	157
Figure 6.3 Vacant industrial building in Bulawayo	160
Figure 6.4 Dilapidating industrial building in Bulawayo	161
Figure 6.5 Goods produced and sold in Bulawayo	162
Figure 6.6 Exports from Bulawayo.....	163
Figure 6.7 Formal employment figures in Bulawayo 2005-2018.....	164
Figure 6.8 Annual earnings for Bulawayo in US\$ million, 2009-2018.....	166
Figure 6.9 Number of employees versus earnings in Bulawayo, 2009-2018	167
Figure 7.1 Capacity utilisation trends for small firms in Bulawayo	173
Figure 7.2 Capacity utilisation trends for medium-sized firms in Bulawayo	174
Figure 7.3 Capacity utilisation trends for large firms in Bulawayo.....	175
Figure 7.4 Employment trends for small firms in Bulawayo	177
Figure 7.5 Employment trends for medium-sized firms in Bulawayo.....	178
Figure 7.6 Employment trends for large firms in Bulawayo	178
Figure 9.1 Formal employment trends in Bulawayo 2005-2018	224

Figure 10.1 A model for analysing economic resilience in metropolitan cities in Zimbabwe ...	256
Figure 10.2 Formal employment trends in Zimbabwe 2005-2018	260
Figure 10.3 GDP per capita trends in Zimbabwe 2009-2018	261

ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
Agribank	Agricultural Development Bank of Zimbabwe
AU	African Union
BLC	Bulawayo Leather Cluster
BMM	Bulawayo Metropolitan Municipality
BMP	Bulawayo Metropolitan Province
CBZ	Commercial Bank of Zimbabwe
COMESA	Common Market for Eastern and Southern Africa
CZI	Confederation of Zimbabwe Industries
DPA	Direct productive activities
DRC	Democratic Republic of Congo
EPZs	Export processing zones
ESAP	Economic Structural Adjustment Programme
EU	European Union
FDI	Foreign direct investment
FMP	Farm Mechanisation Programme
FTLRP	Fast Track Land Reform Programme
GDP	Gross domestic product
GNP	Gross national product
GNU	Government of National Unity
GoZ	Government of Zimbabwe
GWE	Growth with Equity
ICT	Information and communications technology
IDCZ	Industrial Development Corporation of Zimbabwe
IDP	Industrial Development Policy
IIEP	Indigenisation and Economic Empowerment Programme
IMF	International Monetary Fund
LCS	Local Content Strategy

MDC	Movement for Democratic Change
MERP	Millennium Economic Recovery Programme
MIC	Ministry of Industry and Commerce
MSMEs	Micro, small, and medium enterprises
MTP	Medium Term Plan
MWACSMED	Ministry of Women Affairs, Community, Small, and Medium Enterprises Development
NERP	National Economic Revival Programme
NICs	Newly industrialising countries
NRZ	National Railways of Zimbabwe
OECD	Organisation for Economic Co-operation and Development
POSB	People's Own Savings Bank
RBZ	Reserve Bank of Zimbabwe
SACCOS	Savings and Credit Cooperative Societies
SADC	Southern African Development Community
SAPs	Structural adjustment programmes
SEZs	Special economic zones
SI	Statutory instrument
SMEs	Small and medium enterprises
SOC	Social overhead capital
SPSS	Statistical package for social scientists
SRA	Social Research Association
SSA	Sub-Saharan Africa
STEM	Science, technology, engineering, and mathematics
STERP	Short Term Emergency Recovery Programme
TPP	Ten-Point Plan
TSP	Transitional Stabilisation Programme
UDI	Unilateral declaration of independence
UNDP	United Nations Development Programme
USA	United States of America

USD	United States Dollar
ZANU PF	Zimbabwe African National Unity Patriotic Front
ZAR	South African Rand
ZEC	Zimbabwe Electoral Commission
ZECO	Zimbabwe Engineering Company
ZESA	Zimbabwe Electricity Supply Authority
ZETSS	Zimbabwe electronic transfer settlement system
ZHDR	Zimbabwe Human Development Report
ZIA	Zimbabwe Investment Authority
Zim Asset	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMPREST	Zimbabwe Programme for Economic and Social Transformation
ZIMRA	Zimbabwe Revenue Authority
ZIMSTAT	Zimbabwe National Statistics Agency
ZISCO	Zimbabwe Steel Company
ZNCC	Zimbabwe National Chamber of Commerce
ZNIDP	Zimbabwe National Industrial Development Policy
ZNLWVA	Zimbabwe National Liberation War Veterans Association
ZWL	Zimbabwean Dollar

CHAPTER 1: SETTING THE CONTEXT - PROMOTING ECONOMIC RESILIENCE IN DECLINING REGIONS

“Economic resilience has become imperative especially in the developing world, where most cities are experiencing a myriad of economic conundrums.” (Gambe 2019: 83).

1.1 INTRODUCTION

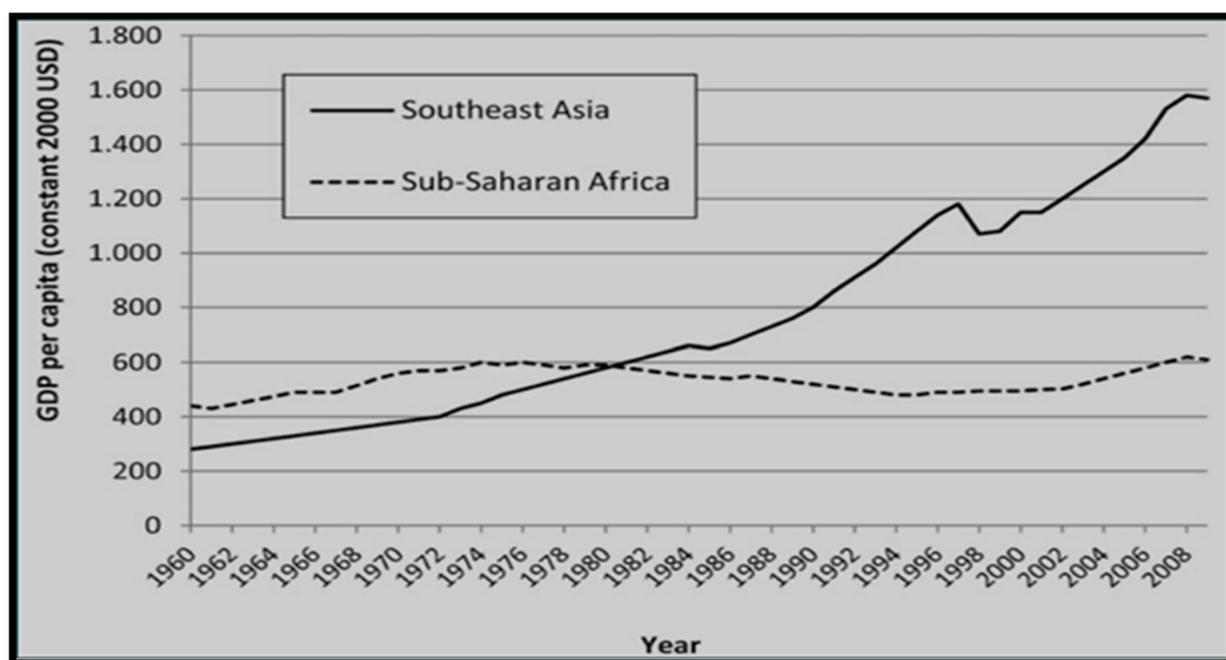
This chapter lays the foundation of the whole thesis that aims to investigate the strategy options for regional economic resilience in the face of industrial decline in Bulawayo Metropolitan Province (BMP). The chapter commences by locating the study in the regional economic resilience literature at regional, national, and city levels, respectively. This leads to the rationale of the study and the illumination on the problem statement. Linked to the problem statement is an outline of the aim and objectives guiding this study. The chapter is concluded by a historical account of the study area and a chapter outline summarising the contents of the whole thesis.

1.2 ECONOMIC DEVELOPMENT PATTERNS IN THE GLOBAL SOUTH

Escalating global inequalities have become rampant, with the rich industrialised countries (Global North) emerging economically strong and stable whilst poor countries (Global South) have continued to experience increasing instability and economic stagnation. Consequently, pressure has increased on poor countries to improve economic growth and development (Briscoe 2008). However, an attempt to replicate the development strategies utilised by industrialised countries is inappropriate as the development contexts present remarkable differences. In the Global North, industrial development, research and development, and critical innovation thinking have been in existence for many decades, if not centuries (Henley & Van Donge 2013). The same cannot be said about the Global South. Most countries in Sub-Saharan Africa (SSA) for example, are characterised by low investment and capital formation, minimum technological change, shifting of labour from industry to agriculture, and minimum benefits from international

trade (Sampath 2014). Notwithstanding their differences, the South can benefit from importing and adapting technology from the North. The focus in this study is on a country in the South, specifically SSA. However, lessons are drawn from the development experiences in Asia, Latin America, and where necessary also the North.

A clear divergence in the development patterns can be noticed among different regions in the South. While sustained and accelerated economic growth is experienced in regions such as Southeast Asia, SSA on the other hand, presents a pattern of instability and stagnation (Henley & Van Donge 2013) as shown in Figure 1.1.



Source: Henley and Van Donge (2013: 29).

Figure 1.1 GDP per capita growth in Southeast Asia and Sub-Saharan Africa, 1960-2008

The growth patterns shown in Figure 1.1 can be explained by the changes in the international division of labour that resulted in the movement of production processes to areas where conditions are most favourable for production (Geyer 2006). The changes involved labour-intensive production systems that were slowly being phased out in the North, whilst being adopted in the South, especially on the Asian continent, where cheap labour was in abundant

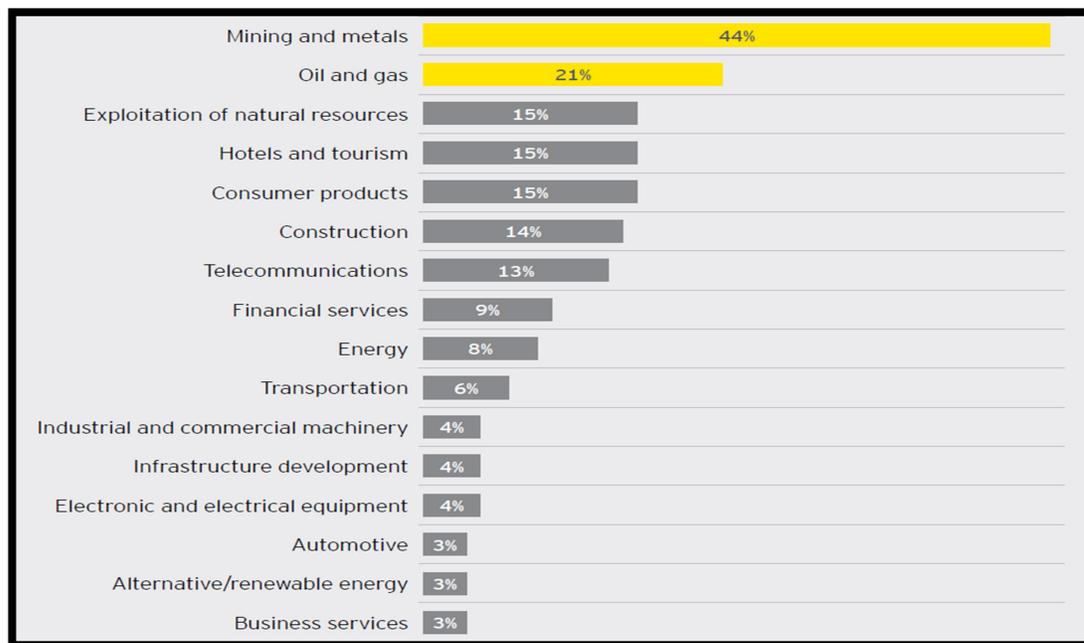
supply (Geyer 2006). The relocation of high-mass production plants from the North to the South improved economic growth in Asia through increased production. Thus, the faster pace of economic growth in Southeast Asia (popularly known as the Asian Miracle) resulted in the bulk of its exports being manufactured goods (Henley & Van Donge 2013; Tan 2014). In comparison, little is manufactured in SSA that is sold on the global market (Henley & Van Donge 2013). These notable differences between regions in the South justify the study of economic resilience in SSA.

Enhancing economic resilience in declining regions has become more important now than ever before, especially with the integration of African cities in a global capitalist system. Globalisation has exposed economies in the South to outside influence, which in turn has bearing on their development conditions (Zaaijer 1998; Geyer 2006). This has seen economic activities, especially in SSA, facing stiff competition from industries in the North and in other regions in the South. Thus, for industries to survive global competition, there is now the need for stronger manufacturing and marketing capabilities (Geyer 2006). These capabilities seem to be missing in SSA. The failure of companies and industries to compete internationally has resulted in declining industries especially in Zimbabwe's struggling metropolitan economies. To address the lagging behind of SSA, strategy options for economic growth and development are required to assist the region to catch-up with others in the South, especially those in Southeast Asia that are performing economically well.

Towards the end of colonialism SSA and Southeast Asia, were on the world's economic periphery. Both regions had predominantly rural, subsistence-oriented economies characterised by the export of primary agricultural products (Henley & Van Donge 2013). However, this was followed by the Southeast Asian economies experiencing major developments, including a rapid process of foreign trade liberalisation and a consequent high rate of foreign direct investment (Briguglio & Piccinino 2012), thereby leaving SSA behind. Consequently, most African cities lack large-scale industrialisation (Geyer 2006). This alienation of Africa (with the exception of countries such as South Africa) from the modern industrial society can be attributed to ideological and ethnic wars (Geyer 2006; AfDB, OECD & UNDP 2017). However, other factors

such as poor national politics cannot be overlooked, especially in the case of Zimbabwe. Thus, years after colonialism, many African cities are now characterised by vacant, abandoned and dilapidated industrial structures and the proliferation of informality. This has become a permanent feature of African cities (Geyer 2006; Mutami & Gambe 2015). Accordingly, critical thinking is needed in order to come up with strategy options for economic resilience in metropolises, especially those in SSA.

Building economic resilience in African countries, especially those classified by the International Monetary Fund (IMF) (2015) as fragile states, is vital for their economic wellbeing. Fragile states are countries characterised by failure to deliver basic services to their citizens and that experience entrenched hindrances to both economic and human development (IMF 2015). These are poor African countries that are finding it difficult to achieve meaningful and stable economic growth. However, extractive industries in Africa provide an opportunity for resilient economic growth and development, especially in countries endowed with natural resources. As highlighted in Figure 1.2, extractive industries earned Africa the highest percentage (44%) of foreign direct investment (FDI) during the period 2003 to 2010 (Ernst & Young 2011).



Source: Adapted from Ernst & Young (2011: 4)

Figure 1.2 FDI in Africa for the period 2003-2010

The FDI statistics in Figure 1.2 suggest that concentrating on building and reinvigorating extractive industries is a possible route towards achieving economic growth. What is worrying is that economic growth in Zimbabwe has remained depressed in spite of the country's vast natural resource endowments. The economy has instead regressed. This makes the current study imperative as it contributes to the debate on how Zimbabwe's fortunes can be turned around.

In Zimbabwe, regional economic disparities are widespread, and have been partly attributed to the country's colonial history (Manyanhaire et al. 2009; Munangagwa 2009; Bratton & Masunungure 2011; Chirisa, Dumba & Dube 2013). However, these imbalances still exist although the country gained independence in 1980. This shows that regional disparities are indeed an inherent feature of development. As development takes place some regions or places are more able to attract capital and labour than others, causing differential growth patterns that result in regional disparities. The efforts to address these imbalances resulted in the development of growth points across Zimbabwe's 10 provinces (Manyanhaire et al. 2009). These centres were expected to benefit the surrounding rural areas through a process of cumulative causation (Myrdal 1957). However, some centres did not manage to grow and develop economically.

Industrial agglomeration is frequently regarded as a determinant of regional economic growth in Zimbabwe yet, the African Development Bank (AfDB), the Organisation for Economic Co-operation and Development (OECD), & the United Nations Development Programme (UNDP) (2016: 326) noted that the country has been experiencing "reverse urbanisation in recent years as an economic slowdown hampered opportunities in cities." As economic decline worsened, some urbanites returned to their rural areas to find other sources of survival. Zimbabwe has also remained in debt distress and its lack of a diversified export base is worsening its predicament as the country is struggling to adjust to changing world demands for tradable goods (AfDB, OECD & UNDP 2016). In contrast, the Asian Tigers, as the newly industrialised countries (NICs) in Southeast Asia are often referred to, were able to transition from a scenario almost similar to that of Zimbabwe, to become manufacturing powerhouses. As such, important lessons for economic development in Zimbabwe can be drawn from the experiences of the Tiger economies.

The majority of big industries in Zimbabwe were traditionally located in Bulawayo, resulting in the city being able to significantly contribute to the country's GDP (Zaaijer 1998: 22). During the colonial period, the city was referred to as 'the Manchester of Rhodesia' due to its level of industrial activity (Parliament of Zimbabwe 2011). However, today most industries have closed down, leaving the economy of Bulawayo staggering. The decline of these industries was partly due to the removal of trade barriers, which resulted in the industries of Bulawayo facing stiff competition from cheaper and better-quality imports from other African countries and from Asia (Zaaijer 1998). The adoption of structural adjustment programmes (SAPs) in the mid-1990s aggravated the industries' predicament with the majority of industries experiencing massive retrenchments, being placed under provisional liquidation, being delisted from the stock exchange, or being closed down (Zaaijer 1998). However, the effect of poor politics in the country in terms of policies unfavourable to business development, cutting ties with the international community, and rampant corruption and nepotism in government, cannot be disregarded. As the industries continued to close down and relocate to other countries, a protracted decline of the metropolitan economy was experienced that haemorrhaged the surrounding regional economies.

This study seeks to investigate the strategy options for regional economic resilience in the face of industrial decline in BMP. The city has been struggling economically due to the closure of its major manufacturing industries. Finding and implementing strategies that can revamp the economy is of supreme importance as economic resilience of Bulawayo is not only important for the surrounding peripheral regions, but also for the resilience of the national economy.

1.3 RATIONALE

Despite a myriad of studies on industrial agglomeration, most have focused on agglomeration economies, industrial growth and expansion, and the subsequent influence of industrial agglomerations on regional economic growth (Fan & Scot 2003; Polèse 2005; Lin, Shanglang & Yong 2014; Stohr 2014; Mukhlis et al. 2017). However, the reality that diseconomies of scale can result in the deconcentration or deglomeration of industries, has been overlooked. Industrial

deglomeration triggers economic decline as out-migration of capital and labour is set in motion. Thus, it is important to prevent further decline in affected regions whilst at the same time promoting economic resilience.

Regional economic resilience is still a fairly new concept. Despite the ground covered so far in literature, there is still need for further exploration and discussion of this concept, both in science and practice (Tóth 2015). Emanating from this, the current study is expected to contribute to regional economic-resilience literature, both theoretically and empirically. In particular this study addresses how industrial decline affects the economic resilience of a metropolitan city in the Global South and the subsequent promotion of economic resilience in regions experiencing industrial decline. Findings of this study provide an empirical base for enhancing economic resilience in metropolitan cities experiencing industrial decline in regions categorised by IMF (2015) as fragile states.

The majority of studies undertaken in regional economic resilience focus on the North, particularly on the European and North American economies (Wink 2012; Breathnach, Van Egeraat & Curran 2014; Royal Town Planning Institute 2014; Simmie 2014; Williams & Vorley 2014; Han & Goetz 2015; Brooks, Vorley & Williams 2016; Sensier, Bristow & Healy 2016; Bristow & Healy 2018). The scarcity of studies interrogating economic resilience, especially on the African context, justifies this particular study that focuses on a country in SSA. Due cognisance is given to how changing contexts matter. Despite the periodic occurrence of economic shocks in metropolitan economies, Hill et al. (2011: 1) noted that, “the effect that ... shocks have varies from region to region as does the region’s adjustment and recovery to them.” As such, the current study assesses BMP’s reaction and adjustment to shocks, and its prospects for economic recovery.

The study focuses on both formal and informal sectors. This is vital in conceptualising and analysing economic resilience in SSA, a region that is characterised by high unemployment that has pushed the majority of the economically active population to operate in informal sectors. As noted by Geyer (1989), most urban economies in Southern Africa are dualistic in nature, hence

the integration of formal and informal urban sectors provides prospects for better economic growth in these cities. The inclusion of the informal sector in the search for economic resilience strategies in SSA is expected to produce new insights and empirical evidence that will improve and add to the existing body of knowledge.

1.4 STATEMENT OF THE PROBLEM

Many studies on the conceptualisation, measurement, and analysis of economic resilience in different regions have been conducted, albeit in the North (Wink 2012; Breathnach, Van Egeraat & Curran 2014; Simmie 2014; Williams & Vorley 2014; Han & Goetz 2015; Brooks, Vorley & Williams 2016; Sensier, Bristow & Healy 2016; Bristow & Healy 2018). Yet, little is understood of how economic resilience can be conceptualised and promoted in declining metropolitan regions in the Global South (especially in Africa), both theoretically and empirically. This study seeks to investigate strategy options for economic resilience in the face of industrial decline and displacement in Bulawayo Metropolitan Province. Unless this study is done, the concept of economic resilience will continue to be perceived in the context of the North – which is very different from the African context. Apart from that, continuous industrial displacements or the evaporation and out-migration of inhabitants from Bulawayo, will aggravate the economic instability of this already-struggling metropolitan province.

1.5 AIM OF THE STUDY

The aim of this study is to investigate the strategy options for economic resilience in the face of industrial decline in Bulawayo Metropolitan Province.

1.5.1 Study objectives

Using Zimbabwe and Bulawayo Metropolitan Province as particular examples, specific objectives are to:

- 1) Evaluate the effects of industrial decline on the economy of Bulawayo Metropolitan Province;
- 2) Assess the resilient strategies employed by firms in Bulawayo to overcome their operational challenges;
- 3) Examine how economic and industrial policies in Zimbabwe should be formulated in order to promote economic resilience of metropolitan regions in the country with the impetus to propose strategies that improve policymaking;
- 4) Explore how the economy of Bulawayo can be revitalised in order to attract meaningful investment and enhance competitiveness on a global scale, thus, what should be done to enhance economic resilience in the metropolis; and,
- 5) Redefine the concept of economic resilience in light of the African development setting whilst highlighting how it is similar or dissimilar to its conceptualisation in other parts of the world.

1.5.2 Major research question

What are the strategies that can be adopted to promote economic resilience in Bulawayo, a metropolitan city in the Global South, which is experiencing industrial decline and displacement?

The specific sub-research questions are:

- 1) What are the effects of industrial decline on the economy of Bulawayo Metropolitan Province?
- 2) What are the resilient strategies adopted by firms in Bulawayo to overcome their operational challenges?
- 3) What are the improvements required in economic and industrial policymaking in Zimbabwe for policies to promote economic resilience of metropolitan regions?
- 4) What are the strategy options for economic revitalisation and the promotion of economic resilience in Bulawayo metropolis?

- 5) In what way is the conceptualisation of economic resilience in the African development setting comparable to other parts of the world?

1.6 SIGNIFICANCE OF THE STUDY

The current study is one of a few that focuses on regional economic resilience in the Global South, specifically Southern Africa. The majority of literature studies focus mainly on developed regions, especially Europe (Aiginger 2009; Simmie & Martin 2010; Martin 2012; Wink 2012; Breathnach, Van Egeraat & Curran 2014; Royal Town Planning Institute 2014; Simmie 2014; Williams & Vorley 2014; Martin, Sunley & Tyler 2015; Brooks, Vorley & Williams 2016; Sensier, Bristow & Healy 2016; Bristow & Healy 2018) and North America (Hill et al. 2011; Han & Goetz 2015). The region-based approach to economic resilience is noble because, despite the periodic occurrence of economic shocks in metropolitan economies, their effects vary from one region to another and so does the ability of regions to adjust and recover from them (Hill et al. 2011). This is consistent with Han & Goetz (2015: 131) who observed that, “[l]evels of economic resilience also vary across regions.” Thus, since the majority of economic resilience studies mainly focus on the regions in the Global North, it is vital that an African perspective be added in the resilience debate, thereby filling shortcomings of existing literature. Besides, factors characterising the location of regions have the ability to affect the region’s adaptability (Simmie, 2014). New knowledge is expected to be generated in this study.

Progress has been made in the North concerning the conceptualisation of resilience. Three major strands are worth noting. The first one indicates that resilience as a concept, is elusive and that no generally agreeable definition of the concept exists (Hill, Wial & Wolman 2008; Simmie & Martin 2010; Hill et al 2011; Martin 2012; Breathnach, Van Egeraat & Curran 2014; Simmie 2014; Martin, Sunley & Tyler 2015; Tóth 2015). As an example, Simmie & Martin (2010: 28) note that, there is “no universally agreed definition of resilience in economics or social science, let alone in regional or urban studies.” In support, Hill et al. (2011: 1) indicate that: “Economic resilience is a concept that is frequently used but rarely well defined.” This study therefore seeks to contribute to the existing debate and redefine the concept of resilience in light of its usage and

application in Southern Africa. Apart from that, the study contributes to existing literature as studies focusing on economic resilience are scarce (Hill, Wial & Wolman 2008; Hill et al. 2011). The study proposes a model for analysing economic resilience in metropolitan cities in the South, specifically Zimbabwe.

The second strand concerns the different perspectives of resilience. Accordingly, resilience can be perceived under the engineering perspective (Simmie & Martin 2010; Martin 2012; Wink 2012; Han & Goetz 2015), ecological perspective (Simmie & Martin 2010; Martin 2012), and economic perspective (Simmie & Martin 2010; Martin 2012; Simmie 2014; Sensier, Bristow & Healy 2016). Only the economic perspective is adopted in analysing economic systems in Bulawayo. The other two perspectives are considered not to be applicable to this study area. Economic systems rarely assimilate materials and biological organisms in terms of behaviour. Thus, it is difficult to use concepts in physics and ecology to study the behaviour of economic systems (Simmie & Martin 2010; Martin 2012).

The third strand is about measuring economic resilience. Although there are no agreed indicators to measure the concept, research in the North proved the efficacy of quantitative indicators such as GDP per capita (Wink 2012; Sensier, Bristow & Healy 2016), employment levels (Wink 2012; Breathnach, Van Egeraat & Curran 2015; Han & Goetz 2015; Sensier, Bristow & Healy 2016), and regional production levels (Wink 2012). Qualitative indicators such as policy reviews have also been used to measure regional economic resilience (Brooks, Vorley & Williams 2016). These indicators are also applicable in the South. However, in Bulawayo, the dearth of data restricted quantitative indicators to that of employment levels. The policy reviews that were done focused only on policies relevant to the study.

The findings of this study are believed to be important to regional development policymakers in government. Research findings call for a set of considerations that can be adopted in the formulation and implementation of economic development strategies for regions (Tóth 2015). With this study, it is expected that there will be a push for a policy agenda in Zimbabwe that considers technology and innovation in addressing economic problems in lagging regions. This

is vital because long-term, reliable, and consistent policies are necessary in the attempt to revitalise growth in lagging regions (Simmie 2014). Besides, long-term policies that consistently support innovation, are regarded as an economic ‘turn-around’ strategy, especially in Zimbabwe. Accordingly, this study is considered relevant as it analyses and proposes strategies that can be adopted to resuscitate the economy in BMP and enhance its resilience. The study also generates knowledge on the current state of industrial infrastructure and its suitability to deliver the economic needs of the metropolis.

It is believed that this study is beneficial to Bulawayo Metropolitan Municipality, as it explains the drivers of regional economic decline in BMP and proposes strategies to restore the city’s economic competitiveness while enhancing its economic resilience. Since regional economies have different degrees of resilience to recession (Martin 2012), it is important that these differences be explained. Emanating from this, it is necessary to explain why some industries have closed down, why some migrated from BMP, and others managed to remain operational. It must also be explained what the impact of shifts in industrial competition on the economy of BMP has been, and how changes in government policies may have aggravated industrial decline in the metropolitan city. Attempted responses to these questions are presented and analysed in this study.

1.7 SCOPE OF THE STUDY

It is imperative to mark and emphasise conceptual and physical boundaries of the study so as to properly direct its progression from beginning to the end.

1.7.1 Conceptual scope

The study is broadly guided by the concept of resilience. This has been applied in physical, engineering, and ecological sciences for some time before it was recently adopted into disciplines such as psychology and management sciences (Martin 2012). Apart from that,

Martin (2012: 1) argues that, “it is only very recently that [resilience] has attracted attention from regional analysts, spatial economists and economic geographers.” As such, this study is mainly hinged on economic resilience through the lens of the evolutionary perspective that places the adaptive capacity of local economy in the centre of regional economic resilience. The definition of resilience is still blemished by a myriad of diverse perceptions (Hill, Wial & Wolman 2008; Simmie & Martin 2010; Hill et al. 2011; Martin 2012; Breathnach, Van Egeraat & Curran 2014; Simmie 2014; Tóth 2015). A detailed discussion on the diverse perceptions is covered under Section 2.2 in Chapter 2. The main focus here is on the perspective informing the current study. According to Han & Goetz (2015: 131), “Regional economic resilience [can be] defined as a region’s capacity to absorb and resist shocks as well as to recover from them.” Alternatively, Simmie & Martin (2010: 28) view resilience as “the ability of a local socio-economic system to recover from a shock or disruption.” These definitions inform the understanding of resilience in this study.

In agreement with Simmie & Martin (2010) this study views the adaptive capacity of the industrial, technological, and institutional structures of BMP as some of the key determinants of its economic resilience. Apart from that, ‘path dependence’ as an approach under evolutionary resilience, is also utilised to explain economic decline in Bulawayo. Path dependence¹ is influenced by different factors such as increasing returns, self-reinforcement, positive feedbacks, and lock-in effects (Page 2006). The assumption is that policies implemented after independence ‘locked-in’ the economy in a development trajectory that negatively affected its adaptability to various shocks (Simmie & Martin 2010). The explanation of economic resilience in BMP is also enriched by analysing the growth and decline of industries in light of agglomeration and deglomeration economies, and also the emerging concept of global regionalisation.

On theoretical basis, the study is guided by theories of regional development that include the core-periphery theory (CPT), the circular cumulative causation (CCC) theory, unbalanced growth theory (UGT), industrial district theory (IDT), new economic geography (NEG),

¹ A full explanation of the approach is given in Chapter 2.

industrial cluster (IC) theory, and economic base theory (EBT). These theories guide the understanding and analysis of the factors driving industrial decline and displacement in BMP. Both the CPT and NEG guide the analysis of factors behind industrial decline and deglomeration in Bulawayo at national, regional, and global levels. On the other hand, the CCC theory guides the understanding of how the closure of industries in BMP may be attributed to negative events that either took place or are still taking place in the region. In addition, the IDT and IC theory inform the understanding and analysis of how and why industries concentrated in Bulawayo. The theories also underpin the analysis of firm linkages and their potential benefits to the growth and resilience of BMP's economy. The EBT guides the classification of industries and their utility to the economy of BMP. The firms are classified as either basic or non-basic industries (full discussion in Chapter 2). Finally, UGT informs the analysis of firm linkages and also the level of social overhead investments.

Business relocation theories are equally important in this study as they help explain the in- and out-migration of firms or industries in BMP and how this may be linked to the current industrial decline. The driving forces behind the relocation of firms can be explained in light of neo-classical, behavioural, and institutional approaches to relocation theories (Pellenbarg, Van Wissen & Van Dijk 2002). The interregional movement of firms or industries can be a direct response to economic, behavioural, and/or institutional factors. This confirms that the classical, behavioural, and institutional approaches help establish the reasons for relocation as these have a direct impact on the growth and/or decline of a region's economy. Finally, the ideas of Dunn (2018) on policy analysis steer the understanding and analysis of economic and industrial policies implemented in Zimbabwe.

1.7.2 Physical scope

This study focuses on Bulawayo Metropolitan Province, the second largest metropolis in Zimbabwe. Within the metropolis, the targeted areas are the industrial areas that are mainly occupied by manufacturing industries, the central business district (CBD) that is occupied by some service-oriented firms and shopping complexes that house retail and other shops. Apart

from these areas, mining centres are also considered to be vital in this study as mining activities have the capacity to influence regional cash inflows. Micro, small, and medium enterprises (MSMEs) operating in the metropolis are also part of the study. Despite targeting registered firms in BMP, the study also includes informal firms in the target group. This is motivated by the fact that the informal sector has become increasingly important in African cities where high unemployment levels forced the majority of the economically active group into informal trading. What makes this study unique is the inclusion of the informal sector in analysing economic resilience, as this represents a departure from the typical conceptualisation and analysis of economic resilience in the Global North. In light of the differences between the North and South, the key terms that are repeatedly utilised in this study are defined in the next section.

1.8 DEFINITION OF KEY TERMS

The key terms are defined in light of their meaning in this study. It is vital to have a common understanding of the terms to avoid different conceptualisations.

1.8.1 Global North versus Global South

The classification of countries into *Global North* (or North) or *Global South* (or South) is still subject to debate. While countries in the North are those that are rich, capitalistic in nature, and have successfully undergone the experience of ‘development’, those in the South are economically weak, with limited international influence, and are deficient in ‘development’ (Harris, Moore & Schmitz 2009). Accordingly, the North has the richest countries with the highest per capita income, while the South has the lower-income countries of the world, most of which are in Africa, Asia, and Latin America (Harris, Moore & Schmitz 2009).

Due to economic development in some countries that used to be classified as low income, another group of nations now exists. This group is referred to as newly industrialised countries (NICs). These are countries that have industrialised and grown rapidly over the past 40 years and

include South Korea, Singapore, Taiwan, and Hong Kong. These are known as the Asian Tigers. The North/South divide is vital in this study as economic resilience is studied in the context of the Global South, which, in many respects, is unrelated to the North. However, countries in the South such as those in Southeast Asia, have managed to achieve remarkable economic growth while those especially in SSA have remained stagnant and/or regressed in terms of economic development. It is thus clear that there is a need to find strategy options for resilience in the lagging regions.

1.8.2 Agglomeration versus deglomeration economies

These terms are direct opposites and need to be dealt with separately in order to exhaust issues surrounding each.

1.8.2.1 Agglomeration economies

For the purposes of this study, *agglomeration economies* are viewed through the lens of Glaeser (2010: 1) as, “the benefits that come when firms and people locate near one another together in cities and industrial clusters.” These benefits may include reduced transport costs, labour costs, and shared technology. However the economies vary from scale economies, to localisation economies, to urbanisation economies.

While scale economies take place when there is expansion of the scale of production of a firm in a given location, localisation economies accrue when firms in a given industry and given location, increase their output (Hoover 1937; Isard 1956). Furthermore Isard (1956) noted that the economies usually accrue due to factors such as the exploitation of a common resource pool or the collective utilisation of specialised facilities and infrastructure. This can be applicable to BMP. The city had the advantages of well-developed industrial infrastructure and facilities. Examples include regional transportation links in the form of roads and rail, and also specialised manufacturing plants that range from light to heavy industrial sites.

Urbanisation economies take place when firms or plants of different nature concentrate in a given site so that spatially they are side by side rather than being geographically separated (Hoover 1937; Isard 1956; Parr 2002a; 2002b). This results in an enlargement of the economic size of a locality or region (Hoover 1937; Isard 1956). The enlargement of the economy in this instance involves an increase in population, income, and output as products of a plant in one industry are absorbed as inputs in a different industry, located in the same area. It is therefore vital to understand the meaning of localisation and urbanisation economies as these are more applicable to the declining industrial agglomerations in Bulawayo.

1.8.2.2 Deglomeration economies

The term *deglomeration* is usually linked with disagglomeration economies. According to Bailey (2010: 145), “deglomeration (deconcentration due to technological change or increased costs of continued clustering) occurs when too many activities ... are too close together.” As a result, the agglomeration produces negative effects that include pollution, traffic congestion, and shortages of raw materials. In this study *deglomeration* means, the deconcentration of industries that were previously agglomerated in a cluster or district, due to factors such as poor and unfavourable national economic policies (that caused a general economic decline and flight of investors), strained natural resources that are necessary for production for instance water, and interrupted production systems such as regular power outages.

Deglomeration is closely linked to the process of polarisation reversal (PR), which is defined by Richardson (1980: 67) as, “the turning point when spatial polarization trends in the national economy give way to a process of spatial dispersion out of the core region into other regions of the system.” Both deglomeration and PR are vital in explaining the industrial decline and/or deconcentration that is taking place in BMP where firms have relocated to other towns or cities and in some cases, beyond Zimbabwean borders.

1.8.3 Industrial clustering

Porter (2000: 16) defines a *cluster* as, “a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities.” Using this definition, *industrial clustering* can be seen as the process through which interrelated industries locate close to each other in a given geographical location over a period of time. Clustering is usually a spontaneous formation rather than an induced one (Qing 2012). Once formed, a cluster is expected to evolve, subject to its ability to adapt to changing times (Qing 2012).

The process of clustering can produce an industrial cluster and/or an industrial district. In the context of this study an industrial district is defined as an extended area within a town or city that is occupied or that hosts a sizeable concentration of firms that are interconnected in such a way that the benefits of such a concentration accrue to the firms in the given locality. However, an ID as propounded by Marshall is not simply a primitive localisation but rather one that lasts long enough to become a more compound localisation (Belussi & Caldari 2008). Emanating from this, the location of extracting and manufacturing industries used to be mainly caused by climatic conditions, a region’s natural resource endowment, and rulers’ preferences on the location of production of certain goods, among others (Marshall 1920). However, the location of firms is now influenced by factors such as availability of suitable land, low cost of spaces, agglomeration effects, personal factors (including locating closer to home), and accessibility to markets (Rahman & Kabir 2019). The definitions of industrial cluster and industrial district adopted in this study provide an important distinction of industrial concentrations found in BMP. In addition, the definitions provide possible explanations of what triggered the initial industrial concentration in the city.

1.8.4 Industrial decline

The definition of the term *industrial decline* in literature is limited, hence the definition for purposes of this study is derived from the definitions of terms similar in meaning and context. In

their study of Bulgaria, Spiridonova & Novakova (2005) utilise the term ‘regions of industrial decline’ and borrow it from Bulgaria’s Regional Development Act. Accordingly, Spiridonova & Novakova (2005: 51) define these regions as those that, “show a severe decline in industrial sectors, decreasing production, surging unemployment, and they are facing an economic restructuring which brings with it acute social problems.” In this study, the researcher uses *industrial decline* to describe a process whereby industries in a given area or region experience an acute reduction in production output usually resulting in low unit sales and monetary inflows and/or totally shut down, due to factors outside its direct control. These factors could be the melting down of the economy, migration of entrepreneurs to other regions or countries, and high costs of running business in a given locality. The consequences of industrial decline include massive retrenchments, vacant and decaying industrial infrastructure, and low capacity utilisation in those industries that continue operating.

1.8.5 Industrial displacement

The term *industrial displacement* is defined by Giloth & Betancur (1988) as a forced relocation of firms from a locality caused by the invasion of the same by new and incompatible firms or developments. These developments include lease refusals, changes in planning zones, and the increase in rentals (Curran 2007). Thus in the context of this study, *industrial displacement* is taken to mean a ‘forced’ movement of industries from one locality, usually presenting unfavourable conditions for successful business operation, to another, that presents better opportunities for entrepreneurial growth and development. The unfavourable conditions can be in the form of political and economic instability that negatively affect industrial operations and/or severe shortages of natural resources or inputs necessary for industrial processes.

1.8.6 Deindustrialisation

The term deindustrialisation means the decline of employment in manufacturing as a share of total employment (Rowthorn & Ramaswamy 1997). There are different debates in literature

pertaining to the causes and significance of deindustrialisation (Rowthorn & Coutts 2013). While some scholars take the decline in manufacturing employment as an indication of economic failure, others believe that declining manufacturing employment indicate economic growth in advanced economies – a move from manufacturing to service industries (Rowthorn & Coutts 2013). However, the meaning of *deindustrialisation* adopted in this study is, a marked reduction of employment in the manufacturing industries due to downsizing and/or complete shutdown of industries in the manufacturing sector. In light of this, *deindustrialisation* is closely linked to industrial decline as the downsizing and shutdown of industries, or both, are heavily linked to political and economic ramifications of growth policies adopted in a country. The consequences are usually disastrous and include massive retrenchments, industrial infrastructure decay, and economic decline.

1.8.7 Outsourcing

Outsourcing is not a new term in regional economics as different definitions exist. According to Dolgui & Proth (2013: 6770), “Outsourcing is defined as the act of obtaining semi-finished products, finished products or services from an outside company if these activities were traditionally performed internally.” However, instead of expanding a business to handle functions internally, functions can also be outsourced. An alternative definition is given by Jones (1997: 66) who note that: “Outsourcing means that a vendor assumes responsibility for providing some or all of an organization’s services.” In light of this, Jones (1997) argues that the one who outsources is known as the buyer and the one providing the services, as the vendor. Outsourcing is a vital concept in this study as it promotes the industrial linkages within a region. Outsourcing also provides an opportunity for lagging regions to benefit from core regions. Good examples are China and Ethiopia. With its low cost of labour, China benefitted from outsourcing by industrialised countries in Europe and by the USA. However, with the passage of time China itself started outsourcing to countries like Ethiopia where labour is even cheaper (Dolgui & Proth 2013). Emanating from this the abundant and unemployed skilled labour in Zimbabwe provides a fertile ground for outsourcing.

1.8.8 Growth pole

The term *growth pole* has been given different meanings and interpretations since its emergence in literature. However, Hoover & Giarratani (1984: 210) noted that the term growth pole, “refers sometimes to larger developed regions that include centers and sometimes to specific industry complexes, activities, or even single large installations that play a strategic role in sparking new development.” It is vital to note that, the term was popularised by Perroux in the early 1950s though its conceptualisation kept evolving till this day. Consequently, a *growth pole* in this study is viewed as a centre (mainly an urban one, though it can also be a rural or district centre) that is characterised by a sustained agglomeration of economic activities, generating successful economic growth – that is spread to the surrounding areas lagging behind in economic development. BMP can be perceived as a growth pole that is responsible for spreading economic growth to the surrounding regions in Matebeleland. As such, the decline of its industrial agglomerations spells an economic slowdown to the dependent regions.

1.8.9 Value addition

The process of *value-addition* is vital in this study that interrogates industrial decline in metropolitan cities. Coltrain, Barton & Boland (2000: 4) perceive adding value as, “the process of changing or transforming a product from its original state to a more valuable state.” In other words, this process entails turning or transforming raw or primary goods into secondary and/or tertiary goods through a processing industry. Understanding value-addition is vital as the industries responsible for converting primary goods into secondary goods are the ones declining in BMP. This scenario affects the whole value addition process hence the need to find strategies that promote industrial revitalisation.

1.8.10 Linkages

Linkages between and among industries are inevitable as it is impossible for an industry to operate in isolation. Consequently, industries trade with one another exchanging goods and services thereby creating connections that can be referred to as linkages (Christiansen, Ehnts & Trautwein 2010). In light of this, Hoen (2002) simply defines *linkages* as relations or connections between economic actors. However, linkages between industries can be classified as backward (i.e. a relation between the industry and its suppliers, which can be other industries) or forward (i.e. the relation between the industry and its market, which can also be in the form of other industries) (Hirschman 1958). These linkages are considered vital as in this study they are deemed to be the bond that keeps industrial agglomerations functional. The decline of industrial agglomerations in BMP can therefore be viewed as a result of failing industrial linkages.

1.8.11 Basic versus non-basic industries

From the ancient times early geographers, planners, and economists have held the belief that exports are linked in a special way to regional economic growth. This understanding was based on the belief that the economic output of any region can be divided into output and productive services that are sold outside the region and those that are consumed internally (Sirkin 1959). In light of this, McGovern (1961) simply defines basic industries as exporting industries while non-basic industries are the non-exporters. However, in this study *basic industries* are taken to mean a group of industries in a region that produce goods and services, which are not only consumed locally, but are also sold beyond the region's boundaries, thereby bringing cash flow into the region. In contrast *non-basic industries* are taken to mean industries that produce goods and services mainly consumed within the region and are therefore responsible for circulating export earnings in the region. This classification of industries is important as it is believed that the success of basic industries positively influences the economy of the region.

1.8.12 Local versus mesa versus global regionalisation

Regionalisation has of late become a widespread phenomenon because of a growing need amongst regions and countries to jointly address common challenges. Accordingly, global regionalisation is a process that involves complex relationships among countries. The relationships, which can be bilateral or multilateral, result in the formation of different types of global regions (Geyer 2006). Emanating from this, *regionalisation* is taken to mean a process whereby regions (within a country) and/or individual countries work together administratively in order to confront common social, environmental, economic, and political challenges. This arrangement can take place at a local level, which refers to either an in-country or subcontinent-level arrangement, or at a mesa level, which can be a continent-level arrangement. However, regionalisation becomes global when the arrangement takes place across continents. These relationships have a bearing on industrial performance.

1.8.13 Market

A market has been defined differently from various fields such as law, business, and real estate. Houck (1984: 356) provides a comprehensive definition:

A market is a collection of actual or potential buyers and sellers of a specific good or service. This collection has two characteristics: (1) none of the buyers has the option to purchase the item from sellers outside this collection and (2) none of the sellers has the option to sell the item to buyers outside this collection. The interaction of these buyers and sellers generates a set of interrelated prices and conditions of sale or use. The principles or facts determining which buyers and sellers are in this collection identify the market spatially, temporally, and politically.

However a *market* in this study is defined as an arrangement or a place whereby sellers and buyers interact (or gather) in order to negotiate a price at which their goods and services can be exchanged in line with the prevailing demand and supply forces. In this instance both the buyers and sellers can be industrial companies or individuals who require or provide certain goods and services. It is the belief of this study that, a viable market is required if industrial agglomerations

are to bring about positive economic benefits to host regions. Otherwise, if no viable markets are found to support the industrial activity, industrial decline will set in.

1.8.14 Industrial corridor

An industrial corridor can be defined as an infrastructural spending package meant to stimulate industrial development in a specific geographical location which should be well connected to other areas through road, rail, sea, and/or air (Kaushik 2016). Proper conceptualisation of this term gives a clear understanding of how BMP became an industrial capital of Zimbabwe. The city is well linked to other Southern African countries through roads and railways. This influenced the initial agglomeration of economic activities in Bulawayo, with industries taking advantage of the easiness of distributing manufactured goods to the neighbouring countries.

1.9 DESCRIPTION OF STUDY AREA

It is fundamental to highlight the geographic, demographic, and economic characteristics of the study area in order to provide a background that is essential in the conceptualisation of the study.

1.9.1 An overview of Zimbabwe

Zimbabwe is a landlocked country in Southern Africa as shown in Figure 1.3. The country was under colonial rule from 1890 to 18 April 1980 when it got its political independence (Shizha & Kariwo 2011). The name Zimbabwe was derived from the name of an ancient city of stone structures, commonly referred to as dzimba dzamabwe in Shona, called Great Zimbabwe (Garlake 1982). Zimbabwe shares its borders with South Africa, Mozambique, Zambia, Namibia and Botswana. The country's total land coverage is 390 757 square kilometres (CSO 2004). Shizha and Kariwo (2011: 3) noted that: "The country lies on a high plateau between two river basins; the Zambezi in the north and the Limpopo in the south."



Source: Oliphant (2017)²

Figure 1.3 Location of Zimbabwe in Southern Africa

Zimbabwe is endowed with good natural resources such as, excellent agricultural soils, an abundance of wildlife, and enormous mineral deposits. The country also boasts various sites of historical importance such as, the Matopos and the Great Zimbabwe monuments and is furthermore home to Victoria Falls (Zvobgo 2009). The current population is estimated to be approximately 15.2 million (Bertelsmann Stiftung 2016), which shows an increase from 13 061 239 (ZIMSTAT 2013a) reported in the 2012 population census. The 2012 census revealed that 48% of the population was male and 52% female, it furthermore stated that 7 661 295 people were aged 15 years and above (ZIMSTAT 2013b). Of 7 661 295 people, 67% were economically active and out of this group, 89% were employed whilst 11% were unemployed (ZIMSTAT 2013b). The current official unemployment rate stands at 16.4% (ZIMSTAT 2020).³

² The map was adopted from an online article that is not paginated. The article is accessible at <https://www.express.co.uk/news/world/879751/Zimbabwe-map-where-is-Zimbabwe-Harare-location-Africa-mapped>.

³ See <http://www.zimstat.co.zw>. The ZIMSTAT official rate is based on 2019 figures. However, Bertelsmann Stiftung's (2016; 2020) estimates of the unemployment rate are 80% in 2016 and 90% in 2020. In the calculation of the employment rate, Bertelsmann Stiftung (2020: 25) noted that ZIMSTAT "apparently includes people working in the informal and communal agriculture sectors, which increases the proportion of those employed." This explains the discrepancies in the unemployment rates presented by ZIMSTAT and other organisations.

Zimbabwe used to have a functional and strong industrial sector that contributed to its economic development in the late 1960s to 1980s. The strength of the economy emanated from the successes registered in the mining and agricultural sectors (Stoneman 1990). However, after the adoption of the structural adjustment programmes (SAPs) in the early nineties, economic decline set in to reach its lowest ever in 2008 with the crashing of the local currency (Shizha & Kariwo 2011). This negatively affected the industrial performance in the country resulting in many industrial closures, downsizing, and massive relocations.

Zimbabwe has significant deposits of minerals such as gold, nickel, chrome, platinum, and diamonds. These minerals provide an opportunity for meaningful economic development and growth emanating from increased FDI from extractive industries, however, this is not the case. Instead, the economy is characterised by lack of investment due to factors such as poor politics coupled with inconsistent policies. These two factors led to capital flight as Zimbabwe is regarded as a risky investment destination. The economy is currently dominated by agriculture employment. As the leading sector, agriculture employs 67.2% of the total labour force, followed by 10.9% in the wholesale and retail trade (including the repair of motor vehicles and motor cycles), 4% in manufacturing and 1.5% in mining, respectively (ZIMSTAT 2015). However, mining contributed an estimated 62% of total exports in 2018, followed 22% in agriculture and 15% in manufacturing (Reserve Bank of Zimbabwe 2020). These statistics show that the dominance of agriculture in terms of employment has a minimal contribution to the country's export earnings.

1.9.2 An overview of Bulawayo Metropolitan Province

Bulawayo metropolis is the second largest city located in the south western part of Zimbabwe as shown in Figure 1.4. The city is composed of districts which include Bulawayo Central, Imbizo, Khami, Mzilikazi, and Reigate (Parliament of Zimbabwe 2011), and is one of the oldest cities in Zimbabwe (Msindo 2007). According to Parliament of Zimbabwe (2011: 3), "Bulawayo is strategically located and consequently forms the axis of road and rail network links to the rest of

the country and the Southern African region providing important railway linkages to South Africa, Botswana and Zambia.”

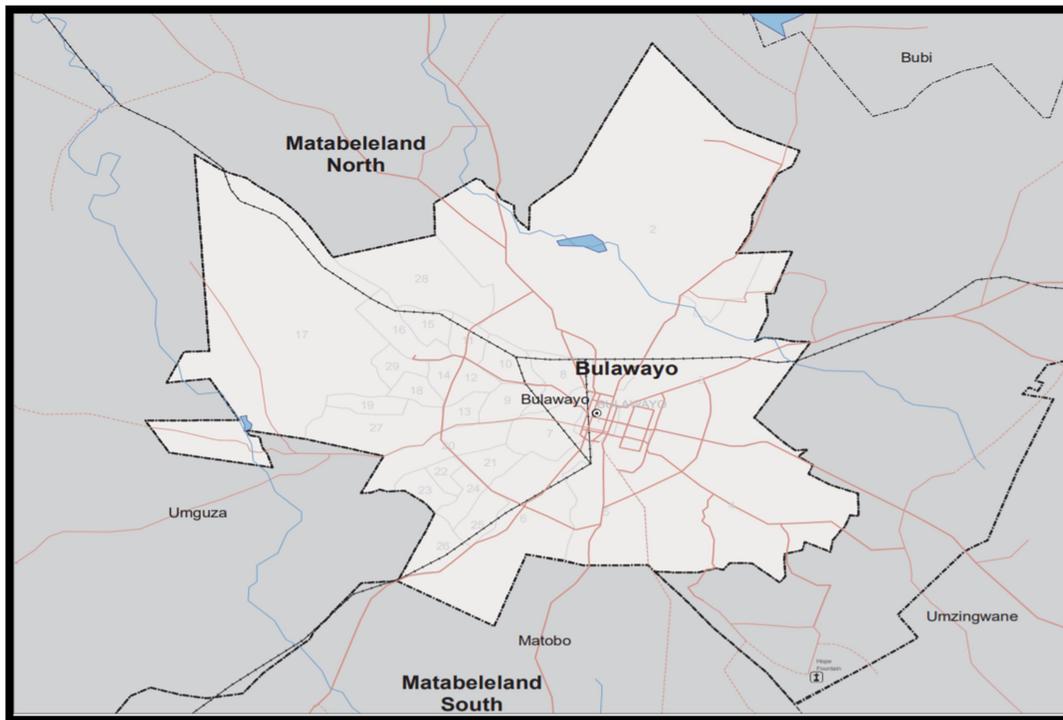


Source: Google Maps (2020)

Figure 1.4 Location of Bulawayo in Zimbabwe

In addition, BMP is surrounded by Matebeleland North and Matebeleland South Provinces as shown in Figure 1.5. The inhabitants of BMP are of different ethnic backgrounds though the majority is the Ndebele people. Approximately 98% of the BMP population is of African ethnic origin while the remaining 2% are of European, Asiatic, and mixed origin (ZIMSTAT 2013a).

The total land coverage for BMP is approximately 479 square kilometres (CSO 2004). According to the Parliament of Zimbabwe (2011: 4), the city is “located on a plain that marks the Highveld of Zimbabwe and is closer to the watershed between the Zambezi and Limpopo drainage basins. As a consequence of the high altitude, the city enjoys a subtropical climate.”



Source: UN Office for the Coordination of Humanitarian Affairs (2009)

Figure 1.5 Bulawayo Metropolitan Province boundaries

BMP's total population was 676 650 in 2002, representing 5.82% of the Zimbabwe's population (CSO 2004). However, in 2012 the city's population dropped to 653 337 (ZIMSTAT 2013a), to represent 5% of the Zimbabwe's total population (ZIMSTAT 2013b). Though the decline in the population in BMP is not fully explained in the 2012 census report, it can be attributed to changes in provincial boundaries that were implemented by the Zimbabwe Electoral Commission (ZEC) in 2008 in the preparation of national elections. This exercise saw some provinces getting bigger in terms of land coverage and population size, whilst others were reduced in extent through shifting of boundaries – a process referred to as gerrymandering by opposition parties in Zimbabwe. The discrepancy can also be explained by the out-migration of skilled labour from Bulawayo at the height of deindustrialisation. The economically active group, mainly those aged between 15 and 49, left Zimbabwe in search of better opportunities in neighbouring countries with the majority that are probably in South Africa.

The economic history of BMP can be summarised in the words of Msindo (2007: 267):

Economically, Bulawayo was a major employment centre, boasting the headquarters of the Rhodesian Railways, plus numerous, small but viable, gold mines that attracted labourers from beyond Southern Rhodesia. Bulawayo was also a temporary stopover for Central African labourers trekking to the better-paid industries in South Africa, though some of them never reached their intended destinations and settled permanently in Bulawayo.

The quotation by Msindo (2007) presupposes the argument that Bulawayo was able to attract labour from different parts of Africa not only because of its location along major transportation routes but also because of its industrial activities. However, today the city is characterised by the presence of heavy industrial infrastructure of which the bulk is no longer utilised mainly because of massive deindustrialisation taking place (Parliament of Zimbabwe 2011) that contributed to a declining economy which in turn, led to spike in the unemployment rate. The unemployment of many residents then led to an expansion in the informal sector as this sector absorbed some labour that was laid-off in the formal sector. Consequently, both sectors have become increasingly important to the city economy.

1.10 CHAPTER OUTLINE

The dissertation comprises 10 coherent chapters. Each chapter is unique and covers different aspects from the preceding and the succeeding one.

Chapter 2 presents the conceptual and theoretical frameworks adopted in the study. The chapter commences with an analysis of the concepts guiding this study. These concepts are ‘economic resilience’ and ‘path dependence’. After presenting the conceptual framework, the different theories that have a bearing in the understanding of this study are reviewed. The main focus is on the theories of regional development as the study focuses on economic growth and development of BMP. In addition, the chapter also covers relocation theories. These explain the deglomeration processes taking place in the study area.

Chapter 3 contains an analysis of the concept of development through exploring the drivers and inhibitors of development. The chapter begins with a discussion about the meaning of development, followed by a presentation of potential drivers and inhibitors of development. The consequential effects on the development of regional economies are also explored. The emphasis is learning from economic leaders in the South, mainly countries in Southeast Asia.

Chapter 4 gives a historical account and analysis of economic development in Zimbabwe in general and Bulawayo specifically. The literature is based on economic and industrial performance, namely the growth and decline thereof. The historical account of economic development in Zimbabwe is undertaken in different phases that respectively include the early colonial period, federation period, unilateral declaration of independence (UDI) period, and the post-independence period. Emphasis is given to the post-independence period that is also subdivided in different temporal phases depending on the ideology that informed the economy at a particular point in time. Besides that, the chapter also gives a historical account of the study area before concluding with a focus on the implications on Bulawayo's future growth.

Chapter 5 explains the operationalisation of the research. The chapter commences with the explanation of the research philosophy, paradigm, and design guiding the study. This illumination is done as a way of linking methodological issues to the guiding paradigm and philosophy. The study population is also explained in terms of size and characteristics. This leads to the sampling design after which the tools that were used to collect data, are presented. This chapter ends with a presentation on research ethics taken into consideration during fieldwork, and a research methodology matrix.

Chapter 6 details the effects of industrial decline on the economy of BMP. However, the chapter commences with a focus on the factors behind industrial decline. These are the factors that have hamstrung firm operations in the city. The chapter then proceeds to evaluate how industrial decline has affected the economic performance of the metropolis. The effects are discussed in terms of the city's economic structure, export levels, employment levels, and attractiveness to capital, enterprises, and skilled labour.

Chapter 7 focuses on the evaluation of firm resilience strategies in Bulawayo. The chapter commences by assessing firms' operational challenges followed by an overview of firm resilience. The resilience strategies adopted by firms in the metropolis are then examined indicating their implication to Bulawayo's economic resilience. The main strategies discussed include diversification of products and services, reliance on a broad customer base, and utilising a USD-based pricing system to avoid losses through currency reforms.

Chapter 8 presents an in-depth analysis of economic and industrial policymaking in Zimbabwe and how policies promote or hinder economic growth and resilience in BMP. The chapter also assesses the strategies that can be adopted to improve policymaking. The main thrust is to generate ways of revamping and re-orienting the policymaking process in Zimbabwe to achieve economic growth and resilience in metropolitan cities.

Chapter 9 dwells on the strategy options for economic revitalisation and resilience in BMP. However, the chapter initially analyses the level of economic resilience using employment as the key variable. Three different formulae for calculating the sensitivity of Bulawayo to the economic recession are utilised. The focus is then shifted to different strategy options that can be adopted to enhance economic resilience in Bulawayo. These strategies are in line with data collected from fieldwork.

Chapter 10 provides a summary of key results, conclusions, and recommendations. This is the chapter that concludes the study and discusses the perception of regional economic resilience in Zimbabwe indicating similarities and dissimilarities with the conceptualisation in the North. The chapter also covers a presentation and explanation of a proposed model that can be used to analyse regional economic resilience in metropolises in countries in the South. A focus on policy implications and recommendations together with areas for further research, brings the chapter to the end.

1.11 CONCLUSION

This chapter has provided a broad introduction of the study thereby setting the context of the whole thesis. It traces the problem under study from global to the local contexts. The rationale that is presented clearly highlights the research gap and states the utility of this study. Despite the research strands on regional economic resilience in the North, the concept needs further examination especially in SSA countries like Zimbabwe. Bulawayo Metropolitan Province is undergoing industrial decline and displacement. Consequently, the formal economy of the metropolis has shrunk and hence the proliferation of informality. Strategy options for economic revitalisation and resilience are required to turnaround the economy of Bulawayo. As such, the next chapter provides an extended discussion on the concept of regional economic resilience and theories of regional development, paying particular attention to strategy options for economic growth and development in declining regions.

CHAPTER 2: ECONOMIC GROWTH AND RESILIENCE – CONCEPTUAL AND THEORETICAL UNDERPINNINGS

What matters for the long-run success of a regional economy is the ability of the region's industrial, technological, labour force and institutional structures to adapt to the changing competitive, technological and market pressures and opportunities that confront its firms and workforce. (Simmie & Martin 2010: 30)

2.1 INTRODUCTION

This chapter examines the conceptual framework that guides the current study. It commences by unravelling the concept of resilience, paying particular attention to economic resilience. Economic resilience provides a better way of assessing regional economies compared to engineering and ecological perspectives (Simmie & Martin 2010; Martin 2012). Furthermore, attention is also given to the concept of path dependence before focusing on the concepts of agglomeration economies and global regionalisation. The concept of agglomeration economies is fundamental in discussions involving firm location and regional economic development (Parr 2002a; 2002b). Apart from the conceptual framework, the theories guiding the conceptualisation and understanding of phenomena in this study are presented and their application assessed. These are mainly the theories of regional development and business relocation.

2.2 CONCEPTUAL FRAMEWORK

The study is broadly guided by the concept of resilience, specifically regional economic resilience. Resilience has become a buzzword especially now that most cities in the Global South are grappling with economic challenges. The ability to withstand economic shocks and also to bounce back to the pre-shock growth path is a central tenet that keeps city economies sustainable. In addition, path dependence and agglomeration economies are other concepts guiding the understanding and interpretation of phenomena in this study. Path dependence explains how historical interpretation of the development of a region 'locks it' in a certain growth path.

2.2.1 The concept of resilience

Despite its use in different disciplines, resilience is a complex concept and in literature its meaning is subject to debate (Hill, Wial & Wolman 2008; Simmie & Martin 2010; Hill et al. 2011; Martin 2012; Breathnach, Van Egeraat & Curran 2014; Simmie 2014; Tóth 2015). The concept of resilience is frequently used in the fields such as economics, social sciences, and regional or urban studies (Simmie & Martin 2010; Hill et al. 2011). However, the concept is multidimensional and has multiple meanings in different academic fields (Sensier, Bristow & Healy 2016; Simmie 2014).

Resilience is not a new concept as its usage in literature dates back to the 1970s. The concept of resilience was developed by Holling in 1973 as a framework for ecological research (Tóth 2015). However, the concept has been applied in physical, engineering, and ecological sciences for some time before it was recently adopted into disciplines such as psychology and organisation science (Martin 2012). The concept has also attracted the interest of regional planners, spatial economists, and economic geographers (Martin 2012) who are still debating its meaning. The term resilience is derived from a Latin word '*resiliere*' (Simmie & Martin 2010; Martin 2012; Tóth 2015), which generally means to leap back or to rebound (Simmie & Martin 2010; Martin 2012). According to Simmie & Martin (2010: 28), "the idea of resilience refers to the ability of an entity or system to 'recover form and position elastically' following a disturbance or disruption of some kind." These disturbances can be short or long term. It is vital to note that in ecological literature, resilience is understood in terms of both 'engineering resilience' and 'ecological resilience' (Simmie & Martin 2010). However, these perspectives are not adopted due to their limited applicability in analysing economic resilience in the study area. Both the engineering and ecological perspectives make the conceptualisation of regional economic resilience ambiguous (Simmie & Martin 2010).

Engineering resilience is perceived in the auspices of physics and its ascribed definition is the system's resistance and speed of bouncing back to equilibrium (Simmie & Martin 2010; Martin 2012; Wink 2012). When applied to systems, Martin (2012: 4) noted that the one which "is more resistant to shocks and/or ... returns quickly to its pre-shock 'equilibrium' state or configuration

is deemed to be more 'resilient' than a system which ... takes longer to move back to its 'equilibrium' or steady state." However, to view regional economic resilience through the engineering perspective is problematic. According to Simmie & Martin (2010: 29) "if regional economic resilience is defined in terms of the ability of a regional economy to retain (return to) its equilibrium form and function ... it becomes difficult to reconcile the notion of resilience with the idea of regional economic evolution." Regional economies do not necessarily need to be in equilibrium but should be characterised by a stable growth trend (Simmie & Martin 2010; Martin 2012). Thus, regional economic resilience departs from the engineering perspective of resilience as an economy functions differently from materials and other engineering systems.

Ecological resilience is also an equivocal concept that is not easy to apply to the analysis of regional economic systems. Ecological resilience is measured by the size of the shock or disturbance a system can absorb before changing its structure (Simmie & Martin 2010). According to Simmie & Martin (2010: 30) ecological perspective implies that "the bigger the shock required to change a system's structure and function, the more resilient that system would be deemed to be." This perception makes it difficult to clearly define what constitutes resilience and separate the engineering from the ecological perspective (Simmie & Martin 2010; Martin 2012). The complexity emanates from the fact that a concept developed to analyse ecological systems cannot be easily adapted and used in a different setting, such as analysing a regional economy (Martin 2012). While punctuated equilibrium that is espoused in ecological resilience can be applicable to biological and ecological evolution, it is difficult to apply the same analysis to urban and regional economies (Simmie & Martin 2010). As a result, multiple equilibria supported by ecological resilience seem less important in the analysis of the concept of regional economic resilience which mainly exhibit stability and self-organisation, attributes that are not synonymous with equilibrium (Simmie & Martin 2010).

2.2.1.1 Economic resilience

Besides the engineering and ecological uses of the concept of resilience, another approach that is covered in economic literature is economic resilience. Regional economic resilience as a

concept, is also regarded as highly complex and multidimensional in nature (Sensier, Bristow & Healy 2016). However, the concept can be perceived through different lenses that include the ‘plucking model’, ‘hysteresis’, and ‘adaptive evolution’ (Simmie 2014). The ‘plucking model’ defines resilience as the ‘bounce-back’ of an economy to its pre-shock growth path (Simmie 2014). In contrast, the ‘hysteresis’ approach (underpinned by the studies of magnetic and elastic properties of metals and materials) defines resilience as an economy’s reaction to an external shock and the nature of the new development path that the economy takes due to the shock’s immediate impact (Simmie 2014).

The concept of ‘adaptive evolution’ as the third approach, emanates from the theory of complex adaptive systems (Martin 2012; Simmie 2014). In this approach, regional economic resilience is taken to be the regional economy’s capacity to reconfigure and/or adapt its structure in terms of its industries, technologies, and institutions so that it is able to maintain sustainable growth levels in terms of output, employment, and wealth over a given period of time (Martin 2012). Alternatively, Han & Goetz (2015: 131) noted that: “Regional economic resilience [can be] defined as a region’s capacity to absorb and resist shocks as well as to recover from them.” These definitions presuppose two important aspects of economic resilience. Besides being able to adapt or bounce back, a regional economy should also be able to resist shocks and disruption. This is the approach that is adopted in the analysis of economic resilience in BMP. Finding strategy options that enhance BMP’s capacity to adapt and resist economic shocks and disruptions is the main focus of this study.

The evolutionary perspective of resilience places the adaptive capacity of a local economy in the centre of regional economic resilience (Simmie & Martin 2010). Consequently, Simmie & Martin (2010: 30) argue that the success of the economy of a region is underpinned by, “the ability of the region’s industrial, technological, labour force and institutional structures to adapt to the changing competitive, technological and market pressures and opportunities that confront its firms and workforce.” This is supported by Martin (2012) who presupposes the importance of the economic structure, innovation, industrial networks (both intra- and inter-regional), skilled labour force, entrepreneurial skills, and policymaking and implementation, among others, as

important factors that determine a region's economic resilience. Thus, the economy's response and recovery from economic shocks and stresses are determined by these factors. However, it is worth noting that besides the abovementioned factors, Martin (2012) also stresses the role of the political economy in influencing regional economic resilience. This influence can be positive or negative. This study therefore adopts the conceptualisation of regional economic resilience posed by Simmie & Martin (2010) and Martin (2012). This conceptualisation helped the researcher explain the challenges facing BMP's economy and strategies that can be adopted to revitalise and promote resilience. In addition, the impact of the political economy on firm and regional economic resilience in BMP is assessed in light of the conceptualisation by Simmie & Martin (2010) and Martin (2012).

Within evolutionary resilience there are four approaches that can be adopted. These approaches are generalised Darwinism, complexity theory, panarchy, and path dependence theory (Simmie & Martin 2010). While these are relevant to the study, two approaches namely the generalised Darwinism and path dependence theories, are more applicable in explaining phenomena in the study area. Generalised Darwinism emphasises diversity as an important attribute of regional economic resilience (Simmie & Martin 2010). This diversity is in the sense of the structure of the economy and of the behaviour of firms in terms of their different ways and levels of adaptability (Simmie & Martin 2010). Accordingly, a more diversified economy is taken to be more resilient. Thus, the study assesses the diversity of the industrial base in BMP and its implications to the economic resilience of the metropolis.

Regional economic systems can be conceptualised as complex adaptive systems (Simmie 2014). However, complex adaptive systems are inclined towards increased connectedness among system components and this reduces their adaptability to changing environmental conditions (Simmie & Martin 2010). Notwithstanding this, an attribute of the complexity theory such as networking, is applicable in this study. Networking is considered an important aspect of both firm and regional economic resilience. According to Simmie (2014: 109) "networked interactions both within and between regions are one of the key and regionally distinctive driving dynamics of the complex system as a whole and therefore of the emergence of the relative

adaptability and resilience of regional economies.” Thus, networking in terms of firm linkages is considered beneficial for firm growth and also the economic development and resilience of the regions in which they operate.

The panarchy model was considered limited in explaining regional economic resilience in the study area. Tóth (2015: 73) noted that, while complex adaptive systems, panarchy, and equilibrist approaches “have important and deep roots in the economic development literature ... [they] are only tenuously linked to resilience itself.” The panarchy model, like the engineering and ecological perspectives, is more applicable in the analysis of ecological systems (Simmie & Martin 2010). Ecological systems experience long periods of stability that in most cases are interrupted only by major external shocks. In comparison, regional economies are usually characterised by agents and institutions capable of altering their behaviour in response to shocks and disturbances that are even minor (Simmie & Martin 2010).

2.2.1.2 The concept of path dependence

As previously highlighted, path dependence is an approach under evolutionary resilience (Simmie & Martin 2010). This concept explains development processes that seem to digress from what is regularly acceptable in theory (Szajnowska-Wysocka 2009) as a region’s development pattern and path are understood from its history (Page 2006; Szajnowska-Wysocka 2009). According to Page (2006: 88), “path dependence means that current and future states, actions, or decisions depend on the path of previous states, actions, or decisions.” The past therefore indirectly influences the present course of action (Page 2006).

The concept of path dependence is open to various interpretations (Simmie & Martin 2010). Path dependence can be a result of different factors such as increasing returns (benefits realised from actions taken), self-reinforcement (sustenance of an action taken due the combined effects of encouraging forces and complementary institutions), positive feedbacks (positive externalities associated with course of action taken), and lock-in effects (a chosen course of action becomes supreme compared to others because many people have already chosen that action) (Page 2006).

However, the lock-in perspective is the main notion of the path dependence approach (Simmie & Martin 2010). Accordingly, Simmie & Martin (2010) noted that path dependence can be understood in three different interpretations. Firstly, regional economy is assumed to be resilient if it continues to evolve in this lock-in development trajectory in the face of shocks that attempt to throw the economy off-path. Secondly, the lock-in development trajectory is perceived as a negative trait affecting the adaptability of the regional economy to various shocks. Finally, path dependence can influence a regional economy either as an enhancer or inhibitor of the economy's adaptation to shocks (Simmie & Martin 2010).

The notion of path dependence is applied in this study to determine the existence, or non-existence, of factors that locked-in the economy of BMP in a certain growth path and whether those lock-in effects are positive or negative. The history of how BMP became the industrial capital of Zimbabwe is important in light of this concept. This history is expected to provide vital insights concerning the extent of adaptability of the economy to shocks and stresses.

2.2.1.3 Measuring regional economic resilience

The concept of resilience is important in explaining differential regional development, as the process of regional economic development is prone to various shocks and stresses that include economic recessions (Navarro-Espigares, Martín-Segura & Hernández-Torres 2012). However, the lack of a universally agreed definition makes it difficult to come up with correct indicators that can be used to measure regional economic resilience (Kakderi & Tasopoulou, 2017). Consequently, debates on how best to operationalise the concept of regional economic resilience are still ongoing in literature (Sensier, Bristow & Healy 2016). However, it seems that these debates may have reached consensus that economic resilience is better conceptualised as a process (Turok 2014; Sensier, Bristow & Healy 2016). Apart from that, resilience can also be analysed at different levels, for example, on individual, community, firm, and sub-regional, regional, subnational, and national levels (Vale 2014; Sensier, Bristow & Healy 2016).

In light of the aforementioned arguments, Sensier, Bristow & Healy (2016: 132) noted that, “in measuring resilience, it is critically important to distinguish between the measurement of a region’s specific post-shock outcomes, or its revealed resilience, and measurement of the region’s resilience capacities.” Resilience has varied meanings in different disciplines (Seeliger & Turok 2013; Vale 2014). As such, there is need to determine what is regarded as resilient economies; whether it is continual growth in the face of a shock, or recovery from a shock (Sensier, Bristow & Healy 2016). This is crucial in pinpointing what exactly is being measured. Furthermore, Sensier, Bristow & Healy (2016) observed that if resilience is taken as recovery from a shock then the supposed point of recovery needs to be noted. This provides clarity in terms of timelines adopted in the concerned analysis.

Different variables can be used to measure resilience, though most studies have utilised GDP and employment trends (Turok 2014; Breathnach, Van Egeraat & Curran 2015; Sensier, Bristow & Healy 2016; Giannakis & Bruggeman 2017). According to Sensier, Bristow & Healy (2016) variables such as GDP and employment can be used to measure resilience as a performance or outcome. These insights are vital in the operationalisation of this study. They provide a base for the current study that seeks to understand the economic resilience of a region experiencing industrial decline. The variables discussed, inform the choice of variables utilised in BMP taking into consideration the dearth of data in Zimbabwe. It is important to note that there has been progress in terms of compiling universally standardised indicators for measuring city resilience. The ISO 37123 (Sustainable cities and communities – indicators for resilient cities) published in 2019, captures various indicators that can be used to measure city resilience. In terms of measuring the economic component, employment is one of the important variables included in ISO 37123 and is adopted in this study.

When the concept of resilience is analysed, there is need for a proper definition of the scope and context within which the notion is applied (Turok, 2014). The shock or disturbance under analysis should also be clearly defined (Sensier, Bristow & Healy 2016), and the definition may involve the nature and extent of the shock involved, whether it is economic, political, environmental, or social. In addition, it is essential to understand the timeframe, for instance,

whether it is a short-term or a long-term shock. While some shocks such as the closure of a major industrial plant can be dated (highlighting the beginning of the shock), the same is difficult when one is considering a shock such as an economic or financial crisis (Sensier, Bristow & Healy 2016). Thus, shocks in BMP are defined accordingly.

2.2.2 The concept of agglomeration economies

The concept of agglomeration economies is fundamental in the analysis of industrial location and regional economics (Parr 2002a; 2002b). Agglomeration is usually a result of centripetal forces while dispersion or deglomeration is usually caused by centrifugal forces (Fujita & Thisse 2002). In simple terms, agglomeration economies are the benefits that are derived when firms and people are located in close proximity (Glaeser 2010). Agreeing with this analysis, Stimson, Stough & Roberts (2006: 27) noted that, “agglomeration economies are benefits available to individuals and firms in large concentrations of population and economic activity, as found in big cities and in some nodal concentrations of activities within them, such as for producer services in CBDs.” These benefits may include reduced transport and production costs and shared technology.

Agglomeration should be treated in terms of both internal and external economies, taking on different forms such as scale, scope, and complexity (Parr 2002a; 2002b). The first classification under internal economies, is ‘internal economies of scale’, alternatively known as ‘economies of horizontal integration’. This concerns the reduction of production costs linked to the relationship between the unit cost of production and the level of output (Parr 2002a). Generally, higher levels of output tend to reduce the unit cost of production. The second classification is internal economies of scope (or economies of lateral integration), this focuses on the effect of product diversification on the cost of production (Parr 2002a; 2002b). Diversification results in lower production costs. This happens when a number of different products produced by a single firm have a cost-reduction effect on production, compared to a scenario whereby the products are produced by different firms (Parr 2002b). Finally internal economies of complexity (or economies of vertical integration) concerns cost-saving mechanisms that result from internalising

multi-staged production processes within a firm, as opposed to outsourcing tasks at different stages to specialist firms (Parr 2002a). Thus, Parr (2002b: 155) noted that internal economies of complexity occur when the “firm’s production involves several technologically separable stages.” It is worth noting that these types of agglomerations are not influenced by physical concentration of economic activities (Parr 2002a).

Both Hoover (1937) and Isard (1956) classified agglomeration economies in terms of external economies such as scale, localisation, and urbanisation economies. Parr (2002a; 2002b) is of the view that the scale economies of Hoover (1937) and Isard (1956) are internal economies perceived differently. Furthermore Parr (2002a; 2002b) viewed localisation economies as external economies of scale, and urbanisation economies as external economies of scope. However, a third classification introduced by Parr (2002a; 2002b) is referred to as external economies of complexity or activity-complex economies.

Localisation economies are cost-saving benefits accruing to industrial plants of similar or related character that are situated together in a particular location (Hoover 1937; Isard 1956; Parr 2002a; 2002b). Urbanisation economies on the other hand, apply to firms with different specialisations but in proximity to one another. Benefits accrue to each when products of a plant in one industry are absorbed in a different industry as inputs but located in the same area (Isard 1956; Parr 2002a; 2002b). According to Parr (2002a) external economies of complexity (or activity-complex economies) concern cost-saving benefits accruing to a firm due to its input-output linkages with firms operating in other industrial sectors. Efficient flow of information and better coordination with other firms produce cost saving mechanisms (Parr 2002a). This differentiation of agglomeration economies guides the conceptualisation of industrial agglomeration in BMP. Understanding the different types of agglomeration economies is vital because a positive relationship between industrial agglomeration and economic development (Fan & Scot 2003) provides a platform for understanding the links between industrial agglomeration and economic resilience.

Industrial deglomeration taking place in BMP is perceived and understood in light of deglomeration economies or diseconomies of scale. These are the negative effects associated with the continued clustering of economic activities (Bailey 2010) that cause excessive competition amongst firms. Deglomeration is also linked to a process of polarisation reversal (Richardson 1980), representing the dispersal of economic activity from core to the nearest large regional centres outside the direct catchment area or the core region. This dispersion may be influenced by agglomeration economies and other economies of scale in the selected peripheral locations. Thus, these economies, combined with growth hindrances in the centre, could accelerate industrial decentralisation, influencing migrants to prefer urban destinations outside the centre (Richardson 1980). Because of this, factors driving industrial decline and deglomeration in the study area are assessed in line with diseconomies of scale and polarisation reversal. These concepts guide the assessment of whether the process taking place in BMP can be termed polarisation reversal or whether it is a deglomeration process with the firms choosing alternative locations.

2.2.3 The concept of global regionalisation

Global regionalisation is an emerging concept that also guides the conceptualisation of economic growth and development in BMP, at national and international levels. Global regionalisation is a process in which a world economy is fragmented into macro-regions that are hierarchically integrated into the world system (Leonova 2016). As noted by Geyer (2006: 28) the process involves “an intricate range of bilateral and multilateral relationships evolving between individual countries, groups of countries (as subsets of global regions), and global regions as a whole.” Zimbabwe is a member of several regional blocs, including Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), and African Union (AU). Membership of these blocs has an impact on the national economy. Thus, global regionalisation informs the analysis of the effects of Zimbabwe’s bilateral and multilateral arrangements on the economy of BMP.

2.3 THEORETICAL UNDERPINNINGS

To understand and explain different phenomena in this study, different theories had to be adopted. The majority of these theories were propounded to explain regional economic development and regional imbalances or disparities. The theories explain the factors behind regional imbalances and how the disparities can be addressed. In addition, theories of industrial relocation are also adopted to explain in- and out-migration of industries in BMP.

2.3.1 Theories of regional development

The theories adopted in this study explain spatial agglomeration of economic activity. The choice of theories has also been motivated by the need to explain the economic agglomeration changes caused by industrial and economic shrinkages in BMP. Furthermore, the theories informed strategy options for economic revitalisation and resilience. An example is the unbalanced growth theory (UGT) that has been applied, not only to explain firm linkages in BMP, but also strategy options for growth in terms of social overhead investments.

2.3.1.1 Core-periphery theories

Core-periphery theories divide regions into two categories, namely core/centre/metropolitan and periphery/hinterland/satellite. These theories can be used to explain disparities on a global scale, for instance, regions in the North versus those in the South (Szajnowska-Wysocka 2009). However, core-periphery theories can also explain disparities on regional (intra-continental) and national (within a country) levels. The disparities can be caused by differences among countries in terms of technological and cultural innovations, hence the centre dominates over the peripheral regions (Szajnowska-Wysocka 2009). Scholars that contributed to the core-periphery theories include Friedmann in the 1960s, Wallerstein in the 1970s, and Krugman and Fujita in the 1990s.

Friedmann's early contributions

Friedmann propounded the early core-periphery theory in 1966. He observed that differential growth causes disparities, resulting in the classification of the world's regions into two categories, the core and the periphery. The driver of differential growth is innovation. Friedmann (1967) viewed innovation as an anchor of development. Such innovation could either be technical or organisational, which in turn could be social, economic, or political. Friedmann (1967) further noted that chances of innovation are higher in large cities or urbanised regions, in other words, within a spatial system where the core represents the major centres of change whilst the rest of the areas in the system are known as peripheral regions. These spatial systems, according to Friedmann (1967: 29), can be "the world, the multi-nation region, the nation, the sub-national region, and the province." Whatever the level, the peripheral regions are dominated by the core regions and this dominance is underpinned by early innovations that produced an economic advantage in the core (Friedmann 1967).

Friedmann (1967) made four major propositions concerning the relationship between the core and the peripheries: (i) core regions promote and perpetuate the dependency of peripheral regions, (ii) the dominance of the core regions on the peripheral ones is self-reinforcing, (iii) if innovations driving growth in core regions are planted in the peripheral regions then the flow of information toward the dependent regions will increase, and (iv) spread effects may result in some regions in the periphery becoming new core regions that share authoritative decisions with old core regions. The propositions in this relationship are widespread especially at a national level in the South. Thus, disparities in terms of goods and services offered in these two regions tend to promote what is known as the 'bright lights syndrome', as better amenities in the cities attract labour migrants to urban areas hoping to get better opportunities (Todaro 1969; Harris & Todaro 1970; Todaro 1980). These insights help to understand and explain why out-migration of labour and capital outweigh in-migration of the same in BMP at both national and global levels. Thus, the core-periphery relationships can help explain out-migration of skilled labour and capital from Zimbabwe to the neighbouring South Africa and other countries around the world.

The world systems theory

Wallerstein's world systems theory dates back to the 1970s and was meant to explain development patterns and the emergence of domination around the world (Straussfogel 1997). The theory explains the role of colonialism in the determination of global economic development. In terms of the world systems theory all nations or countries are assumed to belong to a social system responsible for shaping them, however the nations are also believed to shape this social system through the different roles that they perform (Straussfogel 1997). Accordingly, Wallerstein (1974: 347) argues that: "A world-system is a social system, one that has boundaries, structures, member groups, rules of legitimation, and coherence." This system is driven by capitalism which explains the capitalistic world-economy (Wallerstein 1974; Straussfogel 1997). These insights are vital in explaining how capitalism directed the development path followed by BMP. Apart from that, other exogenous factors affecting the performance of the economy in BMP can be understood in the way the world system operates, such as how competition of economies and firms at a global level affects the economic resilience of the study area.

The global division of labour under the world systems theory has influenced the classification of nations in the following categories, namely core, periphery, and semi-periphery (Wallerstein 1974; Straussfogel 1997). According to Straussfogel (1997: 121), "A state within the world-system belongs to one or another of these categories depending on the nature of its dominant production processes." The core region represents the wealthiest nations with advanced technology and is characterised by a high quality of life (Wallerstein 1974; Straussfogel 1997). On the contrary, the periphery is mainly dominated by agricultural production and the provision of raw materials or partially processed goods that are consumed by the core region in an unequal exchange manner (Wallerstein 1974; Straussfogel 1997). Thus, economic polarisation in this theory is driven by unequal exchange and cemented by imperialism (Straussfogel 1997). The theory also postulates that nations that exhibit characteristics of both the core and periphery regions should be referred to as the semi-periphery (Straussfogel 1997). Nations can move from one category to the other either downwards or upwards (Wallerstein 1974). This theory guides the analysis of the economic situation in Zimbabwe in relation to other Southern African

countries. Apart from that, the theory also guides the analysis of firm competitiveness at both regional and global levels.

New economic geography (NEG)

Various scholars have contributed to the NEG approach though the initial contribution is attributed to Paul Krugman in 1991 (Garretsen & Martin 2010). NEG attempts to explain uneven spatial development (Krugman 1991; Garretsen & Martin 2010; Wilson 2011) linked to globalisation and neo-liberalisation (Wilson 2011). The regions assumed by the NEG model can be at different levels, such as country levels, intra-country regions, cities, or intra-city regions (Garretsen & Martin 2010). The theory divides the nation's economy into an industrialised core and agricultural periphery and only two forms of labour that of farmers and workers (Krugman, 1991; Wilson 2011). While workers are assumed to have the ability to move freely between the regions, peasants are taken to be immobile and only produce agricultural goods (Krugman 1991). In terms of transportation, Krugman (1991) assumes that no costs are incurred in the transportation of agricultural output or for the manufactured goods; costs are incurred only for the transported goods. The variability of transport costs may have different effects on the regions, with high transportation costs resulting in regional convergence and low transportation costs triggering regional divergence (Krugman 1991; Dawkins 2003; Garretsen & Martin 2010; Wilson 2011). In light of this, regional economic clusters are therefore underpinned by the combined action of centrifugal and centripetal forces (Dawkins 2003).

The interaction between agglomeration and spread effects determines the pattern that prevails in the region, whether it becomes a core-periphery or symmetrical economic landscape (Garretsen & Martin 2010). In cases where a combination of high transport costs and weak economies of scale exist, the location of manufacturing production is therefore influenced by the distribution of peasants (Krugman 1991; Wilson 2011). Lower transportation costs coupled with stronger economies of scale, trigger a process of circular causation where manufacturing is attracted to a region with a competitive edge (Krugman 1991; Wilson 2011). Similarly, continual decrease of transport costs erases the need for production to locate near markets (Martin & Sunley 1996). On

the other hand constant or increasing transport costs would give regions with an edge the ability to continue to attract industry and growth from competing regions without favourable initial conditions (Martin & Sunley 1996).

NEG is mainly focused on explaining uneven spatial economic development, specifically shedding light on spatial agglomeration of economic activity (Garretsen & Martin 2010). Accordingly, the explanations of the theory are useful in the understanding and explanation of spatial agglomeration and deglomeration in BMP. The two forces behind agglomeration in this model are the size of the market and the cost of living. In both circumstances locational choices of firms and mobile workers reduce the effect of transport costs (Garretsen & Martin 2010). In order to reduce delivery costs, firms locate in areas where there is a high local demand and where other industries are already located (Dawkins 2003), thereby creating a core. However, stiff competition in the created core region may result in the process referred to by Richardson (1980) as polarisation reversal, with firms moving to the peripheral region. Despite the fact that the assumptions that underlie the NEG theories are restrictive, especially those relating to worker mobility, land use, and regional dynamics (Dawkins 2003), the theory is important in explaining industrial and economic processes in BMP, especially those that inhibit and/or drive economic resilience.

2.3.1.2 Circular cumulative causation theory

The circular cumulative causation (CCC) theory was propounded by Gunnar Myrdal in 1957 and explains spatial economic inequality among regions and countries in both the North and South with critique on general equilibrium economics (Hall & Ludwig 2009; Sheppard 2017). The process of cumulative causation is central to this theory (Myrdal 1957; Dawkins 2003; Sheppard 2017). As such, cumulative causation is crucial in the study of both economic development and economic underdevelopment (Myrdal 1957). An example given by Myrdal (1957) is of a negative event in a region such as a factory which employs the majority of the residents being burnt down with no prospects of rebuilding it again. This sets in motion a spiral of negative events such as that owning firm goes out of business, loss of employment, a decrease in income,

and a decreased demand for products and services (Myrdal 1957). Similar effects are experienced by other businesses or firms in the locality with backward or forward linkages with the burnt firm (Myrdal 1957). This results in a process Myrdal (1957: 23) refers to as circular causation “with effects which accumulate in the fashion of the ‘vicious cycle’.” If no exogenous changes take place, the abovementioned locality becomes less attractive to outside business or firms and skilled labour that had previously considered immigrating into the region (Myrdal 1957). Consequently, effects of the initial negative event continue in a vicious cycle resulting in the decline of the locality as relocation of businesses and consequential out-migration of skilled labour are set in motion (Myrdal 1957).

This cumulative causation process can, however, also be positive, if an established business or firm locates in a locality and allows a quite different narrative for the community (Myrdal 1957). In this instance, opportunities are created in terms of employment and higher incomes and increased trading opportunities with some firms already in the locality (Myrdal 1957). Consequently, the locality is able to attract labour, capital, and enterprise from other communities to exploit the created opportunities (Myrdal 1957). The cumulative causation theory informs the understanding of out-migration of labour and industries from BMP. Furthermore, the factors that cause the out-migration taking place are understood and explained in the context of this theory. However, the positive cumulative causation is also vital in this study as strategies are sought that promote economic resilience in BMP possibly through improving the attractiveness of the metropolis to labour, capital, and enterprise from other regions.

The different forces active in the cumulative causation theory are referred to as the spread and backwash effects (Myrdal 1957; Knight & Shi 1997; Dawkins 2003; Hall & Ludwig 2009; Sheppard 2017) and are also known as positive and negative feedbacks (Knight & Shi 1997). Spread effects can be described simply as the positive benefits experienced in the surrounding regions emanating from the growth at the centre of economic expansion (Myrdal 1957). Thus, spread effects are expected to benefit lagging regions through offering an established market for their products (Myrdal 1957; Dawkins 2003). On the other hand, capital and labour flight towards the growing region is referred to as the backwash effect (Dawkins 2003; Hall & Ludwig

2009). Accordingly, the growth experienced in one locality may result in negative growth effects in surrounding localities (Myrdal 1957). The differential action of spread and backwash effects leads to regional economic inequalities with some regions experiencing development and others underdevelopment. The theory also guides the understanding of how the study area, as a lagging region, can benefit from regions experiencing economic growth and how the benefits can be converted to economic resilience. The capital and labour flight prevailing in BMP are explained in light of the backwash effects as the metropolis is losing skilled labour and investment to other countries especially in Southern Africa.

2.3.1.3 The theory of unbalanced growth

The unbalanced growth theory is an antithesis to the theory of balanced growth (Hirschman 1958; Yeung 2017; Saliminezhad & Lisaniler 2018). In this theory, regional disparities are inevitable and necessary for furtherance of growth (Hirschman 1958; Yeung 2017). Development polarisation is expected to benefit both core and the peripheral regions in the long run (Dawkins 2003). Accordingly, investments should be directed towards key sectors of the economy (Hirschman 1958; Saliminezhad & Lisaniler 2018). Growth in these key sectors is believed to finally initiate growth in the other sectors through positive externalities (Hirschman 1958; Saliminezhad & Lisaniler 2018). Forward and backward linkages between industries transfer growth from core to peripheral regions (Hirschman 1958). This is made possible through a process of trickling-down, as goods produced in the periphery are purchased and labour is hired by the core region (Dawkins 2003).

The unbalanced growth theory is specifically applicable to the analysis of imbalances between various sectors in an economy. The unbalanced growth processes are considered necessary for economic growth (Hirschman 1958; Saliminezhad & Lisaniler 2018). Hirschman (1958) argues that due to the interdependence of sectors in the economy, the growth of one sector generates forces that eventually get rid of imbalances since growth in one sector should not be at the expense of the other sectors. The forces that underpin the economy ensure the disappearance of any imbalances through a self-correcting mechanism (Hirschman 1958). In addition, polarisation

effects are eventually outweighed by the trickling down effects as economic policies are enacted to address the unfavourable effects of polarisation (Hirschman 1958; Dawkins 2003). This theory proffers important insights into understanding industrial decline in BMP. The propositions of the theory are used to evaluate how forward and backward linkages influence the economic resilience of the study area. Furthermore, social overhead investments in Bulawayo are analysed through the lens of the unbalanced growth theory. Likewise, strategy options for economic resilience in the metropolis are also discussed in light of this theory.

Unbalanced growth is a possible strategy to achieve economic growth in countries in the South. These countries are characterised by low financial capital, an inability to create an environment for massive investment, and limited diversity in human resource skills (Saliminezhad & Lisaniler 2018). In these circumstances, simultaneous investment in all sectors is difficult to achieve. As such, adopting an unbalanced growth strategy in Bulawayo can prove to be a strategy option for resilience in the long run.

2.3.1.4 Economic base theory

The economic base theory (EBT) is also popularly known as the export base theory (Stimson, Stough & Roberts 2006) and was propounded by Charles Tiebout and Douglas North in the 1950s (Dawkins 2003). Economic base analysis divides the economy into two sectors, the economic base or export sector and the residentiary or non-basic sector (Dawkins 2003; Stimson, Stough & Roberts 2006; Szajnowska-Wysocka 2009). The economic base constitutes a group of industries that produce goods and services consumed within the region and also outside the boundaries of the region (Stimson, Stough & Roberts 2006; Szajnowska-Wysocka 2009). The expansion of the economic base is expected to positively influence development through a multiplier effect (Stimson, Stough & Roberts 2006). As such, economic base expansion results in an increase of export goods and services sold to consumers outside the region's boundaries while at the same time increasing cash inflows that can be used to generate new local consumption (Stimson, Stough & Roberts 2006).

The non-basic sector constitutes industries that produce goods and services that are only consumed within the region and are not meant for export (Stimson, Stough & Roberts 2006). In the Global South, this sector is mainly dominated by informal production processes. As such, De Soto (2001a) argues that most countries' assets in the South are dead capital while in countries in the North, they are live capital that is able to create wealth. Dead capital refers to assets that are unable to enter the formal market and whose full potential cannot be realised because they are internalised (De Soto 2001a). These assets are 'useless' because they cannot be used as collateral against a bank loan or any other payments (De Soto 2001a) with resultant negative implications on the economies in the South. It is seen that live assets produce abundant wealth in the North however with more dead capital in the South, there are also very little wealth in the South (De Soto 2001b).

Capital is an important catalyst for increased labour productivity and wealth creation in nations (De Soto 2001b). However, capital is scarce in the Global South and the majority of what is available is trapped in the informal sector as dead capital. Tracing and validating ownership of these assets is a difficult task (De Soto 2001b). This limits the potential of these assets in terms of economic utility as they cannot be used to generate surplus value (De Soto 2001b). In comparison, capital in the formal sector is live capital, representing assets with clear and traceable ownership which are highly formalised and legally governed (De Soto 2001a). These assets are therefore able to generate more capital and also contribute in the creation of regional or national wealth (De Soto 2001a).

The economic base theory guides the understanding of the industrial decline in BMP and how this affects economic resilience in the metropolis. The division of the industries in BMP into basic and non-basic sectors, and the assessment of the challenges faced by industries in these sectors are guided by this theory. In addition, the strategy options for economic resilience in BMP can be interpreted and understood in light of strengthening the economic base. The related concept of dead versus live capital guides discussions on ways of improving the informal sector in BMP so that it becomes an important variable in the regional economic resilience matrix. Promoting economic development in the study area may entail turning dead capital in the

informal sector into live capital. In this regard, valuable lessons can be learnt from the experiences of Japan. Sub-contracting linkages between SMEs and large corporations improved SMEs technologically and also their access to export markets (Kimura 2009). Furthermore, Kimura (2009: 15) noted that SMEs “became the source of international competitiveness among the Japanese industries in the 1970s, and took an important role in extending production networks to East Asia in the 1990s and thereafter.” Accordingly, the possibility of such linkages in Bulawayo is analysed with the aim of promoting technology transfers from large to small firms, and also converting ‘dead’ into ‘live’ capital.

The EBT also guides the assessment of the industrial and economic diversification in BMP. Regions experiencing growth are expected to have their economies diversifying as production increases to serve both the local and export market (Dawkins 2003). Economic diversification is an equally important aspect of economic resilience. The theory therefore provides a good basis for measuring and evaluating economic resilience in cities in the South where informality is widespread (Geyer 2006). The inclusion of informal sectors in the analysis of economic resilience is one of the central tenets of this study, as most economies in Africa are dualistic in nature (Geyer 1989). Both basic and non-basic industries are vital to the economy of BMP. Enhancement of basic industries increases monetary inflows used for further developmental needs in the metropolis. Likewise, non-basic industries need to continually meet local demand for goods and services and also promote the circulation of export proceeds in the city. The relationship between basic and non-basic industries in Bulawayo is therefore examined in light of the EBT.

2.3.1.5 Industrial district theory versus industrial cluster theory

Both the industrial district and industrial cluster theories are adopted in the conceptualisation of industrial agglomeration and deglomeration in BMP. Propositions in these theories aid the explanation of economic phenomena in the study area. In addition, strategy options to improve the current and prospective industrial districts and clusters are also guided by these theories. The broader concept of industrial districts was introduced in 1920 by Alfred Marshall (Dardi 2009).

The concept was further expanded by scholars such as Becattini in 1990. The industrial district theory emphasises the central role of space in economic development and is applicable in explaining clustering of industries in countries in the North and South (Capello 2010). Three forms of organisation are evident in industrial districts. According to Loasby (2009: 80) these are “single businesses, groups of similar businesses and groups of different kinds of businesses.” This coincides with the ideas of scale economies, localisation economies, and urbanisation economies explained earlier on. When these forms combine in an industrial district, efficiency achieved as shared knowledge is exploited by the firms involved (Loasby 2009). While a single firm system is vital for the creation and application of knowledge, variation of production procedures and products is regarded as central in the concentration of similar businesses (Loasby 2009). This brings about economic development as relationships among firms generate external economies necessary for growth (Loasby 2009).

In the initial development of the industrial district theory, Marshall (1920) observed that textile industries were mainly concentrated in the same areas with mining and engineering industries. Although this may no longer be applicable in the modern-day economic configurations, the factors behind localisation of industries in the early industrial districts are helpful in explaining the early agglomeration of industries in BMP. Apart from that, the industrial district theory also indirectly explains factors that affect economic resilience. A district dominated by one industry risks decline if demand for the products of the concerned industry decreases. Marshall (1920) noted that this predicament is avoided in large industrial districts or large towns with a diversified industrial base. Thus, analysing prospects for industrial diversification in BMP is guided by the industrial district theory.

The further development of the industrial district theory in the 1990s witnessed the redefinition of an industrial district. Becattini (1990: 38) defined an industrial district as “a socio-territorial entity which is characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area.” The local community in this instance is taken to be a ‘homogeneous system of values and views’ (Becattini 1990). In his re-conceptualisation, Becattini (1990) denies an accidental variety of firms in an industrial district

as each firm specialises in a single or few stages of the district's production process. However, he agrees with Marshall (1920) that in an industrial district, unlike a generic economic region, industrial activity is the dominant economic action. Though unlikely in Bulawayo, Becattini (1990) considered industrial activity to be socially embedded, with kinship ties between entrepreneurs. These new insights guide the evaluation of relationships that exist among industries in BMP, while at the same time examining their utility to the economic resilience of the metropolis.

Besides the Marshallian and Italian industrial districts, Markusen (1996) has proposed three additional types that include hub-and-spoke district, satellite platform, and the state-anchored district. The hub-and-spoke industrial district has one or more key economic activities (firms or economic facilities) that are central to a regional economy (Markusen 1996). Other firms in the same district are spread around the dominant one in a spoke-like pattern (Markusen 1996). Examples of hub-and-spoke industrial districts as observed by Markusen (1996: 302) include "Seattle and central New Jersey, United States; Toyota City, Japan; Ulsan and Pohang, South Korea; San Jose dos Campos in Brazil." In these districts, the dominant economic activity purchases from local and external suppliers but mainly sells its products externally (Markusen 1996). Hub-and-spoke districts are rarely found in Bulawayo. No evidence exists, of firms that are huge and specialised like Boeing in Seattle or Toyota in Toyota City. Satellite platforms constitute an agglomeration of branch facilities belonging to firms that are externally located and have multiple plants (Markusen 1996). In most instances the branch facilities are located a distance from the main branches so as to promote and stimulate regional growth in lagging areas and simultaneously as a way of reducing the firm's operation costs (Markusen 1996). Through their key investment decisions, large firms that are externally situated dominate the business structure in satellite platforms (Markusen 1996). In as much as this arrangement is applicable in Bulawayo, the firms' location pattern seems to depart from Markusen's (1996) formulation. However, this formulation is adopted in explaining the shrinkage of branches in Bulawayo controlled by firms in other cities.

State-anchored industrial districts are dependent on either public or non-profit entities and may be in form of a concentration of government offices, military, or university facilities (Markusen 1996). The dominant facilities in the business structure of state-anchored industrial districts are controlled in the political realm as opposed to the private sector (Markusen 1996). The prospects for long-term growth in these districts are influenced by two factors. According to Markusen (1996: 307) the two factors are the growth prospects of the dominant facility and “the extent to which the facility encourages growth within the region by spawning local suppliers, spinning off new businesses, or supplying labor or other factors of production to the local economy.” Two features of Markusen’s (1996) industrial districts that are applicable in explaining phenomena in this study are lack of patient capital (long-term capital) in regions and the firm location patterns in satellite platforms. These features help explain MSMEs’ lack of access to business capital and the closure of some firms in Bulawayo.

Industrial cluster theory is closely linked to the industrial district theory. The theory was propounded by Michael Porter in 1990. As noted by Porter (2000: 15) “Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g., universities, standards agencies, trade associations) in a particular field that compete but also cooperate.” Thus, clusters according to Porter & Ketels (2009: 173) are driven by “supplier relations, common labour markets, rivalry, knowledge spillovers, and learning effects.” In the theory, Porter (1990; 2000) presents the ‘diamond of national advantage’ that explains the attributes a nation creates for its industry. These attributes include factor conditions (factors of production in a state), demand conditions (local demand for industry’s goods and services), related and supporting industries (unavailability or availability of competitive supplier and other related industries), and firm strategy, culture, and rivalry (rules and regulations controlling creation, organisation, and management of companies and competition). The ‘diamond’ works as a system that eventually makes way for the clustering of competitive firms (Porter 1990). This theory guides the assessment of the attributes for cluster development and growth in Bulawayo.

Clusters can be found in small or big economies and at different geographical levels such as nations, states, metropolitan regions, and cities (Porter 2000). They are underpinned by three dimensions, namely the geographic dimension (concentration of clusters in different localities), the activity dimension (interconnected activities of companies in different industries), and the business environment dimension (clusters affected by actions of different institutions for example, those in private and public sectors) (Porter & Ketels 2009). It is important to realise that favourable business environments are necessary for the emergence and full development of clusters (Porter & Ketels 2009). In addition, linkages and complementarities amongst the industries and other entities are essential in clusters, especially for competitiveness (Porter 1990; 2000). These attributes of the theory are used to understand and explain the business environment (in terms of its suitability to support cluster emergence and growth), the linkages amongst different industrial activities, and the level of competitiveness of the industries in the study area. In addition, the role of government in cluster development and growth, and in promoting economic resilience, is assessed in light of this theory. Porter (1990; 2000) noted that government plays a vital role in the economy, including ensuring the achievement of macroeconomic and political stability, improving microeconomic capacity, and establishing the micro-economic rules and incentives governing competition.

Countries in the South are typically characterised by less developed clusters. The clusters are hamstrung by inadequate supporting industries and institutions and hence competition of firms is mainly based on cheap labour and locally available natural resources (Porter & Ketels 2009). Because the firms in these clusters are mainly dependent on components, machinery, and technology that are imported the economic resilience of the clusters is heavily compromised (Porter & Ketels 2009). The challenges faced by the industries in BMP can therefore be assessed using these theories of sustained growth and development. The economic activities of clusters and industrial districts have an impact on a locality's economic performance (Porter & Ketels 2009). However, these two theories differ in terms of scope and extent. Porter & Ketels (2009) noted that industrial districts focus on agglomerations of mainly small or light manufacturing industries or firms. In contrast, clusters present a broader concept and have many different

configurations including those found in industrial districts (Porter & Ketels 2009). Industrial districts can therefore rather be conceptualised as a type of cluster.

2.3.2 Business relocation theories

Relocation entails the movement of a firm from one location to another (Pellenbarg, Van Wissen & Van Dijk 2002; Brouwer, Mariotti & Van Ommeren 2004). It can be necessitated by firm expansion and/or the need to reduce costs as firms seek to locate in areas with favourable cost conditions (Brouwer, Mariotti & Van Ommeren 2004). Competitiveness is an important reason for relocation as the need to remain competitive pushes firms to move from one location to the other (Birkinshaw et al. 2006). Relocation theories can be subdivided into neo-classical, behavioural, and institutional approaches (Pellenbarg, Van Wissen & Van Dijk 2002; Brouwer, Mariotti & Van Ommeren 2004).

The neo-classical approach seeks to explain the locational and the push factors that influence a firm's relocation decisions (Pellenbarg, Van Wissen & Van Dijk 2002). Accordingly, Pellenbarg, Van Wissen & Van Dijk (2002: 6) noted that: "The spatial margins to profitability discriminate between profitable and unprofitable locations, and are therefore useful in determining where a firm should locate (pull)." A firm therefore chooses an optimal location that supports profit maximisation. Location factors such as transport and labour costs could thus drive firm relocation (Brouwer, Mariotti & Van Ommeren 2004). A firm migrates from an unprofitable location (push factor) to a profitable one (pull factor) (Brouwer, Mariotti & Van Ommeren 2004). The propositions of the neo-classical approach inform the understanding and assessment of firm relocation patterns in Bulawayo and their consequential effects to the economy. Furthermore, the propositions inform strategy options for regional attractiveness to capital and enterprises.

The behavioural approach has strong links with the neo-classical approach though its emphasis is on understanding the behaviour of entrepreneurs that influences relocation decisions (Pellenbarg, Van Wissen & Van Dijk 2002). According to Brouwer, Mariotti & Van Ommeren (2004: 337)

this approach “seeks to understand actual behaviour of entrepreneurs and focuses on the decision making process, that may led [sic] to relocation and takes also path-dependency and relocation costs into account.” The behavioural approach is different from the neo-classical approach as the behavioural approach does not consider costs associated with relocation (Brouwer, Mariotti & Van Ommeren 2004). In this study, factors other than profit maximisation, that are influencing industrial decline and deglomeration, are explained in light of the behavioural approach.

The institutional approach assumes that economic activity is socially and institutionally embedded thus, the firm’s investment strategies determine the firm’s location behaviour (Brouwer, Mariotti & Van Ommeren 2004). Institutions such as the real estate market have the ability to influence firm relocation through land prices (Pellenbarg, Van Wissen & Van Dijk 2002). Thus, this approach guides the analysis of how various institutions influence industrial agglomeration and deglomeration in BMP.

2.4 CONCLUSION

A comprehensive analysis and explanation of the concepts and theories guiding this study was presented in this chapter. The main concept is economic resilience followed by agglomeration economies. These concepts are central in the analysis of regional economic development. Apart from that, theories of regional development have been summarised indicating their influence on the conceptualisation of phenomena in the study. The essence was to explain how these theories shed light on the economic growth or decline of cities and towns, and how the propositions of these theories can help understand and explain regional economic resilience. Finally, a review of relocation theories was presented, highlighting how they inform in- and out-migration of industries in the study area. The conceptual and theoretical underpinnings covered in this chapter form the basis of discussions presented in the remaining chapters.

CHAPTER 3: DEVELOPMENT DRIVERS AND RESTRICTORS

“Development has been taken to mean different things at different times, in different places, and by different people in different professions and organisations.” (Chambers 2004: 2).

3.1 INTRODUCTION

This chapter briefly examines the concept of development highlighted from different perspectives available in literature. More emphasis is given to economic development as it is closely linked to the notion of economic resilience, the main concept guiding this study. The drivers and restrictors of development are then analysed with the purpose of exploring different strategies that can promote regional economic resilience in countries in the Global South.

3.2 THE CONCEPT OF DEVELOPMENT

The term ‘development’ has a variety of meanings in different contexts (Schumpeter 1934; Hamburger 1957; Harris 1957; Nagel 1957; Robbins 1968; Seers 1969; Sen 1988; Närman 1997; Chambers 2004; Morvaridi 2008; Mancini & Roberto 2009; Esteva 2010; Todaro & Smith 2015). Sometimes these various meanings could end up being confusing. Accordingly, Chambers (2004) argues that realities in development are many and varied, including economic, social, and political realities. While the study acknowledges the multidisciplinary of the meaning and approaches to development, this chapter mainly focuses on economic development and sustainable development. The decision is motivated by the centrality of these two approaches in the discussion of regional economic resilience.

3.2.1 Development as economic growth

The conceptualisation of development as economic growth is linked to early scholars of which Joseph Schumpeter can be singled out (Soares & Quintella 2008). Schumpeter (1934) defined

development as the undertaking of new combinations of economic activity. This conceptualisation involved establishing one or a combination of the following: a new good, a new production method, a new market, a new source of raw materials, and a new industrial organisation. Accordingly, development is achieved as an outcome of economic growth (Soares & Quintella 2008). Similarly, development is linked to the achievement of sustained per capita income enabling the nation's output to grow faster than its population growth rate (Todaro & Smith 2015). In this perspective, development is equated to growth in the per capita income of those in economically underdeveloped regions (Esteva 2010). Development is also taken to be synonymous with economic development. However, economic development in literature has in some instances, been equated to economic growth or growth in general (Chambers 2004; Jhingan 2011). In repudiation Jhingan (2011) noted that, economic development refers to underdevelopment problems of countries in the South whilst economic growth is associated with countries in the North. This indicates that economic development is a wider concept than economic growth (Jhingan 2011).

The attainment of economic growth is mostly accompanied by economic development. However, such development could occur mainly amongst the higher echelons in the labour market without guaranteeing immediate economic development amongst the lower echelons. According to Seers (1969) and Jhingan (2011), the growth of any economy will not lead to development as long as poverty, unemployment, and income inequalities remain widespread. This represents an overstatement, though. In most cases growth in an economy leads to some development, but when such growth does not significantly reduce poverty, unemployment, and inequality, it remains ineffective over the shorter term. However, economic growth always leads to greater gains in government coffers, which then enables government to reinvest this income in the economy to the benefit of the lower echelons in the labour market. This is what Hirschman, in his classic publication of 1958, referred to as the difference between the social overhead capital (SOC) approach in contrast to the direct productive activities (DPA) approach in development thinking. The former leads to investment of government in social overhead as a result of higher levels of income (the outcome of a growth-driven economy) compared to one in which government directly initiate development that would impact the lower labour echelons directly

and immediately. In the SOC approach, government identifies economic sectors with strong growth potential in order to make social overhead investments in those sectors with the aim of expanding employment opportunities once those sectors respond to the social overhead investments. Both approaches, however, require economic growth, in fact it is hard to imagine how economic development could be achieved without economic growth.

Linked to the conceptualisation of ‘development as economic development’, is the understanding of development as increased industrialisation. This perception was mainly held after World War II and this view was influenced by the rebuilding and repairing of buildings and infrastructure destroyed during the war. Because of all the rebuilding exercises, this pre-war period was marked by the centrality of development (Rapley 2007). Organisations such as the World Bank, viewed development as industrialisation, development was therefore meant to improve people’s incomes so that they could afford different types of goods and services (Rapley 2007). Thus, it could be seen that prosperity and opulence were the main targets of development during the pre-war era (Rapley 2007). In addition, development strategies were mainly meant to achieve rapid industrialisation and the abandonment of agriculture (Todaro & Smith 2015). This approach placed more value on the capacity of a country to manufacture finished goods. However, in Africa, it is difficult to abandon agriculture and focus only on rapid industrialisation. To this day, most economies are still agro-based with a low level of investment in industrial infrastructure. In fact, the available infrastructure in Africa was largely inherited from former colonial governments and in Zimbabwe, little has been done to improve industrial infrastructure after achieving independence. Consequently, industrial productivity has remained low.

The need to industrialise was twofold especially in African and Asian countries that had gained independence. These countries not only needed to improve the lives of citizens, they also had to consolidate their newly gained independence (Rapley 2007). Furthermore, these countries wanted to convert their newly achieved political equality with countries in the North, into economic equality (Rapley 2007). However, achieving economic equality was not any easy task. A lot had to be learnt from countries in the North in terms of governance structures and production systems that support economic growth and development. Furthermore, state-led

development common in the South after World War II, was criticised as a restrictor of growth (Rapley 2007). Proponents of the neoclassical approach argued that the state was the main cause of development failure in the South whilst their critics, the dependency theorists, blamed the market (Rapley 2007). Neoclassical protagonists advocated rolling back the state, while the dependency theorists supported more state intervention in development (Rapley 2007). It was the neoclassical theorists that got an upper hand in the debate in the late 1970s, resulting in the implementation of structural adjustment programmes (SAPs) in most countries in the South (Rapley 2007). However, the SAPs did not deliver the expected results and even though positive results were recorded in the advanced countries in the South, the same results were not recorded in the countries regarded as poorer and in most need for rapid growth (Rapley 2007; Jhingan 2011).

The reasons behind the failure of SAPs in countries in the South are varied. Firstly, there were inevitable regional disparities. The same policy implemented in different regions achieved above-average economic growth in some and below-average growth in others (Richardson 1973). Secondly, the failure of SAPs in Sub-Saharan Africa (SSA) seemed predetermined as most countries in this region wanted to dismantle capitalism after they attained independence. Consequently, these countries adopted socialism (Rich 1976; Nyerere 1987; Bamikole 2012; Martin 2012; Ikechukwu 2016). SAPs were therefore not well-received by government officials and the general populace who ideologically were socialist. Thirdly, those who had converted to the capitalist ideology were not fully equipped to oversee the efficient implementation of neo-liberal programmes. These challenges were primarily behind the failure of SAPs to deliver wealth in some African countries.

Other factors that also hindered the success of SAPs in African countries include insufficient entrepreneurship, corruption, lack of political commitment, and weak government institutions (Singh 2012; Negussie 2018). As an example, high corruption levels in government ministries and departments have in most cases made development funds 'disappear'. In Zimbabwe, for instance, funds disappear from government coffers without proper explanation. The levels of corruption combined with the weakness of government institutions to act and bring offenders to

book often have the result that corrupt culprits are neither charged nor arrested. Even when arrests are made, the subsequent court cases are either abandoned or the accused are acquitted in unclear circumstances.

The perception that development should be seen as economic development, faced growing challenges, especially after World War II (Seers 1969). Quantitative indicators of economic development, such as gross domestic product (GDP) and gross national product (GNP) per capita, further limited the broader goals of development (Esteva 2010). In this instance it is worth looking at India as an example. In the 1990s, India managed to improve average growth rates to above 6% as compared to earlier rates that were less than 3% (Nadkarni 2001). However, this economic growth was coupled with high rates of poverty and threats to natural resources (Nadkarni 2001). It is thus clear that economic development does not always lead to poverty reduction (Kwon & Yi 2015). As such, Nadkarni (2001), Heintz (2015), Kwon & Yi (2015), and Todaro & Smith (2015) noted that economic development cannot be synonymous with development in general but constitutes a part of what development is all about. Furthermore, Esteva (2010) argues that the meaning of the word ‘development’ is impoverished when it is equated to economic development or economic growth. However Esteva’s (2010) argument has to be taken cautiously, as economic growth is still the key that unlocks other development facets in the countries of the Global South, where, once economic growth is achieved, it paves the way for other development, such as human and social development.

Development interventions can sometimes result in increased GNP but at the same time negatively affect other freedoms such as social and economic opportunities enjoyed by the poor. Nadkarni (2001) describes this development as elitist in nature as it largely serves the interests of the rich. Nadkarni (2001) continues by calling this development category destructive development that not only worsens poverty and also results in environmental degradation. It is however possible that Nadkarni’s (2001) statements are inflated, since a growing economy seldom leads to a worsening of poverty, unless it is associated with large-scale brain draining – the abandoning of the former productive sector of economies – as has happened in many African countries after independence. Also, growth-focused development does not necessarily lead to

environmental degradation. In fact, environmental degradation in a growing economy is usually associated with the relaxing or absence of government oversight of industrial processes.

Eradicating income inequalities in countries in the South is a daunting adventure. Any attempt should be a two-way process whereby both government and the general populace, especially the poor, are involved. If government provides the economic opportunities for growth, the choice is on the poor to grab such opportunities in order to improve their income. Thus, in a growing economy the poor should complement the government's efforts in reducing the income gap between them and the rich. However, if the poor fold their arms and wait for government alone to solve their problems, the whole process becomes futile.

3.2.2 Development as 'sustainable development'

Sustainable development lacks a clear and unambiguous definition (Soares & Quintella 2008). Despite its growing use in literature and policy debates, sustainable development has been conceptualised and interpreted differently (Hediger 1997; Kambites 2014) with no agreement on the meaning of the term (Kambites 2014). Sustainable development emerged in literature in the 1970s and was further defined by the Brundtland Commission in 1987 (Soares & Quintella 2008; Jhingan 2011; Kambites 2014). In general, sustainable development focuses on addressing the needs of the current generation without compromising those of future generations (Jhingan 2011; Armeanu, Vintila & Gherghina 2018). Accordingly, the concept advocates development that speaks to economic, social, and ecological aspects (Hediger 1997; Soares & Quintella 2008; Armeanu, Vintila & Gherghina 2018).

It is vital to re-visit the sustainability debate between the neo-liberals and the socialists. While Seers (1969) argued that development should address inequality, this can be understood and interpreted by looking at different development approaches. In general, socialists believe that neo-liberal policies are unsustainable. Furthermore, development should bring about equality in the short run. However, neo-liberals believe in inequalities in an economy that can bring about

equality in the long run. As an example, Hirschman (1958) believes that uneven growth among sectors in an economy is necessary to achieve economic growth in the long run. Hirschman (1958) repudiates the idea of balanced growth and argues that an effective policy of development should maintain the tensions, disproportions, and disequilibria, thus keeping the economy progressive.

It is difficult for countries in the South to achieve a balanced growth of SOC and DPA (Hirschman 1958).⁴ This is linked to shortages of capital to simultaneously invest in all sectors. Accordingly, a choice has to be made. Hirschman (1958) believes that preference should be given to an investment sequence that is self-reinforcing. Investments in SOC should be done first as these are a prerequisite for DPA investments. Furthermore, economic development is largely influenced by the availability of SOC. As an example, Hirschman (1958: 84) argues that, “availabilities of electric power and of transportation facilities are essential preconditions for economic development practically everywhere Investment in SOC is advocated ... because it permits and in fact, invites DPA to come in.” Thus uneven growth is supported with the view that sustainable development is achieved over a long period of time. Furthermore, complementarities are expected to bring about further investments that will positively transform the economy (Hirschman 1958). This approach is unlike the equality advocated by the socialists, which can be short-lived.

In African countries, such as Zimbabwe, unbalanced growth is a useful development approach. The justification emanates from an acute shortage of investment capital and other challenges such as institutional weaknesses. A balanced-growth approach under these circumstances is difficult to achieve and for this reason a better option would be that of unbalanced growth. However, government has to play a key role in social overhead investments. As noted by Hirschman (1958), entrepreneurs on the brink of investment may be motivated by good SOC facilities. Low quality social overhead investments in Bulawayo are therefore one of the main factors that impedes economic growth and development in the metropolis.

⁴SOC refers to those important basic services that support primary, secondary and tertiary productive activities while DPA represents investments by private individuals or firms with the profit maximisation motive (Hirschman 1958).

In the sustainable development process, government can be involved in different tasks that sometimes seem contradictory. According to Hirschman (1958) the role of government in the development process is to initiate the whole process. This involves laying down pre-requisites for development to take place. In the view of Hirschman (1958) this role involves investment in SOC which in turn lures DPA. This is where some countries in Southern Africa seem to be failing, as little has been done after independence in terms of social overhead investments. Even in the instances where social overhead investments have been done, the maintenance of the investments have been poor. In Zimbabwe, social overhead investments by government have been below expectation. Currently, acute water and power shortages have become disincentives for investors (both local and foreign) who might consider investing in the country. The predicament is worsened by poorly constructed and maintained transport networks. Apart from negatively affecting image of Zimbabwe as an investment destination, these shortages and logistical shortcomings have also triggered mass industrial closures and relocations.

The other role of government should be that of pressure-relieving, especially where there are market failures (Hirschman 1958). In such circumstances, government should address acute shortages and shortcomings in both the education and health sectors as well as in the provision of public utilities (Hirschman 1958). This overall role of government is believed to bring about sustainability as it addresses the unsustainability brought about by market failures. However, despite its role in initiating development, it sometimes seems as if government is not willing to appear to be selective or discriminatory, for example, when governments is channelling its investment efforts in one region or sector, whilst the need is uniform amongst all regions or sectors (Hirschman 1958). Accordingly, government may end up investing in regions or sectors that may not induce growth in other regions or sectors. This affects achievement of sustained growth and development in the long run, as resources are channelled to non-productive sectors and regions. Government policies meant to address regional disparities can also serve as a good example here. While regional disparities are inevitable (Richardson 1973), governments in countries in the South have invested substantially in trying to reduce the gap between the core and lagging regions. Efforts have been through different mechanisms that include incentives and subsidies, however this may affect sustainable development if not properly handled.

Redistributing economic prosperity from the leading to the lagging regions needs a proper strategy to avoid becoming a disincentive to those who work hard to bring about the economic prosperity, especially when they perceive those in lagging regions as doing nothing to build their own wealth.

Government should also make policies that enhance the development process. However, development policy by government can either lead to sustainability or unsustainability. In circumstances where the policy focuses on key sectors of the economy and is implemented well, sustainability is likely to result although these circumstances are rare in countries in the South. What seems to be more common in Africa specifically is that development policies become politicised. This has also been noted by Richardson (1973) who argues that regional policy decisions are political in nature and mainly undertaken by policymakers who purport to represent the welfare of society. Likewise, Richardson & Townroe (1986) noted that in countries in the South, regional policies can be a result of political pressures or a response to economic development programmes. Consistent with the views of Richardson & Townroe (1986) political influences in Zimbabwe have favoured some regions or sectors at the expense of other regions or sectors.

3.3 DRIVERS AND RESTRICTORS OF ECONOMIC GROWTH AND DEVELOPMENT

Factors influencing development differ from one region to another especially when countries in the South are compared to those in the North. Emphasis in this study is given to factors influencing economic development of countries in the South. However, economic growth cannot be ignored as in most cases economic growth and economic development are treated as synonyms in literature.

3.3.1 Drivers of economic growth and development

The drivers of development abound and differ from one region to the other. While underdevelopment is still a challenge to the majority of countries in the South there are many factors that are able to drive economic growth and development in these countries. Lessons can be derived from those countries in the South that have managed to achieve high levels of economic growth and development. Examples are mainly drawn from countries that resemble Zimbabwe in terms of their economic development history and that have managed to transform their agro-based economies to modernised and industrialised economies. In light of this, examples are drawn from countries that include China, Malaysia, and Thailand. Reference is also made to Southeast Asia as a region and the Asian Tigers that, according to Negussie (2018), provide lessons to African countries in terms of development paths that can deliver growth and development.

Drivers of development are also discussed with particular reference to Japan, which experienced a successful transition from being a country in the South to a country in the North (Ohno 2006; Kimura 2009). The development history of Japan offers important lessons for countries in the South. However, it should be stressed that external forces of development experienced by Japan were fundamentally different from those currently faced by countries in the South (Ohno 2006; Kimura 2009; Imade 2016). In spite of these differences, some factors that influenced Japan's development success such as improved technology, high capital levels, industrial linkages, and human capital development, are still important in contemporary development thinking. This justifies drawing development lessons for Zimbabwe from the Japanese development history. The economic drivers that are discussed are: natural resource endowment, improved innovation and technology, increased investment and capital accumulation or formation, human capital factors, politics and administration, structural changes in the economy, and social attitudes and institutional factors.

3.3.1.1 Natural resource endowment

Natural resource endowment is one of the principal factors that influence the development of an economy (Jhingan 2011). Usually a country with abundant natural resources has better prospects for economic growth compared to one with limited natural resources (Jhingan 2011; Ghazanchyan & Stotsky 2013; Negussie 2018). However, having abundant natural resources does not guarantee economic growth or development per se, as it is only through the proper and adequate exploitation of those natural resources that the desired results can be delivered. Unfortunately, there are some countries in the South that have an abundance of natural resources but, because they are underutilising their resources (Jhingan 2011), they are still underdeveloped. Negussie (2018) confirms that Africa has failed to develop despite its vast natural resources such as gold, diamonds, and oil. Jhingan (2011) adds that countries with limited resources also have an equal chance of developing, as new competitive uses for the existing resources, are discovered. This argument can be explained by comparing the growth patterns of countries in Sub-Saharan Africa and Southeast Asia.

After the colonial period, average incomes were greater in Africa compared to Southeast Asia (Lewis 2013). With better natural resource endowments and a small population, Africa had better growth prospects but by the 1970s growth in Southeast Asia had surpassed that in African economies (Lewis 2013). While most countries in SSA were characterised by an acute economic downturn resulting in stagnation and increasing poverty, sustained growth and diminishing poverty were experienced in Southeast Asian countries (Lewis 2013). African countries (inclusive of Zimbabwe) were affected by factors such as macro-economic turbulences, price instabilities, fiscal crises, and heavy burdens of debt (Lewis 2013). Labour unrest and political instability also played a role. In some cases violent labour demonstrations and political protests resulted in the destruction of private property. Furthermore the demand for higher wages and prolonged industrial actions increased production costs, while reducing worker productivity. Overall these factors disturbed the smooth operation of businesses in Zimbabwe as risk and uncertainty increased, and also affected the competitiveness of goods and services on both regional and global markets.

Zimbabwe can learn from the strategies adopted by Japan.⁵ After adopting its first constitution in 1889, Japan prioritised adoption of Western technology and development of modern industries (Ohno 2006). Japan was also able to achieve sustained growth by maintaining extremely high levels of labour productivity and labour stability, by improving educational levels, by integrating informal and formal production technology, and by discovering new uses for their limited resources coupled with the importation of natural and mineral resources (Ito & Weinstein 1996; Kimura 2009; Jhingan 2011). Its superior technology, and research and development, all associated with the long-term focus on quality education, also played a key role in its development achievement (Kimura 2009; Jhingan 2011). This superior level of technology is rarely found in the majority of countries in Africa and partially explains these countries' failure to achieve economic growth and development.

To take advantage of their natural resource endowment, countries in SSA must improve their levels of technology as was done in Japan. This would give SSA countries the ability to extract their resources at lower and more competitive costs. In addition, improved technology can enable these countries to convert their natural resources into finished products (i.e. either secondary or tertiary). Finished products fetch better prices in the global market as compared to unprocessed and semi-processed goods they are mostly exporting. In Zimbabwe, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset) policy was implemented to provide a break-away from only being an exporter of primary goods. The Zim Asset policy advocated value addition and beneficiation as one of its four clusters. A discussion on this policy is covered in Chapter 4.

3.3.1.2 Improved innovation and technology

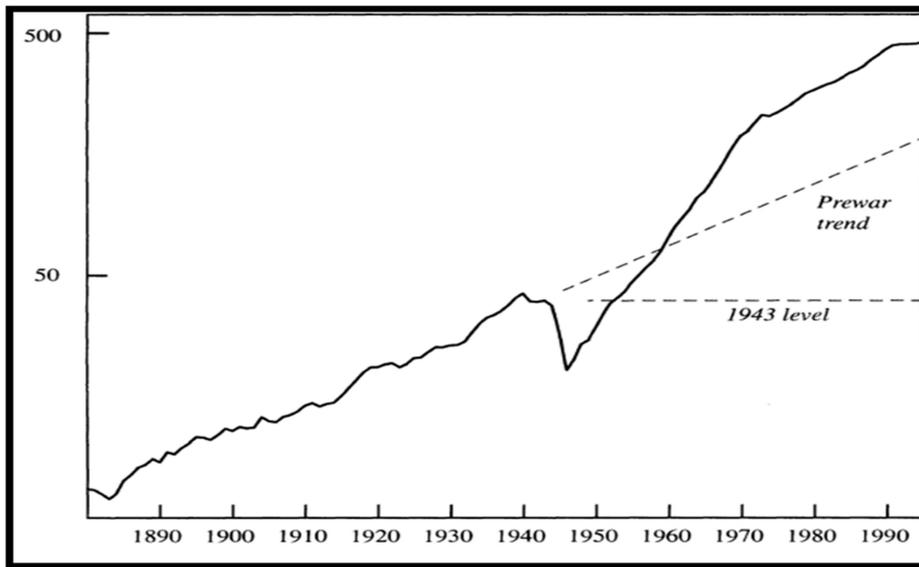
Innovation is an important driver of development as advancement and improvement of industrial processes ahead of others could bring along a comparative advantage. According to Lin (2013:

⁵ Reference is made to 19th century Japan. According to Ohno (2006: 8), "Japan in the 19th century [was] a weak, agricultural, backward country with low technology [before it was] suddenly exposed to influences from the powerful West. Japan struggled to industrialize and somehow succeeded."

260), “A continuous stream of technological innovation is the basis for sustained growth in any economy.” Innovation includes new and improved processes, products, and/or services that help companies or nations to achieve better performance (Nicolaidis 2014). Therefore, innovation can originate from individuals who, or companies that, possess the ability to innovate (Nicolaidis 2014). These abilities include the drive and quest for improvement in individuals, companies, and even countries. This quest for improvement requires a strong commitment to, and a sustainable investment in research and development activities. The motivation is to produce goods and services that solve the current and future regional and global challenges as industries and countries that are able to offer viable solutions to current and future global problems, enjoy a competitive edge in terms of economic growth and development.

Improvements in technology constitute a vital component of economic growth (Jhingan 2011; Dao 2014). These improvements are usually associated with changes in production methods, resulting in increased labour and capital productivity (Jhingan 2011). However, technological advancements are still lagging in some countries in SSA. Most of the production systems in these countries are either still in their infancy or in some cases, inefficient. The inefficiency is brought about by factors such as gross incompetence, corruption, nepotism, and a lack of proper research and development amongst industries. Accordingly, Jhingan (2011) and Todo & Shimamoto (2019) noted the importance for countries in the South to import technology from the North for use in the interim while efforts are underway to create their own. This happened in Japan and China. The success of industrialisation in Japan was partly due to the country’s improvement in technology and its importation of sophisticated industrial machines (Kimura 2009). This improved export production with consequential growth in real GDP shown in Figure 3.1. Although the growth of the Japanese real GDP was negatively affected by WWII in the 1940s, the Japanese economy managed to recover from the shock. This clearly indicates a resilience outcome⁶ known as recovery coupled with higher growth exceeding the pre-shock level (Martin 2012).

⁶ See Appendix A for supplemental information on resilience outcomes by Martin (2012).



Source: Ito & Weinstein (1996: 208)

Figure 3.1 Real GDP in Japan from 1880-1995 (in Trillions of 1990 Yen)

In 1978 China's per capita income was below that of the countries in SSA. However, the per capita income, which was by then only US\$154, had risen to US\$6 100 in 2012 (Lin 2013). Similarly, Collins, Bosworth & Rodrik (1996) noted that China, together with countries in East Asia, managed to achieve a GDP per capita of 4% from 1960 to 1994 whilst other countries in the South experienced a growth of only 2%. China imported technology from other countries in the world at a lower cost (Lin 2013). Consequently, China was able to undertake massive production that led to a rapid increase in international trade and increased the share of manufactured goods in her exports from 75% in 1979 to levels above 95% in 2009 (Lin 2013). Apart from that, China changed its focus from the manufacturing of cheap goods such as toys and textiles to high-tech machinery and high-end ICT products (Lin 2013).

Zimbabwe can draw important lessons from the economic and development history of both Japan and China. The replacement of old and inefficient machines in the industry by sophisticated and technologically advanced machines can provide the much-needed opportunity to transform Zimbabwe's economic performance. This would also enable the production of high-end goods that can be sold internationally at higher prices. Since Zimbabwe is financially constraint, the importation of technology from other countries is an option that can boost its

productivity. It is also important that research and development be undertaken as a way of encouraging the proper assimilation and adaptation of imported technology to Zimbabwe's factor endowments (Jhingan 2011).

3.3.1.3 Increased investment and capital accumulation or formation

In the Global South, both public and private investments are critical for economic growth and development (Ghazanchyan & Stotsky 2013; Diaconu 2014). Amongst other factors, foreign direct investment (FDI) was behind the growth of economies in Southeast Asia (Diaconu 2014) and such growth was mainly experienced in policy-oriented industries. The countries that invested in Southeast Asia were their neighbours and also those in the Organisation for Economic Co-operation and Development (OECD) (Diaconu 2014). For example, the growth of countries, such as Thailand, could be attributed to FDI that originated in Japan (Burton 1989). Furthermore, Burton (1989: 664) noted that the Asian Tigers managed to attract FDI because they “offer hospitable environments for outsiders to do business, with strong government support for foreign investment ... stable and predictable regulations, respect for contracts, and a good trade oriented economic infrastructure including adequate dock facilities and reliable telecommunications.” These are positive attributes that should be emulated by countries in SSA such as Zimbabwe. It is also clear that improvements in economic regulations and policies can improve the rate of FDI in the country.

Government expenditure in African countries should be targeted towards growth stimulating investments as is done by some countries in the South. Ghazanchyan & Stotsky (2013) noted that government expenditure or consumption in SSA has been dragging the rate of economic growth. Ballooning government expenditures in many African countries have crippled economic progress, scaring away potential investors. These expenditures have been on non-productive sectors with some capital being lost through political graft. It must however be noted that increased government expenditure does not always stifle economic growth and development, for instance, government expenditure that is directed towards infrastructure that supports economic growth is expenditure that can positively influence private investment (Hirschman 1958; Ito &

Weinstein 1996; Kimura 2009). Japan for example, has managed to achieve growth through increased investments in economic infrastructure (Kimura 2009). Thus, government expenditure in productive sectors can positively influence economic growth and development in Zimbabwe.

Closely linked to investment, is the process of capital formation. With the emergence of development economics in the 1940s and 1950s, capital formation became central to development (Huq & Tribe 2004; Dao 2014). Capital formation entails the increase of capital stock over time (Jhingan 2011) by foreign or local investors through social overhead investments. The process can be self-reinforcing (i.e. the ability of a system to propel itself) and would include the presence and increase in real savings, the availability of credit and financial institutions that could divert these savings to desired channels, and the utilisation of savings for capital goods investment (Jhingan 2011). Loans, grants, and increased exports can also boost capital formation (Jhingan 2011). Capital formation and investments are not only important in the achievement of economic growth and development; they can also positively influence economic resilience. The ability to accumulate or form capital that can be utilised in both SOC and DPA investments depict the economy's ability to resist shocks and/or recover from them.

3.3.1.4 Human capital factor

An increase in the efficiency and productivity of human resources (i.e. human capital formation) positively influences economic growth and development (Jhingan 2011; Ghazanchyan & Stotsky 2013; Dao 2014). Human capital formation involves increased spending on education, health, and social services sectors (Jhingan 2011), and is consistent with the views of Sen (1985; 2000; 2003) and Nussbaum (2003; 2011). The labour force with correct and required education and training and a high productive efficiency, has the ability to deliver rapid economic growth (Jhingan 2011; Armeanu, Vintila & Gherghina 2018). However, high literacy rates in Africa have, in some instances, failed to produce the required skill set to drive economic growth. In Zimbabwe the shortages of skilled manpower in key fields have prompted a recent focus on STEM (science, technology, engineering, and mathematics) subjects, starting from primary

levels going upwards. This refocus can create a labour force with the right skills that are required to achieve rapid growth in Zimbabwe.

In Southeast Asia the improvement of human capital enhanced the operation and maintenance of machines (Brueckner & Kraipornsak 2016) that were instrumental in massive export production. Accordingly, it can be said that education needs to be tailor-made to the country's developmental needs. In Malaysia the industrialisation process was heavily backed by its focused educational system (Tan 2014; Khazanah Research Institute 2018). Government expenditure on improving education in Malaysia increased from 500 million to 55.6 billion Malaysian Ringgit⁷ in the period 1970 to 2016 (Khazanah Research Institute 2018). The improvements produced human capital with expertise required to drive the industrialisation process (Tan 2014; Khazanah Research Institute 2018). These strategies can also be adopted by African countries to improve their economies. As part of a strategy to support the current government's drive towards re-industrialisation Zimbabwe is currently at an advanced stage of refocusing the education on industrial needs. If the educational refocusing programme is able to produce a highly skilled and technical labour force Zimbabwe's prospects to attract foreign investment are likely to increase.

Continual improvement of worker productivity is vital for self-sustaining economic growth (Patel 1986) and also for economic resilience, especially in circumstances where worker productivity continually increases against prevailing shocks and stresses. However, increasing productivity can be influenced by social justice (Patel 1986) and how high productivity is rewarded. The prospects of the equitable distribution of the benefits of higher productivity act as incentives amongst the labour force to continually increase productivity. The opposite can also be true. Widespread economic inequality (for example income inequalities between the rich and the poor working class) can frustrate the drive for increased productivity. However, long term commitment and investment in firm-specific human capital can improve worker productivity. In Japan a strategy called 'life-time employment' was utilised that increased worker productivity in the long run (Ito & Weinstein 1996). Basically the life-time employment strategy avoided a high

⁷ Ringgit is Malaysia's currency and is denoted as RM. It is important to note that US\$1 is approximately equivalent to RM4.00.

turnover of workers. As such, a firm would be able to invest in employees by equipping them with the skills required to improve productivity and become competitive in the global market. Such a strategy can be helpful in Zimbabwe and other countries in SSA.

3.3.1.5 Politics and administration

The way a government conducts its administration either promotes or discourages economic activity in a country (Jhingan 2011). Political stability and strong administration are both critical in the achievement of economic growth (Jhingan 2011). Economic development in countries in the South is sometimes hindered by weak and corrupt administrations as well as political instability (Ndulu et al. 2007; Jhingan 2011; Singh 2012). Emanating from this, an administration that is strong, efficient, and incorruptible in the South can improve a country's chances of achieving economic development (Jhingan 2011). In addition, the development of good law and its enforcement, is furthermore critical for economic development (Ginting et al. 2018). Countries where the rule of law is observed and where there is a strict financial discipline, give investors a sense of security that their capital is safe (Dao 2014; Ginting et al. 2018). In Malaysia, strict discipline in tackling macroeconomic issues also aided in its economic growth (Tan 2014).

Politics and administrations are closely linked to policy orientation. The policy orientation of a country determines its chances of achieving economic development. A comparison of Africa and Asia shows that in the 1990s growth averages in Southeast Asia were double than those of Sub-Saharan Africa (Lewis 2013). The differences can be explained by different policy approaches to development (Burton 1989; Ito & Weinstein 1996; Kimura 2009; Hill 2013; Lewis 2013; Brueckner & Kraipornsak 2016). According to Lewis (2013: 52) governments in Southeast Asia “sustained macroeconomic stability, promoted diversified exports, and fostered rural livelihoods.” African countries, however, did not do well in macroeconomic oversight, as they tried to protect their economies from external markets and prioritised industry and urban sectors, oblivious of their rural sectors (Lewis 2013). Import substitution and protectionist policies do not always promote growth in countries in SSA. These policy strategies were adopted in Korea, but

as they did not produce the expected growth, they were abandoned (Kwon & Yi 2015). However, when Korea shifted from import-substitution industrialisation to export-led development in the 1960s, the shift led to remarkable economic growth coupled with poverty reduction (Kwon & Yi 2015). At this point it is important to stress that there is no one-size-fits-all in policy strategy. What works in one country may fail in another.

In countries such as Japan and Malaysia, the favourable economic institutions and policies were some of the factors behind remarkable economic growth (Ito & Weinstein 1996; Kimura 2009; Tan 2014). Malaysia's real GDP per capita increased from US\$1160.30 to US\$6050 between 1970 and 2010 (Tan 2014). Both countries managed to combine the strategies of import substitution and export promotion in their manufacturing industries (Ito & Weinstein 1996; Tan 2014). The similarity in terms of development experiences is explained by Tan (2014), who observed that the development narratives of Japan and the newly industrialised countries inspired the growth strategies in Malaysia. In Japan industries in their infancy received government protection against cheap imports but, when they became exporters and competitive on the global market, they were exposed to full competition (Ito & Weinstein 1996). A similar strategy was adopted in China where the government offered protection to 'priority industries' through measures such as subsidies, price distortions, and monopolies in some instances (Lin 2013). This strategy helped priority industries to remain operational and avoid collapse (Lin 2013) which is what happened in Zimbabwe after the implementation of structural adjustment programmes (SAPs). In the long run, this strategy promoted viability and competitiveness (at both local and global levels) of firms in priority industries (Lin 2013).

The strategies utilised by Malaysia, China, and Japan show that a change in policy direction has the potential to drive economic growth in countries in SSA. In Zimbabwe specifically, the change from populist and politically motivated policies to those purely driven by the genuine need for development can deliver economic growth. Protection of priority industries in Zimbabwe can positively influence economic growth. One such industry is the Zimbabwe Steel Company (ZISCO), that used to supply steel to the whole of Southern Africa but which is currently operating below capacity after its recent re-opening. Likewise, National Railways of

Zimbabwe (NRZ), which links the country to other trading partners in SSA such as Botswana, South Africa, and Zambia, is on the verge of collapse. This has increased the costs incurred by industries transporting goods within and outside of Zimbabwe, as they have to consider alternative modes of transportation.

The differences in industrialisation focus between Africa and Asia also provide vital insights concerning economic growth and development. The industrial transformations that took place in the Asian Tigers were mainly dependent on the exports of manufactured products (Heintz 2015) rather than that of primary products. In comparison, Heintz (2015: 34) noted that the industrialisation process in some countries in the South “was either incomplete or, in the case of many low-income countries, never got going.” This limited industrial employment, with the agricultural and informal sectors both absorbing surplus labour (Heintz 2015). The export of secondary and tertiary products has higher chances of delivering economic growth as compared to the export of primary products produced by most countries in SSA. Accordingly, countries in SSA should reconsider their development approaches. Diversification of the economic base in SSA countries has become increasingly important as agro-based economies have been seriously affected by climate change. For example, diversification improved economic growth in Thailand. Besides industry development, foreign earnings in Thailand are also obtained from agricultural outputs and tourism (Burton 1989).

3.3.1.6 Structural changes in the economy

Another factor able to drive economic growth and development is the structural changes in the economy. This factor implies the migration from a traditional economy backed by agriculture to a modern economy based on industrial activity, and entails transforming institutions, attitudes, and motivations (Jhingan 2011) in a region or country. Countries in the South need to move from being producers of primary goods to the production of secondary and tertiary goods (Jhingan 2011). This should be buttressed by an increase in secondary and tertiary employment as the population moves from primary employment (Jhingan 2011). However, the economies of most countries in SSA, Zimbabwe included, are still anchored in agriculture.

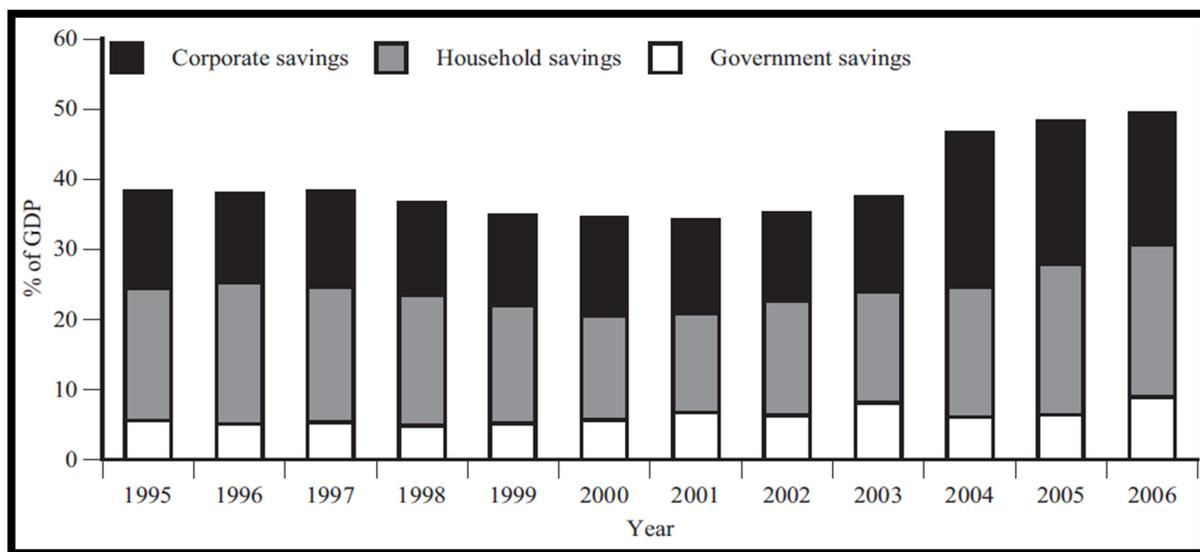
The history of Japan's rapid economic growth can explain the importance of structural changes in the economy. The transformation of the structure of the Japanese industry over time was instrumental in the growth of Japan's economy (Ito & Weinstein 1996). In the 19th century, the agricultural sector was dominant in the Japanese economy and level of technology in Japan was low (Ohno 2006). However, in 1931, the output from manufacturing and mining overtook that of the agricultural sector (Ito & Weinstein 1996). This trend continued until the country became one of the leading producers of high-tech goods. The same can be said about the transformations that took place in China (Lin 2013). Accordingly, the history of these countries shows that sustained economic structural transformations are important in the achievement of economic growth. This is one of the strategies that can be adopted by countries in SSA in order to improve prospects of achieving economic growth and development.

In Zimbabwe, industrialisation has regressed since independence. The majority of industries that were operational immediately after independence, have either closed down or relocated. The reasons for this are manifold. Firstly, the instability of the political and economic systems rendered the country a risky investment destination. This prompted investors to move their capital to other countries where security was guaranteed. Secondly, labour insecurity has increased over the years as industries continued to shut down. Consequently, skilled labour started migrating to countries offering better employment prospects, such as South Africa. Thirdly, the collapse of the financial system in Zimbabwe made it difficult for both large and small corporations to access business finance. The resultant effect has been the downsizing, closure, and/or relocation of firms that were mainly dependent on debt financing. Fourthly, in the absence of different financing mechanisms, some industries have found it difficult to retool. Consequently, plant and machinery in the industries have been overtaken by advancements in technology. These are some of the reasons why production costs are high in the country.

3.3.1.7 Social attitudes and institutional factors

A change in social attitudes and institutions influences economic growth (Jhingan 2011; Lewis 2013; Negussie 2018). Social attitudes such as promoting national savings, can be a positive

factor that brings about economic development should the savings be invested meaningfully. Countries in SSA are more likely to achieve economic growth and development if they adopt a culture of generating savings. Some countries, such as Japan and China, managed to utilise savings generated within their boundaries as sources of investment finance. In Japan, the high rates of domestic savings positively influenced the investment levels in the country (Ohno 2006; Kimura 2009). The saving culture of Japanese households made capital available for investment without Japan becoming too reliant on borrowing from outside the country's borders (Ito & Weinstein 1996). Japan therefore managed to undertake serious investments in economic infrastructure, which were partly funded by local savings and bank loans from inter alia the Japan Development Bank and Japan Export and Import Bank (Ito & Weinstein 1996; Kimura 2009). The same narrative is applicable to China and countries in East Asia such as Singapore, Taiwan, Korea, Indonesia, and Malaysia (Collins, Bosworth & Rodrik 1996). In China, similar high savings by government, households, and private firms, shown in Figure 3.2, resulted in an increased rate of investments (Lin 2013).



Source: National Statistical Bureau (in Lin 2013: 264)

Figure 3.2 Government, corporate, and household savings in China (1995-2006)

Japan and China's saving cultures provide important lessons to countries in SSA, especially Zimbabwe. The ability to generate savings in a country reduces its reliance on foreign direct

investment (FDI). Furthermore, savings generated in Zimbabwe can be used for social overhead investments, which in turn have the ability to lead to other investments in the economy.

The inability to generate meaningful levels of national savings (the addition of government, corporate, and household savings) in Zimbabwe has negatively affected the level of investment in social overhead capital (SOC). This has left the country heavily relying on FDI for SOC investments. However, with the prevailing political and economic instability, it is difficult for Zimbabwe to attract the required levels of FDI as investors are sceptical about the security of their capital. In such circumstances, generated savings could go a long way in substituting FDI in SOC investments. However, one should not overlook the fact that some Zimbabwean citizens have also lost confidence in their government and are slowly moving their capital internationally. Trust is important amongst economic actors as a precursor for growth in the level of national savings which can then be utilised as investment capital. Similarly, strong economic institutions for economic management are vital in the growth of economies in the South. Strong economic institutions were behind the success stories of economic development in East Asian countries (Kimura 2009; Hill 2013; Brueckner & Kraipornsak 2016).

The existence of entrepreneurship in economic development is critical as it enables the smooth development and functioning of industries (Jhingan 2011; Tan 2014). It is important for a country to have patriotic and innovative entrepreneurs working towards achieving economic growth and development. In light of this, systems and institutions in a country, including monetary and fiscal policies, should encourage and promote, rather than discourage entrepreneurship (Jhingan 2011; Khazanah Research Institute 2018). Besides that, scientific and technical skills enhancement is necessary as a means of supporting entrepreneurship. The role of the state in this case is to import the necessary plant and machinery in support of entrepreneurship, and also to lead in the evolvement of technologies that are in tandem with the country's factor endowments (Lin 2003; Jhingan 2011).

3.3.2 Restrictors of economic growth and development

The drivers and restrictors of development cannot be easily separated as was shown in the foregoing discussion where some restrictors were discussed together with the drivers of development. The emphasis in this section is therefore on the restrictors that have not been adequately addressed in the analysis of development drivers.

3.3.2.1 Colonialism

The colonisation of African countries, with the exception of Ethiopia, partly contributed to their lack of economic development (Negussie 2018). The exploitation of Africa's natural resources and its human labour force was meant to benefit the colonisers whilst disadvantaging the host regions (Negussie 2018). However, years after most of these countries gained independence, they are still failing to achieve remarkable development. In as much as colonialism affected them, it cannot therefore be the chief reason behind their lack of development, especially after their independence.

Colonisation can be considered as a driver of economic growth in some countries in the South. In Malaysia, Ariff (1973: 372) noted that: "Dramatic changes came with complete British colonization Trade was the vehicle which transmitted economic development from the industrial countries to the Malaysian economy." Besides, a distinction has to be made between extractive and settler colonisation. While the former was partly responsible for underdeveloping colonies, the latter contributed to economic growth of the same. White settlers in the latter believed that they were building new nations (South Africa and Rhodesia are some examples) and invested heavily towards national development. This is one of the reasons why Zimbabwe inherited a strong economy at independence. However, after colonialism came to an end, the growth momentum of independent African states slowed down as the leaders of these states (Zimbabwe included) struggled to maintain growth rates left behind by colonial governments. One of the reasons behind this, was the insistence of new African leaders to adopt and implement socialism in countries that were previously governed under free market economies. However,

their goal to dismantle capitalism proved detrimental as this caused economic growth to slow down

The analysis of how colonialism may have affected the development prospects of countries in Africa cannot be complete without taking a closer look at the growth of those countries that were not colonised, especially Ethiopia. Little has happened in Ethiopia in terms of economic growth as its economy is even smaller compared to that of, for example South Africa, which was under colonialism up to 1994. As previously highlighted, South Africa benefitted from settler colonisation. However, the ills of colonialism and how these affected the development potential of the continent cannot be overlooked. If the mineral resources extracted from Africa were used to develop the continent, a better level of development could have been attained in its states. This assertion assumes that without colonialism, Africans would have devised their own technology to extract and process their minerals into finished products traded on the global market.

3.3.2.2 Lack of investment capital

Shortage of capital affects economic development (Ndulu et al. 2007) which can be a result of self-reinforced vicious circles of poverty (Jhingan 2011). Most regions in the Global South are affected by vicious circles of poverty in the sense that their low productivity leads to low income, which in turn results in low savings. This leads to low investment that causes capital deficiency and low productivity (Myrdal 1957; Jhingan 2011). The lack of incentive to save and invest in countries in the South can be attributed to a lack of adherence to law and order and political instability, among others (Jhingan 2011). High investment risks in these countries frustrate the little entrepreneurship available. Consequently, investors are mainly involved in the export industry, dealing mainly in primary products (Jhingan 2011; Lewis 2013) instead of secondary and tertiary goods and services that have the ability to deliver economic growth and development.

A lack of capital cripples the chances of economic growth in SSA. Lessons from Japan show the importance of capital in achieving growth. Heavy investment in economic infrastructure

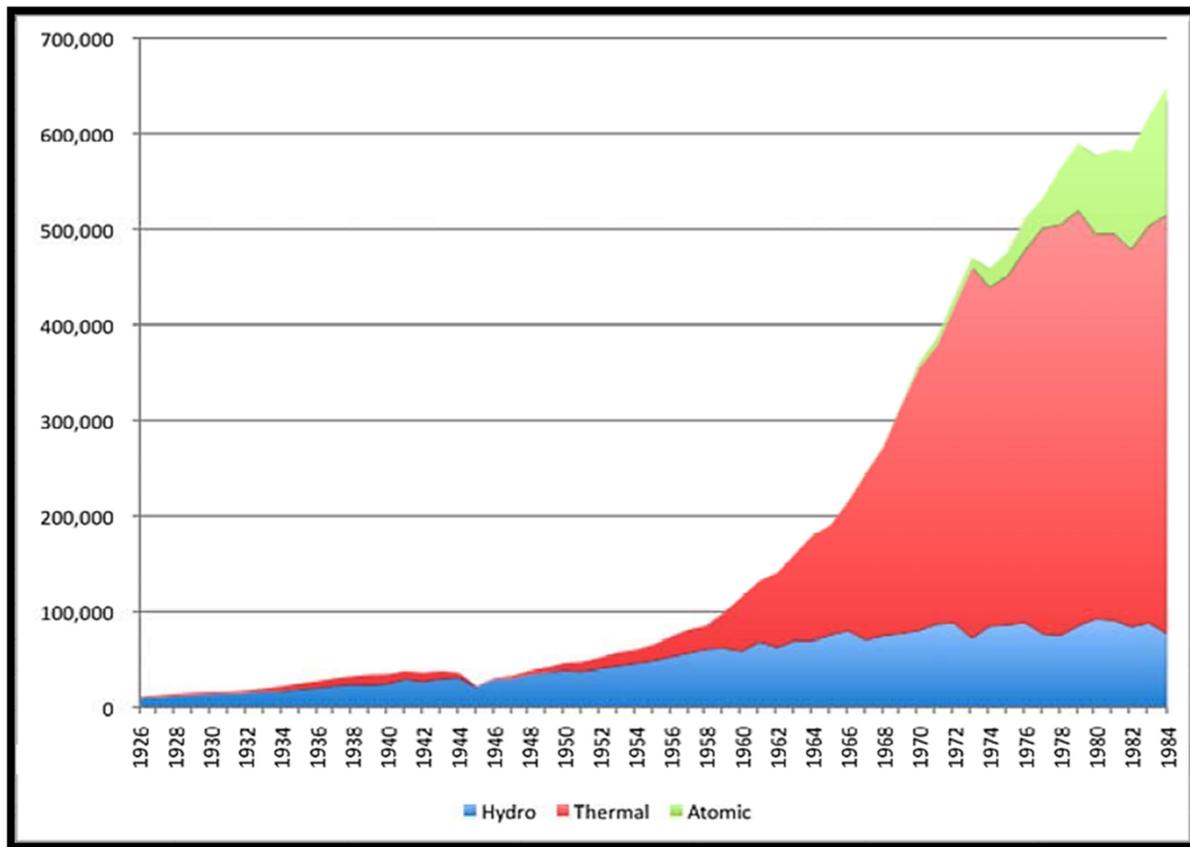
produced economic growth in the country (Kimura 2009). The Japanese Development Bank was instrumental in providing loans that were used in investments in different sectors as shown in Table 3.1.

Table 3.1 Amount of loans by Japan Development Bank 1951-1982

	1951-55	1956-60	1961-65	1966-70	1971-75	1976-80	1981-82
Energy	45.3	58.7	25.8	15.0	7.7	24.4	41.1
- Electric power	38.8	39.0	16.6	7.4		17.1	28.6
- Coal	6.5	9.7	8.5	3.4			
Transport, sea transport	25.3	27.3	30.3	35.5	17.7	7.7	11.7
Strengthening international competitiveness		12.1	14.6	8.4			
Improving balance-of-payment position			4.4	2.5			
Area development		2.6	21.5	27.5	30.9	30.5	25.8
Anti-pollution measures				0.6	19.1	21.3	8.5
Promotion of technology				8.3	10.6	11.1	9.2
Total JDB loans (100 million yen)	2,744	3,027	6,726	13,632	28,275	45,355	22,390

Source: Ogura & Yoshio (in Kimura 2009: 7)

As indicated in Table 3.1 the Japanese government made enormous investments in the energy and transport sectors, knowing that these sectors are central to the development of any nation. These investments boosted production during Japan's industrialisation process (Kimura 2009) as power output improved remarkably. The improvements are shown in Figure 3.3. In comparison, the Zimbabwean energy and transport sectors have been characterised by limited investments, resulting in dilapidated transport infrastructure and acute power shortages. The power shortages in turn, have contributed to high costs of production, making goods produced in Zimbabwe less competitive on both regional and global markets. The lack of capital also hinders development and improvement of technology in Zimbabwe, leaving the country struggling with low technology levels.



Source: Statistical Bureau of Management and Coordination Agency (in Kimura 2009: 8)

Figure 3.3 Power generation in Japan, 1926-1984 (in million Kilowatt-hours)

Achieving economic growth in SSA will remain a challenge as long as capital to invest in important sectors such as transport and communication, energy generation and distribution, and technological advancements, remain scarce.

3.3.2.3 Limited foreign trade earnings

The increase in exports in countries in the South may not contribute much to the development of their economies if associated with neglect in other economic sectors (Jhingan 2011). Besides that, the overdependence of these economies on exports, exposes them to international market fluctuations (Jhingan 2011). Furthermore, Morvaridi (2008) noted that the achievement of

development in countries in the South is to some extent affected by dominance of the global trade and justice systems of powerful states. This can be inferred from the leadership posts in the World Bank and IMF that have always been occupied by either Americans or Europeans. Apart from that, powerful states like the USA, China, France, Russia, and Britain have permanent seats in the United Nations Security Council thus dominating crucial decisions (Morvaridi 2008). Their decisions directly or indirectly impact on the development of poor states.

Geographical factors also influence African countries' chances of benefitting from international trade. Negussie (2018) noted that some African countries are less competitive because they are landlocked. The consequent minimum or no control of ports (Mbaku 1988; Heidhues 2009) affects the ability of these landlocked states to achieve economic growth and development. Ports are critical for international trade of mainly goods and services transported by sea. Without control of ports the trade earnings of some African countries are significantly reduced. Looking more closely at countries with and without ports, a difference can be seen in their growth patterns. The difference can be witnessed in Southern Africa, where a country like South Africa has benefitted from having ports. South Africa has a bigger and more stable economy compared to its landlocked counterparts. However, having ports alone is not enough to bring about a competitive advantage, ports also need to be able to handle large volumes of goods. Ports therefore need heavy infrastructural investments to bring about positive economic advantages to the country concerned.

Complex business regulations and procedures also affect the rate of economic growth in Africa (Ndulu et al. 2007). Customs and trade regulations, specifically, are major constraints (Ndulu et al. 2007). The time it takes to clear both exports and imports is longer in Africa compared to other regions. This discourages firms striving to take the advantage of export markets (Ndulu et al. 2007). Another disadvantage of African countries is their location in the tropics. Since 90% of SSA is within the tropics, the negative impact of tropical diseases on life expectancy, the formation of human capital, and the participation of their labour force in economic growth activities, is high (Ndulu et al. 2007). This affects the participation of SSA in international trade. In comparison, only 3% of the countries in the OECD and 60% of those in East Asia are affected

by tropical diseases (Ndulu et al. 2007). Thus, geographical differences also explain differential growth patterns exhibited by SSA versus East Asia, both being regions in the Global South.

3.3.2.4 Social disturbances and terrorism

Social violence has the capacity to affect development as violence leads to instability in a country, thereby affecting the performance of investments. According to Singh (2012) social violence has affected the image of India as an investment destination. Similarly, terrorism also affects development. This factor, though, is not applicable to Zimbabwe. In India, terrorism has had an impact on different sectors of the economy (Singh 2012). One of these sectors is the industrial sector, where acts of terrorism have affected potential investors and entrepreneurship, especially in hard-hit areas (Singh 2012). In addition, the tourism industry, which is responsible for approximately 6% of India's GDP and 9% of its total employment, has also been affected by acts of terrorism (Singh 2012). Terrorism not only physically destroys infrastructure vital for economic growth (Armeanu, Vintila & Gherghina 2018), it also scares potential investors who worry about the security of their investments. As such, acts of terrorism are counterproductive and have also, in most cases, diverted the focus of governments from economic growth and development to security enhancement (Negussie 2018).

Social disturbances in Zimbabwe have usually taken the form of industrial actions and political protests. In some cases these have turned violent, the result being destruction of both public and private property. These incidents have created a negative impression about the country, thereby scaring away potential investors. Government's response has often been out of all proportion to the protest itself. As a result, sanctions against the Zimbabwean government have been imposed by the US government and its allies. Despite the fact that these sanctions are not full economic embargoes, they have a negative effect on the way Zimbabwean entrepreneurs interact and transact with foreign investors especially in Europe and the United States. Overall, industrial actions and protests in Zimbabwe coupled with the Zimbabwean government's responses, have negatively affected economic growth and development.

3.4 CONCLUSION

In this chapter the concept of development was discussed at that hand of different perspectives covered in literature. The perspectives are many and varied, giving evidence of the multidisciplinary nature of development. Additionally different drivers and restrictors of development were explored, explaining how they influence economic growth and development. It is clear that there is an opportunity for growth in SSA countries that have abundant natural resources, high literacy rates, and growing populations. The region had the potential to develop at a faster rate than Asia. However, this did not happen. The restrictors of economic growth in these countries, especially in Zimbabwe outweigh and overshadow the potential for growth. The interaction of the drivers and restrictors of growth in Zimbabwe is analysed in the next chapter with reference to lessons for economic resilience.

CHAPTER 4: ECONOMIC DEVELOPMENT IN ZIMBABWE – A HISTORICAL PERSPECTIVE

“The first notable characteristic about Zimbabwe is that it ... [had] a sound industrial base growth of the Zimbabwean economy ... [was] not entirely dependent on the price fluctuations of a single commodity on the world market.” Bratton (1981: 455-456).

4.1 INTRODUCTION

In this chapter the history of economic development in Zimbabwe is interrogated, covering both pre- and post-independence periods. The major gist is to explain how the economic development trends in Zimbabwe are linked, or not linked, with resilience thinking. In addition, particular attention is paid to how the economic policies that were implemented in the country, affected the economic resilience of manufacturing industries. However, to enable a smooth flow of the chapter, supplemental information on the policies is covered in Appendix B. As such, the discussion of policies in the chapter occasionally refers to Appendix B. From a national context, the analysis is then taken to the local level with a brief examination of the history of economic and industrial development in Bulawayo. The major focus is to explain the factors that influenced growth of the metropolitan economy. This also lays a foundation upon which the current drivers of industrial decline are viewed and analysed.

4.2 AN OVERVIEW OF ECONOMIC DEVELOPMENT IN ZIMBABWE

The history of economic development in Zimbabwe can be subdivided into four distinct periods, namely, the early colonial period (1890-1952), the federation period (1953-1963), the unilateral declaration of independence (UDI) period (1965-1980), and the period from independence (from 18 April 1980) (Ndlovu 1994). The period from 1980 until now can also be subdivided into different phases depending on the government’s development philosophies. This period is therefore categorised as follows: the socialist economic development phase (1980-1989), the

neo-liberalism phase (1990-1999), the rapid economic decline phase (2000-2008), and the liberalised economic phase (2009-to date). Although the emphasis in this study is on the post-independence period, the study briefly touches on the economy of the pre-independence era under the ‘pre-independence economic development’.

4.2.1 Pre-independence economic development (1890-1979)

In 1890 the British South Africa Company (BSAC) colonised Zimbabwe, which became a British colony known as Southern Rhodesia (Arrighi 1967; Ndlovu 1994; Wekwete 1994). In terms of Southern Rhodesia’s governance, Ndlovu (1994: 7) noted that: “The colony was governed under Royal Charter and attained self governing status in 1923 but only attained independence in 1980.” However, the name of the country changed from Southern Rhodesia to Rhodesia after the unilateral declaration of independence (UDI) by the Rhodesian Front government in 1965 (Ndlovu 1994; Wekwete 1994). Despite the different variations that exist in literature surrounding the colony’s name changes, this study utilises the name Southern Rhodesia for the period 1890 to the period before UDI in 1965, then Rhodesia for the post-UDI period to 1979.

The BSAC expected Southern Rhodesia to have abundant minerals (Mlambo & Phimister 2006) and hoped to establish a second Rand (after the mineral-rich area surrounding Johannesburg in South Africa) (Arrighi 1967; Ndlovu 1994; Wekwete 1994). However, their hopes were dashed (Phimister 1980) when it was established that the quantity of available mineral deposits was lower than those at the Rand. This triggered the need to consider other economic activities that would sustain the newly established settlements. Agriculture became a favourable activity due to the existence of large tracks of fertile land (Ndlovu 1994; Wekwete 1994). And so, in the early 1900s, the economy of Southern Rhodesia, supported by the white rural bourgeoisie (Arrighi 1967) hinged on the agricultural and mining industries (Sadie 1969; Phimister 1980; Stoneman 1990; Mlambo & Phimister 2006; Carmody 2008; Mlambo 2017) that were both meant to produce for external markets (Patel 1988). Later, in the 1940s, manufacturing was added to the list of Rhodesian industries (Stoneman 1990; Mlambo 2017).

Literature on industrialisation in Southern Rhodesia is scarce compared to that on agricultural development (Clarke 1973). However, a history of state involvement in industrial development was common in Southern Rhodesia. The government invested in industries from iron and steel works to cotton spinning (Curtin 1968; Stoneman 1990; Mlambo 2017). Other government industries formed in the 1930s and 1940s included power stations and raw material processing plants (Arrighi 1967). These government investments stimulated the economy and led to further developments in manufacturing industries (Stoneman 1990). By 1938, 299 manufacturing companies were in existence, employing approximately 17 500 people (Ndlovu 1994). The manufacturing industry kept growing – in 1945 there were 495 manufacturing companies and 1 172 in 1952 (Ndlovu 1994). It was clear that the emergence and growth of textile industries was supported by state-led interventions in the cotton growing and ginning industry (Mlambo & Phimister 2006).

In spite of the increased efforts by government to promote economic growth, motivation to undertake industrial development was low amongst Rhodesians. Industrial development could rather be attributed to exogenous factors (Arrighi 1967). One of these factors was the outbreak of World War II (WWII) that stimulated economic growth in Southern Rhodesia (Arrighi 1967; Curtin 1968; Stoneman 1990; Carmody 2008; Mlambo 2017). The shortages of the country's imports on the global market, created a need to develop local industries (Arrighi 1967). At the same time, the war created a huge market for goods and services that could be produced locally (Arrighi 1967). These shortages and demands boosted the development of industries in Southern Rhodesia (Arrighi 1967). Likewise, the economy got a boost from the influx of post-war immigrants and foreign investments during the federation period (Curtin 1968). Furthermore domestic markets in Southern Rhodesia were widened by the federation arrangement (Carmody 2008; Mlambo 2017). This arrangement was centred on the common market approach to development, thus producing positive growth in the local economy (Ndlovu 1994). The approach entailed the removal of trade barriers amongst Northern Rhodesia (now Zambia), Southern Rhodesia (now Zimbabwe), and Nyasaland (now Malawi). Accordingly, resources were allowed to freely move from one country to the other. The development approach was meant to serve the interests of all three countries, though Southern Rhodesia benefitted more since it was the seat of

the federal government (Ndlovu 1994). These factors caused the country to experience an expansion of its manufacturing capacity in an effort to meet the federal market demands (Ndlovu 1994), and had a positive effect on manufacturing employment levels as well as manufacturing output.

Another external stimulant of growth in Southern Rhodesia was the influx of international capital from the Union (now South Africa) and the United Kingdom (Arrighi 1967). The movement of investments especially from South Africa to Southern Rhodesia was influenced by the change of government of the Union that took place in 1948. According to Arrighi (1967) the national bourgeoisie and white workers had taken over power causing international capitalists to move their investments elsewhere as they feared the possibility of nationalisation of their assets. Added to this, WWII stimulated the movement of investment capital from the United Kingdom to Southern Rhodesia – a country considered a safe destination for investment at the time. The country had a well-developed overhead capital, a number of growing industries, and a huge market that included many European immigrants (Arrighi 1967).

The UDI period commenced with the imposition of sanctions on the Rhodesian government by the United Nations (UN) (Stoneman 1990; Ndlovu 1994; Carmody 2008; Munangagwa 2009). This period was consequently dominated by import substitution (Curtin 1968; Zaaier, 1998; Kawewe & Dibie 2000; Mlambo 2017) as a direct response to the sanctions imposed on Rhodesia (Curtin 1968; Mlambo 2017). The main focus was to achieve self-reliance. This motivated remarkable government involvement in the industrialisation process (Arrighi 1967; Curtin 1968; Stoneman 1990; Mlambo & Phimister 2006; Carmody 2008; Mlambo 2017). This period became historically significant in terms of economic development, as it shaped the post-independence form of the economy (Ndlovu 1994). The sanctions imposed stimulated internal production and promoted a drive towards self-sustenance (Kawewe & Dibie 2000; Munangagwa 2009). Accordingly, the sanctions led to the rapid growth of manufacturing industries that were expected to produce goods and services that would replace imports (Porter 1978). The contribution of manufacturing to the GDP increased from 15.8 % in 1959 to 18.9% in 1965 and 20.3% in 1968 (Sadie 1969). This shows the important role that the manufacturing sector played

in driving the economy of Rhodesia (Sadie 1969). The impact of sanctions on the Rhodesian economy was therefore minimal (Porter 1978). The slowdown in growth as a result of sanctions is indicated in Table 4.1.⁸

The growth of the GDP during the time Rhodesia was under sanctions was largely due to capital formation (Porter 1978) through government effort and complemented by private investors. However, the growth was disrupted by the inception of the liberation struggle in the early 1970s. Economic decline was experienced between 1975 and 1978 as a result of the war and the world recession (Ndlovu 1994).

Table 4.1 Rhodesia's economic performance 1963-1975

Year	Real GDP (in million R\$ for 1965 figures)	Growth Rate (%)
1963	710.8	-1.9
1964	709.0	-0.3
1965	747.0	5.3
1966	714.3	-4.4
1967	772.0	8.1
1968	789.7	2.3
1969	910.7	15.3
1970	943.4	3.6
1971	1053.5	11.7
1972	1138.3	8.0
1973	1181.2	3.8
1974	1314.3	11.3
1975	1308.4	-0.4

Source: Adapted from Porter (1978: 105)

The combination of endogenous (the liberation struggle) and exogenous (sanctions and world recession) factors affected the growth pattern of the economy. However, in 1979 a recovery was experienced (Ndlovu 1994). The Rhodesian government left behind a strong economy that was, apart from that of South Africa, one of the most diversified and industrially developed economies in Sub-Saharan Africa (Stoneman 1990; Helmsing 1999; Carmody & Taylor 2003; Carmody 2008; Mlambo 2017).

⁸ R\$ represents the Rhodesian dollar and its value is considered at 1965 level.

Economic diversification achieved during the UDI period (Carmody & Taylor 2003) contributed to the strength of the economy. The development of the industrial base took place under protection against more advanced economies. Normally, only industries in their infancy need protection until they are mature and internationally competitive (Stoneman 1990). While this might have promoted inefficiency, the protection strategy was motivated by the need to survive the sanctions imposed against the country. This has an implication on resilience. The resilience of most industries in the pre-independence era of Zimbabwe was, to some extent, artificial as these industries were not exposed to global competition. In as much as the diversification in the economy enhanced economic resilience, ‘over-protection’ of the industries might have set them up for failure in the future. This was evident when sanctions were lifted and the post-independence government liberalised the economy. Local industries were hard-hit by competition from imports and hence started collapsing. The inability of these local industries to compete on a regional and/or global market partly emanated from the protection they had from government over a lengthy period.

4.2.2 Socialist economic development phase (1980-1989)

On attaining independence in 1980, the new government inherited a strong and stable economy (Clemens & Moss 2005). The country had a strong economic base, largely focusing on the exporting of raw materials, including gold, asbestos, copper, coal, nickel, chrome, maize, tobacco, beef, and sugar (Bratton 1981). The diversified raw material exports underpinned the resilience of the economy. In fact, the economy was not affected by the poor performance of any one commodity on the world market (Bratton 1981). The inherited economy was also an exporter of manufactured goods that included textiles, footwear, and iron and steel products (Bratton 1981). The country was regarded as a gem in Southern Africa despite being hit hard by having to participate in a global market. The country’s comparative advantage was based on the fact that it was self-reliant in terms of appropriate technologies (Bratton 1981). Unlike the other African countries where growth was hindered by an over-dependence on petroleum, Zimbabwe had the ability to utilise coal and hydro-electric power (Bratton 1981). Besides that, it had also managed to develop hybrid varieties of white maize and other cereals that would thrive, not only in its

local conditions, but also in some neighbouring countries (Bratton 1981). Accordingly, the country's strength in the export agricultural, manufacturing, and minerals sectors underpinned optimism for further development after independence (MacLean 2002).

The early independence period was characterised by the removal of sanctions previously imposed on the Rhodesian government, and the commitment of the new government to socialist development (Meisenhelder 1994; Ndlovu 1994; Zaaier 1998; Carmody 2008; Munangagwa 2009; Masaka 2013). In effect, socialist leaders were taking over a capitalist economy (Zaaier, 1998) resulting in a conflict of ideologies. And although economic prosperity was achieved in the first two years with growth rates of 12% (Zaaier 1998), this was followed by a drop in growth rates to 3% in the late 1980s (Zaaier 1998) causing the economic growth to slow down (Ndlovu 1994; MacLean 2002; Munangagwa 2009). While Helmsing (1999) attributes this economic decline to the drought experienced shortly after independence, the aforementioned ideological conflicts were also behind the decline.

The ideological conflicts were both internal and international in nature. At the attainment of independence, the white industrialists were sceptical of the idea of socialists taking over a capitalist economy. This created tension between industrialists and workers on one hand, and government officials on the other. The new government believed in state or public ownership of the means of production, and the redistribution of the wealth among the citizens – the very principles the white industrialists were against. The industrialists believed in private ownership of the means of production and profit maximisation. As such, socialist policies were a threat to capitalistic beliefs and practices. The white industrialists therefore started to slowly move their capital to other countries, and withhold further investments, as they regarded the new independent country to be an 'unsafe' investment destination. On the international platform, the new government leaders faced challenges in getting support from global development agencies, mainly the Bretton Woods Institutions that strongly supported capitalism instead of socialism. Access to loans and development grants was therefore limited.

In terms of policies, the new government introduced a policy of reconciliation that was inspired by nationalist agendas of nation building (Bratton & Masunungure 2011; Zhou & Zvoushe 2012). The policy of reconciliation was meant to foster forgiveness amongst races in light of crimes and injustices committed during the colonial era and the subsequent liberation struggle. Furthermore, the policy aimed to restore togetherness in rebuilding the country. However, the policy could also be viewed as a way for the socialist government to try and convince mainly the white minority to support government development efforts. Notwithstanding this, Ingham-Thorpe (1997: 487) noted that, white Zimbabweans “were not, and did not feel obliged to integrate ... into the new Zimbabwe.” Nevertheless the process of reconciliation was an important starting point for building a nation with citizens united behind a common goal of achieving national development.

In 1981, the Government of Zimbabwe (GoZ) introduced the Growth with Equity (GWE) policy (Bratton 1981; Sylvester 1985; Stoneman 1990; Carmody 2008; Bratton & Masunungure 2011; Zhou & Zvoushe 2012), meant to address social and economic inequalities that were rampant in Rhodesia (Sylvester 1985; Zhou & Zvoushe 2012). Accordingly, both the GWE and the Transitional National Development Plan (see Appendix B) implemented immediately after independence, envisaged an annual growth rate of 8% with manufacturing as the leading sector (Bratton 1981; Sylvester 1985). Furthermore government supported the protectionist policies that encouraged import substitution (Bratton & Masunungure 2011). The principles that informed these policies were preservation and the expansion of production, redistribution of incomes and services, and redistribution of assets in some sectors (Bratton 1981). However, this ideological shift from capitalism to socialism was the root cause of the tension between white industrialists and the new government leaders, and the economic decline that was to follow. To the industrialists, a society that is socialist and egalitarian was counter-productive and could not preserve and expand production. Moreover the new government did not clearly define whether redistribution of incomes and services (Bratton 1981) meant enriching ‘those who do not have’ by ‘dispossessing those who have’. In as much as the new government wanted to achieve social development, its policy orientation overshadowed any economic development.

After independence industrialisation was prioritised as a driver of economic development (Stoneman 1990). Increased government intervention in industrial development was witnessed through investments in companies such as CAPS, Zimpapers, Heinz-Olivine, and Zimbank (Stoneman 1990). However, government had to cut imports in order to save scarce foreign currency (Zaaijer 1998). This turned out to be devastating for businesses since this move hamstrung their ability to import sufficient raw materials (Zaaijer 1998) and forced them to operate below capacity. Added to this, the scarcity of foreign exchange reduced investment levels as investor confidence diminished (Zaaijer 1998) thus negatively affecting the overall industrial production (Thompson 1983). As such, the period 1980 to 1989 was characterised by a lack of meaningful industrial investment (Helmsing 1999). Neither the National Transitional Development Plan nor the First Five Year National Development Plan produced the expected growth in industrialisation. For Zimbabwe, the years from 1980 until 1990 was therefore characterised by moderate economic growth and rapid social development (Bratton & Masunungure 2011). Development was mainly in the form of construction of new schools and the provision of infrastructure in remote areas in line with the government's socialist drive. Primary schools enrolment (catering those of the school-going age) nearly reached 100% while 80% of eligible students were able to proceed to secondary schools (Bratton & Masunungure 2011).

The end of the first decade was characterised by a call for the gradual adoption of trade liberalisation (Bratton & Masunungure 2011). The idea was to enable the renewal of plant and equipment in industries and also to revive the competitiveness of industries in export markets (Bratton & Masunungure 2011). Firm resilience was heavily compromised as production levels declined compared to the period immediately after independence. The main shocks were the change of policy from capitalism to socialism and the shortage of foreign exchange. Additionally the newly elected government was spending without building or replenishing the foreign exchange reserves left behind by the Rhodesian government. Political graft also characterised the spending of government. The shortages were furthermore aggravated by reduced export earnings due to the slowdown of growth in industrial operations. These factors all contributed to a general decline in growth rates of the economy as a whole.

4.2.3 Neo-liberalism phase (1990-1999)

The decade from 1990 to 1999 was characterised by neo-liberalisation (Zaaijer 1998; Bhalla et al. 1999; MacLean 2002; Masaka 2003; Davies 2004; Raftopoulos & Phimister 2004; Munangagwa 2009; Bratton & Masunungure 2011; Zhou & Zvoushe 2012). The shift was as a result of international pressure to adopt market friendly policies and because there was a need to respond to the domestic calls to end foreign exchange controls (Raftopoulos & Phimister 2004). The international pressure was mainly from the Bretton Woods Institutions that were promoting neo-liberal economic policies. At a local level, Zaaijer (1998: 12) noted that, “industry in Zimbabwe was very much backward. In some manufacturing sectors competition had been absent for many years, which caused products to be outdated and of low quality.” These pressures motivated the adoption of structural adjustment programmes (SAPs).

In 1991, Zimbabwe introduced the Economic Structural Adjustment Programme (ESAP) (Meisenhelder 1994; Bhalla et al. 1999; Helmsing 1999; Kawewe & Dibie 2000; Munangagwa 2009; Bratton & Masunungure 2011; Zhou & Zvoushe 2012; Ndiweni & Verhoeven 2013; Mlambo 2017) to address the economic challenges of the 1980s (Zhou & Zvoushe 2012). The ESAP’s targets were economic recovery and the achievement of sustained growth (Munangagwa 2009). These targets were supposed to be attained through budget reforms, by boosting the private sector, and through trade liberalisation (Munangagwa 2009). However, adopting the SAPs symbolised the abandonment of socialist ideologies (Zaaijer 1998). Likewise, the move also revealed the neo-liberalistic overtones that were masked by the ruling party’s socialist rhetoric (Davies 2004).

The effects of ESAP (see Appendix B) were negative, not only to the manufacturing industrial base of the country (Mlambo 2017) but also to the economy as a whole (Zaaijer 1998; Davies 2004; Raftopoulos & Phimister 2004). The poor performance of ESAP was partly linked to the failure of the socialist government to properly implement free market policies. The fact that the policy was neo-liberal cannot be fully linked to its failures in Zimbabwe. The colonial government managed to sustain and even grow the economy under sanctions because it was

committed to neo-liberalism. The difference in terms of commitment to neo-liberalism was evident in the independent Zimbabwe. The new government struggled to sustain or grow the economy even after the removal of sanctions. The government linked neo-liberalism to colonialism. As such, abandoning capitalism in favour of socialism was thought to be a total defeat of colonialism (Geyer 2006). However, shifting the economy from capitalism to socialism proved to be a mammoth task. Even after realising that there is a need to revert back to capitalism (or a mixture with socialism), government had mixed feelings. On one hand, some officials believed that pursuing socialism was the best strategy, while others were in favour of capitalism. Accordingly, it was difficult for the ESAP to stimulate growth while having to deal with disagreements, not only in the implementation but also amongst the implementers.

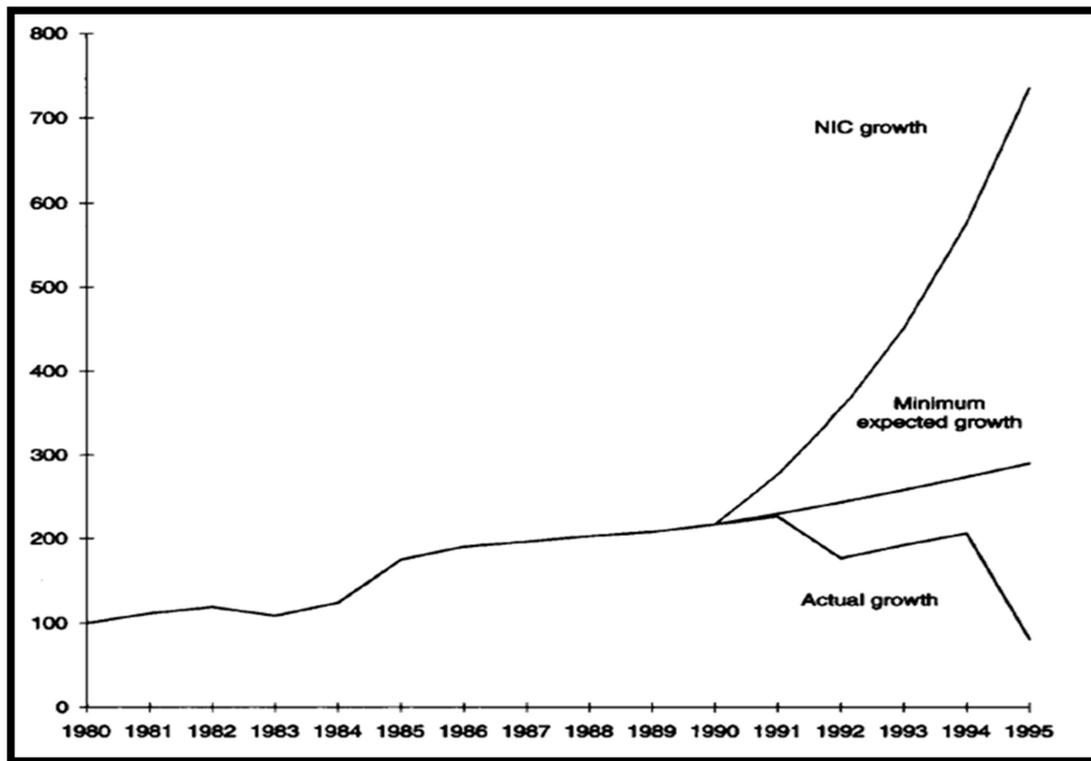
The drought that was experienced in Southern Africa in the early 1990s (Bhalla et al. 1999; Helmsing 1999; Kawewe & Dibie 2000; MacLean 2002; Bratton & Masunungure 2011; Mlambo 2017) exacerbated socio-economic decline linked to ESAP. In ESAP's year of inception, an estimated 1.7 million people were gainfully employed, however this figure was reduced to 1.2 million by 1996 (Zaaijer 1998). Besides that, rampant strikes and mass industrial actions affected the operations of the business sector during this period. With the industrial actions the Zimbabwean citizens uttered their rejection of the neo-liberal policy. They were also uncomfortable with the reduction in government budget that would culminate in cutting down the civil service by 25% over a five-year period (Zaaijer 1998). In addition, fees for health and education were introduced, causing a strain mainly on the poor majority who then became restive. All of these factors played a role in the downturn of the growth of Zimbabwean industries.

Liberalisation exposed the weak and unprepared local manufacturing industry to stiff foreign competition (Carmody 2008; Munangagwa 2009). The most affected firms included those that enjoyed state subsidies and protection, especially the firms in the manufacturing industry. Notwithstanding this, the industry had already been negatively affected by almost a decade of policy inconsistencies and tensions between industrialists and the new government leaders. Instead of concentrating on improving production systems, the white industrialists spent the first

decade speculating on the future of the country. Some adopted a ‘wait and see’ attitude, closely assessing how they were going to be affected by government policy changes. Others did not want to risk losing their capital and started moving their investments out of Zimbabwe though it was not an easy process. This further weakened the manufacturing industry.

Local manufacturers, especially those in the clothing industry, were affected by not only fierce competition from cheap imports from other countries such as China (Carmody 2008; Munangagwa 2009), but also by a decline of the wages of their consumers (Munangagwa 2009). While local production costs increased significantly, imports became cheaper and cheaper. It was difficult for most industries to access loans for re-modernisation or retooling since the cost of capital was too high (Zaaijer 1998). The interest rates recorded in 1994 and 1995 were 35% and 27% respectively (Zaaijer 1998). Old machinery in manufacturing industries, coupled with a lack of competition over a period of time, resulted in the production of low-quality goods that could not compete with cheap imports from other countries (Zaaijer 1998). Other challenges noted by Mlambo (2017: 105) include, “inadequate infrastructure ... insufficient and expensive electricity, limited telecommunications capacity, and an inefficient and inadequate railway transport system, as well as liquidity challenges.” Consequently, around 1994, the decline of the textile, clothing, and footwear industries were setting in (Carmody 2008) followed in 1996 by large-scale industrial closures, mainly in the textile industry. The sharp decline of production output is shown in Figure 4.1.

The sharp decline in output led to the downsizing of some companies or companies that completely closed down (Mlambo 2017). This turn for the worst by the textile industry could be attributed to how difficult it was for the industries in Zimbabwe to adapt to ESAP, mainly because, compared to international standards, their technological capabilities were poor (Carmody 2008). It is also possible that the insufficient technological capabilities of Zimbabwean industries could further be ascribed to the protection these industries received from governments during the pre- and post-independence periods. At the same time, and in sharp contrast, the positive growth in the textile industry in Southeast Asia’s newly industrialising countries (NICs) is illustrated as the NIC curve in Figure 4.1.



Source: CSO; UNIDO; Zimbabwe (in Carmody 2008: 325)

Figure 4.1 Output growth in textile industry in Zimbabwe

To address the industrial decline and to attract foreign investment, government introduced Export Processing Zones (EPZs) in line with the EPZ Act of 1995. Foreign investors were offered tax exemptions and duty-free imports of raw materials and capital goods (Bhalla et al. 1999) as a way of luring them to invest in Zimbabwe. However, the economy per se did not regain its momentum, as did the manufacturing industry. The major factor behind this was the continued existence of operational restrictions in the country at the time (Bhalla et al. 1999). These restrictions included limited freedom in the repatriation of capital and profits, pressure exerted by government on foreigner investors to partner with local ones, and the central bank's restrictions on domestic borrowing (Bhalla et al. 1999). Foreign investors could only purchase a maximum of 25% of the total equity in a company while individual investors were afforded a meagre 5% (Bhalla et al. 1999). Luring foreign investors with such restrictions in existence became increasingly difficult.

To address the failure of the EPZs, the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) was adopted. However, ZIMPREST got off to a bad start as there was a two-year delay before the programme could be implemented in 1998, (Zhou & Zvoushe 2012; Raftopoulos & Phimister 2004) instead of running from 1996 (Munangagwa 2009). Its implementation was preceded by an acute economic and political crisis in 1997 following the payment of gratuities to war veterans. Each of them was paid a lump sum of 50 000 Zimbabwean dollars (ZWD)⁹ and offered a monthly pension of ZWD2000 for life (Kriger 2005). By that time, US\$1 was equivalent to between ZWD12.50 and ZWD16.50. This meant that a lump sum of ZWD50 000 was equivalent to an amount of between 3000 and 4000 United States dollars, making the total gratuity package approximately ZWD5 billion (Kriger 2005). Since this amount was not budgeted for, the central bank had to print money to meet this demand. The resultant effect was a sharp decline in the value of the Zimbabwean dollar reaching one of its lowest levels on 14 November 1997 (Davies 2004). Following this crisis, it was expected that ZIMPREST would stabilise the macro economy, alleviate poverty amongst citizens, facilitate internal savings, and promote investment¹⁰ (Bhalla et al. 1999; Zhou & Zvoushe 2012). Yet, despite the efforts of ZIMPREST to recover the Zimbabwean economy, the downward economic trend persisted.

Notwithstanding the plummeting of the economy in 1997, Zimbabwe got involved in the 1998 Democratic Republic of Congo (DRC) war (Davies 2004; Raftopoulos & Phimister 2004; Munangagwa 2009; Bratton & Masunungure 2011; Mlambo 2017). The then president of the DRC, Laurent Kabila, was fighting rebel groups in his country who were allegedly backed by Uganda and Rwanda. Zimbabwe joined the war and sent troops to fight alongside Kabila's government. However, the economy did not benefit much from the participation in the war even though the Zimbabwean government encouraged its entrepreneurs to exploit opportunities in the DRC market (Raftopoulos & Phimister 2004). In fact, involvement in the DRC war aggravated

⁹ ZWD denotes the Zimbabwean currency used after independence and was demonitised in 2008. The new Zimbabwean currency is denoted by ZWL.

¹⁰ See Appendix B for more targets and ZIMPREST's effects on the economy.

the decline of the already struggling economy in Zimbabwe. Huge amounts of money were required to fund Zimbabwe's participation, this in turn created additional budget deficits and a shortage of fuel in the country. Fuel shortages then negatively affected the competitiveness of manufacturing industries due to the diminishing of their productivity.

4.2.4 Rapid economic decline phase (2000-2008)

The economy during the period of 2000 to 2008 was characterised by political chaos and policy inconsistencies. The crisis in this decade can be attributed to unsteady economic management, loosely controlled government spending, and heavy borrowing (Bratton & Masunungure 2011). The main strategy during this era was the survivalist agenda of the ruling ZANU PF party. Accordingly, substantial amounts of money were used for party business at the expense of government programmes. These factors resulted in a ballooning debt, high rates of currency and deficit-induced inflation levels, and excessive interest rates (Bratton & Masunungure 2011; Zinyama & Takavarasha 2014). During this phase, the central bank developed the habit of printing money occasionally to fund both government and ruling party programmes. Most of these programmes were meant to help the ruling party remain in power (as will be seen in the following paragraphs). The outcome of the increased money supply, then led to an increase in the prices of commodities.

The persistent economic challenges in Zimbabwe reduced political support for the ruling ZANU PF. In a move meant to consolidate political popularity amongst agitating war veterans and the rural masses, government adopted a Fast Track Land Reform Programme (FTLRP) in the year 2000 (Davies 2004; Zhou & Zvoushe 2008; Munangagwa 2009; Bratton & Masunungure 2011; Mlambo 2017). The major factor underpinning this programme as posited by government, was the need to address the land imbalances in terms of ownership and created by the colonial rule. After the attainment of independence, 6000 white commercial farmers were occupying 15.5 million hectares, and 8500 small-scale African farmers possessed 1.4 million hectares. This left approximately 700 000 indigenous households settled on only 16.4 million hectares (Sachikonye

2003). The FTLRP was based on compulsory acquisition, with compensation paid only for the developments that were done on the acquired land. In 2001, the initial target of compulsorily acquiring 5 million hectares of land for the resettlement of 91 000 families, had changed to the acquisition of 8.3 million hectares to resettle 160 000 families on small-scale farms (A1 model) and 54 000 families on medium- and large-scale farms (A2 model) (Sachikonye 2003). This target further increased to 11.4 million hectares, with an estimated 300 000 families that had to be resettled under the A1 model by October 2002 (Sachikonye 2003).

The FTLRP was highly political (Sachikonye 2003) as ZANU PF was losing grip on power. The newly formed Movement for Democratic Change (MDC) was fast gaining popularity and support from the general citizenry. As such, the FTLRP was ZANU PF's counter-strategy to regain the trust and support of the masses. The majority of beneficiaries were mainly the supporters and sympathisers of the ruling ZANU PF though ordinary peasants also benefitted (Scoones et al. 2011). However, the programme was violent and chaotic in nature. Politically backed youths and 'war veterans'¹¹ invaded and displaced white farmers from 'their' land without following due procedure. The invasions resulted in the death of more than 150 people, including farm workers and 13 white commercial farmers (Kibble & Vanlerberghe in Sachikonye 2003). In addition, 200 000 farm workers (i.e. approximately two thirds of the total farm workforce at the time) lost their jobs and approximately 100 000 primary school children became dropouts as their schools were closed down (Sachikonye 2003). The new beneficiaries had no capacity to re-open closed schools or health facilities (Sachikonye 2003). Overall, by the year 2002, 90% of white commercial farmers had lost their farms to the state (Sachikonye 2003). The invasions by beneficiaries had an immediate declining effect on agricultural production levels (Mlambo 2017; Malinga 2018; Southall 2018). The collapse of agriculture also affected the operation of manufacturing industries (Mlambo 2017) that had forward and backward linkages with the agricultural sector. The FTLRP had a negative effect on the economic base of the country. It was clear that the implementation of the FTLRP was shocking and affected many lives well after its implementation.

¹¹There was lack of authenticity as to who exactly was a war veteran at the time (Kriger 2003). However, the term is used here to refer to the members of the Zimbabwe National Liberation War Veterans Association (ZNLWVA). This group was at the forefront of invading and resettling themselves on white-owned farms during FTLRP.

After the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) failed to revive the economy, government introduced the Millennium Economic Recovery Programme (MERP) in 2000 (Carmody & Taylor 2003; Raftopoulos & Phimister 2004; Bratton & Masunungure 2011), with almost similar objectives to those of the ESAP and ZIMPREST (Nyoni 2018). The programme was meant to achieve an all-stakeholder effort in implementing reforms that would restore macro-economic stability (Sachikonye 2000). Its targets included a reduction of the budget deficit to 3.8% of GDP and spending 25% of the total expenditure on capital projects (Nyoni 2018). However, like ZIMPREST, MERP and its successor, the National Economic Revival Programme (NERP) were both quickly abandoned in succession. NERP was meant to restore economic stability and to provide humanitarian support to the general citizens following the drought that had occurred in 2000 (Nyoni 2018). Key strategies included the devaluation of the Zimbabwean dollar (in order to introduce an export support exchange rate) and easing price controls (OECD & AfDB 2004). The exchange rate, for instance, was reduced to US\$1 to ZWD824 from the previous rate of US\$1 to ZWD55 (OECD & AfDB 2004).

Both the MERP and NERP failed to achieve their intended objectives (see Appendix B). The percentages of the total budget that were set aside for capital projects from 2000 to 2003 remained way below 25% as envisaged in MERP, ranging around 8%, 4%, 8.1% and 11.7% respectively (Nyoni 2018). On the other hand, NERP failed to provide a clear roadmap that could be followed to address the macroeconomic imbalances and shortcomings in the productive sectors (OECD & AfDB 2004). In between MERP and NERP, the then President Robert Mugabe announced a Ten Point Plan (TPP) that was meant to link the land occupations resulting from the land reform programme to the broader economic framework (Raftopoulos & Phimister 2004). The major pillars of this plan were economic growth anchored on agriculture and the accumulation of indigenous capital (Raftopoulos & Phimister 2004). However, nothing much was done to link the plan to any budgetary and policy decisions. Instead decisions taken were reactionary and mainly benefitted those in the higher echelons of power in the ruling ZANU PF party (Raftopoulos & Phimister 2004). Consequently, a significant black elite emerged who benefitted from the ZANU PF patronage system (Raftopoulos & Phimister 2004). These black elitists were given preferential treatment in terms of access to bank loans (used mainly to

takeover declining companies) and foreign exchange (Raftopoulos & Phimister 2004) and caused a further decrease in investor confidence.

Government policy inconsistencies, political mayhem, and government over-spending (Munangagwa, 2009) were also behind economic decline between 2000 and 2008. Government's policy direction was difficult to discern. Most policies (e.g. MERP, TPP and NERP) were implemented and prematurely abandoned. The need by the ruling party to retain power especially after the disputed 2002 and 2008 presidential elections resulted in increased brutality against the members of opposition parties. As was previously mentioned, government spending during this period was mainly directed towards keeping the ZANU PF party in power. As an example, government funds were utilised on campaign materials (especially ploughs and tractors) bought under the Farm Mechanisation Programme (FMP) and were distributed on a political party basis. The FMP was implemented by the central bank in order to support mechanisation efforts in new farms created after FTLRP, however most of those who received ploughs and tractors failed to use them productively and improve agricultural productivity of their newly acquired farms. Overall, these events further soiled the image of Zimbabwe as an investment destination.

The effect of loosely controlled government spending fuelled hyperinflation which in turn led to the crash of the local currency in 2008 (Munangagwa 2009; Pillossof 2009; Bratton & Masunungure 2011; Mukuhlani 2014; Mlambo 2017). During this period, political instability worsened and resulted in an increase in the flight of foreign investors (Munangagwa 2009). The risk, instability, and unpredictability associated with the prevailing environment acted as push factors driving investors away (Munangagwa 2009). Furthermore, the hyperinflationary environment forced many manufacturers to close down their businesses due to huge losses. Most of the companies that remained operational were operating below capacity as foreign currency shortages, prolonged and regular electricity supply interruptions, and, outdated and malfunctioning plant and machinery became rampant (Zinyama & Takavarasha 2014).

Overall, the policies and government interventions for the period 2000 to 2008 only worsened the economic meltdown (Bratton & Masunungure 2011). Then, in 2008, in spite of the economic

decline, the Zimbabwean government introduced the Indigenisation and Economic Empowerment Programme (IEEP) which was provided for in the Indigenisation and Economic Empowerment Act 14 of 2007. This programme was meant to improve the participation of the indigenous people in the national economy through increased business ownership (Zhou & Zvoushe 2012). The IEEP expected investors to give up to 51% of a company's shareholding to the locals but was regarded as too steep a price to pay and was tantamount to disempower foreign investors (Zhou & Zvoushe 2012). It was thus no surprise that the IEEP also negatively affected the image of Zimbabwe as an investment destination. Accordingly, the IEEP was one of the programmes that further scared off potential investors (Kramarenko et al. 2010). The consequences were damaging, mainly to the industrial sector which was severely affected. Hopes of the manufacturing industry recovering from this economic shock were slim as the political and economic policy interventions failed to turn around the economic downturn in the country. Due to the socio-political and economic challenges that followed the failure of economic policies implemented by government (Ndiweni & Verhoeven 2013) the informal sector expanded as Zimbabwean citizens sought alternative activities to help them eke out a living as the chances of doing so in the formal sector became less and less.

4.2.5 A liberalised economic phase (2009-2018)

A time of stability, albeit short-lived, was experienced in the Zimbabwean economy after a government of national unity (GNU) introduced the multi-currency system under the Short Term Emergency Recovery Programme (STERP) in 2009 (Mukuhlanzi 2014; Zinyama & Takavarasha 2014; Mbira 2015; Mlambo 2017; Malinga 2018; Southall 2018). The country demonetised the Zimbabwean dollar and adopted a basket of currencies that included the United States Dollar (USD) and the South African Rand (ZAR). This system curbed inflation (Bratton & Masunungure 2011; Sibanda & Dubihlela 2013; Mukuhlanzi 2014), which, in October 2008, had reached a level of 231 051% (Sibanda & Dubihlela 2013). However, as the government stopped filing official inflation statistics at the time, that number is not necessarily a reflection of the true inflation at that time. Unofficially, it is estimated that the month-over-month inflation rate reached 79.6 billion (79 600 000 000) per cent by November 2008 while the year-over-year

inflation rate recorded in the same month was 89.7 sextillion (89 700 000 000 000 000 000) per cent (Hanke & Kwok 2009: 355).

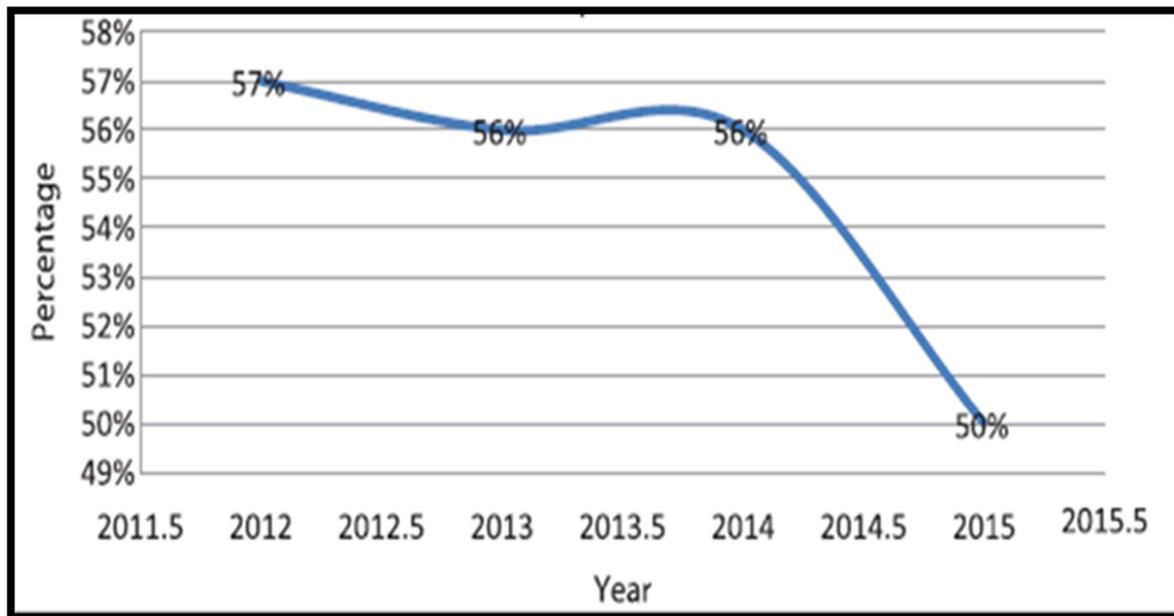
The period preceding the GNU was characterised by a declining capacity utilisation amongst industries in the country (Mukuhlanani 2014). Emanating from this, Sibanda & Dubihlela (2013: 110) noted that: “The coalition government that took over the reins of power in 2009 promulgated a more stable and liberalised economic environment ... the capacity utilization in manufacturing rose from less than 10% in 2008 to nearly 30% in 2010.” STERP was thus meant to address the socio-economic challenges brought about by the economic crisis (Zinyama & Takavarasha 2014) experienced in the previous years. It was meant to promote production and also increase the capacity of key economic sectors, especially agriculture, mining, manufacturing, and tourism (GoZ 2009). Inflation was mainly controlled through the use of the multi-currency system with the ZAR as the reference currency. The South African Rand was however overtaken by the USD, which became the principal currency. The use of multiple currencies was permitted in all transactions in the country including business transactions, stock exchange trading, payment of taxes, and payment of salaries (GoZ 2009). Thus, inflation was reduced through relating the inflation rates of those countries that provided anchor principal currencies, especially USA and South Africa. The GNU also maintained strict fiscal discipline and increased accountability. Efforts were made to strictly monitor government spending so that budget deficits could be avoided or at least minimised (GoZ 2009).

The launch of STERP in 2009, followed by STERP II (see Appendix B) in 2010 brought about some positive changes in the economy, especially concerning government revenues (GoZ 2010; Kramarenko et al. 2010). Economic recovery was witnessed in the country with the revival of manufacturing industries being apparent. There was renewed confidence among local and foreign investors after the currency reforms that took place in 2009. Some of STERP II's main objectives were sustaining macro-economic stabilisation and the promotion of foreign investment complemented by domestic savings and investment that is above 20% of the GDP (GoZ 2010). The GNU period raised hopes for a meaningful and sustained economic recovery in Zimbabwe. However, the coalition ended in 2013 when ZANU PF recorded a landslide victory

in the national election. This outcome was received with scepticism by investors who lacked confidence in a ZANU PF-dominated government. Thus, immediately after the election, another period of economic collapse set in (Mlambo 2017).

Following the July 2013 elections victory, the ZANU PF-controlled government launched the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset) plan which was meant to be operational from October 2013 to December 2018. According to GoZ (2013: 6), this economic blueprint was meant “to achieve sustainable development and social equity anchored on indigenization, empowerment and employment creation ... largely propelled by the judicious exploitation of the country’s abundant human and natural resources.” Zim Asset therefore signalled a shift from agriculture to a mineral resource-backed economy (Malinga 2018). Emphasis was on endogenous growth, cognisant of the availability of abundant mineral deposits and a strong human resource base (GoZ 2013). In line with Hirschman’s (1958) concept of social overhead capital, Zim Asset envisaged building and rehabilitating infrastructure and utilities as enablers of economic growth (GoZ 2013). Accordingly, building and rehabilitation projects were planned in all types of infrastructure including, but not limited to, energy, transport, water and waste water, and information communication technology.

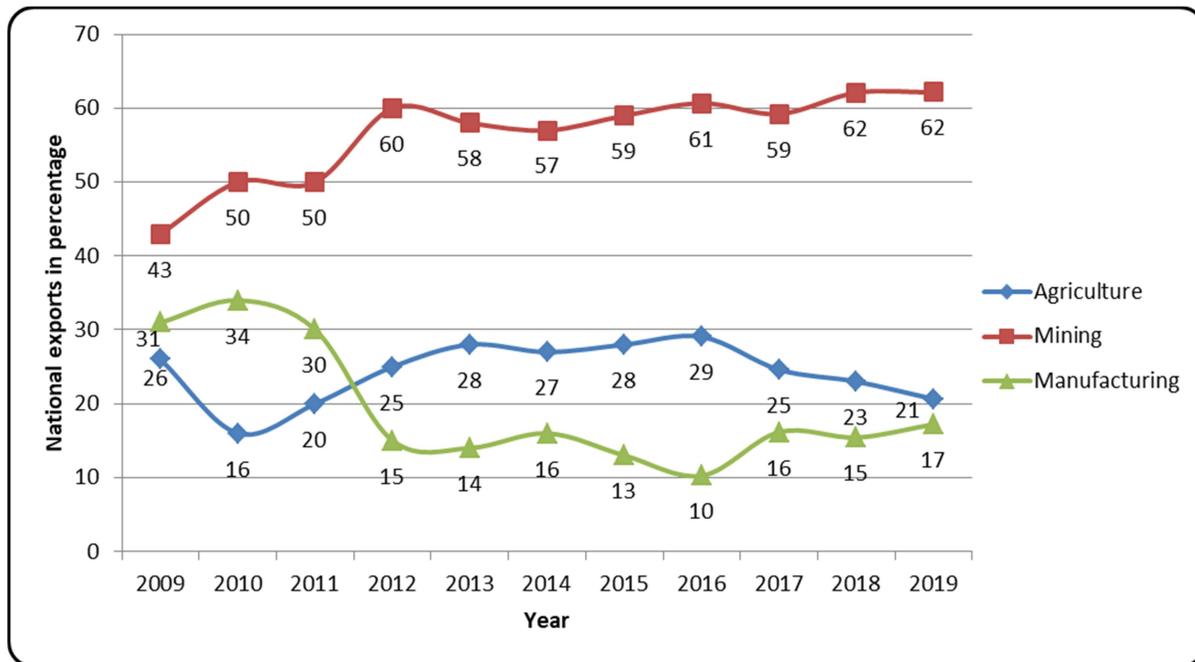
Zim Asset encouraged value addition and beneficiation as a way of increasing the benefits of production and export of goods and services. Activities lined up to support this initiative included, the establishment of diamond cutting and polishing centres, and also agro-processing projects such as canning of fruits and vegetables (GoZ 2013). In 2009, the government partnered with international companies and started formal diamond mining. However, it seems that the mining sector failed to deliver economic recovery (Malinga 2018). The mining and handling, especially of diamonds, initially became a state secret with no transparency on quantities mined and sold. The revenue of the sale of diamonds was also not properly accounted for. The contribution of the mining sector to national exports started declining around 2014 and is shown in Figure 4.2.



Source: Malinga (2018: 88)

Figure 4.2 Contribution of the mining industry to national exports

From 2014 until the start of 2015, the contribution of the mining sector to national exports dropped from 56% to 50%. This trend can be explained in different ways. Firstly, the contribution of diamonds to the earnings of the mining sector dwindled. The shrinkage was attributed to the exhaustion of diamond deposits that were found on the surface (or near the surface) and were thus easy to mine. With the exhaustion of the surface deposits it became difficult and time-consuming to mine deposits deep in the ground. The difficulties experienced were attributed to the lack of adequate mechanisation in the diamond mining industry. As a fairly new industry, proper machinery and mining equipment were not fully installed. However, in spite of the drop in its contribution to national exports, the mining sector performed better compared to sectors such as agriculture and manufacturing (Malinga 2018). A comparison of these sectors is shown in Figure 4.3. The mining sector has continued to dominate national exports followed by agriculture, and manufacturing, respectively. Of the three sectors, the manufacturing sector shows a significant decline between 2011 and 2012 with its contribution to national exports being the lowest in 2016.



Source: Reserve Bank of Zimbabwe (2020)

Figure 4.3 Sector contribution to exports in Zimbabwe, 2009-2019

Apart from economic stagnation one of the biggest challenges for the economy of Zimbabwe has been the political interferences in the mining industry (Malinga 2018). The subsequent decline in the mining industry's contribution to national exports, negatively affected the country's foreign earnings. However, an improvement has been recorded between 2017 and 2018 as shown in Figure 4.3.

The period from 2013 to 2016 was marked by further policy discord. According to Raftopoulos (2014: 97) "mixed policy messaging of the Mugabe regime can be attributed both to the challenges of seeking fuller international re-engagement while holding on to its empowerment programme, and the tensions within ZANU-PF about how to proceed with such a re-engagement." Attempts have been made to re-engage the West, though cynicism remained very high in the Western community. The re-engagement process proved to be difficult because the Mugabe regime could not 'truly' reform. The regime did not want to abandon, or at least amend, restrictive policies or programmes such as the IEEP previously discussed. As such, manufacturing activities remained low in the country (RBZ 2016) and a further decline in capacity utilisation from 36.5% in 2014 to 34.3% in 2015 was experienced (RBZ 2016). In

addition the Reserve Bank of Zimbabwe (RBZ) (2016: 18) noted that, “a total of 6 companies were placed under judicial management, while 13 were liquidated during the first quarter of 2016, compared to 11 and 17, respectively, during the same period in 2015.” This trend shows that industries have continued to face operational challenges in Zimbabwe.

Then in 2016 the Statutory Instrument (SI) 64 of 2016 was passed to provide relief to the local industries (Confederation of Zimbabwe Industries – CZI 2017) that were struggling to withstand stiff competition from imports. The SI prohibited the importation of products that are locally produced in quantities enough to meet the local demand. Other statutory instruments that were passed to control goods that could be imported under the general open import licence, include SI 18, SI 19, and SI 20, all of 2016 (CZI 2017). These statutory instruments (including SI 64 of 2016) were combined under a single statutory instrument, namely SI 122 of 2017, that stipulated all the products for which both import and export licences were required (CZI 2017). These statutory instruments were effective in increasing capacity utilisation and retooling amongst industries (CZI 2017). Since the importation of basic commodities produced locally was prohibited, capacity utilisation improved as the demand increased for locally produced goods. With improved earnings, some industries were able to retool and expand their operations. However, challenges that remained include decreasing demand for domestic products, stiff competition from cheap imports, liquidity problems, and capital constraints (CZI 2017).

The changes in capacity utilisation of industries in different subsectors are shown in Table 4.2. While the metal and metal products subsector has registered increases in capacity utilisation from 2016-2019, others experienced sharp decreases, such as the transport subsector. Notwithstanding government efforts to protect local industries, industrialists felt that the level of protection was insufficient (Mlambo 2017). Additionally, it was felt that local manufacturing companies were less competitive on regional and global markets because of the high import duty, taxes, and tariffs that were levied by the government (Mlambo 2017). Consequently, Zimbabwe recorded more imports than exports in the last quarter of 2017. South Africa accounted for 40.5% of Zimbabwe’s imports (RBZ 2018).

Table 4.2 Average capacity utilisation by subsectors

Subsector	Average capacity utilisation (%)				
	2016	2017	2018	2019	2020 Projection
Non-metallic mineral products	57.5	33.2	35	49	30
Wood and furniture	57.8	45.2	50	47.2	32
Clothing and footwear	46	50	44	44.1	25
Metal and metal products	37.5	37.1	41	41.4	31
Drinks, tobacco and beverage	52.4	51.2	60	37.6	28
Food stuffs	56.1	56.3	58	37.1	29
Chemicals and petroleum products	43.6	36.1	33	35.5	23
Paper, printing and publishing	52.9	52.2	50	34	35
Textiles and ginning	-	-	50	25	20
Other manufactured goods	43	45.8	51	24	27
Transport, equipment	45	39.3	10	13.3	13

Source: Adapted from CZI (2019)

The ousting of Robert Mugabe as the president of Zimbabwe in November 2017 and his subsequent replacement by Emmerson Mnangagwa brought hope to Zimbabweans for economic development (Southall 2018). The new government has introduced the Transitional Stabilisation Programme (TSP) together with Special Economic Zones (SEZs) as a way of reviving the economy that was continuing in a downward spiral. The establishment of the SEZs, was also meant to lure international investment (Southall 2018). However, it is yet to be seen whether these policies will manage to achieve economic recovery. The immediate effects of TSP and SEZs are discussed in Chapters 6 to 10.

4.3 AN OVERVIEW OF ECONOMIC DEVELOPMENT IN BULAWAYO

The majority of main urban centres in Zimbabwe, including Bulawayo, are located along major transport routes for reasons that include easy accessibility to markets, industrial conglomeration,

and communication (Patel 1988). The location was meant to enhance trade by facilitating the cheap movement of goods and raw materials from one area to another. Due to the development of its road and rail networks, the majority of the largest industries in Zimbabwe were traditionally located in Bulawayo. In the early 1950s, textile manufacturing was one of the leading industries in Southern Rhodesia (Mlambo & Phimister 2006) and it was during this time, that the majority (47%) of these textile industries were located in Bulawayo (Mlambo & Phimister (2006: 150). Zaaier (1998: 23) also noted that: “The city has always been the citadel of the textile industry with 5 of the 8 largest textile manufacturers based here, such as Merspin, Cotton Printers, Security Mills.” As such, Bulawayo was the industrial capital of Zimbabwe (Zaaier 1998; Mbiba & Ndubiwa 2006; Mbira 2015) before being overtaken by Harare (Helmsing 1999).

The industrial agglomerations in Bulawayo were dominated by family businesses. Accordingly, Helmsing (1999: 7) noted that: “Most sectors [were] dominated by family owned businesses. Their owner/managers ... often [had] technical rather than financial orientation.” This lack of financial orientation is seen as one of the weaknesses that compromised the resilience of the firms and also the economy of Bulawayo in general. It is difficult for those with only technical orientation to sustain the continual growth of industries, especially when confronted with economic shocks and/or stresses. A combination of technical and financial orientations would have improved the industries’ ability to adapt.

In 1980, both Harare and Bulawayo accounted for nearly 70% of the total manufacturing industry (Ndlovu 1994), with the industrial sector’s employment that ranged between 70% and 76% (Ndlovu 1994; Zaaier 1998). In 1990 Bulawayo alone was able to contribute 25% to 30% of the country’s GDP (Zaaier 1998) even though the early post-independence economic boom did not trigger much change in the city’s economy (Helmsing 1999). The manufacturing sector used to represent 38% of the total employment in Bulawayo, followed by the construction and education sectors respectively (Helmsing 1999). It can thus be said that the manufacturing industry was at the centre of the Bulawayo’s economy.

The implementation of ESAP exposed industries in Bulawayo to stiff competition from cheaper and better-quality imports from countries in Africa and Asia (Helmsing 1999). Consequently, at the onset of the 1990s a period of decline set in resulting in the city's position in national industrial output to diminish from 32% in 1979 to 25% in 1995 (Zaaijer 1998). This led to massive retrenchments, the placement of some companies under provisional liquidation, the delisting of some companies from the stock exchange, and the total collapsing of others (Zaaijer 1998; Helmsing 1999). Industrial closures led to poor economic performance and massive deindustrialisation as well as an increase in unemployment levels. These factors then resulted in the dilapidation of the industrial infrastructure (Parliament of Zimbabwe 2011) and in some cases total abandonment.

In response to the economic threats of the 1990s, manufacturing firms in Bulawayo adopted various strategies including, diversification, downsizing and retrenchment, price reductions and lowering of profit levels, and improvement of production processes (Helmsing 1999). However, for some companies even these strategies could no longer save them from closing down. The post-2000 economic crisis that engulfed the whole country was one of the biggest blows to the industries in Bulawayo as some industries had to relocate to other cities or countries (Mlambo 2017). Being heavily affected had its repercussions as many Bulawayo residents, especially those whose livelihoods were dependent upon the manufacturing industry, were in dire straits (Mbira 2015). In terms of employment, 85% of the manufacturing industries in Bulawayo experienced a decline between 2009 and 2014 (Mbira 2015). Only 6% of the industries managed to maintain their employment levels while 9% experienced an increase (Mbira 2015). In light of this, only a few industries have shown economic resilience. The majority failed to adapt to the prevailing economic crisis.

The employment patterns of the manufacturing industries were similar to their capacity utilisation trends. Mbira (2015) found that 70% of the manufacturing industries experienced a decline in capacity utilisation, whilst 24% experienced an increase in capacity utilisation whereas no changes were experienced amongst the remaining 6%. Thus, using capacity utilisation as an indicator of economic resilience, a total of 30% of the manufacturing industries in Bulawayo

were economically resilient. Six per cent of the industries managed to maintain their capacity utilisation, and 24% achieved an increase in defiance of the on-going economic crisis.

4.4 IMPLICATIONS FOR FUTURE GROWTH

The strength of the Zimbabwean economy during the colonial era laid in its diversity. The economy was anchored on agriculture, mining, and the manufacturing industry. These sectors were interlinked, especially the agricultural and manufacturing sectors. Besides that, diversity was also evident in the goods and services that were produced in the manufacturing sector. This arrangement was advantageous in the sense that the poor performance of one or two commodities on the international market would not easily throw the economy off its growth path. The strength was also buttressed by government intervention in industrial investments, especially in the cotton ginning and iron and steel manufacturing industries. These investments gave a boost to other industrial investments thereby creating a strong industrial base.

Besides the endogenous growth stimuli mentioned in the above paragraph, the remarkable growth of the Rhodesian economy was also influenced by exogenous factors. The sanctions imposed on Rhodesia, for instance, triggered successful import substitution industrialisation. The demand created on the global market by the Second World War, coupled with foreign investment, also benefitted the country. The country was able to attract foreign investors and also immigrants (fleeing from World War II) who acted, not only as investors, but also skilled labour and consumers of the goods and services locally produced. However, the major weakness of the economic arrangement was that it provided too much government protection of industries even though this was a direct response to international sanctions imposed on the country. Over-protection promoted inefficiency and the lack of innovation causing the economy to fail when the protection was lifted.

The foregoing summary of the literature review provides important insights for the future of Bulawayo in terms of its economic and industrial revival. Diversifying both the economy and the industrial base creates an opportunity to bring along stable economic growth and development.

Helmsing (1999) found that the economy was anchored in the manufacturing, construction, and educational sectors which could spell possible weaknesses for economic resilience purposes. The decline in manufacturing can easily affect the construction industry due to the inter-dependence between these sectors. The other strategy option for economic resilience in Bulawayo is foreign direct investment. The city should be able to attract and retain capital and enterprises from other cities at national, regional, and global levels.

4.5 CONCLUSION

This chapter presented a historical account of economic development in Zimbabwe including the growth and decline of the industrial sector. Emphasis was put on how the different programmes and policies influenced the economic resilience of both the economy and the industrial sector. The different phases were covered starting from 1890 to date. The discussion was however not exhaustive in terms of policies implemented during this period. Only those policies that had a direct impact on the growth and development of the economy in general and in the industrial sector specifically, were selected and reviewed. Generally Zimbabwe had one of the strongest economies in Southern Africa at the time of independence in 1980. However, the economy has experienced a significant decline, making Zimbabwe one of the poorest countries in the region. The causes of the economic decline include policy inconsistencies, poor politics, and weak government institutions. The decline in the national economy has negatively affected provincial economies including that of Bulawayo. The metropolis that used to be the industrial hub of Zimbabwe is now characterised by vacant and dilapidating industrial infrastructure after undergoing a prolonged period of deindustrialisation.

CHAPTER 5: RESEARCH METHODOLOGY

“What knowledge is, and the ways of discovering it, are subjective.” (Scotland 2012: 9).

5.1 INTRODUCTION

This chapter details the research methodology that guided the operationalisation of this study. It explains the positivist and interpretivist research philosophies including the research approach and design adopted in the study. An attempt was made to avoid the trap described by Ménacère (2016) as the existence of a die-hard group of researchers who seek to promote a certain research approach by discrediting or understating the importance of alternative approaches. The researcher acknowledges different debates and viewpoints that exist in research literature (Kothari 2004; Crook & Garratt 2005; Runeson & Skitmore 2008; Creswell 2009; 2014; Ménacère 2016; Opoku, Ahmed & Akotia 2016; Creswell & Creswell 2018). However, the need to address the study objectives influenced the choice of research philosophies, paradigms, design and methods adopted in this study.

5.2 RESEARCH PHILOSOPHY AND PARADIGM

The differences between a research philosophy and paradigm are slim and not properly explained in literature. While some scholars treat them differently (Saunders, Lewis & Thornhill 2007a; Ménacère 2016), others argue that there is no difference between the two (Creswell 2009; 2014). However, this study adopts the conceptualisation which separates the two.

5.2.1 Research philosophy

A research philosophy contains vital assumptions about how one perceives the world (Saunders, Lewis & Thornhill 2007a; Ménacère 2016). These assumptions guide the research strategy and also the methods selected. Research philosophies can be differentiated by considering four

factors, which are ontology, epistemology, axiology, and the typical methodology (Saunders, Lewis & Thornhill 2007a; Kivunja & Kuyini 2017).

Ontology refers to those assumptions that relate to the nature of reality, how one views the phenomena under study (Krauss 2005; Saunders, Lewis & Thornhill 2007a; Knight & Turnbull 2008; Scotland 2012; Neuman 2014). As such, ontology is about assumptions that are made for the phenomena under study to make sense (Kivunja & Kuyini 2017). Ontologically, a researcher can either be realist or nominalist (Neuman 2014). Realists assume the existence of ‘the world’ independent of humans, and how they interpret it (Neuman 2014). In contrast, nominalists assume that people experience reality through interpretive lens and their subjective beliefs (Neuman 2014). These assumptions influence perceptions of the research problem under study and solutions that can be offered (Kivunja & Kuyini 2017). Epistemology is about what can be held as true and valid knowledge (Krauss 2005; Saunders, Lewis & Thornhill 2007a; Knight & Turnbull 2008; Neuman 2014) or according to Scotland (2012: 9), “what it means to know.” Epistemology therefore interrogates what is known as the truth or knowledge in a discipline (Kivunja & Kuyini 2017). The axiology mainly covers the values and ethics that the researcher has to adhere to in the research process (Saunders, Lewis & Thornhill 2007a; Kivunja & Kuyini 2017). Methodology entails operationalisation of the study in terms of the research design, methods, and procedures adopted to address the research questions (Kivunja & Kuyini 2017). However, Scotland (2012) noted that the methodology can simply be taken as an action plan or according to Krauss (2005), as ways and means to attain knowledge.

This study combines the positivist and interpretivist philosophies in order to achieve a detailed understanding of economic resilience in Bulawayo. The dominant philosophy is positivism as determined by the nature of the study objectives. A rigorous scientific enquiry was considered appropriate to examine economic resilience in Bulawayo. However, the dearth of complete and consistent data explains the combination of positivism and interpretivism. The researcher gathered the participants’ views, narratives and experiences as a means of verifying and supporting quantitative data.

5.2.1.1 The positivist philosophy

Positivist philosophy or positivism is a product of various early scholars with Auguste Comte, amongst them (Saunders, Lewis & Thornhill 2007a; Mack 2010; Scotland 2012; Creswell 2014; Kivunja & Kuyini 2017). Comte believed that reality can be observed (Mack 2010). This philosophy is popularly linked with quantitative research methods (Creswell 2009; 2014; Opoku, Ahmed & Akotia 2016; Creswell & Creswell 2018), rigorous empirical observations and research that is value-free (Creswell 2009; 2014; Neuman 2014). In addition, positivism can be utilised in different academic disciplines (Neuman 2014), in which the researcher deals with observable reality and aims to produce generalisations (Crook & Garratt 2005; Saunders, Lewis & Thornhill 2007a; Aziz, Barker & Tezel 2016). Positivism can therefore be utilised by researchers in economics, experimental psychology, criminal justice, and policy analysis, among others (Neuman 2014). This research philosophy can also be referred to as post-positivist research or post-positivism (Runeson & Skitmore 2008; Creswell 2009; 2014; Opoku, Ahmed & Akotia 2016). In this study positivism is used interchangeably with post-positivism though the researcher acknowledges that the latter is a slight modification of the former.

Ontologically, positivism takes the realist position (Scotland 2012) while its epistemology assumes a scientific method of inquiry with observable and measurable facts that are generalisable (Saunders, Lewis & Thornhill 2007a; Mack 2010; Aziz, Barker & Tezel 2016; Kivunja & Kuyini 2017). According to Scotland (2012: 10), “Positivists go forth into the world impartially, discovering absolute knowledge about an objective reality.” Apart from that, the philosophy mainly adopts causal relationships that are explanatory and enable predictions to be made (Saunders, Lewis & Thornhill 2007a; Scotland 2012). However, this assertion is problematic as it limits the utility of positivism. A rigorous scientific enquiry usually involves diverse sophisticated methodologies that are able to produce objective and verifiable results that go beyond causal relationships.

The axiology of positivism assumes value-free research whereby the researcher is objective and independent of what is researched (Krauss 2005; Saunders, Lewis & Thornhill 2007a; Scotland

2012; Aziz, Barker & Tezel 2016). The dominant methods associated with positivism are deductive in nature and involve large samples and quantitative methods of analysis (Saunders, Lewis & Thornhill 2007a; Mack 2010; Scotland 2012; Kivunja & Kuyini 2017). Positivism commences with a theory that is either supported or refuted by the data that is collected (Creswell 2009; 2014). This is followed by necessary revisions (based on analysed data) to the initial theory after which additional tests are conducted (Creswell 2009; 2014). Accordingly, this study is guided by the concepts and theories explained in Chapter 2. A model was developed after data analysis indicating how regional economic resilience can be understood and analysed from a Zimbabwean perspective.

5.2.1.2 The interpretivist philosophy

This study is also guided by the interpretivist philosophy. The combination of interpretivist and positivist philosophies enabled the researcher to view the phenomena under study from two different perspectives. The interpretivist philosophy, also known as constructivism (Mack 2010; Opoku, Ahmed & Akotia 2016) is anchored in two intellectual traditions which are phenomenology (Saunders, Lewis & Thornhill 2007a; Mack 2010; Scotland 2012) and hermeneutics (Mack 2010; Scotland 2012; Neuman 2014).

Phenomenology concerns the way human beings make sense out of the world around them (Saunders, Lewis & Thornhill 2007a; Creswell 2009; 2014; Neuman 2014). A researcher using this philosophy seeks to understand the world through the lens of the participants' views, narratives, and experiences (Runeson & Skitmore 2008; Creswell 2009; 2014; Creswell & Creswell 2018). On the contrary, hermeneutics entails an on-going interpretation of the social world and how this influences the adjustments in meanings and actions known by human beings (Saunders, Lewis & Thornhill 2007a). As such, hermeneutics involve deriving hidden meanings from the responses given by participants and also the interpretation of texts (Mack 2010; Scotland 2012). The data collected from the key informants is qualitative in nature. As a result, data analysis in this study involved constructing meanings out of participants' narratives on

industrial decline and economic resilience in Bulawayo. Proper understanding, analysis, and interpretation of qualitative data were done under the interpretivist philosophy.

The ontology of interpretivism assumes rich and complex realities that have multiple meanings and interpretations (Saunders, Lewis & Thornhill 2007a; Scotland 2012). Notwithstanding this, chances are high of the researcher failing to clearly understand and interpret the participants' perceptions. The researcher's own views may override the diverse views gathered. As noted by Runeson & Skitmore (2008: 76), "[i]n constructivism ... qualitative researchers adopt an ontology and epistemology that sees reality as a social construct and knowledge as individual and context dependent." This view is problematic in the sense that, knowledge cannot be limited to the minds of certain individuals. Instead, knowledge should be common to a certain group of people or sections of the society. This is corroborated by Runeson & Skitmore (2008: 76) who observed that if knowledge is individually constructed then "there can be no science because theories, forecasting and generalised explanations are the essence of science." Validity is low in interpretivist researches because they deviate from an objective and scientific enquiry (Scotland 2012).

The interpretivist philosophy assumes that the researcher is subjective and value-laden (Saunders, Lewis & Thornhill 2007a; Scotland 2012). The researcher is also considered to be part of what is researched (Scotland 2012; Creswell 2014; Creswell & Creswell 2018). As such, generalisability of interpretivist findings is limited compared to positivism. Scotland (2012: 12) observed that knowledge generated through interpretivist research "is usually fragmented and not unified into a coherent body. Generalizations which are deemed useful to policy makers are often absent because [the] research usually produces highly contextualized qualitative data, and interpretations of this data involve subjective individual constructions." Since this study sought to produce findings that are generalisable and also inform policymaking in Bulawayo, positivism was adopted as the dominant philosophy with interpretivism being subordinate. However, this should not be taken to mean that positivism is immune to criticisms. Despite being systematic in its endeavour to produce objective reality, the positivist approach is expensive to undertake and often takes longer to complete. The approach also demands that the researcher be meticulous

throughout the research process, otherwise errors may happen in processing and interpreting quantitative results. However, this is where some researchers fall short.

5.2.2 The research paradigm

Despite its frequent use in social sciences, the term paradigm has been given multiple meanings by different scholars (Mack 2010; Shannon-Baker 2016; Kivunja & Kuyini 2017). While Mack (2010) noted that a paradigm concerns the overall research framework, Shannon-Baker (2016) views a paradigm as a guide that can be used by researchers to ground their research. In simple terms, a paradigm refers to the beliefs and assumptions a researcher holds about the world (Neuman 2014; Ménacère 2016; Kivunja & Kuyini 2017). In line with the research philosophies discussed earlier, this study adopts the functionalist and interpretive paradigms (Saunders, Lewis & Thornhill 2007a). The functionalist paradigm focuses on rational explanations informed by positivism, realism and objectivism (Burrell & Morgan 2005). According to Saunders, Lewis & Thornhill (2007a: 113) a researcher who uses this paradigm assumes that, “organisations are rational entities, in which rational explanations offer solutions to rational problems.” As such, Burrell & Morgan (2005: 26) observed that the functionalist paradigm seeks to objectively “provide practical solutions to practical problems.”

The interpretive paradigm, emanating from the interpretivist research philosophy, seeks to interpret and understand how the world works through subjective experiences (Burrell & Morgan 2005; Saunders, Lewis & Thornhill 2007a). This paradigm is nominalist and anti-positivist in nature (Burrell & Morgan 2005). However, both the functionalist and interpretive paradigms guided the methodology and methods adopted in this study. The functionalist (also known as positivist-functionalist) paradigm utilises closed-ended questionnaires to gather data that is then analysed quantitatively (Scotland 2012). In comparison, the interpretive paradigm makes use of qualitative methods that produce qualitative data. However, the terms quantitative and qualitative cannot be equated to paradigms; they are qualifiers that denote different approaches to data collection and analysis (Shannon-Baker 2016).

5.3 RESEARCH APPROACH

This study heavily draws from the deductive approach although it also utilises the inductive approach. The deductive approach, which draws from the positivist philosophy, is commonly used in quantitative studies (Creswell 2009; 2014; Leavy 2017). In this approach, the aim of the researcher is to prove, disprove or give credence to theories through the examination of hypotheses or research questions derived from theories (Creswell 2009; 2014; Leavy 2017). Furthermore, data on variables contained in the hypotheses or research questions is collected and analysed in order to confirm or refute the theories (Creswell 2009; 2014). The inductive approach is mainly adopted in qualitative studies (Creswell 2009; 2014; Leavy 2017). In an inductive approach, the researcher uses the data collected to build broad themes or a theory as an end product (Creswell 2014). According to Creswell (2009: 64) the researcher using this approach gathers “detailed information from participants and then forms this information into categories or themes. These themes are developed into broad patterns, theories, or generalizations that are then compared with personal experiences or with existing literature on the topic.” Data in the inductive approach is mainly collected through open-ended questions or field notes (Creswell 2009; 2014).

The study results are generalised to the whole of Bulawayo thus it was necessary to utilise the deductive approach. The use of both approaches enabled the researcher to propose a model that can be useful in analysing and understanding regional economic resilience in countries in the South, such as Zimbabwe. Thus, combining the two approaches is advantageous (Saunders, Lewis & Thornhill 2007a) as it merges their strengths and limits their biases.

5.4 RESEARCH DESIGN

In simple terms, a research design is a plan of action that provides a link between research questions and conclusions (Rowley 2002; Creswell 2009; 2014; Ménacère 2016; Creswell & Creswell 2018). Alternatively, a research design can be perceived as a conceptual structure that guides how the research is going to be conducted, enabling smooth progression of the research

exercise from the beginning to the end (Kothari 2004). Accordingly, this study adopts a case study strategy that is both explanatory and exploratory in nature. The study is also longitudinal and takes into account changes that took place in Bulawayo over a period of time as economic resilience is best measured over a defined period (Turok 2014; Sensier, Bristow & Healy 2016). The selection of the design was also influenced by the research philosophies, paradigms, and approaches discussed in the foregoing paragraphs. The explanatory part of the study seeks to establish and illuminate causality or the relationships between variables (Saunders, Lewis & Thornhill 2007b). On the other hand, the exploratory seeks to generate insights about industrial decline taking place in Bulawayo and the consequential effects thereof on the regional economy.

5.4.1 The case study strategy

Different views exist in literature with regards to the nature of case studies. In most instances, case studies are linked to the interpretivist philosophy or the interpretive paradigm (Scotland 2012). Some scholars link case studies to mainly qualitative studies (Kothari 2004; Proverbs & Gameson 2008). Some doubt the generalisability of case study findings (Stark & Torrance 2005) while others regard case studies to be one type of the research designs. Notwithstanding this, VanWynsberghe & Khan (2007) refuted the assertion that a case study is a method, research design, or a methodology. Instead, VanWynsberghe & Khan (2007: 2) noted that, a case study is “a transparadigmatic and transdisciplinary` heuristic that involves the careful delineation of the phenomena for which evidence is being collected (event, concept, program, process, etc.)” Accordingly, a case study is viewed as a heuristic or a strategy involving the self-discovery of knowledge. Furthermore, a case study can be used under any research paradigm whether it is post-positivism or constructivism (VanWynsberghe & Khan 2007). Case studies can therefore be used in any discipline including social sciences, natural sciences, and business (VanWynsberghe & Khan 2007). Levy (2008: 3) agrees and notes that case studies can, “incorporate substantial statistical analysis, often with the aim of generalizing to other cases.” This is the context in which the case study strategy is adopted in this study.

Case studies can be utilised to make predictions within the appropriate scope (VanWynsberghe & Khan 2007). Since the aim of hypothesis-generating case studies is to generalise the research findings, they can contribute to the development of theoretical propositions (Levy 2008). Case studies can also involve testing causal relationships (Levy 2008). Thus, case studies are able to produce important or in-depth insights compared to other research approaches (Rowley 2002; Kothari 2004; Stark & Torrance 2005) as they utilise multiple data sources (Rowley 2002; Stark & Torrance 2005; Saunders, Lewis & Thornhill 2007b). However, this is an exaggeration. Any research approach utilising the correct methods that are applied in the correct context should be equally able to produce valuable insights. In this study, data was collected through questionnaires, interviews, observations, and documentary analyses.

5.4.2 Research methods

Research methods are the tools, techniques, and ways of collecting, analysing, and interpreting data (Creswell 2009; 2014). In order to adequately address the research question and objectives, this study utilises both quantitative and qualitative data collection and analysis techniques. The combination of the two methods can be referred to as mixed methods (Creswell & Garret 2008; Creswell 2009; 2014) and can occur at various stages of the research (Johnson, Onwuegbuzie & Turner 2007). Combining quantitative and qualitative methods in one study enables the researcher to view phenomena under study from different standpoints (Johnson, Onwuegbuzie & Turner 2007; Creswell & Garret 2008). As noted by Creswell & Garret (2008: 326) this approach “involves collecting both quantitative and qualitative data ... the merging, linking, or combining of the two sources of data, and then conducting research as a single study or a longitudinal project with multiple phases.” Thus, both quantitative and qualitative data was collected in this study.

Amongst the different types of mixed methods research, this study assumes the convergent parallel. This type integrates quantitative and qualitative data so that the analysis of the research problem is comprehensive (Creswell 2009; 2014). According to Patton (1997: 274) “qualitative data offer detailed, rich descriptions, capturing variations between cases whilst on the other hand

quantitative data facilitate comparisons because all participants respond to the same questions on standardized scales within predetermined response categories.” Patton’s (1997) view on qualitative data is corroborated by Opoku, Ahmed & Akotia (2016: 34) who stated that qualitative research methods “generate very rich, deep data.” However, this view is another overstatement as the meanings ascribed to ‘rich’ and ‘deep’ are ambiguous. Any rigorous research enquiry, whether quantitative, qualitative, or mixed methods is able to produce valuable ‘rich’ data. As an example, a systematic and rigorous quantitative research produces data with high levels of validity and reliability. Such data can be perceived as ‘rich data’. In line with Creswell (2009; 2014), the researcher collected both quantitative and qualitative data at the same time. Data was also integrated in the analysis and interpretation of the study results. Areas of contradiction and corroboration were noted and explained in the analysis and interpretation of both quantitative and qualitative data.

In studying regional economic resilience, mixed methods are useful especially in circumstances where the levels of data completeness, consistency, and reliability are low. In such circumstances, some economic resilience variables can be measured quantitatively and others, qualitatively. There is currently no agreement in economic resilience literature concerning the variables that should be used to measure economic resilience (see Breathnach, Van Egeraat & Curran 2015). According to Breathnach, Van Egeraat & Curran (2015: 498) the debate concerns whether resilience should be measured “in terms of basic indicators such as output, incomes, employment and population or in structural terms such as sectoral reconfiguration or enhanced entrepreneurial activity.” Notwithstanding the disagreement, variables that have been used to measure economic resilience in the North are mainly quantitative in nature. These include GDP per capita (Wink 2012; Sensier, Bristow & Healy 2016), employment levels (Wink 2012; Breathnach, Van Egeraat & Curran 2015; Han & Goetz 2015; Sensier, Bristow & Healy 2016), and in some cases regional production levels (Wink 2012). The use of the variables can differ from one study to another and also from case to case. As an example, employment figures were utilised in measuring the resilience of Cambridge and Swansea cities in the United Kingdom (Simmie & Martin 2010). Employment levels and not output was also used in the analysis of some British regions (Martin 2012). The choice of employment as a variable was on the basis

that it takes longer than output to recover from an economic shock (Martin 2012). Apart from that, it may happen that a growth in output may be achieved after an economic shock but without the corresponding growth in employment (Martin 2012).

In light of the discussion in the preceding paragraphs, this study intended to utilise GDP per capita and employment levels to measure economic resilience at both firm and regional levels. However, due to the scarcity of data, capacity utilisation and employment levels were used at firm level and only employment level at a regional level. GDP per capita levels were only utilised at a national level in Chapter 10, in order to illustrate the challenges of measuring economic resilience in Zimbabwe. Measuring resilience at different levels is supported by Sensier, Bristow & Healy (2016) who noted that, although resilience is mainly analysed at national level, the analysis could also be done at regional, city, or other smaller scales.

In order to produce reliable and valid knowledge, the variables adopted in this study were analysed using quantitative methods in line with the positivist philosophy. However, in measuring resilience, statistical data can be combined with subjective assessments of phenomena such as identity, pride, and fears (Wink 2012). Accordingly, the measurement and analysis of regional economic resilience was also approached from a qualitative perspective. In the study of Sheffield City Region, reviewing of regional policy documents was done in order to identify themes that might be related to economic resilience (Brooks, Vorley & Williams 2016). Secondary data was reviewed in order to have a comprehensive picture of the economy of Sheffield City Region (Brooks, Vorley & Williams 2016). As such, archival analysis was conducted, which is a method that is mainly used within the interpretivist philosophy and in qualitative methods. Semi-structured interviews were also utilised to gather data from municipalities, private businesses, and other relevant stakeholders in the Sheffield City Region (Brooks, Vorley & Williams 2016). The data was analysed using thematic analysis. Thus, when studying economic resilience, the methods used are determined by the variables that are measured. In applicable cases the use of mixed methods proves to be a beneficial strategy.

5.5 STUDY POPULATION

The study targets formal and informal industries operating in Bulawayo Metropolitan Province (BMP). The population therefore consists of registered firms operating in BMP including micro, small, and medium enterprises (MSMEs)¹² which may not be registered. The reason for considering both formal and informal firms can be explained by the continual decline of formal industries in the study area and the subsequent proliferation of the informal economy. The informal firms have occupied an equally important position in the economy of Bulawayo. Thus, important conclusions can be drawn when comparing the resilience of formal versus informal industries. Studying the economic resilience of a region through focusing on the performance of industries in the concerned region is not something new. Industrial performance was analysed in the study of regional economic resilience in Ireland (Breathnach, Van Egeraat & Curran 2015) because the concerned industries constituted the economic base, anchoring regional economies that were under study. The economy of Bulawayo is mainly anchored on manufacturing industry hence, industrial decline in the city negatively affected its economy. Accordingly, important insights on BMP's economic resilience can be generated by studying the performance of industries located in the metropolis.

5.6 SAMPLING DESIGN

The study utilised both probability and non-probability sampling methods to select participants. To produce a sampling frame, a list of all registered firms (i.e. MSMEs and large enterprises) was obtained from the Zimbabwe Revenue Authority (ZIMRA). However, the demarcation of regions by ZIMRA for tax purposes is different from that of provinces in Zimbabwe. As such, the list included firms located outside BMP. Consequently, the list from ZIMRA was cross matched with other lists obtained from the Bulawayo Metropolitan Municipality (BMM), the

¹² See Appendix C for Zimbabwean classification of MSMEs in different sectors. The classification is adopted from Fourth Schedule of the Small and Medium Enterprises Act [Chapter 24:12].

Zimbabwe National Chamber of Commerce (ZNCC), the Confederation of Zimbabwe Industries (CZI), and the Ministry of Women Affairs, Community, Small and Medium Enterprises Development (MWACSMED). This produced a consolidated list that could be updated. During a tour of the metropolis, firms that were omitted from the list because they were not registered with any of the mentioned institutions, could be added to the consolidated list after making sure they were not already listed. From this exercise 3908 firms were listed on a single consolidated list, which list became the sampling frame. Although the list might not have contained all the industries operating in Bulawayo, it was comprehensive enough for the purposes of the study.

5.6.1 Sample size determination

The sample size should be carefully considered as it determines the validity and generalisability of the study findings (Singh & Masuku 2014). It is thus important that an optimum sample size should be selected in order to ensure efficiency, representativeness, reliability, and flexibility (Kothari 2004). Furthermore it is vital in any research to balance financial resources with an ideal sample size (VanVoorhis & Morgan 2007). For instance, it is possible that a very large sample size will not only have cost implications but could also lead to inaccuracies and biases (Singh & Masuku 2014). Factors that can be used to determine a sample size, include the level of precision which is usually set at ($\pm 5\%$) a confidence level which is usually set at 95%, and the degree of variability which is usually set at 0.5 or 50% (Israel 1992; Kothari 2004; Singh & Masuku 2014).

For this study the level of precision, level of confidence, and the degree of variability have been considered in determining the sample size. The level of precision is taken to mean the sampling error (Israel 1992) and a level of ($\pm 5\%$) has been utilised. The confidence level used is 95%. This means that 95% of the sample values should have a true population value (Israel 1992) for the sample to be considered representative. According to Israel (1992: 2) the degree of variability “refers to the distribution of attributes in the population. The more heterogeneous a population, the larger the sample size required to obtain a given level of precision.” Thus, for the purposes of being conservative, the variability level of 0.5 is utilised since not much information exists

concerning the distribution of attributes in the population. This is supported by Morrison (1988) who notes that when using a formula to determine sample sizes, it is rare in most times for the researcher to know the population variance. In such cases, it is therefore advisable for the researcher to assume a population variance of 50%.

In order to determine the sample size, a formula developed by Cochran as quoted by Israel (1992: 3) was adopted. The formula is given as follows:

$$n_0 = (Z^2 pq / e^2)$$

Where, n_0 - represents the sample size.

Z^2 - is an area under the normal distribution curve that represents the confidence level. A value of 1.96 is used in the formula. This value is obtained from mathematical tables corresponding to 95% confidence level.

p - represents estimated proportion of an attribute that is present in the population. A value of 0.5 is used in the formula.

q - is obtained from $(1-p)$. Which is $(1-0.5)$ giving a value of 0.5.

e - represents the desired level of precision. A value of (± 0.05) is used.

Using the chosen precision, confidence, and variability levels, the formula produced a sample size of approximately 384 participants. This value was increased to 480 in order to cater for non-responses¹³ during data collection. Any number of responses between 384 and 480 was considered adequate to undertake the required statistical analyses and also satisfy the *power* of the study. The *power* of a study is also referred to as the ‘statistical power’ (Singh & Masuku 2014). According to VanVoorhis & Morgan (2007: 43), “Power refers to the probability of rejecting a false null hypothesis.” This could result in wrong conclusions. VanVoorhis & Morgan (2007) noted that when using the rule of thumb, *power* in studies utilising correlation and regression analysis, should have a sample size of not less than 50 participants. Furthermore, a

¹³ A non-response rate of 25% was determined when a pilot survey was conducted. To cater for non-responses in the sample size, 384 was multiplied by 1.25 to get 480 participants.

sample size of at least 20 (with expected cell frequencies being 5 or above) is required for chi-square analysis and at least 300 participants for a factor analysis. These figures are able to produce an acceptable level of *power* in a research. Accordingly, the sample size utilised in this study is regarded adequate to satisfy the requirements of the statistical analyses conducted.

The formula by Cochran has been chosen because the total population of formal and informal firms operating in the study area is not known with certainty. Due to the widespread industrial closures and relocations in the study area, it is difficult to obtain a population size that can be utilised with certainty from published materials. That is why precision, confidence level, and variability have been used as the key determinants of the sample size. In any case the *power* of the research has been addressed with a sample that is believed to be large enough. Thus, in agreement with VanVoorhis & Morgan (2007) and Singh & Masuku (2014), results from statistical tests conducted in this study truly indicate the existence of a significant difference. The trueness of conclusions needs to be guaranteed because there are different outcomes that can be obtained after undertaking a statistical analysis. The possible outcomes are shown in Table 5.1.

Table 5.1 Possible decision rules in statistical analyses

		<u>"TRUTH" OR "REALITY"</u>	
		<i>Null correct</i>	<i>Null wrong</i>
<u>Decision based on statistical result</u>	<i>Fail to reject</i>	Correct decision	Type II (β)
	<i>Reject</i>	Type I (α)	Correct decision Power

Source: VanVoorhis & Morgan (2007: 44)

Rejecting a correct null hypothesis results in a Type 1 error, while failing to reject a wrong null hypothesis causes a Type II error as shown in Table 5.1. Morrison (1988) noted that Type 1 and Type II errors should be avoided in a study. Furthermore, a study should also be able to reject a null hypothesis that is wrong.

5.6.2 Sample selection procedure

Random sampling was used to select study participants. In this sampling method, each and every unit has a pre-assigned chance of being selected and included in the sample (Singh & Masuku 2014). Accordingly, systematic random sampling was utilised to select study participants. According to Kothari (2004: 15), systematic sampling is best used “when sampling frame is available in the form of a list the selection process starts by picking some random point in the list and then every n th element is selected until the desired number is secured.” Stratification could not be used due to the difficulties associated with an attempt to separate the list into different strata. The list had only names of the firms thus any attempt of stratification could have resulted in errors.

When using simple random sampling each participant has an equal chance of being selected (Kothari 2004). Initially, firms were arranged in an alphabetical order and thereafter assigned codes for identification purposes. Random tables were used to pick the first unit, after which the 8th¹⁴ element was successively selected in order to come up with 480 participants. A multi-stage random sampling exercise was avoided (i.e. subdividing the industries further into sub-sectors) as this method can increase sampling error (Singh & Masuku 2014). Multistage random sampling usually involves the selection of research participants in stages, although this may involve sampling biases in the process (Singh & Masuku 2014).

The key informants were selected through purposive sampling. In this sampling method, participants are selected for a specific purpose (Singh & Masuku 2014) and are therefore deliberately chosen by the researcher (Kothari 2004). The key informants include the Bulawayo Metropolitan Municipality (BMM), the Confederation of Zimbabwe Industries (CZI), the Ministry of Women Affairs, Community, Small and Medium Enterprises Development (MWACSMED), the Zimbabwe National Chamber of Commerce (ZNCC), the Zimbabwe Revenue Authority (ZIMRA), the Zimbabwe Investment Authority (ZIA), the Ministry of Industry and Commerce (MIC), and the Industrial Development Corporation of Zimbabwe

¹⁴ This was achieved by dividing 3908 elements in the sampling frame by 480 required participants.

(IDCZ). These informants were specifically selected because they are linked to the operation of industries in Zimbabwe. In addition, they have knowledge pertaining to the performance and economic wellbeing of industries nationally. Their participation gave general participants confidence in the research process. Endorsement of the study by trade associations or associations that represent industries is a factor that improves the response rate (Bartholomew & Smith 2006).

BMM is the local authority governing the study area. As such, BMM provided data concerning the challenges faced by industries, the state of industrial decline, and economic revitalisation strategies implemented in the metropolis. In addition, BMM provided the list of firms licensed to operate in the metropolis. The CZI and ZNCC provided data concerning the number of industries in Bulawayo and also strategy options for firm resilience. The MWACSMED provided data specifically on the list of MSMEs operating in Bulawayo, their challenges, and government programmes implemented to promote the resilience of MSMEs. Likewise, the MIC provided data on national policies that have been implemented to help industries adapt to the current economic hardships. ZIMRA provided a database that was useful in determining the number of firms in the study area. Both the ZIA and IDCZ provided data on national investment and the development of industries in Zimbabwe. In addition, these two institutions provided a national perspective on economic and industrial decline, and government interventions to improve foreign and domestic investments while assisting industries remain operational.

5.7 DATA COLLECTION

Besides having a good sample size, data should be properly collected in order to be useful (Morrison 1988) in addressing the study questions. This study utilised both primary and secondary data. Primary data was gathered using questionnaires soliciting data from firms in BMP. In-depth interviews were used to collect mainly qualitative data from key informants. In addition, observations were adopted as a data collection technique. The use of these tools is supported by Zohrabi (2013) who noted that questionnaires, interviews, and observations can be used to collect data in mixed methods approaches. Secondary data was collected through archival

analysis. The use of both primary and secondary data enabled the analysis of phenomena from different perspectives. According to Hussein (2009: 3), “data triangulation also referred as data sources triangulation depicts the use of multiple data sources in the same study for data validation purposes.” The use of both primary and secondary data sources therefore validated the data that was collected, and insights generated from the study.

5.7.1 Questionnaires

A questionnaire provides an efficient way of collecting data on a large scale (Kothari 2004; Zohrabi 2013). As such, questionnaires were used to collect the views of industrialists on how industrial decline has affected their business operations, their employment, and their levels of capacity utilisation. The questionnaire was a combination of closed-ended and open-ended questions with the majority being closed-ended questions. Questions were structured clearly so that they could easily be understood by the participants (Kothari 2004). Apart from that, the questions were derived from the study objectives listed in Chapter 1 and were meant to collect relevant data to address the overall aim of the study. The response rate was improved by administering the questionnaires face to face (Zohrabi 2013). A total of 480 questionnaires were distributed, 411 were returned, of which 19 had a very low question response rate and were set aside. The remaining 392 were used for analysis purposes.

5.7.2 Interviews

Personal interviews that involve face to face contact (Kothari 2004) were utilised to gather data from key informants. These interviews were held because in-depth information can be yielded from them (Zohrabi 2013) since they capture the narratives, opinions, feelings and experiences of the subjects (Opoku, Ahmed & Akotia 2016). Semi-structured interviews were used as opposed to guided interviews because different data was sought from different organisations. Thus, the need for comparability in terms of the qualitative data obtained was limited. Semi-structured interviews give the researcher flexibility with regards to how the questions are

approached (Opoku, Ahmed & Akotia 2016). The data solicited from these interviews included the experiences and perceptions of key informants on the industrial decline in Bulawayo

The key informants selected were considered to have adequate knowledge concerning the phenomena under study. Before the interviews were conducted requests for research permission were sought from the key informants. After approval was granted, interview appointments were made considering the key informants' free time, this was followed up with face to face interviews with each key informant. Interviews have an advantage of being interactive (Alshenqeeti 2014) with room for follow-up questions and probing so that the researcher can get clear and complete responses (Zohrabi 2013; Alshenqeeti 2014). In any case, face-to-face interviews are popular (Alshenqeeti 2014) as they provide the best response rates (Zohrabi 2013).

5.7.3 Observations

Observation is also a vital method that can be utilised when collecting data (Jones & Somekh 2005) as it has the benefit that it is not affected by low response rates as in other data collection tools (Kothari 2004). Observations can be undertaken with the researcher being a participant or non-participant observer (Zohrabi 2013). Thus, data is gathered through the researcher's own observation (Kothari 2004). For this study, non-participant observation was conducted. Deserted and operational industrial sites were photographed to augment the industrial decline narrative. Efforts were made to limit subjective bias. It is true that the way a researcher perceives the world can influence what is observed (Jones & Somekh 2005). However, for this study, both successful and unsuccessful cases were observed with due diligence to both.

5.7.4 Archival analysis

Secondary data was gathered through review of existing literature and analysis of reports and relevant documents obtained during data collection. Archival data was very useful in this study, especially reports obtained from the Zimbabwe National Statistics Agency (ZIMSTAT), ZIA,

ZIMRA, ZNCC, and CZI. Data solicited from these organisations includes the economic performance of the metropolis over time, the number of industries operating in the metropolis, and those industries that have either relocated or closed down. Additional data concerning the economic activities in the metropolitan city was obtained from ZIMSTAT and BMM.

5.8 DATA ANALYSIS

The successful completion of data collection led to data analysis. However, analysis was preceded by the coding and entering of quantitative data into the Statistical Package for Social Scientists (SPSS version 16 and 20). After the cleaning process, the data was subjected to comparative analysis, simple descriptive statistics, regression analysis, trend analysis, and chi-square analysis,¹⁵ in order to draw meaningful conclusions. Creswell (2014) noted that, in chi-square analysis the variables should not be normally distributed. Thus, the chi-square test for association was utilised to analyse variables that did not fall under the normal distribution.

All chi-square and associated tests in this study were conducted at a 5% significance level. The null hypothesis was only rejected if the *p values* obtained in the tests were less than, or equal to, 0.05. Accordingly, a *p value* that is less than, or equal to, 0.05 was interpreted as depicting statistical significance while a *p value* greater than 0.05 depicted an insignificant statistical difference. Phi and Cramer's V coefficients were used to assess the strength of association in chi-square tests. The former applied to '2x2 contingency tables' while the latter applied to larger tables. The interpretation of Phi and Cramer's V tests that was adopted in this study is shown in Table 5.2.

¹⁵ The type of chi-square analysis utilised in the study is 'the test for association'.

Table 5.2 Interpretation of Phi and Cramer's V tests

Measure	Interpretation
0.00 and under 0.10	Negligible association
0.10 and under 0.20	Weak association
0.20 and under 0.40	Moderate association
0.40 and under 0.60	Relatively strong association
0.60 and under 0.80	Strong association
0.80 to 1.00	Very strong association

Source: Rea & Parker (2014: 219)

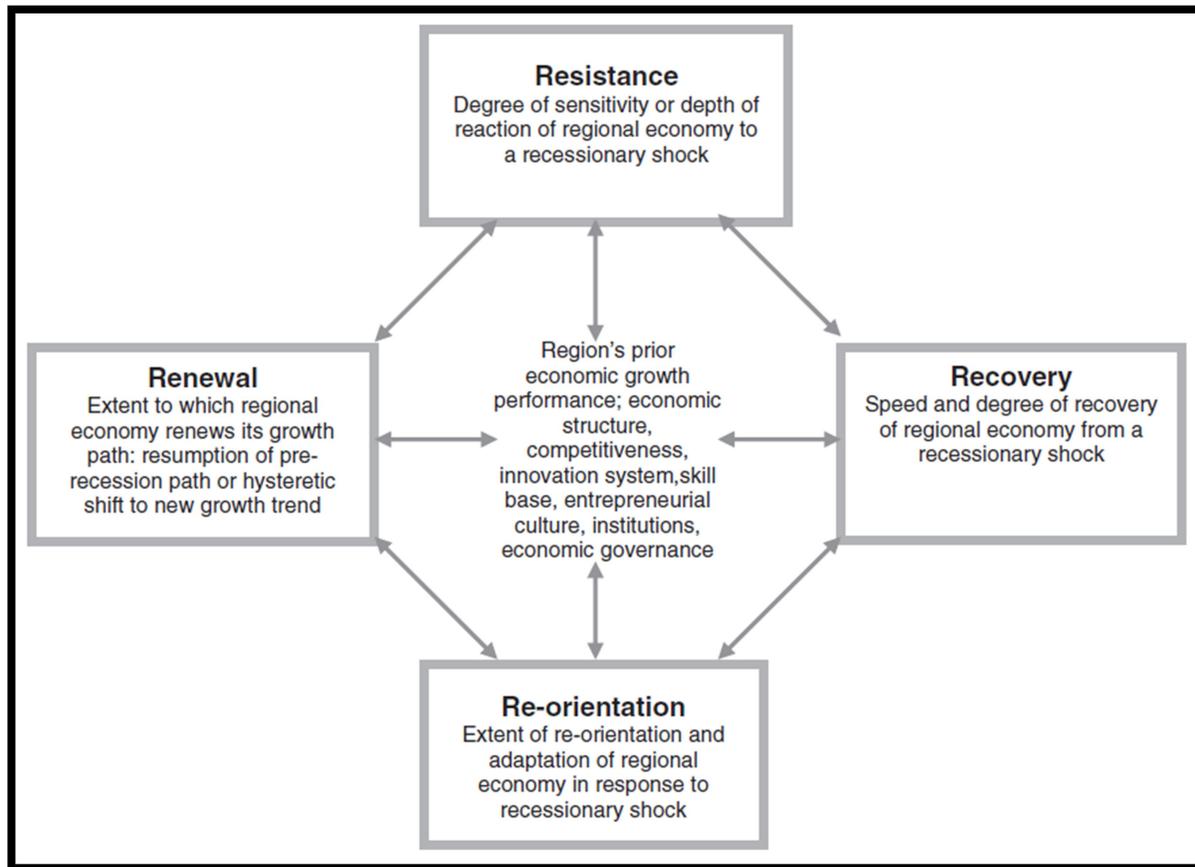
Qualitative data was coded and organised into thematic areas using HyperRESEARCH software before analysed through content analysis.

The consolidated research methodology is summarised in Table 5.3 indicating how the objectives were linked to data collection and analysis techniques. In measuring and interpreting economic resilience, Martin (2012) indicated that there are four interrelated dimensions that can be used to analyse how economies respond to recessionary shocks. These dimensions are resistance, recovery, re-orientation, and renewal. Their relationships are shown in Figure 5.1. These dimensions inform the analysis and interpretation of the data in this study. However, the disturbance or shock under analysis in the study should be well-defined (Sensier, Bristow & Healy 2016) and its onset noted (Han & Goetz 2015). Furthermore, there was a need to determine when the shock actually occurred (Sensier, Bristow & Healy 2016). It might have been easy to determine by looking at closures of firms, but it was difficult to show with certainty when a shock such as an economic crisis started (Sensier, Bristow & Healy 2016). Thus, the study period was taken from 2009 to 2018. The year 2009 was when the Zimbabwean economy was dollarised hence, it was used as the base year. Dollarisation brought stability as hyperinflation of the preceding years was curtailed. The shock was assumed to have started in 2013 when ZANU PF won the national election. A period of economic recession followed the election victory as investors lacked confidence on a wholly ZANU PF government.

Table 5.3 Research methodology matrix

Objective	Data required to address the objective	From whom - informants	Methods, tools & techniques appropriate	Strategies for data analysis
1.	1. How industrial downsizings have affected the economy of BMP. 2. How the economy of BMP was affected by industrial closures and displacements. 3. Economic performance trends in BMP.	1. Industrialists 2. BMM 3. CZI 4. ZNCC 5. ZIA	1. Questionnaires 2. Semi-structured interviews 3. Archival analysis 4. Observations	1. Chi-square tests 2. Phi & Cramer's V coefficients 3. Comparative analysis 4. Content analysis 5. Trend analysis 6. Descriptive statistics
2.	1. Capacity utilisation trends 2. Firm employment trends 3. Different firm resilience strategies	1. Industrialists 2. CZI 3. ZNCC 4. BMM 5. MWACSMED 6. MIC	1. Questionnaires 2. Semi-structured interviews 3. Archival analysis	1. Comparative analysis 2. Descriptive statistics 3. Chi-square tests 4. Trend analysis 5. Content analysis 6. Phi & Cramer's V coefficients
3.	1. Economic policies and their effects on firm growth. 2. Industrial policies and their effects on industrial performance and resilience.	1. Industrialists 2. MIC 3. CZI 4. ZNCC 5. IDCZ 6. MWACSMED 7. ZIA	1. Questionnaires 2. Semi-structured interviews 3. Archival analysis	1. Comparative analysis 2. Content analysis 3. Descriptive statistics
4.	1. The type of shock and its onset. 2. Strategies to revitalise the struggling industries. 3. Strategies to improve attractiveness of the city to capital, labour & enterprises.	1. Industrialists 2. BMM 3. CZI 4. MIC 5. ZNCC 6. ZIA 7. IDCZ	1. Questionnaires 2. Semi-structured interviews 3. Archival analysis	1. Sensitivity analysis 2. Chi-square tests 3. Phi & Cramer's V coefficients 4. Content analysis 5. Trend analysis 6. Fischer's exact test
5.	1. Economic resilience perspectives in Zimbabwe. 2. Contribution of the industry to regional economic resilience. 3. National GDP per capita & employment data.	1. Industrialists 2. CZI 3. ZIMSTAT 4. ZNCC	1. Questionnaires 2. Semi-structured interviews 3. Archival analysis	1. Comparative analysis 2. Content analysis 3. Trend analysis

Pre-shock growth trends were considered so as to separate the effects of the shock from long-term development patterns (Breathnach, Van Egeraat & Curran 2015).



Source: Martin (2012: 12)

Figure 5.1 The dimensions of understanding regional economic resilience

The resistance aspect of resilience in this study was analysed through the sensitivity index by Martin (2012: 13). The index is as follows:

$$\beta_r = [(\Delta E_r/E_r)/(\Delta E_N/E_N)]$$

Where β_r - represents sensitivity index. If β_r of a region is greater than a unit, it means the concerned region has a low resistance (high sensitivity) to a recessionary shock. However, a ratio less than a unit represents high resistance (low sensitivity).

$\Delta E/E$ - represents percentage change in employment.

r - represents a regional level.

N - *represents a national level.*

According to Martin (2012) if the index is greater than 1 it means the region's resistance to a recessionary shock is low. However, if it is less than 1 the concerned region has a greater resistance to a recessionary shock. This analysis was applied to Bulawayo in order to assess its level of resistance to shocks. However, the value obtained could not be easily interpreted using Martin's (2012) decision guidelines. As such, two more indices¹⁶ were utilised in order to ascertain a correct and reliable decision rule. The analysis of other dimensions such as recovery, renewal, and re-orientation, was conducted through trend analysis.

5.9 VALIDITY AND RELIABILITY

Validity and reliability of data is vital to consider in the research process (Zohrabi 2013). Combining quantitative and qualitative analysis has been adopted to improve validity and reliability of this particular study (Ihantola & Kihn 2011; Zohrabi 2013). This triangulation is beneficial to the study as there is room to verify quantitative data using qualitative data.

5.9.1 Validity

Great care should be taken in developing data collection instruments so as to reduce error in the process of measurement (Kimberlin & Winterstein 2008). In order to achieve validity, an instrument has to be reliable (Kimberlin & Winterstein 2008) since validity concerns the authenticity of the findings (Lewis 2005; Saunders, Lewis & Thornhill 2007b). Validity can be internal or external (Zohrabi 2013). While internal validity is concerned with an investigation being able to measure what it is expected to measure, external validity focuses on the degree to which research results can be generalised (Zohrabi 2013; Alshenqeeti 2014). Accordingly, clear and straightforward research instruments were utilised to measure the intended variables. Plain

¹⁶ The researcher adopted additional indices from Lagravinese (2015) and Faggian et al (2017). The indices are presented in Chapter 9.

language was used to enable participants to fully understand the variable measured by each question. External validity was enhanced through the use of a large randomised sample. This made the study results generalisable to other cases.

5.9.2 Reliability

Reliability refers to the ability of data collection and analysis techniques, procedures, and instruments to yield consistent findings (Lewis 2005; Saunders, Lewis & Thornhill 2007b; Alshenqeeti 2014). Like validity, reliability can also be either internal or external. Internal reliability focuses on consistency in terms of data collection, analysis, and interpretation, while external reliability is concerned with the degree to which similar results are obtained when the study is repeated (Zohrabi 2013). However, reliability is usually threatened by factors such as subject or participant error, participant bias, observer error, and observer bias (Saunders, Lewis & Thornhill 2007b). While participant error has to do with the participant's state of mind during engagement, participant bias entails the participant giving responses that he or she thinks are expected from him or her (Saunders, Lewis & Thornhill 2007b). To avoid the participant error and bias, participants were engaged during their free times. Though participant bias is difficult to control when questionnaires are completed in the absence of the researcher, efforts were made to provide clarifications where required.

Observer error may be associated with the way interviewers ask questions (Saunders, Lewis & Thornhill 2007b) or the experience of the interviewer. Alshenqeeti (2014) agrees that reliability is somehow low when interviews are used while using different interviewing techniques. Some researchers are good interviewers while others are not. In this study all key informant interviews were conducted by the principal researcher. Research assistants were not engaged for the interviewing exercise. This limited the variation of interviewing skills and also the differences in experience of those conducting the interviews. Observer bias emanates from how observers interpret the responses from the key informants or participants (Saunders, Lewis & Thornhill 2007b). However, clarifications were sought in instances where vague responses were given. This is how misinterpretation of interview-generated data was avoided.

5.10 RESEARCH ETHICS

Researchers need to consider ethical issues throughout the research process from the proposal stage to the reporting of the findings (Creswell 2014). Participants should be treated fairly and equally (Piper & Simons 2005). This study adhered to standard ethical practices expected in undertaking research involving human beings as this is important in social research (Mollet 2011; Alshenqeeti 2014). According to the Social Research Association (SRA 2003: 15) “researchers have an obligation to conform to the ethical standards of the society in which they conduct their work.” Researchers should not expose the participants to any potential harm, be it physical or psychological (Mollet 2011; Creswell 2014). Ethics are therefore enacted to empower participants (Piper & Simons 2005). Steps were taken to avoid exposing participants to any harm whatsoever, which could emanate from their participation in this study.

Voluntary participation, as another ethical consideration (Creswell 2014) was adhered to in undertaking this study. The participation of all participants was on a voluntary basis. No coercion was used to get responses. Participants were allowed to withdraw from participating in the study if they wished to do so (Alshenqeeti 2014). Informed consent was sought from participants who were fully aware of the risks of participating in the study (Piper & Simons 2005; Mollet 2011; Alshenqeeti 2014; Creswell 2014). All the participants were required to complete and sign a consent form before they could participate in the study. Study focus and objectives were explained to the participants so that they could make an informed decision concerning their participation or non-participation. Apart from that, no incentives were used, in order to avoid reluctant participants to participate in the study.

Besides informed consent, the study also upheld privacy, confidentiality, and anonymity of the participants (Piper & Simons 2005; Mollet 2011; Alshenqeeti 2014; Creswell 2014). The data collected was treated with the strictest confidence and was used solely for research purposes. Prior consent was sought from participants before recording or photographing them. Language barriers and bureaucratic challenges were encountered during the study. However, where required, research assistants conversant with both English and the Ndebele languages, were

engaged to assist with data collection and translations. The research assistants were trained before commencing data collection tasks and the research focus and the data collection plan were fully explained to them. Bureaucracy in government departments was overcome by timely application for permits to access official data, and persistent follow-ups. No bribes or facilitation fees were paid to access official data.

5.11 CONCLUSION

This chapter has given a detailed explanation of the research philosophies, paradigms, and approaches of this study. The main philosophies guiding the study are the positivist and interpretivist philosophies. These philosophies influenced the research paradigms, approaches, and methods selected. In line with the research philosophy and paradigm, mixed methods were adopted combining the quantitative and qualitative data collection and analysis tools. The use of mixed methods was justified by the lack of complete and consistent economic data in Bulawayo. In such cases, qualitative data can be used to verify and augment quantitative data in measuring and analysing economic resilience of firms and regions. Thus, quantitative and qualitative data collected from Bulawayo form the basis of the analysis which is presented from the next chapter.

CHAPTER 6: THE IMPACT OF INDUSTRIAL DECLINE ON THE ECONOMY OF BULAWAYO METROPOLITAN PROVINCE

“Only a few large companies are still operational in Bulawayo e.g. Kango, Treger, Monarch, Lobels Biscuits, Arenel, Pretoria Portland Cement (PPC), and United Refineries. They are not many and that is not the industry we want.” Zimbabwe National Chamber of Commerce (2019, Pers com).

6.1 INTRODUCTION

In this chapter the effects of industrial decline on the economy of Bulawayo Metropolitan Province (BMP) are evaluated. The first part of the chapter provides a summary of the factors behind the industrial decline. The emphasis is on the factors indicated by the participants. This is followed by an evaluation of how industrial decline affected the economic performance of BMP. Data was collected from industrialists operating in the metropolis through questionnaires, key informant interviews, archival analysis, and observations. Furthermore, the data in this chapter was analysed with chi-square tests, trend analysis, simple descriptive statistics, and content analysis.

6.2 FACTORS BEHIND INDUSTRIAL DECLINE IN BULAWAYO

The process of industrial decline in BMP is not only complex; it is also caused by a litany of intertwined factors. Some of these factors were explained in depth through discussions of various scholars (Zaaijer 1998, Mlambo & Phimister 2006, Mbiba & Ndubiwa 2006, Mbira 2015; Mlambo 2017) and can be found in Chapters 1 and 4 of this study. Accordingly, in this chapter, the discourse is taken further by factoring in the temporal aspect of the analysis. The factors that influence different processes such as production, competitiveness, and investment prospects in Bulawayo are shown in Table 6.1.

Table 6.1 Factors behind industrial decline in Bulawayo

		Responses ¹⁷		Percent of Cases
		N	Percent	
Factors behind industrial closures in Bulawayo	High costs of doing business	259	23.4%	66.1%
	Acute shortages of raw materials	192	17.4%	49.0%
	Political instability rendering the business environment risky	176	15.9%	44.9%
	Poor availability of foreign exchange	156	14.1%	39.8%
	Unstable or unfavourable government policies	151	13.7%	38.5%
	Shrinking market opportunities	79	7.1%	20.2%
	Poor business management	60	5.4%	15.3%
	Stiff competition from illegal businesses/smuggled and/or cheap imports	29	2.6%	7.4%
	Disagreements amongst the shareholders	3	0.3%	0.8%
Total	1105	100.0%	281.9%	

The common factors are high cost of doing business and acute shortages of raw materials as shown in Table 6.1.

6.2.1 High costs of production

The increasing cost of production is one of the major factors behind industrial decline in Bulawayo. This study found that 66.1% of the participants attributed industrial decline and closures to this factor. Utility costs such as electricity, water, labour, and compliance to regulations, have significantly gone up. Besides, the scarcity of electricity, water, and some raw materials, has increased production costs. Prolonged power cuts have pushed firms to utilise alternative sources of energy, such as solar power and generators. These alternatives are

¹⁷ Tables in this format present multi-responses from 392 participants. Accordingly, 'N' represents the number of responses given by the participants, the 'percent' column represents percentages of responses, and the column 'percent of cases' captures the percentage of participants who gave the highlighted responses.

expensive compared to power supplied by the national power utility. In agreement Zimbabwe Investment Authority (ZIA 2019, Pers com) noted that, “power cuts have reached a serious level. Productivity has been reduced while the cost of doing business in the country has generally increased ... some investors have cited water shortages as their push factor.” Likewise, Mlambo (2017) noted the effects of inadequate and expensive electricity to the cost of production. Water shortages in industrial areas were disputed by Bulawayo Metropolitan Municipality (BMM) as the provision of municipal services to industries is regarded as a priority in BMP. Thus, industries do not experience water rationing. However, the discrepancy of water supply can be explained by prolonged power cuts that the city experience as these affect water pump stations. Consequently, temporary water cuts are experienced which often disrupt industrial operations.

The changes in labour costs have also increased the cost of production. Accordingly, the ZIA noted that hyper-inflation in the country has increased the cost of labour as employees seek to cushion themselves. However, the cost of labour in real terms has decreased after the abandonment of the multi-currency system. An employee who used to earn USD2000 in monthly wages is now earning an equivalent of USD520 (ZWL14000) according to current bank exchange rates.¹⁸ The ZIA noted that the insistency of employees in some organisations to have their employers match their former USD salaries has prompted some industries to relocate in search of locations with low labour costs.

6.2.2 Shortages of raw materials

Another economic challenge indicated by 49% of the participants is the shortage of raw materials. This factor is linked to high operation costs and the industrial decline in Bulawayo. This factor can be explained in two ways. Firstly, some industries that mainly depend on

¹⁸The official Reserve Bank of Zimbabwe exchange rate is USD1 to ZWL25 as at 15 June 2020. However, the parallel market rate (used in 70% of the daily transactions) is between ZWL80-85 per USD1. This means ZWL14000 is equivalent to USD165 on the parallel market. The official rate is only used when paying government taxes and licenses, e.g. rates and utility bills. For the majority of the remaining transactions, e.g. buying food, accessing medical facilities, and paying educational fees, the parallel market rate is used.

importation of raw materials, are finding it difficult to access foreign currency needed for their purchases. This is in line with 39.8% of the participants that attributed industrial decline in Bulawayo to foreign currency shortages. Secondly, those with access to foreign currency indicated that the importation of raw materials is increasing the cost of production. This explanation is mainly applicable to participants purchasing foreign currency from the parallel market. The cost of foreign currency on the parallel market is very high compared to the cost stipulated by the Reserve Bank of Zimbabwe (RBZ). The parallel market is an option for industrial sectors that struggle to access the required amounts, because they have a low ranking in the RBZ foreign exchange priority list. As a result, products and services produced by local industries lack competitiveness in terms of pricing as their prices are higher than those of similar imports. Accordingly, 7.4% of the participants agreed with Mlambo (2017), who noted that industrial decline in Bulawayo is caused by stiff competition posed by cheap imports. The situation is aggravated by the increased availability of smuggled goods that are sold cheaply at the expense of locally produced goods. This has driven small companies out of business, especially those that are fairly new to the market.

The scarcity of foreign currency in Zimbabwe is corroborated by key informants. The ZIA (2019, Pers com) noted that: "It is now difficult for investors to access the foreign currency. They are asked a lot of unnecessary questions such as why they need the money and how they intend to use it." This has caused frustration among investors. The stringent measures in place make access to foreign currency difficult for some organisations whose line of work is not considered a priority by the RBZ. As was previously indicated, some factors behind the industrial decline in Bulawayo have been present for many years, such as the overall industrial production (immediately after independence) that was negatively affected by the decline in foreign exchange reserves (Thompson 1983). Likewise, as far back as 1998, Zaaijer (1998) noted that the scarcity of foreign exchange reduced investment levels as investor confidence had diminished. The effect of foreign currency shortages and declining investor confidence on industrial performance in Zimbabwe has become recurrent. This is consistent with the concept of path dependence and the fact that the history of Bulawayo indirectly influences the present course of action (Page 2006). It can be seen that Bulawayo's economy was 'restricted' (lock-in

effect) to a negative economic development path (Simmie & Martin 2010) by poor policies implemented in Zimbabwe since 1980 (see Chapter 4). Thus, the lock-in development trajectory is perceived as a negative trait affecting the adaptability of Bulawayo's economy to various shocks (Simmie & Martin 2010).

The shortage of raw materials and foreign currency is closely linked to the lack of finance and financing mechanisms. Both the Confederation of Zimbabwe Industries (CZI) and the Ministry of Industry and Commerce (MIC) noted that the challenges of finance are mainly because funds are inaccessible (no financing mechanisms available) or in some instances, funds are available, but extremely expensive. This is a challenge mainly faced by micro, small, and medium enterprises (MSMEs). These firms fail to access capital due to exorbitant interest rates. The predicament is worsened by a lack of financial mechanisms that allow industrialists to access capital equipment at zero deposit and repay the capital over a period of time. This has left firms with limited options. They have to find a well-resourced partner, downsize, or shut down completely. This has been the predicament of many firms in Bulawayo. The shortage of long-term capital in Bulawayo is comparable to the challenges faced by small firms in hub-and-spoke industrial districts and satellite platforms hypothesised by Markusen (1996). However, the reasons behind the shortage differ. In a hub-and-spoke industrial district, high returns earned from trade are retained and controlled by the anchor firms that invest or reinvest the returns as they wish and according to their strategic plans (Markusen 1996). This is not the case in the narrative of Bulawayo explained in the beginning of this paragraph.

6.2.3 Political instability

Industrial decline in Bulawayo is also linked to the political crisis in Zimbabwe. Accordingly, 44.9% of the participants attributed the demise of firms in Bulawayo to political instability that has rendered Zimbabwe a risky business environment. Poor politics from as early as 2000 have driven away investors that used to operate in Bulawayo. In order to remain popular, the Zimbabwe African National Union Patriotic Front (ZANU PF) government implemented various policies that were not favourable for business (see policies discussed in Chapter 4). This

observation is supported by 38.5% of the participants who believe that unfavourable policies are behind the industrial decline of Bulawayo (see Table 6.1). These findings are consistent with those of Sachikonye (2003), Davies (2004), Zhou & Zvoushe (2008), Munangagwa (2009), Bratton & Masunungure (2011), Mlambo (2017), and Gambe (2019), who linked poor politics with the collapse and relocation of industries taking place in Zimbabwe. In addition, Singh (2012) and Negussie (2018) also attributed the collapse of industry in Zimbabwe to a lack of political commitment and to weak government institutions. The common thread in these findings is that of government failure to create an environment that enables business to flourish. The ‘unfavourable’ business environments made business forecasting and prediction difficult. Thus, in line with the argument of Geyer (2006), investors had to look for alternative investment destinations, favourable for business growth and development.

The military-assisted change of government that took place in Zimbabwe on 15 November 2017 exacerbated the political crisis in the country. This was followed by a disputed presidential election in July 2018. Local and international investors had high hopes of a new development and political path in Zimbabwe after the ousting of Robert Mugabe. However, their hopes were shattered as the expected policy changes did not happen. In fact, militarisation of state institutions has increased after the military-assisted change of government, all to the detriment of democratic institutional processes. What followed was scepticism and hesitancy among investors who wanted to invest in Zimbabwe. Consistent with Ndulu et al. (2007) and Heidhues (2009), corruption and weak government institutions have caused capital flight from Bulawayo and Zimbabwe in general.

6.2.4 Market shrinkages

The economic decline in Zimbabwe has subdued the demand for goods and services produced locally. It emerged from the study that 20.2% of the participants (see Table 6.1) attributed the decline of industries in Bulawayo to the prevailing market shrinkages. The currency changes that took place in the country, coupled with the drive for prosperity through austerity, generally impoverished Zimbabwean citizens. At the heart of the problem is the serious erosion of

employees' salaries. Consequently, citizens' spending habits have changed. The purchase and consumption of luxuries is now limited, resulting in decreased sale volumes amongst industries in Bulawayo. This has triggered the migration of industries, especially those that are market seekers, to other cities such as Harare. The ZIA noted that the relocation of market seekers from Bulawayo to Harare is caused by the difference in market size. Bulawayo has a population of 672 000 against 1.2 million people living in Harare. Accordingly, Harare has a bigger market for goods and services. However, expensive duty, taxes, and tariffs also contributed to firms' pricing mechanisms to be less competitive on regional and global markets (Mlambo 2017).

The other form of market shrinkage experienced in Bulawayo is linked to cheap imports and smuggled goods as highlighted by 7.4% of the participants. Competition from cheap and smuggled imports has reduced the market share of locally produced goods. The study confirms the findings of Zaaier, who in 1998, found that the weak state of industries in Bulawayo made them less competitive on local, regional, and global markets. Zaaier (1998) was analysing the impact of the Economic Structural Adjustment Programme (ESAP) specifically focusing on trade liberalisation. However, 22 years later, the companies in Bulawayo are still struggling to withstand stiff competition from imports. Accordingly, the CZI attributed the lack of competitiveness to worn out and aging infrastructure. Most industrial machines currently used started operating in the 1960s, 1970s, or 1980s. Some of these machines use too much electricity, while others cannot be powered by solar systems, or even generators. With prolonged power cuts currently experienced in the country, old machinery has significantly reduced production output. The operation and maintenance costs of dated machines have become unsustainable to most industries often causing them to downsize or close down.

6.2.5 Foreign ownership of businesses

The industrial decline taking place in Bulawayo can also be linked to historical events that took place in Zimbabwe. Building or destroying an economy is a process that takes time. In light of this, the Zimbabwe National Chamber of Commerce (ZNCC) noted that indigenous Zimbabweans had shunned participating in the economic sector for a long time. Immediately

after independence, the majority went into political, social, and security sectors, with a few participating in the economy as investors. The economy was largely controlled by white Zimbabweans and foreigners. The ZNCC noted that it is difficult to run an economy dominated by one race, or by foreigners, who have fragile political relationships with government. Whenever the relationship becomes shaky, foreign investors can simply move their capital to another country. This explains the capital flight that has been taking place since the time Zimbabwean government became 'unpopular' in the West. Thus, the dominance of foreigners in the economic sector worked against economic growth in Bulawayo.

The aforementioned argument of ZNCC can to some extent be regarded as an overstatement, especially when comparing the situation with how the Asian Tigers benefitted from foreign investments. Generally, many mistakes were made in the economic and political sectors of Zimbabwe that negatively affected the economy. Ideological flip flopping (between socialism and capitalism), incomplete and uncoordinated economic policies, policy inconsistencies and reversals, widespread graft in government, and poor politics, have frustrated not only foreign investors but also local investors. In fact, both groups have moved and are still moving their capital out of Bulawayo.

6.2.6 International restrictions on local companies and business people

Industrial decline in Bulawayo has also been linked to international factors. The study indicated that international community's negative perception about Zimbabwe has directly and indirectly affected industrial growth in the country's cities and towns. Bulawayo was no exception, where negative publicity has resulted in the loss of international investment, when for instance, some industrialists have lost business partners who decided to relocate in lieu of the meltdown of the national economy in the 2000s. This was followed by a restructuring process that disturbed the smooth flow of businesses in the metropolis. Apart from that, targeted sanctions imposed on Zimbabwe indirectly also affected industries in Bulawayo. Participants highlighted the loss of business due to their trading partners having been placed under sanctions or international

restrictions. These partners included companies and firms owned by the ruling ZANU PF party, and all individuals who are on the targeted sanctions list.

An example of the seriousness of having been placed under sanctions is the fining of Standard Chartered Bank (SCB) Zimbabwe. SCB was fined approximately US\$18 million by the United States Office of Foreign Assets Control for processing transactions on behalf of individuals on the sanctions list, or on behalf of entities in which they have at least 50% stake. The company had allegedly processed transactions to or through the United States involving people and entities on the sanctions list in Zimbabwe (Mpofu 2019). This was considered a violation of Zimbabwe Sanctions Regulations. This example shows how local industries (both suppliers and customers of the companies under sanctions) are indirectly affected by international restrictions. Though it could be argued that the effects are minimal, these restrictions still have a negative influence on the industrial growth and development of Bulawayo.

6.3 EFFECTS OF INDUSTRIAL DECLINE ON BULAWAYO'S ECONOMY

The performance of a city's economy is influenced by different factors including the wellbeing of its industrial base. A strong industrial base is central to economic growth and resilience of industrial cities. Bulawayo used to be the industrial capital of Zimbabwe. Its economy was mainly based on industrial production and the export of goods and services. However, other factors such as institutional structures and the quality of the labour force are also important for the economic wellbeing of the city. According to Simmie & Martin (2010: 30) the success of an economy of a region is underpinned by, "the ability of the region's industrial, technological, labour force and institutional structures to adapt to the changing competitive, technological and market pressures and opportunities that confront its firms and workforce." Accordingly, the effects of industrial decline are analysed while paying particular attention to the impact of industrial decline on the structure of the current industry in Bulawayo, changes in employment levels, and the city's attractiveness.

6.3.1 The current structure of the industry in Bulawayo

The structure of industry in Bulawayo, being the erstwhile industrial capital of Zimbabwe, has significantly changed since independence in 1980, as is illustrated by the abandoned and dilapidating industrial infrastructure lying idle in some parts of the city's industrial areas (Ndlovu 1994; Zaaijer 1998; Mbiba & Ndubiwa 2006; Mlambo & Phimister 2006; Parliament of Zimbabwe 2011; Mbira 2015). The majority of big industries that were traditionally located in Bulawayo, include Zimbabwe Engineering Company (ZECO), Hubert Davies, Radar Metal, National Blankets Limited, Treger Group, Hunyani Holdings, and Cold Storage Commission (Parliament of Zimbabwe 2011). While both Radar Metal and Treger Group are still operational, others such as Hunyani Holdings, Hubert Davies, and National Blankets Limited have closed down. At the time of independence Harare and Bulawayo accounted for nearly 70% of the total manufacturing industry (Ndlovu 1994). However, this is no longer the case, in fact, the city that used to be the industrial capital of Zimbabwe now only lives in the memories of retrenched employees and the elderly who witnessed its former glory.

A prolonged period of industrial decline has caused dramatic changes in the industrial structure of Bulawayo. The metropolis is now dominated by MSMEs, mainly owned and run by the indigenous Zimbabweans. The classification of the industries was informed by employment levels shown in Figure 6.1. According to the classification of MSMEs provided for in the Fourth Schedule of the Small and Medium Enterprises Act [Chapter 24:12] a micro enterprise is any organisation with a maximum number of 5 employees while a small enterprise has a maximum of 30 or 40 employees, depending on the sector (see Appendix C for the classification schedule). A medium enterprise is any organisation with a maximum number of 75 employees. In light of this, the study revealed that the majority (81.6%) of the participants fall within the micro and small enterprises group with employee classes from 1-20 and 21-40 respectively, as shown in Figure 6.1. Approximately 9% of the participants are within the medium enterprise group while around 10% represent the large enterprises. Industrial decline in Bulawayo changed the city's industrial structure. The dominant industries now mainly operate locally, servicing the local market. This means monetary inflows into the region are limited.

The industrial base of Bulawayo has been shrinking over time as is clear from the small percentage of medium and large enterprises operating in Bulawayo.

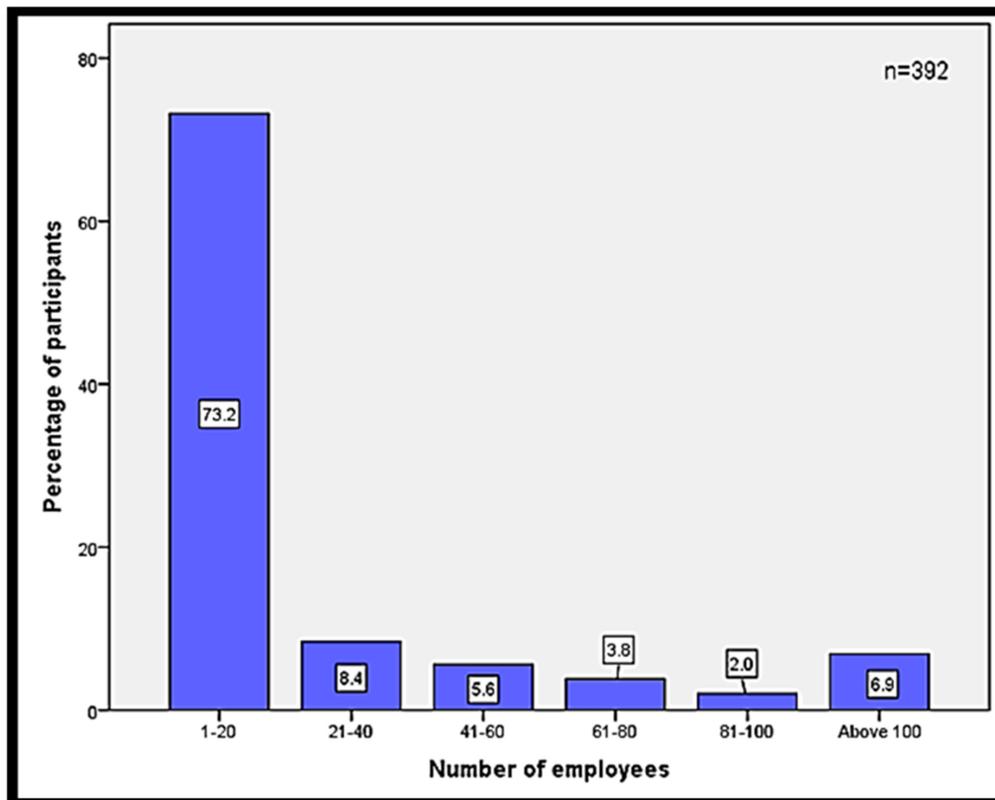


Figure 6.1 Firm employment levels in Bulawayo

Only a few enterprises amongst these are exporters. In support of these findings ZNCC noted that the number of large enterprises operating in Bulawayo has declined significantly and the majority is operating below capacity. This means their supposed positive impact on the economy is not fully realised. Their levels of production are weak and their employment levels low. Consequently, the ability to attract monetary inflows into the metropolis is reduced which is to the detriment of Bulawayo's economy. According to Stimson, Stough & Roberts (2006) economic base expansion results in the increase of export goods and services while at the same time improving cash inflows that can be used to generate new local consumption. However, it is difficult to have new local consumption in Bulawayo because of reduced exports and resultant low cash inflows.

The majority (80.9%) of firms operating in Bulawayo were established after 2000 as is shown in Figure 6.2. The remaining 19.1% of the participants have been operating in the metropolis for more than two decades. The trend in Figure 6.2 fits with the historical context of Bulawayo and also the rest of the country.

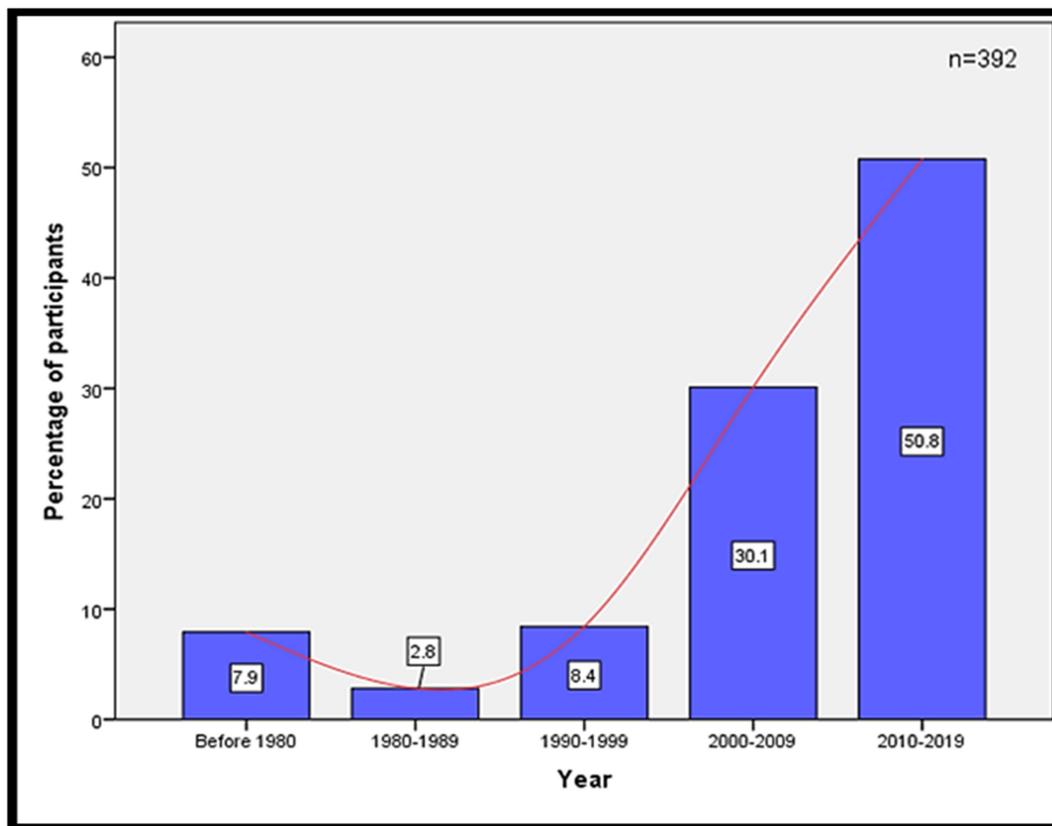


Figure 6.2 Year participants started operating in Bulawayo

The 1990s represents the decade in which ESAP was implemented in Zimbabwe. Massive job losses took place as both government and private entities retrenched thousands of workers in order to promote efficiency. Employees who failed to return to the formal job market had to find alternative placements in the informal sector. Accordingly, many indigenous companies were set up in the period from 2000 to 2009, as most citizens decided to venture into entrepreneurship and as formal employment almost collapsed.

The launch of the Indigenisation and Economic Empowerment Programme (IEEP) in 2008 also explains the number of new companies that opened from 2009 onwards. Likewise, with the Zimbabwean dollar being demonetised in 2008, the multi-currency system introduced in 2009 gave citizens better opportunities of starting up new businesses. During this period, Zimbabwe's economy as a whole, attained some form of stability as inflation was curtailed. New companies that were set up during this decade had a better chance of survival as business forecasting and planning was made possible by the stability brought about by dollarisation. Apart from that, the adoption of the multi-currency also improved foreign investment in the country. Both local and foreign investors regained confidence in the country's administration consequently the levels of investments in new industries increased. These findings are confirmed by the Government of Zimbabwe (GoZ) (2009), GoZ (2010), Kramarenko et al. (2010), Sibanda & Dubihlela (2013), and Zinyama & Takavarasha (2014). Consistent with GoZ (2009) and GoZ (2010), the study also found that an increase in capacity utilisation was experienced in the whole country after the adoption of the multi-currency system. However, the majority of the industries that set up in Bulawayo from 2000 onwards, are mostly micro to small enterprises making their contribution to the growth and development of the formal economy, minimal. This is exacerbated by the fact that some of these enterprises are unregistered, and therefore operate outside the formal economy.

In terms of firm ownership, this study found that 89.8% of the participants are fully owned by indigenous Zimbabweans while only 1% represents exclusively foreign-owned entities. In addition, only 9.2% of the participants represent partnerships, where firms are owned by both foreign and local investors. These findings confirm the previously mentioned flight of foreign capital from Bulawayo. Chi-square tests were conducted to establish whether there is any significant evidence at 5% level between the period of operating in Bulawayo and the period of decline (e.g. 10 years, 5 years, or 1 year) the participants experienced. The chi-square tests revealed that, at 5% level, there is significant evidence to suggest an association between the time period participants have been operating in Bulawayo and the period they have been undergoing decline. The results of the chi-square tests are shown in Table 6.2. Both tests show a

p value of 0.000.¹⁹ The values are less than 0.05 therefore the null hypotheses are rejected in favour of the alternative hypotheses.

Table 6.2 Chi-square tests - period of operation in Bulawayo vs. industrial decline

Decline in 10 years	Value	df	Asymp. Sig. (2-sided)	Decline in 5 years	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	90.026 ^a	4	0.000	Pearson Chi-square	33.814 ^a	4	0.000
Likelihood Ratio	97.597	4	0.000	Likelihood Ratio	34.096	4	0.000
Linear-by-Linear Association	66.111	1	0.000	Linear-by-Linear Association	27.000	1	0.000
N of Valid Cases	392			N of Valid Cases	392		
a. 1 cell (10.0%) has expected count less than 5. The minimum expected count is 2.61.				a. 1 cell (10.0%) has expected count less than 5. The minimum expected count is 4.04.			

The tests generated Cramer's V coefficients of 0.294, depicting a moderate association (Rea & Parker 2014). The same test was repeated for industrial decline that took place over a period of one year. The results showed no evidence at 5% level of a significant relationship between the period the participants have been operating in Bulawayo and whether or not they faced decline in a period of one year preceding the study. The chi-square test produced a *p* value of 0.552.

The overall results of the chi-square tests show that the industries that have been operating in Bulawayo for a long time have undergone a prolonged period of decline compared to those that set up between 2010 and 2019. This explains why the city's economy is now dominated by fairly new industries. The majority of old industries, some of which were foreign-owned have either closed down or relocated from Bulawayo. However, the type of industry and goods produced may also explain the business ownership structure in Bulawayo. As noted by BMM, in this fast-changing world the industries of yesteryear cannot survive today. The hard-hit industries are mainly those who specialised in textiles. Most industries in this sector failed to withstand

¹⁹ The value of 0.000 in chi-square analysis is not equal to zero. This only means the real value is less than 0.001 e.g. 0.00014. If rounded to 3 decimal places, the number is presented in SPSS as 0.000.

economic recession and thus closed down. Such industries left behind vacant and dilapidating industrial buildings such as those shown in Figures 6.3 and 6.4. It is no wonder that the Parliament of Zimbabwe (2011) found that poor economic performance and the current deindustrialisation taking place in Bulawayo have resulted in the dilapidation of industrial infrastructure.



Figure 6.3 Vacant industrial building in Bulawayo

Figure 6.3 shows buildings that used to house one of the largest blanket-making companies in Zimbabwe. This company is currently under liquidation and since it closed down, many of its employees were left unemployed. This is consistent with Mbira (2015) who noted that industrial decline mostly affected those residents whose livelihoods were dependent upon the manufacturing industry.

Another example is of a heavy engineering company that has closed down. Its former premises are currently dilapidating as shown in Figure 6.4. These findings are similar to those of Geyer (1989; 2006), and Mutami & Gambe (2015) who noted that African cities are characterised by

vacant, abandoned, and dilapidating infrastructure and increasing informality. Furthermore, Geyer (1989) noted that most urban economies in Southern Africa are dualistic in nature, for this reason, the integration of formal and informal urban sectors provides prospects for better economic growth. In order to reduce dilapidation of unused industrial buildings, BMM has allowed some adaptive re-use. Despite its state of repair, the building shown in Figure 6.4 is utilised by MSMEs.



Figure 6.4 Dilapidating industrial building in Bulawayo

However, the MSMEs fail to repair and properly maintain the building, due to its specialised nature. The revenue generated from the firms' activities is hardly enough to repair and refurbish a building of that size.

6.3.2 Effects on the city's export levels

The importance of basic industries in a region's economy can never be overstressed. Basic industries promote monetary inflow and also attract highly skilled labour to the concerned

region. This study found that the majority of the industries in Bulawayo sell their goods and services locally, as shown in Figure 6.5. As a result of the industrial decline in the city, 45.4% of the participants sell almost all their products (81-100%) in Bulawayo while 27.6% of the participants indicated that 61-80% of their goods and/or services are consumed locally. Overall, 73% of the participants have the bulk of their goods and services sold locally. To support this, BMM indicated that firms in Bulawayo are mainly producing for the domestic market.

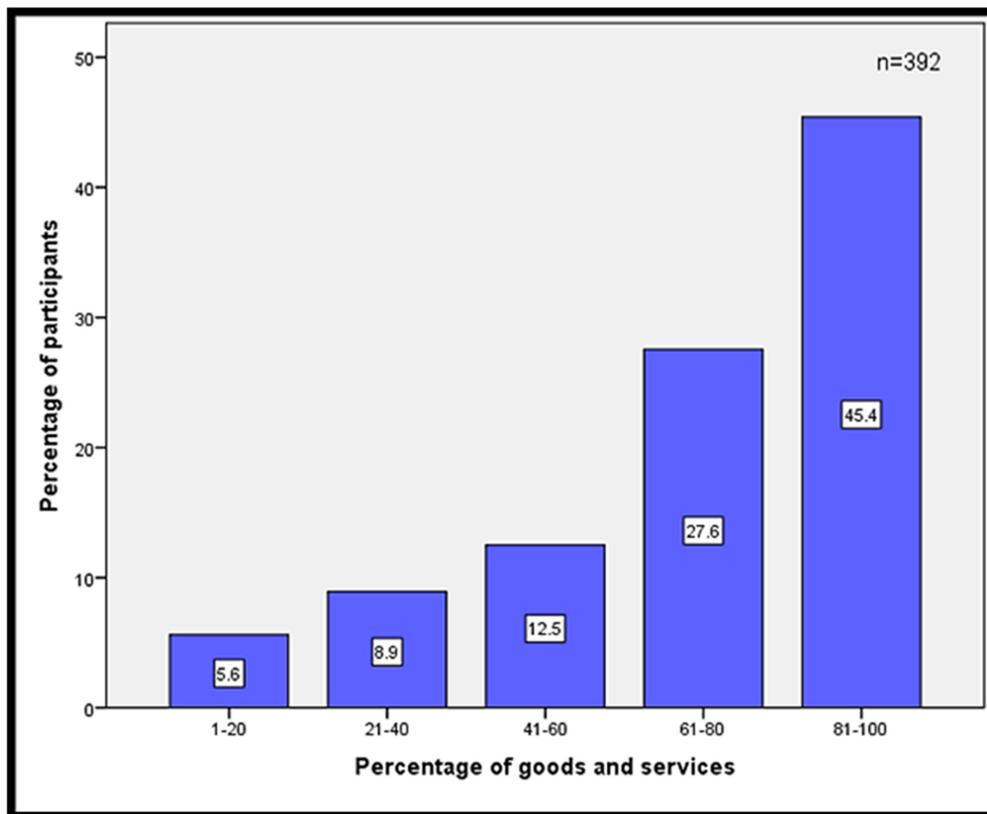


Figure 6.5 Goods produced and sold in Bulawayo

In addition, their ability to lure highly specialised labour is also minimal. However, these findings also indicate the existence of investment opportunities in export production. This is in line with the effort by central government to lure foreign direct investment in the metropolis through setting up special economic zones (SEZs).

The level of exports from Bulawayo is very low as shown in Figure 6.6. The majority (76%) of the participants are non-exporters. However, 22% of the participants export between 1-40% of their products while a combined 2% are able to export 41-100% of their goods and services. Prolonged industrial decline has affected the city's economic base with the basic industries downsizing, relocating, or completely closing down. These findings mirror what has been taking place in the national economy. According to the RBZ (2018) economic decline in Zimbabwe has resulted in more imports than exports in the last quarter of 2017. South Africa accounted for 40.5% of these imports (RBZ 2018).

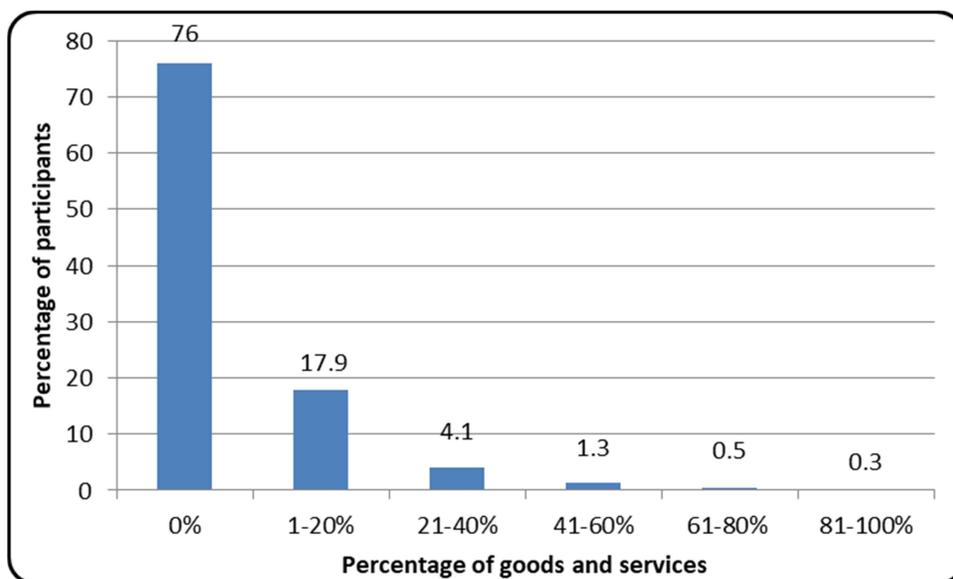


Figure 6.6 Exports from Bulawayo

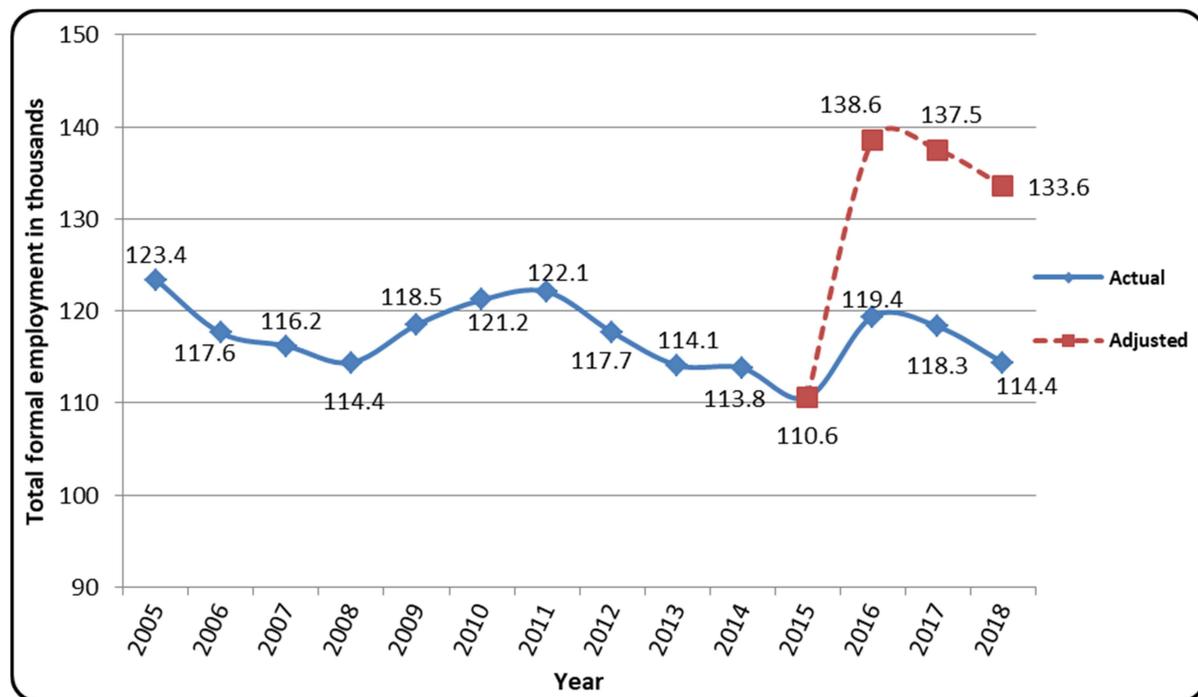
Similarly, Mlambo (2017) noted massive out-migration of firms from Bulawayo as a result of the national economic crisis.

The proportion of basic versus non-basic industries in Bulawayo can also be explained by the competitiveness of goods and services produced in the metropolis. It emerged from the study that 50.5% of the participants rate the competitiveness of their goods and services as average compared to imports while only 37.5% of the participants believe that their goods are highly competitive. The competitiveness of goods and services produced by firms in Bulawayo is low

compared to imports. Only a few firms with competitive products are able to export. This is corroborated by data collected from key informants. The ZNCC revealed that some of its members are still involved in exporting. These members are normally given awards on a yearly basis in the category of the best exporter. Currently, the manufacturing and tourism sectors are leading in exports, followed by agriculture and mining.

6.3.3 Effects on employment levels

Industrial decline in Bulawayo has caused an increase in unemployment. However, the impact has been less depressed for formal employment as shown in Figure 6.7.



Source: ZIMSTAT (2019)²⁰

Figure 6.7 Formal employment figures in Bulawayo 2005-2018

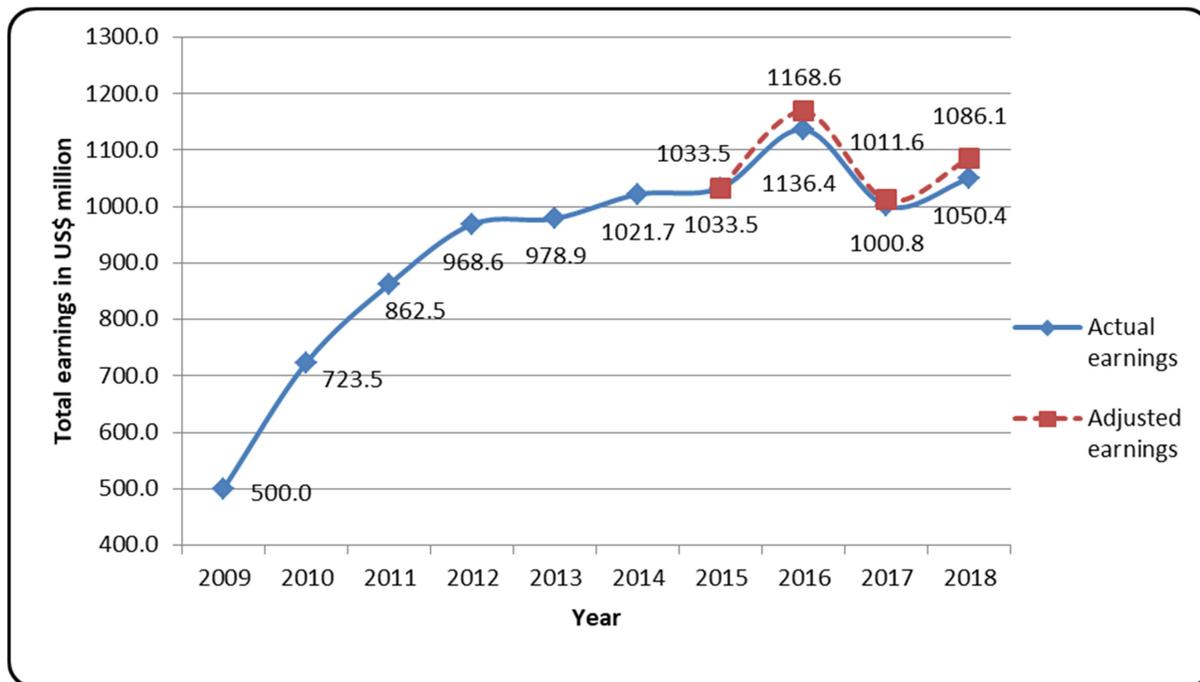
²⁰ As noted by ZIMSTAT, the data in the figure should be understood in light of the following: (1) data only presents annual average numbers of formal employees, (2) data excludes all mining companies and employees of small agricultural units and small businesses in rural areas, and (3) data for formal employment in the agriculture sector used to include persons only employed in the Large Scale Commercial Farms (LSCFs). For consistency and comparability purposes the data now includes employees and earnings for A1, A2 farms as these previously constituted the LSCF.

The period from 2005 to 2008 was marked by acute economic decline while 2009 to 2013 was characterised by economic stability after the adoption of the multi-currency system. Another wave of economic decline set in around 2011. The slight increase in formal employment figures that was experienced from 2008 to 2011 can be attributed to the economic stability prevailing in the country at the time that saw confidence improve amongst investors amid this section of the multi-currency era, and that led to new investments and re-investments. The decline from 2012 to 2015 can be explained by the deterioration of the political situation in the country during the run up to the 2013 national election and immediately after. This period was characterised by disagreements between ZANU PF and opposition parties, each party trying to win support from the citizens in the impending election. Then, the post-2013 election period triggered scepticism amongst investors who were not confident in a ZANU PF-led government. As a result, investors adopted a 'wait and see' attitude with negative effects on formal industry employment.

Another factor that influenced the decrease of employment levels between 2011 and 2015 was the cost of labour. The study revealed that paying labour charges in USD or ZAR was expensive for most firms and that it significantly increased production costs. As such, rationalisation of employment was inevitable as companies sought to remain competitive. Accordingly, the ZNCC noted that using USD for production was expensive and that it affected the competitiveness of Zimbabwean products on the global market. The influence of the USD was underrated during the multi-currency era. Goods and services were generally overpriced, thereby affecting competitiveness on both regional and global markets. These are some of the reasons that explain the decrease in employment that took place between 2012 and 2015.

The subsequent increase in employment figures between 2015 and 2016 (actual trend) was minimal. This can be attributed to the introduction of Bond currency in Zimbabwe, which slightly reduced the cost of labour. In contrast, the 'adjusted' line graph represent employment levels inclusive of employment data from A1 (small-scale) and A2 (medium- and large-scale) farms, that were captured for the first time in 2016 (ZIMSTAT 2019, Pers com). The inclusion of formerly excluded employees has resulted in the sharp increase recorded between 2015 and 2016. Notwithstanding the erosion of salaries that took place after the introduction of bond notes,

the value of employees' earnings and benefits in USD terms have continually increased as shown in Figure 6.8. The increase in earnings (including benefits) of formal employees in Bulawayo is not consistent with the changes that took place in employment levels as shown in Figure 6.9. The earnings recorded a sharp increase from 2009 to 2012 before a reduction can be seen in the rate of increase up to 2015.



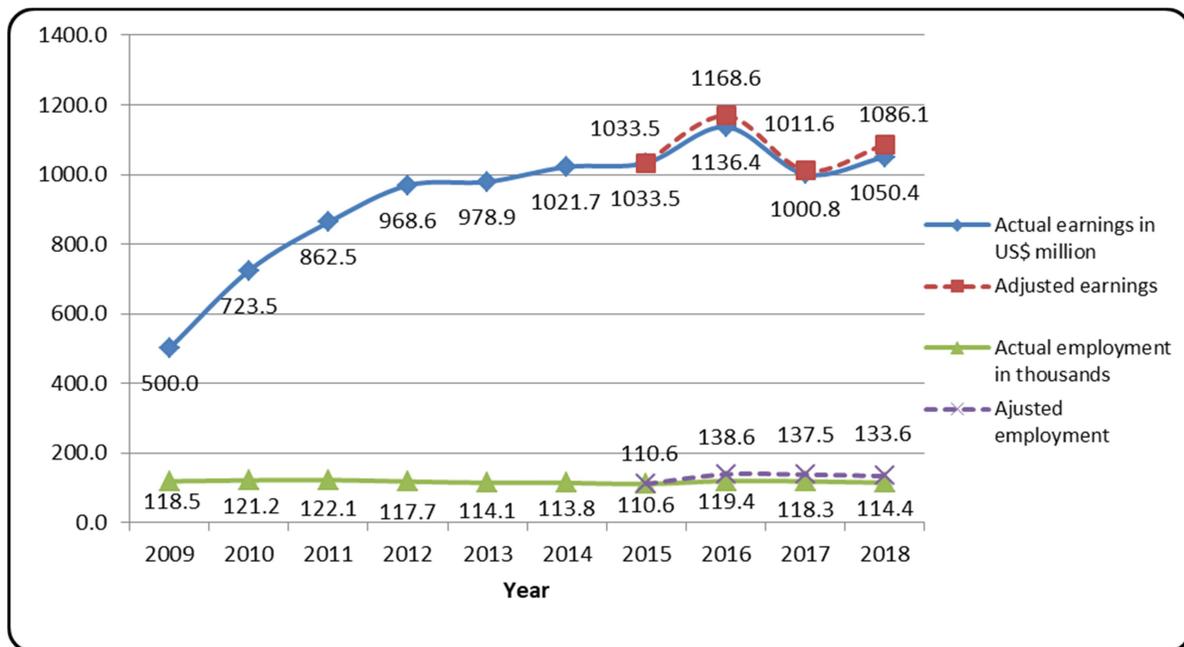
Source: ZIMSTAT (2019)

Figure 6.8 Annual earnings for Bulawayo in US\$ million, 2009-2018

As discussed before, the 'adjusted' line graph from 2015 to 2018 shows an increase in earnings linked to additional employees that were not previously accounted for by the data generated by ZIMSTAT.

Despite the fluctuations in the earnings curve, the employment curve remained almost constant with a slight increase being recorded between 2015 and 2016. The relationship between the annual number of employees and earnings was tested using linear regression at 5% significance level. The regression analysis produced a *p value* of 0.215 which is greater than the significance value (0.05). The results were not statistically significant as shown in Table 6.3. As such, the

number of employees in Bulawayo cannot be effectively used to predict the changes in earnings. This is supported by the R Square value of 0.185 and an adjusted value of 0.083. An Adjusted R Square of 0.083 can be interpreted to mean that only 8.3% of the variation in the earnings is explained by changes in employment.



Source: ZIMSTAT (2019)

Figure 6.9 Number of employees versus earnings in Bulawayo, 2009-2018

Thus, the relationship is insignificant. However, the increase in earnings is considered to be one of the factors that contributed to high production costs and consequently, the decline of industries in Bulawayo.

Table 6.3 Number of employees versus earnings regression analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.853E16	1	5.853E16	1.811	0.215 ^a
	Residual	2.586E17	8	3.233E16		
	Total	3.172E17	9			

a. Predictors: (Constant), Employees

An analysis of employment trends indicated a sharp departure from some statistics in literature. This study found that between 2009 and 2018, 40.9% of the participants experienced an increase

in employment as compared to only 9% between 2009 and 2014 reported by Mbira (2015). Furthermore, Mbira (2015) found that 85% of the industries in Bulawayo experienced a decline between 2009 and 2014. On the contrary, this study found only 34% between 2009 and 2018. Another difference is the industries that managed to maintain their employment levels. While Mbira (2015), found only 6%, this study found 22.6%. The differences may be accounted for by the temporal aspect as Mbira (2015) studied a period of 6 years, while this study covered a 10-year period. The other discrepancy concerns Mbira's (2015) sample size which comprised 33 participants versus the 392 participants in the current study. More important is the fact that Mbira (2015) only focused on manufacturing industries while the current study focused on various sectors.

6.3.4 Effects on the Bulawayo's attractiveness

Economically resilient cities are those that are able to attract and retain high growth and innovative industries. They should also attract migrants from other cities and/or countries. However, measured against this yardstick, Bulawayo is failing to attract and retain high growth industries. A few high-growth industries that are still operating in the metropolis have been established decades ago. Prospects for new foreign investments are slim. In comparison, Harare has recently attracted a company called Varun Beverages (Pty) Ltd. The company set up the first phase of its bottling plant in 2018 at an estimated cost of USD30 million. In 2019 the second phase was completed and commissioned with an additional plant worth USD20 million. The company produces and distributes different types of beverages, the most common being Pepsi, Mirinda, and Mountain Dew.

Bulawayo's ability to attract capital and skilled labour from other cities and countries has remained low. For example, the current percentage of foreign-owned firms stands at 1% of the participants. In light of this, the ZNCC (2019, Pers com) noted that, "we have a few members that are foreign-owned whilst the majority is locally owned. Many foreign-owned members have since closed down because of viability issues and operational challenges." The main factor that attracted the majority of industries currently operating in Bulawayo is the availability of a market

for their products. As shown in Table 6.4, 51.8% of the participants operating in Bulawayo were influenced by the availability of a market. However, with the current market shrinkages, the attracting factor is suddenly converted into a disincentive, prompting market seekers to find alternative markets. Those contemplating investing in the metropolis are thus discouraged as competitiveness is a key factor that determines firm location and relocation decisions.

Table 6.4 Participants reasons for locating in Bulawayo

		Responses		Percent of Cases
		N	Percent	
Reason for locating in Bulawayo ^a	Availability of a market	203	32.1%	51.8%
	Business owners stay in Bulawayo	181	28.6%	46.2%
	Location closer to raw materials	64	10.1%	16.3%
	Locating closer to other industries (purchasers & suppliers)	63	10.0%	16.1%
	Expansion strategy (had other branches in some cities)	61	9.7%	15.6%
	Availability of land suitable for company operations	30	4.7%	7.7%
	Low costs of transport and communication	16	2.5%	4.1%
	Availability of cheap/skilled labour	8	1.3%	2.0%
	Tax incentives	6	0.9%	1.5%
Total		632	100.0%	161.2%

a. Dichotomy group tabulated at value 1.

The industries relocating from Bulawayo to other cities are mainly driven by the desire to remain competitive. In addition, industries with branches outside Bulawayo are quick to relocate the moment the economy becomes unfavourable. In light of this, BMM (2019, Pers com) noted that:

After a long time of monitoring the behaviour of industries in the city, we realised that most of them are not relocating per se but downsizing in such a manner that forces them to close their branches other than their head offices. Since most companies would want to have their head offices in the capital Harare, the downsizing exercise therefore appears as if industries are relocating from Bulawayo to Harare ... that is not the case! Normally when industries shrink, they choose to move to their base and hope to service the other areas from there.

BMM's comment demonstrates that the generally perceived mass relocation of industries from Bulawayo to Harare is actually part of a downsizing process. The general economic decline in

the country has forced companies to shut down their branches other than the head offices. These findings are consistent with those of Birkinshaw et al. (2006) who noted that the need to remain competitive pushes firms to move from one location to the other. In addition, Gambe (2019) also noted similar findings in Harare. Thus, normally industries do not want to set up or continue operating in a city that negatively affects their competitiveness. The findings also partly support the firm's location patterns described in Markusen's (1996) satellite platforms. Some of the firms that closed down or relocated from Bulawayo were branches externally controlled by corporate headquarters. One of the reasons for their closure or relocation was the shortage of patient capital in the metropolis. However, Bulawayo is not considered a periphery in terms of the city classification in Zimbabwe. Instead, Bulawayo is a 'core' together with Harare, the capital city. As such, it would be erroneous to treat Bulawayo as a city with its business and industrial structures being dominated by large external firms that dominate important investment decisions.

The second most important factor that influenced participants to establish their businesses in Bulawayo is being domiciled in the metropolis. As shown in Table 6.4, 46.2% of the participants established firms in Bulawayo because they reside in the metropolis. However, these participants own and operate firms of different sizes. A chi-square analysis conducted at 5% level showed that there is an association between the investor's area of residence and the size of the firm owned. The test produced a *p value* of 0.000 as shown in Table 6.5.

Table 6.5 Chi-square test – investor's area of residence vs. size of firms

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	36.942 ^a	5	0.000
Likelihood Ratio	42.893	5	0.000
Linear-by-Linear Association	33.031	1	0.000
N of Valid Cases	392		

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 3.69.

The majority (54.7%) of micro and small enterprises (firms with 1-20 employees) are owned and operated by entrepreneurs based in Bulawayo. Large enterprises are mainly owned and operated by investors domiciled outside Bulawayo. However, 3.7% of firms with more than 100 employees are owned by entrepreneurs based in Bulawayo. The data can be explained by a

prolonged period of industrial decline in the metropolis which caused the collapse of mainly medium and large firms. Those left operating are mainly micro and small companies run by indigenous people.

6.4. CONCLUSION

Industrial decline and deglomeration are taking place in Bulawayo. However, the deglomeration process takes a new form defined in Chapter 1 as the deconcentration of industries that were previously agglomerated in a cluster or district, due to factors such as poor and unfavourable national economic policies (that cause a general economic decline and flight of investors), strained natural resource base necessary in production e.g. water, and interrupted production systems due to factors such as regular power outages. This process is different from polarisation reversal by Richardson (1980). There is no evidence that the industries are relocating from Bulawayo to other peripheral regions of the city system. Instead the relocation is mainly from Bulawayo to other core regions such as Harare. This form of relocation does not entail closing down operations in Bulawayo and re-opening in Harare. The relocation is to an extent a form of downsizing with small branches shrinking back to their headquarters, mainly located in Harare.

The process of industrial decline has negatively affected the economy of the Bulawayo metropolis. The main aspects of the economy mostly affected are, the form and structure of the industry, the metropolis' export levels, employment levels, and the metropolis' attractiveness to foreign capital. The structure of Bulawayo's industry is now dominated by MSMEs that are mostly owned by indigenous people. These enterprises are in most cases non-basic hence their contribution to monetary inflows into the metropolis is limited. Despite the existence of exporters in the metropolis, their percentage is very small compared to non-exporters. Overall, the metropolis is still struggling to attract and retain foreign capital as well as industries characterised by high and sustained growth levels. These findings have prepared a base upon which the next chapter is grounded. In its attempts to assess different strategies adopted by the participants to remain operational in Bulawayo, the next chapter substantially draws from the findings of the current chapter.

CHAPTER 7: STRATEGY OPTIONS FOR FIRM RESILIENCE IN BULAWAYO METROPOLITAN PROVINCE

“We have remained operational for 30 years because we refused to give up ... we have worked hard to be where we are today.” Anonymous participant.

There is good reason to argue that understanding regional resilience, and thus any measure of it, implies an understanding of the resilience of individual firms and their specific capacities to cope with, adapt to and reconfigure their technological, network and organizational structures within a constantly evolving economic environment. Boschma; Swanstrom (in Soroka et al. 2020: 840).

7.1 INTRODUCTION

Firm resilience is an important aspect of regional economic resilience especially in industrial cities. This emanates from the understanding that resilience can be analysed at different levels, for example, individual, community, firm, sub-regional, regional, sub-national, and national levels (Vale 2014; Sensier, Bristow & Healy 2016). Accordingly, the analysis of firm resilience underpins the overall conceptualisation of Bulawayo’s economic resilience. Gambe (2019: 89) noted that firm resilience can be taken to mean “the ability of a firm to continually produce goods and services that are demanded in the market while managing to maintain and/or improve its productivity, capacity utilisation, employment and profit levels.” This is the conceptualisation adopted in this chapter. Capacity utilisation and employment trends are therefore utilised as the main variables to analyse the resilience of firms in Bulawayo. The main data analysis strategies adopted include trend analysis, comparative analysis, and the chi-square test of association.

7.2 FIRM RESILIENCE IN BMP

Despite the operational challenges experienced by firms in Bulawayo metropolis, some have managed to withstand the effects of economic meltdown. This study found that, 40% of small firms experienced an increase in capacity utilisation whereas 9.7% did not experience any

changes. Using capacity utilisation as a measure of resilience, 49.7% (92) of the small firms showed signs of resilience compared to 45.4% (84) with declining capacity utilisation trends and 4.9% (9) considered invalid because they had a single entry. For medium-sized firms, only 21.9% (7) showed signs of resilience as opposed to 78.1% (25) that indicated they were struggling to grow or to maintain their capacity utilisation levels. A similar trend is also shown by large firms with only 37% (10) showing some evidence of resilience. The remaining 63% (17) are showing declining capacity utilisation trends.

An overall picture shows that micro and small firms are more resilient than medium-sized and large firms. The majority of small firms in Zimbabwe do not pay the level of taxes and duties payable by medium-sized and large firms. Consequently, micro and small firms tend to have lower operational costs. This gives them mileage in terms of the ability to maintain their capacity utilisation levels. Besides that, economic recession in Zimbabwe mainly affected the capacity utilisation trends of large firms and most of them have closed down. In comparison, small firms did not register much change in capacity utilisation thus, becoming more resilient. The capacity utilisation curves generated from the firms showing signs of resilience are shown in Figure 7.1 (small firms), Figure 7.2 (medium-sized firms), and Figure 7.3 (large firms).

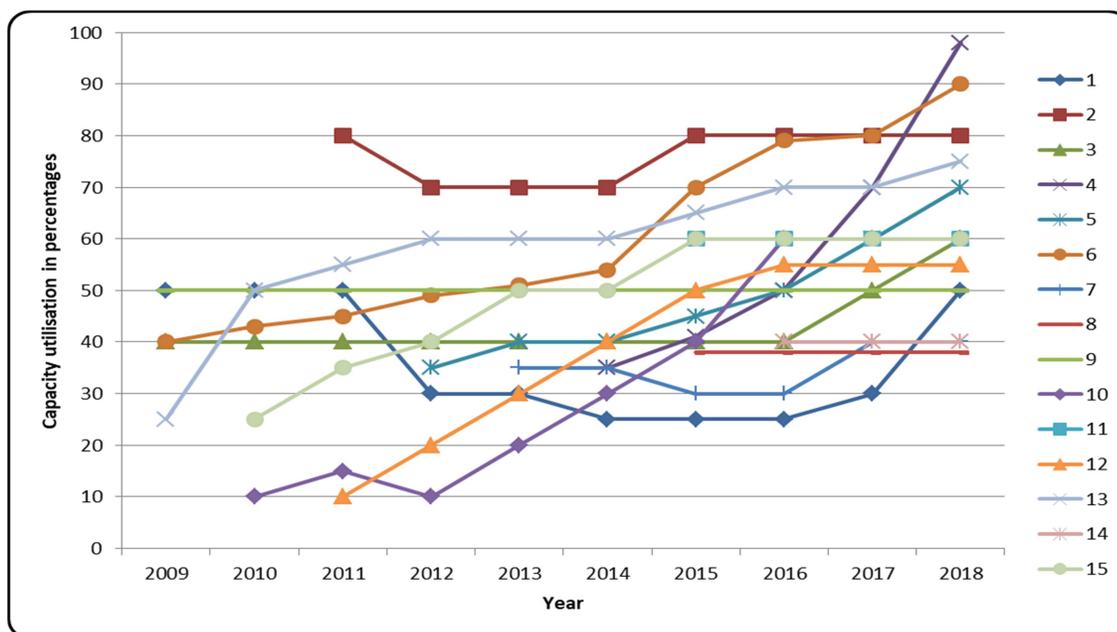


Figure 7.1 Capacity utilisation trends for small firms in Bulawayo

Figure 7.1 illustrates the capacity utilisation of 15 resilient firms. The number of firms so illustrated was limited to 15 in order to improve the visual outcome of the figure as 92 small firms that demonstrated resilience could not fit in a single graph. On the other hand Figures 7.2 and 7.3 present all medium-sized and large resilient firms respectively as their numbers are limited and can easily fit within a single line graph. The trends shown in Figure 7.1 fit into the different categories of resilience found in literature. As an example resilience can be perceived in terms of resistance, recovery, or a total reconfiguration that can sometimes be referred as adaptation (Simmie & Martin 2010; Martin 2012; Simmie 2014; Han & Goetz 2015). Despite the fact that these categorisations are mainly used in the analysis of variables depicting regional economic resilience the same categorisations can be useful in analysing indicators of firm resilience. Thus, capacity utilisation trends for small, medium, and large firms are analysed in light of different categories of resilience.

A sizeable number of capacity utilisation trend lines show resistance as a form of resilience in Figures 7.1, 7.2, and 7.3.

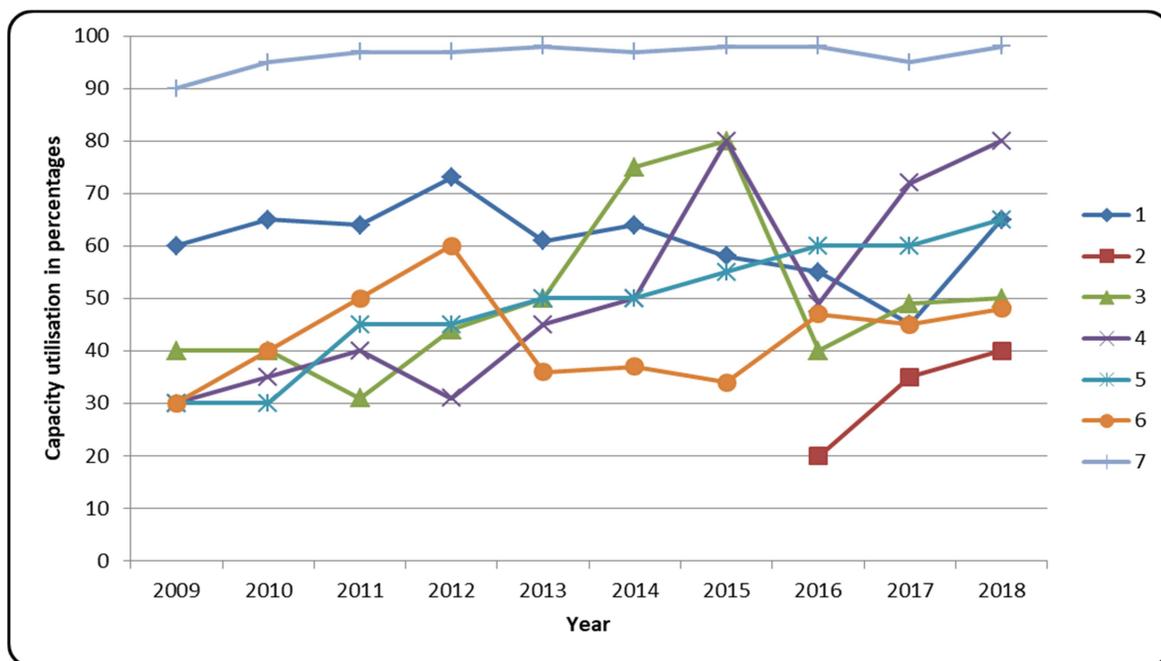


Figure 7.2 Capacity utilisation trends for medium-sized firms in Bulawayo

Resistance as a category of resilience, covers firms that did not experience a change in their capacity utilisation due to the recessionary shock recently experienced in Zimbabwe. Such firms can be further divided into two sub-categories. The first sub-category covers firms that have maintained a constant capacity utilisation curve throughout the period under review. Examples of these include Firms 8 and 9 in Figure 7.1, and Firm 7 in Figure 7.3. The second sub-category covers firms that continually increased their capacity utilisation in spite of the economic decline prevailing in Bulawayo. They defied the effects of economic meltdown. These firms turned the economic meltdown into a catalyst to improve their scale of operations. They are Firm 6 in Figure 7.1, Firm 5 in Figure 7.2 and Firm 5 in Figure 7.3. Overall, these firms have managed to resist the effects of economic meltdown.

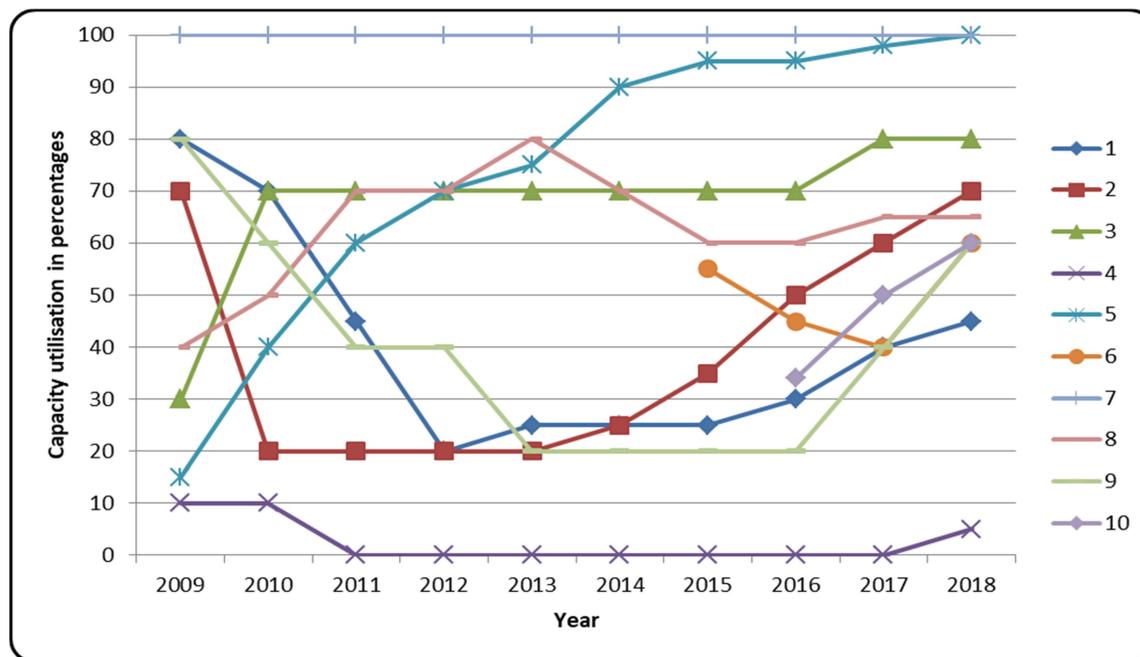


Figure 7.3 Capacity utilisation trends for large firms in Bulawayo

Besides the resistance category, some capacity utilisation trend lines show signs of recovery. This category covers firms with trend lines that commence with a positive growth, followed by a decline, and then recovery. Recovery²¹ results in the firm getting back to its pre-shock growth

²¹ See Appendix A for differences explained by Martin (2012).

path. However, the rate of growth may as well be above the pre-shock level. An example that best fit this explanation is the trend shown by Firm 10 in Figure 7.1. After undergoing a decline between 2011 and 2012, the firm managed to increase its capacity utilisation at a rate higher than the pre-shock level. This is similar to what Martin (2012) refers to as recovery followed by a sustained higher growth (see Appendix A). The other capacity utilisation trend lines exhibit resilience in the form of reconfiguration. The firms in this category changed their growth path after being thrown off course by a shock. Usually the new growth path is below the pre-shock level. According to Martin (2012) these are firms that experienced a permanent decline in growth level followed by either a pre-recession or lowered growth rate. Examples of trend lines in this category are Firm 6 in Figure 7.2 and Firm 8 in Figure 7.3. These firms have reconfigured their capacity utilisation and started growing at a rate lower than the pre-shock level.

The same analysis conducted using capacity utilisation was repeated using employment trends. As with capacity utilisation, employment trends showed that small firms are still taking the lead in terms of resilience. A total of 69.4% of the small firms (200 firms with increasing and constant employment trends) managed to defy the effects of the economic meltdown as shown in Table 7.1.

Table 7.1 Firm employment trends in Bulawayo

			Employment trends				Total
			Increasing	Decreasing	Constant	Invalid	
Firm sizes	Small firms (1-40 employees)	Count	125	79	75	9	288
		% within total number of employees	43.4%	27.4%	26.0%	3.2%	100.0%
	Medium firms (41-80 employees)	Count	7	25	1	0	33
		% within total number of employees	21.2%	75.8%	3.0%	0%	100.0%
	Large firms (more than 80 employees)	Count	8	19	2	0	29
		% within total number of employees	27.6%	65.5%	6.9%	0%	100.0%
Total		Count	140	123	78	9	350
		% within total number of employees	40.0%	35.1%	22.3%	2.6%	100.0%

Out of the 69.4% of the participants who defied the effects of economic meltdown, 43.4% managed to continually grow their employment levels, while 26% did not experience any changes. In contrast, only 24.2% of medium-sized firms and 34.5% of the large firms showed signs of resilience. Likewise, their employment trends also fit into the different categories of resilience previously discussed. The employment trends of 15 selected small firms are shown in Figure 7.4.

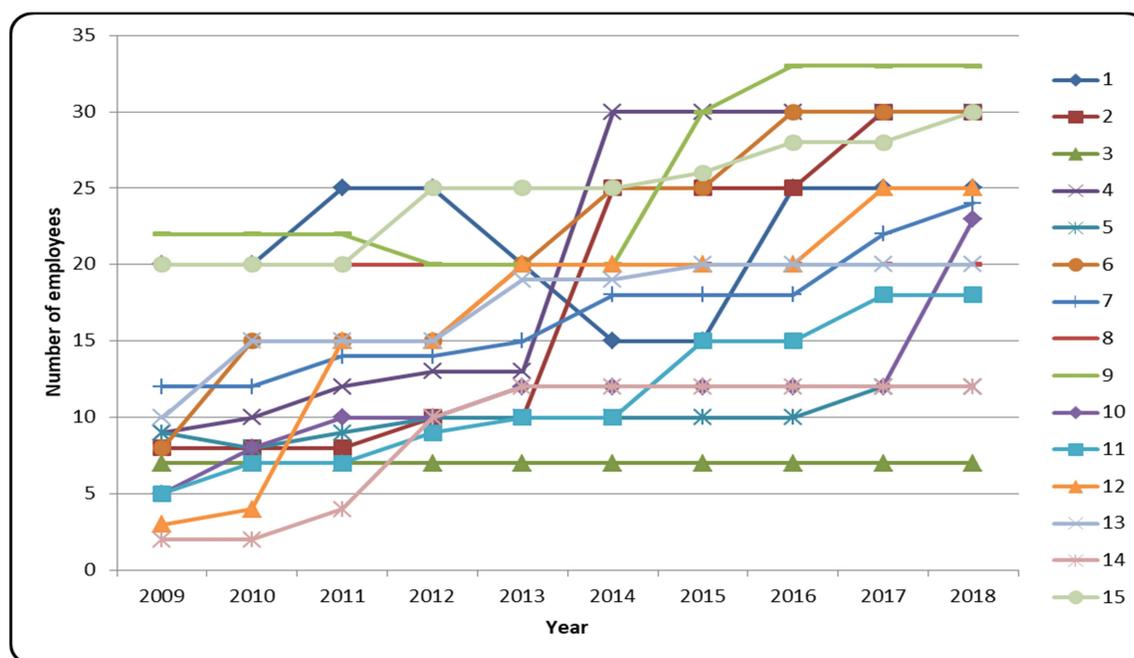


Figure 7.4 Employment trends for small firms in Bulawayo

The majority of firms in Figure 7.4 increased their employment levels while the remainder had constant curves. The trend lines display resistance more than recovery and reconfiguration. The increase in employment trends at medium-sized firms is shown in Figure 7.5. None of the firms in Figure 7.5 show a significant decline in employment from 2009 to 2018. Firm 5 experienced a slight decline between 2014 and 2015, before recovering and levelling out. Firm 2 presents a constant trend line while the remaining firms experienced different rates of increase.

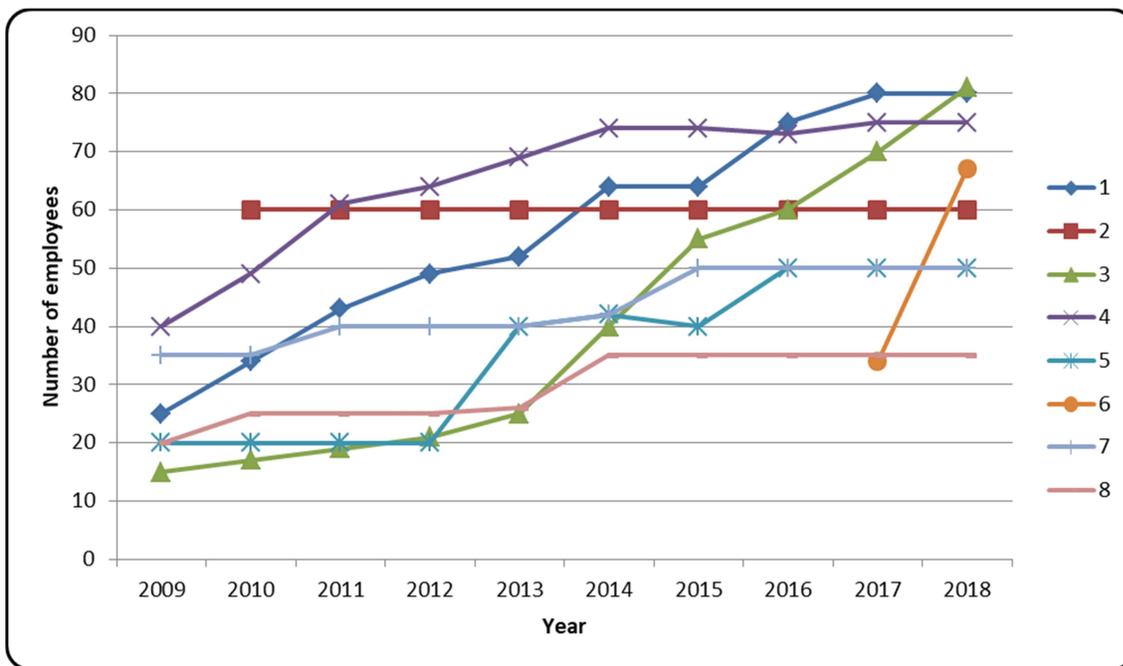


Figure 7.5 Employment trends for medium-sized firms in Bulawayo

The employment trends of large firms operating in Bulawayo are clustered with two of them being outliers. Eight firms are clustered between 80 and 250 employees as shown in Figure 7.6.

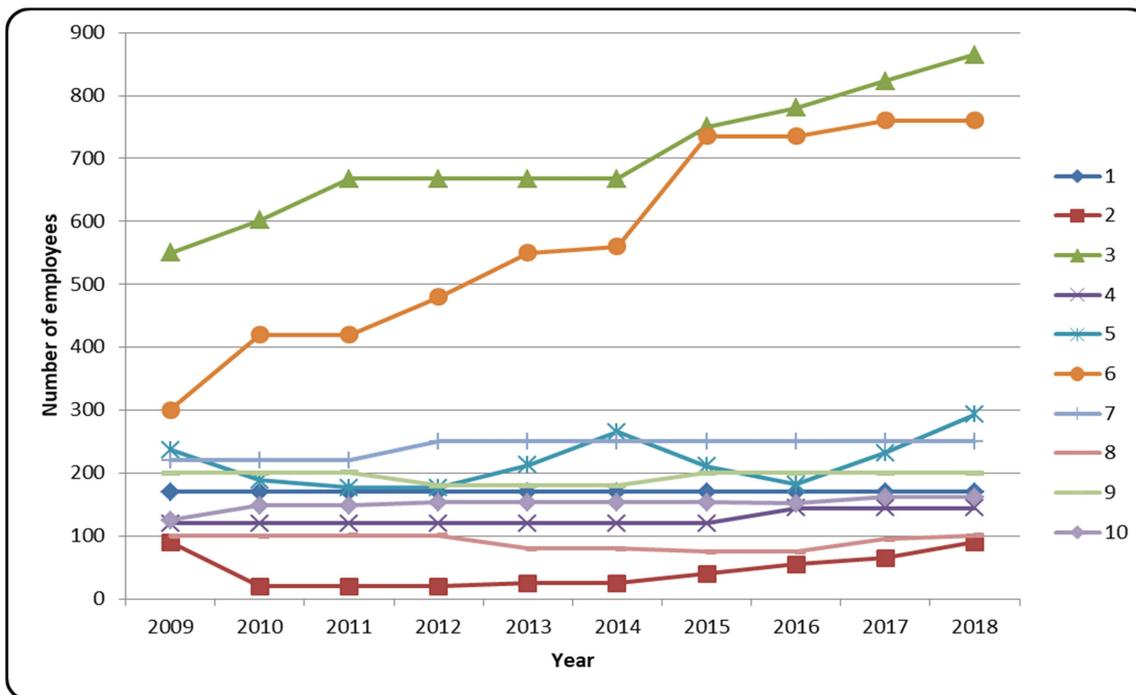


Figure 7.6 Employment trends for large firms in Bulawayo

The outliers are Firms 3 and 6. Firm 3 managed to increase its employment levels from 550 to 865 while Firm 6 increased its employees from 300 to 760. These are the largest firms that participated in this study. Firm 3 is a manufacturer and distributor of drinks and beverages while Firm 6 manufactures different types of foodstuffs. Firm 3 was established before 1980, whereas Firm 6 was established between 1980 and 1989. Both Firms 3 and 6 managed to withstand the economic meltdown prevailing in Bulawayo. Their growth rates are higher than that of their counterparts. Whereas the employment curves of Firms 3 and 6 symbolise resistance to economic decline their counterparts mainly show recovery after experiencing minor levels of decline.

Overall the findings on employment trends in Bulawayo are consistent with Gambe (2019), who noted a general drop of employment levels among small and medium enterprises in Harare. The decline in employment among firms in Harare was also linked to the economic meltdown in Zimbabwe.

7.3 FIRM RESILIENCE STRATEGIES IN BMP

The economies of industrial cities are driven by different types of industries, although in the Global South, manufacturing is often the dominant industry. It should be noted that manufacturing usually locates in any region with a competitive edge (Krugman 1991; Wilson 2011). Accordingly, it is important to analyse the strategies adopted by firms in BMP to remain operational. These strategies are shown in Table 7.2. The most popular strategies are the diversification of products and/or services, maintenance of a broad customer base, and the adoption of a US dollar-based pricing system in order to avoid losses emanating from currency reforms.

Table 7.2 Firm resilience strategies in Bulawayo

		Responses ²²		Percent of Cases
		N	Percent	
Strategies adopted by participants to remain operational	Diversification of products/services	192	17.2%	49.0%
	Broad customer base kept the organisation in business	186	16.7%	47.4%
	Using a US dollar-based pricing system to avoid losses through currency reforms	180	16.2%	45.9%
	Adoption of new technology in the production of goods and services	131	11.8%	33.4%
	A stronger control on the organisation's cash flow	124	11.1%	31.6%
	Downsizing as a coping strategy (reducing unnecessary expenses)	122	11.0%	31.1%
	Networking/strategic alliances with other industries/companies doing well	66	5.9%	16.8%
	Utilising the company's reserve foreign exchange for purchasing inputs not locally available	43	3.9%	11.0%
	Disinvesting in other investments and focus on the main company	25	2.2%	6.4%
	Joining mergers created by declining industries/companies	18	1.6%	4.6%
	Relocation of some branches to locations outside the country so that they help support those local	9	0.8%	2.3%
	None of the above	18	1.6%	4.6%
Total	1114	100.0%	284.2%	

The strategies in Table 7.2 are analysed using chi-square tests as the main analysis tool. There is need to test for associations that may exist between resilience strategies and different firm characteristics.

²² Tables of this format in this chapter capture multi-responses from 392 participants. Accordingly, 'N' represents the number of responses given by the participants, the 'percent' column represents percentages of responses, and the column 'percent of cases' captures the percentage of participants who gave the highlighted responses.

7.3.1 Diversification of products and services

To remain operational in the face of economic decline, the most common strategy adopted by firms in Bulawayo is the diversification of goods and services. This study found that 49% of the participants have adopted this strategy. Firms have resorted to production of more than one product and service, thus the failure of one product or service on the market does not completely affect the economic wellbeing of the firm. These findings are consistent with those of Burton (1989) who noted positive economic growth in Thailand due to diversification. Burton (1989) found that foreign earnings in Thailand were obtained not only from industrial operations, but also agriculture and tourism. Though Burton (1989) was referring to regional economic resilience strategies, the same can also be applicable to firm resilience. Diversification of products and services provides security to firms in times of economic distress.

A chi-square test was conducted to test whether the age of a firm is associated with the adoption of a diversification strategy. The test showed no significant relationship between the age of a firm and the adoption of a diversification strategy. The test produced a *p value* of 0.326 thus, diversification as a strategy is important to firms regardless of their age. Another chi-square test was conducted at 5% significance level to test for association between the size of a firm and the adoption of a diversification strategy. The results again showed no association between the two variables. The test produced a *p value* of 0.102 as shown in Table 7.3.

Table 7.3 Chi-square test – firm size vs. adoption of diversification strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	9.179 ^a	5	0.102
Likelihood Ratio	9.775	5	0.082
Linear-by-Linear Association	1.126	1	0.289
N of Valid Cases	392		
a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 3.92.			

Accordingly, diversification as a strategy is not affected by either firm size or ownership type. A chi-square conducted at 5% level produced a *p value* of 0.346, showing no significant

relationship between firm ownership type and diversification strategy. As such diversification of goods and services is important for resilience at different levels such as on a firm, regional, or national level. As an example, Bratton (1981) noted that Zimbabwe had a sound industrial base, exporting a diversified range of raw materials, including gold, asbestos, copper, coal, nickel, chrome, maize, tobacco, beef, and sugar. Diversification of products therefore underpinned the resilience of the economy.

7.3.2 Broad customer base and loyalty

The size and nature of the market is also an important determinant of firm resilience. The second most important firm resilience strategy in Bulawayo is the firm's ability to maintain a broad customer base. A total 47.4% of the participants reported that this strategy has kept them operational. This is corroborated by the Industrial Development Corporation of Zimbabwe (IDCZ), who noted that good customer relationship management has managed to keep its enterprises operational despite Zimbabwe's prevailing economic meltdown. However, this strategy is controlled by three main factors. Firstly, population size is an important determinant. Cities or regions with huge population sizes have an advantage over those with small populations. This explains the earlier assertion by the Zimbabwe Investment Authority (ZIA) that some firms were relocating from Bulawayo with its small population (672 000), to Harare with a population of 1.2 million people, in search of bigger markets. These findings are supported by Mbaku (1988), Sachs & Warner (1997), Ndulu et al. (2007), and Heidhues (2009). These scholars noted that huge population sizes in a city, region, or country help cushion firms in times of economic decline. However, it is worth noting that competitive firms are often able to command a huge regional, national, and global market share, regardless of location.

The second and third factors that help firms attract and maintain a huge customer base are the quality and pricing of goods and services. These two factors should be in tandem. Good quality products and services create a loyal customer base. Examples of such products produced in Bulawayo include Olivine cooking oil, Buttercup margarine and Lobels biscuits. These products have commanded a huge market share, in Bulawayo, in the rest of Zimbabwe, and abroad. The

products are well known and became trusted brands over time. They have enabled their producers to remain operational due to the products being in high demand. In addition, their pricing has been in tandem with their quality. Thus, overall good customer relationship management is important for firm resilience.

Chi-square tests were conducted to assess the level of association between the broad market share strategy and other variables such as age, size, and ownership of firms. The test on the age of a firm versus the expansion of a customer base strategy produced a *p value* of 0.931, the second had a *p value* of 0.656, and the third one produced a *p value* of 0.138. The three tests produced *p values* above 0.05. As such, the strategy of expanding and maintaining a huge customer base is not influenced by the age, size, or ownership of the firms. Instead, firms of different ages, sizes, and ownership types have a better chance of improving their resilience if they adopt this strategy. As previously discussed, what matters are the population size within its sphere of influence, the quality, and the pricing of goods and services.

7.3.3 USD-based pricing system strategy

Charging goods and services in US dollars was for some time forbidden in Zimbabwe.²³ This decision came into effect on 24 June 2019 when the central government passed Statutory Instrument (SI) 142 of 2019. The SI made the Zimbabwean dollar (ZWL) the sole currency for trade. However, most firms have disregarded this SI. They continued to charge their goods and services in US dollars. Accordingly, 45.9% of the participants in Bulawayo adopted this strategy to remain operational. The currency crisis in the country has caused firms' savings to erode, thus, to preserve the value of their savings, firms have resorted to USD-based pricing system.

²³ This refers to the general position from mid-2019 to mid-2020. However, government has relaxed its stance on the use of foreign currency in local transactions. The use of foreign funds in local transactions is now permissible, with entrepreneurs being allowed to quote their goods and services, and display their prices in local and foreign currency.

The difference between official and parallel market rates for USD is significant. Consequently, MSMEs utilise parallel market rates in their pricing systems. As an example, the official RBZ exchange rate on 15 June 2020 was at USD1 to ZWL25. In comparison, the parallel market rate for USD1 was ZWL85. The parallel market rate applies to the Zimbabwe electronic transfer settlement system (ZETSS). The cash rate was a bit lower at USD1 to ZWL55. These differences motivated firms in Bulawayo to adopt a USD-based pricing system in order to remain operational. However, the adoption of this strategy is not affected by a firm's age, size, or ownership. A chi-square test conducted at 5% level to test for an association between the age of a firm and whether or not a firm utilises a USD-based pricing system produced a *p value* of 0.355. Accordingly, no significance evidence was found of a relationship between the age of a firm and the adoption of a USD-based pricing system as a resilience strategy.

Another chi-square analysis was conducted to test for an association between firm sizes and whether or not the firms adopted a USD-based pricing system. The test produced a *p value* of 0.477, showing no significant evidence of a relationship between firm sizes and the adoption of a USD-based pricing system as a resilience strategy. Similarly, no relationship was found between firm ownership and the adoption of a USD-based pricing system. The test produced a *p value* of 0.939. However, these results are not in tandem with the general belief in the market. In the market, large retail firms receive USD allocations from the RBZ to import some of their wares. As such, these firms are expected to use the official bank rate when pricing their goods, but this is not the case as they use the parallel market exchange rate. However, whereas MSMEs review their ZWL prices on a daily basis according to fluctuations in the parallel market exchange rates, large firms usually review their prices only once a week or once a fortnight depending on the percentage increases.

The USD-based pricing system as a resilience strategy became popular after the abandonment of the multi-currency system in 2019. A chi-square test conducted to test for association between industrial decline over one year and utilisation of USD-based pricing system as a resilience strategy produced a *p value* of 0.002 as shown in Table 7.4.

Table 7.4 Chi-square test – industrial decline over one year vs. USD-based pricing system

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-square	9.452 ^a	1	0.002		
Continuity Correction ^b	8.839	1	0.003		
Likelihood Ratio	9.494	1	0.002		
Fisher's Exact Test				0.002	0.001
Linear-by-Linear Association	9.427	1	0.002		
N of Valid Cases ^b	392				
a. 0 cells (0%) have expected count less than 5. The minimum expected count is 88.16.					
b. Computed only for a 2x2 table					

The test showed a significant relationship at 5% level, between industrial decline experienced over a year's period and adoption of a USD-based pricing system. The strength of the association was weak as evidenced by a Phi coefficient of 0.155. As previously indicated, this strategy only became common after the multi-currency system was banned in Zimbabwe. As such, the majority of the firms that adopted this strategy are the MSMEs, some of which are even accepting USD payments against government regulation.

7.3.4 Adoption of new technology

The adoption of new technology and new ways of producing goods and services has enhanced the resilience of 33.4% of the participants. Their products have improved, compared to those of their local counterparts. The products are now faring better in terms of competition against imports. Accordingly, the CZI noted that firms in Bulawayo and Zimbabwe in general should embrace new equipment and new technology if they are to remain competitive. The competitiveness of their goods and services is mainly affected by old and worn out industrial infrastructures. As such, upgrading production technology gives firms a competitive edge. This is a strategy that the IDCZ has already benefitted from. The IDCZ (2019, Pers com) indicated that, "adopting and learning new technology has proved beneficial We have defied the current economic decline as our firms have remained operational and our products competitive in the market." The IDCZ had entered into partnerships with foreign investors (mainly from Italy,

India, Singapore, and China) and had setup firms in Zimbabwe that produce cooking oil, agricultural chemicals, and detergents. These partnerships facilitated technology transfers. One of the firms under the partnership arrangement has acquired world-class and efficient machinery that enables fast processing and packaging, for instance, its processing plant has a capacity to crush more than 500 tonnes of soya beans per day. With such technology the firm's products have dominated the market both nationally and in the Southern African Development Community (SADC) region.

Chi-square tests were conducted to assess the utility of technology as a factor of firm resilience. The first chi-square test was meant to test for association between the age of a firm and the adoption of new technology as a resilient strategy. This test produced a *p value* of 0.251, thus no significant evidence of a relationship between the age of a firm and the adoption of new technology as a resilience strategy, was shown. Regardless of their age, firms need to constantly adapt to changes in technology. Those outpaced by technological advancements risk becoming uncompetitive and may eventually fold. Another chi-square test was conducted to test for association between firm ownership and adoption of new technology. The test produced a *p value* of 0.043 as shown in Table 7.5.

Table 7.5 Chi-square test – firm ownership vs. adoption of new technology

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	6.286 ^a	2	0.043
Likelihood Ratio	6.592	2	0.037
Linear-by-Linear Association	0.768	1	0.381
N of Valid Cases	392		
a. 0 cells (0%) have expected count less than 5. The minimum expected count is 8.35.			

This test showed a significant relationship between firm ownership type and adoption of new technology as a resilience strategy. The Cramer's V coefficient was 0.127. This represents a weak association (Rea & Parker 2014). Out of 33.4% of the participants who adopted new technology, 83.6% were private firms, 10.7% public firms and only 3.1% represented mixed ownership, by way of a partnership between private and public investors. Generally, private

firms are better able to adopt new technology as compared to public firms. Decision-making processes are more effective and efficient in private, as compared to public firms that are usually characterised by red tape.

Other factors that influence the firm's adoption of new production technology include the size of the firm and its magnitude of operations. A chi-square test was conducted to assess whether there is an association between firm sizes and the adoption of new technology as a resilience strategy. The test produced a *p value* of 0.006 as shown in Table 7.6.

Table 7.6 Chi-square test – firm sizes vs. adoption of new technology

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	16.206 ^a	5	0.006
Likelihood Ratio	18.678	5	0.002
Linear-by-Linear Association	1.798	1	0.180
N of Valid Cases	392		
a. 1 cell (8.3%) has an expected count less than 5. The minimum expected count is 2.67.			

Accordingly, the test showed significant evidence of a relationship between the size of a firm and the adoption of new technology as a strategy to remain operational. The Cramer's V test produced a coefficient of 0.203, depicting a moderate association. Accordingly, only 33.8% of micro and small firms (with less than 20 employees) managed to adopt new technology, as compared to 55.6% of large firms (with more than 100 employees). The discrepancy can be explained by different levels of affordability. While large firms are able to afford upgrading their technology from time to time, the same cannot be said about small firms. Most of them can afford primitive technology that only allows them to be functional. However, the 'primitive' technology is sometimes considered adequate for the competitiveness of micro and small firms. Improved technology does not always make a difference in their operations. This explains the low uptake of improved technology among small firms compared to large firms.

The study findings on the importance of adopting new technology in production processes are in many ways comparable to existing literature. The Marxist's approach to development regards

technology as a key determinant of economic growth (Parthasarathy 1994). However, technological advancement can take different forms including developing new technology, or importing and adapting technology meant to achieve higher productivity and growth (Parthasarathy 1994). In the case of Bulawayo, it is possible for firms to import and adapt technology from other regions and/or countries. This has also happened in countries such as Japan and China. Japan, for instance, managed to successfully integrate informal and formal production technology (Ito & Weinstein 1996; Kimura 2009; Jhingan 2011). This strategy lowered production costs and created beneficial synergies between formal and informal industries. Eventually these synergies provided a platform for informal industries to expand and become large enterprises. In addition, informal industries also became part of the basic industries in Japan. As a resilient strategy, firms in Bulawayo could also try the Japanese strategy. Combining formal and informal production technologies can be helpful in terms of reducing production costs – that are already a challenge in the metropolis.

China also imported and adapted technology from other countries, that resulted in massive production which led to a rapid increase in international trade (Lin 2003). The technology enabled China to produce high-tech machinery and information and communications technology (ICT) products (Lin 2013). These strategy options could be utilised in Bulawayo. Zimbabwe is no stranger to such strategy options as the IDCZ has, on a national level, managed to achieve technology transfers through partnerships with investors from countries such as Italy, India, Singapore, and China.

The importance of technology and innovation in Bulawayo can also be analysed in light of the core-periphery theory. In this theory, the driver of differential growth is innovation, viewed by Friedmann (1967) as an anchor of development. Furthermore, chances of innovation are higher in large cities or urbanised regions within a spatial system (Friedmann 1967). According to the ranking of cities in Zimbabwe, Bulawayo together with Harare, constitute such a core. Yet, the level of innovation in Bulawayo has, to the detriment of its economic wellbeing, remained low.

7.3.5 Strict financial control

A strict financial control has been adopted by 31.6% of the participants in order to survive the prevailing economic decline. This strategy reduces both wastages and leakages in firms, regardless of their age and size. A chi-square test conducted to assess whether there is an association between the age of a firm and adopting strict financial control as a resilience strategy, produced a *p value* of 0.195. Accordingly, no association was evident between the age of a firm and the adoption of strict financial control as a resilience strategy. Likewise, no association was found between the size of a firm and strict financial control as a strategy for firm resilience. A chi-square test conducted at 5% level produced a *p value* of 0.667.

The narrative changes when firm ownership is considered. This study found that, there is an association between the type of firm ownership and strict financial control in firms. A chi-square test produced a *p value* of 0.043 as shown in Table 7.7.

Table 7.7 Chi-square test – firm ownership type vs. adoption of strict financial control

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	6.296 ^a	2	0.043
Likelihood Ratio	5.929	2	0.052
Linear-by-Linear Association	0.165	1	0.685
N of Valid Cases	392		
a. 0 cells (0%) have expected count less than 5. The minimum expected count is 7.91.			

The association is weak as evidenced by a Cramer's V coefficient of 0.127. This strategy was adopted by 51.7% of the public firms, 30.5% of private firms, and 24% of those in the mixed-ownership category. As such, the strategy has been more useful to public than private and mixed-ownership firms.

7.3.6 Downsizing strategy

Downsizing is one of the strategies that have enhanced firm resilience in Bulawayo. The perception of downsizing in this section involves the reduction of capacity utilisation and employment levels by firms as a means to remain operational. In light of this, 31.1% of the participants have intentionally downsized in order to survive the economic meltdown in Zimbabwe. One of the participants who specialises in timber products stated that, “we have downsized so that we remain operational ... we used to have more than 85 employees but we are now keeping a manageable number of 35. We sold one of our premises so that we settle our loans.” Although the participant indicated that there was slight drop in the market share after downsizing, the exercise proved to have worked for the firm. As a small firm, the participant reported having manageable expenses and being able to operate within means. These findings are consistent with those of Gambe (2019), who found that small and medium firms in Harare, downsized as an adaptation strategy. With the prolonged economic meltdown in Zimbabwe, firms have to operate within their means.

A chi-square test was conducted to test for association between the age of a firm and downsizing as a resilience strategy. The test produced a *p value* of 0.001 as shown in Table 7.8.

Table 7.8 Chi-square test – age of a firm vs. downsizing strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	18.598 ^a	4	0.001
Likelihood Ratio	17.598	4	0.001
Linear-by-Linear Association	16.312	1	0.000
N of Valid Cases	392		
a. 1 cell (10.0%) has an expected count less than 5. The minimum expected count is 4.67.			

The test showed significant evidence of a relationship between the two variables. The level of association was moderate as is evident from the Cramer’s V coefficient of 0.218. The researcher found that, 54.1% of the participants that have been operational for more than 40 years have downsized to enhance their resilience. In comparison, 53.3% of participants in the 31-40 years category and 41.5% in 21-30 years have also downsized. The percentage decreases, as those in

the lower categories (11-20 and 0-10 years) are considered. Participants who downsized in these categories constitute 25.9% and 25.7% respectively. Accordingly, the age of a firm is an important determinant in the downsizing process. In general, those firms that have been operational for more than 20 years have downsized in order to remain operational. As previously indicated under section 7.2, some firms have failed to return to their pre-shock growth path. Instead, they have adopted new growth paths that they could sustain. This is consistent with the adaptive approach to resilience (Martin 2012; Simmie 2014). In this instance, firm resilience can be perceived as the firm's capacity to reconfigure and/or adapt its structure so that it is able to maintain sustainable growth levels in terms of output, employment, and wealth over a given period of time (Martin 2012).

The size of firms is also an important factor that determines adoption of downsizing as a resilience strategy. A chi-square test conducted at 5% significance level showed that there is an association between firm sizes and downsizing. The test produced a *p value* of 0.005 as shown in Table 7.9.

Table 7.9 Chi-square test – firm sizes vs. downsizing strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	16.679 ^a	5	0.005
Likelihood Ratio	15.609	5	0.008
Linear-by-Linear Association	14.905	1	0.000
N of Valid Cases	392		
a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.49.			

The strength of the association was again moderate as evidenced by Cramer's V coefficient of 0.206. The general trend in Bulawayo shows that large firms are downsizing more than smaller ones. This trend is also linked to the outcome of another chi-square test conducted to test for association between firm employment trends and downsizing as a resilience strategy. The test produced a *p value* of 0.000 as shown in Table 7.10. The test showed significant evidence of a relationship between the nature of employment trends and downsizing as a resilience strategy. The association is moderate. The Cramer's V test produced a coefficient of 0.241.

Table 7.10 Chi-square test – employment trends vs. downsizing strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	20.340 ^a	3	0.000
Likelihood Ratio	20.064	3	0.000
Linear-by-Linear Association	2.580	1	0.108
N of Valid Cases	350		
a. 1 cell (12.5%) has an expected count less than 5. The minimum expected count is 2.67.			

While this test showed a relationship between the nature of the employment curves and downsizing, there is no evidence at 5% level to suggest the same when capacity utilisation curves are considered. In fact a chi-square test conducted at 5% significance level produced a *p value* of 0.106. Likewise, a chi-square test conducted at 5% level produced a *p value* of 0.593. This test showed no evidence of an association between firm ownership and the downsizing strategy.

7.3.7 Additional firm resilience strategies utilised in Bulawayo

The other strategies employed by the participants to remain operational are creating alliances with resilient firms (16.8%), utilising firms' foreign currency reserves to purchase inputs not locally available (11.1%), reducing the number of additional investments (6.4%), creating mergers of declining firms (4.6%), and relocations (2.3%). Although these strategies have lower percentages, they remain important for the resilience of firms in Bulawayo. Alliances created between resilient and declining firms have helped enhance the resilience of the declining ones. Large firms in Bulawayo would offer financial and management assistance to smaller ones in the form of low interest loans, trainings, and outsourcing. For instance, small firms would be contracted to produce items needed by large firms. The Ministry of Women Affairs, Community, Small and Medium Enterprises Development (MWACSMED) has been playing a key role in this regard. As an example, the MWACSMED has managed to link small firms producing plastics with Bakers Inn, one of the biggest producers and distributors of bread and other bakery products in Zimbabwe. Through the efforts of MWACSMED, MSMEs were awarded tenders to supply Bakers Inn with plastics for packaging. These ventures are comparable to the strategy implemented in Japan. Japan managed to successfully integrate informal and formal production

technology through encouraging large firms to outsource production of some items to smaller, informal industries (Ito & Weinstein 1996; Kimura 2009; Jhingan 2011).

In order to overcome the economic decline in Zimbabwe, some firms in Bulawayo (11.1%) with access to foreign currency outside Zimbabwe, have resorted to utilising their foreign currency reserves to import inputs not available locally. Those without foreign currency reserves had to investigate alternative ways of acquiring inputs. One of the participants introduced toll manufacturing. The firm manufactures products mainly consumed by mining and manufacturing firms. However, the bulk of the firm's raw materials can only be found outside Zimbabwe and without access to foreign currency it would be difficult to purchase such raw materials. To address this issue, the participant has made toll processing arrangements with its clients. Clients that need products manufactured by the participant have to import raw materials required in the production process. The participant only charges labour and other miscellaneous costs. It is worth noting that the participant also accepts raw materials as a form of payment for services rendered. An arrangement is made in such a way that the client imports extra quantities of raw materials with a value equivalent to the labour charges indicated on the quotation. This strategy has managed to keep the participant's plant and machinery running.

A sizeable number of participants are joining mergers created by declining firms in order to remain operational. This strategy was adopted by 4.6% of the participants. The firms pool their resources so that they are able to operate jointly in a bid to overcome operational challenges posed by economic decline. This strategy appears to be common among micro and small leather firms which have been hit hard by economic decline. These firms organised themselves and formed the Bulawayo Leather Cluster (BLC). This cluster is mainly made up of micro and small firms that could not continue operating individually. With the assistance of the MWACSMED, BLC has managed to enter into a partnership with Common Market for Eastern and Southern Africa (COMESA). In this partnership COMESA has provided new machinery needed by the cluster. This is one of the benefits of global regionalisation. Bilateral and multi-lateral arrangements through regional blocs such as COMESA, SADC, and the African Union (AU)

have created wide markets for goods and services. It has to be noted that central government has also assisted BLC with rental payments.

Relocation is one of the strategies that have enhanced the resilience of 2.3% of the participants. This strategy involves relocating some branches from Bulawayo to new locations outside the region or country. Inflows generated by the establishments outside the region or country are then used to support local operations. This strategy is commonly discussed in firm relocation literature. Generally firms favour locations with favourable cost conditions (Brouwer, Mariotti & Van Ommeren 2004). The relocation of firms from one region to another can be understood as a direct response to shocks. Accordingly, Gambe (2019) noted that the relocation of firms from inner-city Harare to the surrounding suburban areas constituted an adaptation strategy. However, it is vital to note that the relocation of firms from one region to another has implications for resilience of both the sending and receiving regions. While the receiving region can improve in terms of its economic resilience, the sending region may be negatively affected especially if these firms are basic in nature (Gambe 2019). The study findings can also be interpreted in light of relocation theories. Pellenbarg, Van Wissen & Van Dijk (2002) noted that firms relocate in response to changes in economic factors. According to the neo-classical approach of relocation theories, firms relocate from unprofitable to profitable locations (Brouwer, Mariotti & Van Ommeren 2004). Thus, the decision taken by participants to relocate some operations from Bulawayo to locations outside the region or country can be motivated by the profit-maximisation drive.

7.3.8 Skills trainings and linkage programmes

Firms in Bulawayo have benefitted from workshops and skills training offered by various organisations, especially industrial associations. The Confederation of Zimbabwe Industries (CZI) is one of the associations that have arranged training for its members. Accordingly, the CZI (2019, Pers com) stated that, “we also assist members who require different training. In spite of economic challenges, there are measures industries can adopt at enterprise level to alleviate their operational challenges and improve efficiency regardless of the type of equipment they

have.” The CZI is rolling out programmes to help industries improve efficiency. Examples of these programmes are LEAN Management and Six Sigma. For these programmes CZI facilitates visits by both foreign and local consultants who assist with training that focus on ‘small things’ industries can do in order to improve their competitive edge. One such example is a programme about the reduction of wastages in a firm.

In line with global regionalisation literature (Geyer 2006; Leonova 2016) CZI also conducts training on trade, focusing mainly on improving awareness of the current SADC, COMESA, and AU trade protocols. The purpose of this training is to equip firms with knowledge and skills to manoeuvre African markets and to maximise the economic benefits of global regionalisation (Leonova 2016). The only challenge is that mainly CZI members benefit from this training, which would have been more effective, if more firms in Bulawayo were involved. The IDCZ also advocates similar training programmes that are conducted in collaboration with other regional development finance institutions. The main purpose of these programmes is to educate firms on how to access and utilise development finance. In addition, the IDCZ occasionally sends key personnel abroad for further studies and refresher courses. Each year a group of employees are identified and sent to different countries in a skills-exchange program. As such experiential learning has been a key factor in the resilience of firms under the management of the IDCZ.

Firms in Bulawayo have benefitted from linkage programmes facilitated by various organisations. Industrial associations, such as the CZI, play a key role in this regard. This process involves twinning Zimbabwean companies with foreign companies that are members of industrial associations linked with the CZI. This has been done with companies in India, Turkey, and Botswana where platforms have been created for members to meet and have discussions and through which mutually beneficial partnerships and trade linkages have been created. With these linkage programmes, the CZI has saved some of its members from collapsing. However, the challenge that was highlighted before remains, as these programmes are confined to CZI members whereas they could also be helpful to non-members. The creation of linkages has also been planned by central government for long, for example efforts were made to promote the

creation of business linkages and formalisation among SMEs and co-operatives during the implementation of Zim Asset (GoZ 2013). Furthermore, government policies that followed Zim Asset, also highlight the need to create business linkages. Notwithstanding, implementation thereof has been sluggish and sometimes poorly coordinated.

7.4 CONCLUSION

Firm resilience in Bulawayo is mainly in the form of resistance and reconfiguration. The majority of the firms that have experienced a decline in either capacity utilisation or employment levels, are failing to return to their pre-shock growth levels. However, although lower than the pre-shock levels, these firms are managing to reconfigure and adopt new growth rates. Yet, some firms have defied economic decline by continually growing their capacity utilisation and employment levels, while others have maintained constant levels. Nevertheless, the percentage of firms that have recovered from decline and achieved growth rates higher than the pre-shock level, has remained low. It emerged from the study that small firms are more resilient than medium-sized and large firms. However, this has a negative implication on the economic resilience of BMP since the majority of these firms are non-basic industries operating locally. Their ability to attract monetary inflows into the metropolis is limited.

In order to remain operational, firms in Bulawayo have adopted different strategies. The most common among these strategies are diversification, broadening their customer base, adopting a USD-based pricing system, investment in new technology, and downsizing. A comparative summary of chi-square tests conducted in this chapter to test for an association between these resilience strategies and firm characteristics is shown in Table 7.11. The firm characteristics covered in the table are age, size, and ownership. These are common in the tests for association conducted under each resilience strategy.

Table 7. 11 A summary of chi-square tests – resilient strategies vs. firm characteristics

Strategy	Firm characteristics	P value	Outcome of chi-square test
1. Diversification of products/services	Age	0.326	No association
	Size	0.102	No association
	Ownership	0.346	No association
2. Broad customer base kept the organisation in business	Age	0.931	No association
	Size	0.656	No association
	Ownership	0.138	No association
3. Using a US dollar-based pricing system to avoid losses through currency reforms	Age	0.355	No association
	Size	0.477	No association
	Ownership	0.939	No association
4. Adoption of new technology in the production of goods and services	Age	0.251	No association
	Size	0.006	Association
	Ownership	0.043	Association
5. A stronger control on the organisation's cash flow	Age	0.195	No association
	Size	0.667	No association
	Ownership	0.043	Association
6. Downsizing as a coping strategy (reducing unnecessary expenses)	Age	0.001	Association
	Size	0.005	Association
	Ownership	0.593	No association

The resilience strategies are influenced by government policy interventions at both national and regional levels. As such, this chapter has laid the groundwork for the next chapter that interrogates policymaking strategies for firm and regional economic resilience.

CHAPTER 8: POLICYMAKING FOR ECONOMIC RESILIENCE IN ZIMBABWE

“We are still trying to lobby for a favourable policy direction. Government occasionally considers our input in its policy documents, but it is not enough.” Zimbabwe National Chamber of Commerce (2019, Pers com).

8.1 INTRODUCTION

This chapter seeks to examine economic and industrial policymaking in Zimbabwe, while highlighting possible areas of improvements. The impetus is to propose policymaking alternatives that can help promote economic resilience of metropolitan regions in the country. The phases of policymaking included in this chapter are agenda setting, policy formulation, policy adoption, policy implementation, policy assessment, policy adaptation, policy succession, and policy termination (Dunn 2018). The chapter commences by assessing government policy interventions and their effects, before shifting the focus to policy strategy options for economic revitalisation and resilience. The chapter is concluded by a review of the current industrial policy in Zimbabwe.

8.2 EFFECTS OF POLICYMAKING ON THE ECONOMY OF BULAWAYO

In an effort to improve industrial and economic performance in Zimbabwe the government implemented a number of policies from 2009 to 2018. The policies applicable to the phenomena under study are shown in Table 8.1. In a question where the participants were asked if they were familiar with the abovementioned economic and industrial policies, they expressed different levels of familiarity. The majority (73%) reported being familiar with Zim Asset, making it the most widely known policy amongst the participants. This is followed by the Transitional Stabilisation Programme (TSP) (42.6%) and the Statutory Instrument (SI) 64 of 2016/SI 122 of 2017 (32.1%). Participants indicated that they have limited knowledge of the other policy

interventions, with only 22.7% being familiar with the Medium-Term Plan (MTP) and the Industrial Development Policy (IDP).

Table 8.1 Government policy interventions 2009-2018

Policy Intervention	Implementation Period
Short Term Emergency Recovery Programme (STERP I)	2009
Short Term Emergency Recovery Programme (STERP II)	2010–2012
Medium Term Plan (MTP)	2011–2015
Industrial Development Policy (IDP)	2012–2016
Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset)	2013–2018
10-Point Plan for Economic Growth	2015
Statutory Instrument - SI 64 of 2016/SI 122 of 2017	2016–2018
Transitional Stabilisation Programme (TSP)	2018–2020

Those familiar with the Short-Term Emergency Recovery Programmes, STERP 1 and STERP 2, are 18.1% and 19.4% respectively. The least known policy is the 10-Point Plan for Economic Growth selected by only 14.3% of the participants.

8.2.1 Government efforts to improve industrial performance 2009-2018

The discussion in this section is mainly anchored on data collected from government ministries on policies or programmes implemented to help industries remain operational. Due to their direct involvement in the industrial sector in Zimbabwe, the Ministry of Industry and Commerce (MIC) and Ministry of Women Affairs, Community, Small and Medium Enterprises Development (MWACSMED) were the key informants. The major contribution of the MIC to the performance of industries in Zimbabwe is through formulating and implementing industrial development policies. The focus of the MWACSMED is mainly on the development of micro, small, and medium enterprises (MSMEs).

To improve the resilience of industries in Zimbabwe, government has also made use of import management policies. An example of such policies is the Consignment Based Conformity Assessment (CBCA) programme. This programme was enacted through SI 132 of 2015 with the

aim of assessing whether the quality of imports conforms to acceptable global, regional, and national standards. In addition the programme was meant to protect the consumers together with local industries from low quality and substandard import products, while preventing the dumping of substandard goods on the local market. Government also enacted SI 64 of 2016 which was later amalgamated with other statutory instruments to form SI 122 of 2017. This policy was meant to encourage re-industrialisation through restricting the importation of goods that could be or were produced locally. The idea was to promote local industries struggling to compete with cheap imports, due to a distorted pricing mechanism. Prices of locally produced goods were high because of high production costs. With reduced competition, an increase in sale volumes was expected amongst local industries, coupled with growth in earnings. Extra earnings were expected to support recapitalisation and retooling. Accordingly, government introduced SI 6 in 2016 focusing on tax rebates offered to industries when importing capital equipment. Taking advantage of tax rebates, industries were expected to replace their old industrial machinery and equipment in order to improve production efficiency.

Moral persuasion is one of the initiatives implemented by the MIC to help industries improve their market share. The 'Buy Zimbabwe Campaign' was introduced in order to persuade citizens to align their consumption patterns with goods and services produced by local industries. The other important programme that has been on government's priority list was facilitating linkages between producers and markets with large and small enterprises. The linkages programme can be found in policies such as STERP 1, STERP 2, IDP 2012-2016, Zim Asset, and also Zimbabwe National Industrial Development Policy (ZNIDP) 2019-2023. The MWACSMED has also been instrumental in the implementation of this programme.

In order to help MSMEs remain operational, the MWACSMED implemented the Market Linkages Programme in 2017, thereby linking small companies to huge markets. Specific interventions included linking small firms in the clothing sector with large departmental stores such as Edgars and Topics. The MWACSMED also facilitated the linkage between small firms producing plastics in Bulawayo with Bakers Inn, one of the biggest bakeries in Zimbabwe, in order for the plastic producers to fulfil the packaging needs of Bakers Inn. These linkages have

helped MSMEs remain operational in spite of the national economic decline. The positive effects recorded amongst the contracted small firms include better monetary inflows and improved production levels.

One of the major challenges reported by firms experiencing decline in Bulawayo was the shortage of business finance. Central government through MWACSMED, facilitated that funding opportunities be available to MSMEs. The intervention was mainly in the form of loans through banks. In order to have funds available to distribute amongst MSMEs, the Commercial Bank of Zimbabwe (CBZ) was given US\$100 million in 2016 by the Reserve Bank of Zimbabwe (RBZ). In addition, the Agricultural Development Bank of Zimbabwe (Agribank) also provided funding to MSMEs albeit mainly to those in the agricultural sector. People's Own Savings Bank (POSB) has the same facility called group lending. MSMEs could form mergers or groups to borrow money from the bank. Another funding facility available in Bulawayo is the Savings and Credit Cooperative Societies (SACCOS). This is a micro-lending facility whereby cooperatives or MSMEs pool their financial resources. These resources are lent to other people or firms and an interest is levied on the loan.

The Zimbabwean Government, by way of the MWACSMED, also present training and capacity building workshops meant to equip MSMEs with business management skills needed for their resilience. MWACSMED usually invite partners such as banks and other corporate firms to train and equip participants with necessary skills. Besides facilitating trainings, MWACSMED has also been instrumental in facilitating infrastructure provision. Through MWACSMED's efforts, Bulawayo SMEs Chamber managed to enter into an agreement with Old Mutual, whereby Old Mutual consented to having one of its factory buildings in the city partitioned into factory shells to be allocated to SMEs. Similarly, the National Railways of Zimbabwe gave up some of its space to the Mining SMEs Chamber for partitioning into factory shells. Notwithstanding this, MWACSMED indicated the need for more space for the operation of MSMEs.

8.2.2 Effects of government policy interventions on industrial growth

Despite the efforts by government to improve the performance of industries through different policy interventions, participants expressed different views concerning the effectiveness of such interventions. This study found that 50.5% of the participants rated government policy interventions as poor and 23.3% as very poor. On the contrary, those who rated the interventions as good constitute 24.4%, and excellent 1.5%. Zim Asset was rated as the most beneficial policy intervention as shown in Table 8.2. Participants that rated Zim Asset beneficial constitute 29.8% of the total participants. The participants did not think that the other policies were beneficial as they gave them very low percentages. Only 13.5% of the participants rated MTP as beneficial compared to 12.5% who selected IDP (2012-2016).

Table 8.2 Policies that benefitted participants

		Responses ²⁴		Percent of Cases
		N	Percent	
Participants views on beneficial policies	Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset) (2013 to 2018)	117	20.6%	29.8%
	Medium Term Plan (2011-2015)	53	9.3%	13.5%
	Industrial Development Policy (2012-2016).	49	8.6%	12.5%
	Short Term Emergency Recovery Programme (STERP 2) [2010 -2012]	44	7.7%	11.2%
	Short Term Emergency Recovery Programme (STERP 1) [2009 -2010]	40	7.0%	10.2%
	SI 64 of 2016 and/or SI 122 of 2017	35	6.2%	8.9%
	Transitional Stabilisation Programme (2018-2020)	32	5.6%	8.2%
	10-Point Plan for Economic Growth (2015)	15	2.6%	3.8%
	None	184	32.3%	46.9%
Total	569	100.0%	145.2%	

²⁴ Tables of this format in this chapter capture multi-responses from 392 participants. Accordingly, 'N' represents the number of responses given by the participants, the 'percent' column represents percentages of responses, and the column 'percent of cases' captures the percentage of participants who gave the highlighted responses.

Unexpectedly, 46.9% of the participants highlighted that none of the policies were beneficial to their operations. This could be because some micro and small firms were not familiar with the highlighted policies and could thus not evaluate their benefits. On the other hand, the majority (34.9%) of the participants who expressed having benefitted from government policy interventions, experienced widening market opportunities. Other benefits indicated by the participants include increased output (21.2%), protection from stiff competition (20.2%), increased access to business finance (14.8%), and reduced operation costs (11.2%).

The Transitional Stabilisation Programme was selected by 36% of the participants as having had the most negative effects on them. The negative effect that the majority (24.5%) of the participants indicated was reduced production as shown in Table 8.3.

Table 8.3 Negative effects of policy interventions

		Responses		Percent of Cases
		N	Percent	
Negative effects of policies on participants	Reduced production output	96	11.8%	24.5%
	An increase in the cost of doing business in Bulawayo and Zimbabwe as a whole	90	11.0%	23.0%
	Scarcity of foreign exchange	89	10.9%	22.7%
	Scarcity of business finance	84	10.3%	21.4%
	Shrinking market opportunities	80	9.8%	20.4%
	Failure to withstand stiff competition from cheap imports	77	9.4%	19.6%
	Unable to acquire raw materials from other countries	66	8.1%	16.8%
	Erosion of company finances due to high inflation levels	59	7.2%	15.1%
	Downsizing (reduced capacity utilisation, reduced employment levels, etc.)	32	3.9%	8.2%
	Closure of some branches in and outside Bulawayo metropolis	16	2.0%	4.1%
	N/A	126	15.5%	32.1%
Total	815	100.0%	207.9%	

This was followed by increased operation costs (23%), scarcity of foreign currency (22.7%), scarcity of business finance (21.4%), and shrinking market opportunities (20.4%). These were the effects the participants indicated that seriously threatened the resilience of firms operating in Bulawayo. Government efforts to encourage formalisation, especially amongst MSMEs, have not been well received. MWACSMED (2019, Pers com) noted that, “there has been a general resistance against formalisation. Firm owners prefer having for example 10 micro-businesses dotted around town.” This perception has largely been influenced by an operation that was conducted by ZIMRA to enforce tax payments. Firms found without payment records had their presumptive taxes calculated from the day they were registered, regardless of the actual date they started operating. Those found without updated tax payments were fined a 100% penalty on their outstanding taxes. Thus, excessive taxation has been one of the factors discouraging MSMEs to formalise their operations. Notwithstanding the relaxation that has been effected in terms of taxes, the firms’ previous experiences with ZIMRA have cast a cloud on formalisation.

Accessibility is one of the factors that have affected the rate of success of government interventions meant to assist MSMEs. MWACSMED believes that there are many MSMEs that are yet to be registered in Bulawayo. It is suspected that these MSMEs have remained ‘hidden’ as they do not want to be registered. Consequently, they have been left out of government programmes. Another factor affecting the success rate of government policy interventions targeted to help MSMEs is a lack of collateral from MSMEs. Consequently, funds availed through different programmes remain untapped for long. This study found that funds allocated to the CBZ in 2016 for distribution to MSMEs have not been used up by the end of 2019. This demonstrates the restrictive nature of the collateral requirements of government.

8.3 STRATEGIES FOR IMPROVING THE POLICYMAKING PROCESS

The previous sections in this chapter have covered government’s efforts to improve economic resilience through different policy interventions. The effects of these interventions have been discussed. However, the narrative remains incomplete if the discussion on strategies that can be adopted by government to improve policymaking is omitted. Policymaking is an important

variable that influences economic growth and development. As noted by Simmie (2004) long-term, reliable, and consistent policies are essential in an attempt to revitalise growth in lagging regions.

Various strategies can be adopted in Zimbabwe to make policies improve both firm and regional economic resilience. As shown in Table 8.4, 61.8% of the participants indicated that government should avoid politicising policies if they are to positively influence business growth and development.

Table 8.4 Strategies for improving industrial and economic policies

		Responses		Percent of Cases
		N	Percent	
Actions by government to make policies promote business growth and development.	Government should avoid politicisation of policies	239	32.6%	61.8%
	Adequate research should inform crafting and implementation of policies	163	22.2%	42.1%
	Government should ensure that policies guarantee availability of business finance	107	14.6%	27.6%
	The policies should protect industries or companies from cheap imports	87	11.9%	22.5%
	Implementation of policies should be in earnest, with provisions adhered to	54	7.4%	14.0%
	Policies should protect companies' financial assets	47	6.4%	12.1%
	Needs of intended beneficiaries should be taken into account when crafting policies	37	5.0%	9.6%
Total		734	100.0%	189.7%

Other common strategies indicated by participants include undertaking research-based policymaking (42.1%) and making policies guarantee availability of business finance (27.6%) as shown in Table 8.4.

8.3.1 Avoiding politicisation of policies

The policymaking process by its nature is political. Policymakers are political beings representing different interests. The word politicisation is therefore used to denote how policies

are affected by the conflicting interests of political parties. Thus, 61.8% of the participants indicated that policymaking can help improve their operations if ‘national interests’ are pursued rather than those of a few powerful politicians. This entails rethinking the agenda setting stage. As noted by Dunn (2018), that is the stage when officials place problems on government agendas for discussion. The ruling party in Zimbabwe dominates this stage by virtue of having a majority in parliament so policy problems put forward by the ruling party members are given more attention than those from opposition parties.

The conflict among political parties with regards to prioritisation of interests in policymaking can be illustrated through the use of an example. The opposition party policymakers have argued that currency crisis is one of the major problems negatively affecting the economy. As such the issue should be addressed by either re-dollarising the economy or with ‘genuine’ national confidence building. The currency crisis was also raised by the Zimbabwe National Chamber of Commerce (ZNCC). However, ZNCC supports confidence building amongst investors and the general populace who have since lost trust in the local currency. In contrast, the ruling party has maintained that economic problems are emanating from sanctions imposed on the country by the USA and its allies. Consequently, ruling party policymakers believe that the best policy direction is to find alternative trade partners in the East coupled with an ‘international re-engagement’ programme under the motto *Zimbabwe is Open for Business*. Nevertheless, this re-engagement campaign has so far failed to attract the much-needed foreign direct investment.

Conflicted interests in agenda setting and policy formulation were found to be prevalent among politicians who are also business people. ZNCC (2019, Pers com) noted that, “those politicians who also double as business people go to parliament to protect their business interests. In most cases, they are not worried about the general welfare of the country.” This has become a common trend in Zimbabwe where most politicians are also the leading entrepreneurs controlling the industrial sector. Accordingly, these politicians are known to oppose any policy that threatens their businesses or reduces their grip on the industrial sector. Policies likely to benefit the general populace are sometimes sabotaged by politicians in the interest of protecting their business

interests. However, good policymaking should put the interests of citizens at the centre of the process.

Policy formulation is influenced by deliberations done at the agenda setting phase. According to Dunn (2018), policy formulation involves the creation of alternative policies to address a policy problem, these alternative policies can be in the form of executive orders, court decisions, and legislative acts. In Zimbabwe, alternative policies are mainly in the form of executive orders and legislative acts. However, these alternatives are influenced by policy problems discussed at the agenda setting phase. In light of this, ZNCC (2019, Pers com) noted that, “most of the policies formulated in Zimbabwe are populist, meant to get votes. Without proper understanding of the ‘Zimbabwean interest’, the Chinese, Europeans or Americans are not going to be the answer to economic problems in Zimbabwe.” As such, to revitalise the economy, there should be a strategy in place that all policymaking must address the ‘genuine Zimbabwean interest’. What this interest is, remains a matter of different perceptions. In this study, the ‘genuine Zimbabwe interest’ is equated to ‘public interest’ (Klosterman 1980). The ‘public interest’ is served if both collective and individual benefits of policy outcomes outweigh their common and particular demerits (Klosterman 1980). Policymaking can be better in Zimbabwe if all political parties could prioritise the ‘public interest’.

Policy adoption is another phase in policymaking. Dunn (2018) noted different routes of adopting policies such as by legislative majority, consensus amongst agency directors, and a majority court decision. In Zimbabwe, the most common route is the legislative majority. However, due to conflicting ideas from agenda setting and policy formulation, the adoption process is also a battleground for party politics. These conflicts eventually affect the implementation phase, as some members of both government and the private sector end up resisting policies. As such, policies are sometimes not implemented in earnest. These findings are in line with existing literature suggesting that the politicisation of development policies is common in Africa. Richardson (1973) noted that regional policy decisions are political in nature and are mainly undertaken by policymakers who purport to represent the welfare of society. Likewise, Richardson & Townroe (1986) found that in countries in the Global South, regional

policies can be a result of political pressures or a response to economic development programmes. Political pressures seem to override economic development in Zimbabwe.

8.3.2 Evidence-based policymaking

Policies in Zimbabwe can improve industrial growth and development if they are based on adequate research. In support of 42.1% of the participants who raised these sentiments, ZNCC (2019, Pers com) noted that, “there is not much research conducted by Zimbabweans focusing on how we can have a self-reliant and sustainable economic system. Our current system is heavily reliant on Asians, Europeans, Americans, etc. Our research and development is poor.” The ZNCC also raised the issue of budget constraints limiting adequate research and development in the country’s industry. Without a budget it is difficult to undertake proper research about the country’s industrial standing. According to ZNCC, it is vital to launch investigations about the real problems hindering industrial growth, namely the machinery used in industries, the machinery required for industries, and strategies for acquiring machinery. ZNCC alleges that these issues are unknown yet, researchers have been occupied with studies to address these issues even though funding has remained their greatest challenge.

The lack of empirical evidence has affected policymaking in Zimbabwe. This emanates from the failure to properly ‘define’ and ‘structure’ policy problems. Policies, consequently formulated, do not address the ‘real’ problems but rather symptoms of the problems. Furthermore, real problems remain unknown because comprehensive policy research is not done. This could be explained by constrained government budgets that have led to financial shortages, which in turn has hampered adequate policy research and development. The outcomes are often inadequate, incomplete, and wrong policies that not only waste scarce resources, but are also prematurely abandoned. This demonstrates the centrality of evidence-based policymaking.

8.3.3 Policy guaranteeing availability of business finance

One of the major challenges facing industries in Bulawayo is the shortage of finance. Emanating from this, 27.6% of the participants indicated that government policy interventions should guarantee the availability of business finance. As previously indicated in Section 8.2.1, different finance mechanisms have been availed. The Ministry of Finance and Economic Development has set up an Industrial Development Fund which was announced in the 2019-budget statement. A sum of US\$30 million seed money was allocated to IDCZ as venture capital to projects of national importance. In corroboration IDCZ (2019, Pers com) indicated that, “we have received money from the Ministry of Finance and Economic Development to revive industries in the country. We are still doing a baseline survey and developing the terms of references for loans.” Similar strategies have produced positive economic growth in countries such as Japan where the government provided loans and improved access to foreign exchange to key industries (Ito & Weinstein 1996). Japan Development Bank and Japan Export and Import Bank were the leading institutions that provided these loans (Ito & Weinstein 1996).

In as much as business funds are availed to industries through different platforms, this study found that the biggest challenge is accessibility. The collateral requirements are too high to be met by MSMEs. The researcher found that for small companies to qualify for loans, some financial institutions require collateral in the form of movable assets for a loan of up to ZWL5 000 (equivalent to US\$200 according to the official RBZ rate of US\$1 to ZWL25).²⁵ For loans above ZWL5 000, collateral in the form of immovable property is required. Considering the nature of MSMEs in Bulawayo and Zimbabwe in general, neither of the two amounts are enough for their expansion needs and the majority of firms do not even meet these collateral requirements. The fact that firms are failing to access these funds because of collateral requirements, is one of the reasons why funds released by government for the benefit of MSMEs, remain unused for considerable periods of time. As such, collateral issues need to be treated as an important policy problem on government’s agenda.

²⁵ The rate is quoted as at 15 June 2020.

8.3.4 Industrial protectionism policies

Industries in Bulawayo need protection from cheap imports. This strategy was indicated by 22.5% of the participants. The level of industrial protection in current policies is considered inadequate and affected by inconsistencies in implementation. Consequently, 80.1% of the participants indicated that firms in Bulawayo require protection from cheap imports if the city is to regain its former glory as the industrial capital in Zimbabwe. In contrast, 19.9% of the participants do not consider government protection to be a catalyst for economic revival in Bulawayo. One of the participants in this category indicated that firms in Bulawayo have to find ways of turning the current economic decline into a springboard that catapults them to greater heights. Furthermore, the participant highlighted that firms in Bulawayo need to be innovative to survive the current economic meltdown.

The findings on industrial protection are consistent with existing literature. In Japan, industries in their infancy received government protection against cheap imports. However, these industries were exposed to full competition when they became exporters and were also competitive on the global market (Ito & Weinstein 1996). Protection of industries in their infancy is therefore a common strategy. Protection should also be considered for firms operating in economically depressed regions such as Bulawayo. However, this protection should be lifted once firms show signs of competitiveness. These arguments should inform policymaking in Zimbabwe in order to improve regional economic resilience. Notwithstanding this, firms should not relax and wait for government protection. They should continually seek to overcome different types of shocks on their own. While exogenous factors are vital for economic resilience, firms and regions alike, should have endogenous mechanisms that help them adapt to changes. Policy changes in their very nature can sometimes be regarded as shocks that firms and regions need to overcome.

8.3.5 Earnest policy implementation

Adhering to policy prescriptions is an important aspect that determines prospects of policy success. Fourteen per cent of the participants indicated that policymaking processes in

Zimbabwe can improve if implementers adhere to policy prescriptions rather than diverting from them. This goes back to the issue of implementation challenges. While some policies are reasonable and representative, poor implementation makes them fail to achieve their intended goals. The diversion from policy prescriptions is mainly caused by the lack of adequate funds. In such circumstances, implementers end up prioritising the key objectives. However, policy assessment becomes important in such scenarios. In the policy assessment phase, auditing and accounting units in government determine the compliance of policies to statutory requirements and also whether policies are realising their intended objectives (Dunn 2018). Thus, proper monitoring should provide feedback mechanisms to implementers alerting them when the implementation process goes off-course.

Proper assessment of any policy provides important information acted upon in the policy adaptation phase. In this phase, auditing and evaluation units make recommendations concerning the adaptation of policies, due to reasons such as insufficient resources and inadequate training (Dunn 2018). No publicly available evidence points to such processes taking place in Zimbabwe. If done, the recommendations are possibly not publicised. This compromises the monitoring and evaluation of policies and government programmes. However, it should not be forgotten that monitoring and evaluation are sometimes properly done but that politicians do not always listen to the voice of reason. Thus, the funding of policies should improve, and strict monitoring is required to make sure that policies are implemented in earnest.

8.3.6 Security of firms' assets

The security of firms' financial assets is an important aspect that needs government protection through policy interventions. This was indicated by 12.1% of the participants. Participants mainly stressed that policy inconsistencies have made them lose financial assets. In support, MWACSMED (2019, Pers com) noted that: "It has become a norm that people are not given enough warning in terms of policy changes." Business people tend to lose out because they are caught unaware. An example is the abandonment of the multi-currency system. It was effected without prior warning. Emanating from this, ZNCC noted that government should formulate and

implement policies that encourage business people to invest and grow their capital. These findings are consistent with those of Tan (2014), who observed that a stable macroeconomic environment played an important role in the economic and industrial growth of Malaysia. Such improvements are needed in Zimbabwe to improve the policymaking process.

Another area of possible improvement in Zimbabwe is the handling of policy succession and policy termination. After policy evaluation, recommendations can point to either policy succession or termination. Policy succession involves redefining the objectives of the policy rather than terminating it (Dunn 2018). Usually this happens when the problem for which the policy was formulated is considered solved and the need for the policy no longer exists (Dunn 2018). However, through the recommendation of a legislative committee responsible for policy evaluation, a policy can be terminated. Again, this is after it has been found that the policy is no longer required (Dunn 2018). This phase needs improvement in Zimbabwe. There is no evidence of adequate ex-post evaluation of policies, which are sometimes abandoned prematurely. No monitoring and evaluation reports are published making it difficult to learn from previous policy implementation experiences. As such, Zimbabwe needs experiential learning in order to improve its policymaking processes.

8.3.7 Needs-driven policymaking

Policymaking as a process involves conflicting interests and is characterised by contestations. While politicians purport to represent the interests of the public in policymaking, in some cases they represent their own interests. Emanating from this, 9.6% of the participants noted that policymaking in Zimbabwe can improve if the needs or interests of intended beneficiaries are ‘genuinely’ considered in policy formulation. An example highlighted by one of the participants involves the issue of working space for MSMEs. The participant noted that regardless of the common talk of improving and encouraging the growth of MSMEs, little has been done to provide adequate working space. Furthermore, the provision of infrastructure for MSMEs has not yet been realised. Political will and commitment are required to turn the ‘talk’ into beneficial action.

Needs-driven policymaking can be linked to the public interest debate previously referred to. This study found that industrial growth and development is possible if policies in Zimbabwe address the interests of the public. According to Klosterman (1980: 323) many scholars “reject [public interest] as a vacuous phrase used only to promote the special interests of some over the equally valid interests of others.” However, policies need to be able to address or meet the interests of those they are formulated for. Loosely defined the ‘public’ can be perceived as the targeted or intended beneficiaries of a policy. Accordingly, policies that serve the interests of the public should have more collective and individual benefits to intended beneficiaries rather than demerits. For the industrial policies, these benefits are expected to accrue to the industries in the country regardless of size, ownership, or location. Likewise, economic policy outcomes should have more collective and individual benefits to citizens and firms in the country, than demerits. As such policy analysts in Zimbabwe have a great task before them. Through their analyses at different levels, their main task according to Wildavsky (1980: 126) “is the weighty and ancient one of speaking truth to power.” This means that policy analysis has a role to play in improving policymaking in Zimbabwe. Policy analysis is defined by Dunn (2018: 3) as “a process of multi-disciplinary enquiry aiming at the creation, critical assessment, and communication of policy-relevant knowledge.” Thus, needs-based policymaking can improve the growth and development of the industrial sector in Zimbabwe.

8.4 REVIEWING THE ZIMBABWE NATIONAL INDUSTRIAL DEVELOPMENT POLICY (2019-2023)

The major objective of the Zimbabwe National Industrial Development Policy (ZNIDP) as indicated by Government of Zimbabwe (GoZ 2019a: 7) is, “to facilitate the sustainable growth of industry, development of new industries and the transformation and diversification of the Zimbabwean industry.” This is linked with the government’s vision of making the country technologically advanced, comprising a competitive and diversified industry by 2030 (GoZ 2019a). A diversified industrial base is necessary for economic resilience (Burton 1989). The main anchors of the policy are investment and innovation-led industrialisation which give

emphasis to export growth. The policy direction is consistent with literature that supports the expansion of the economic base. Stimson, Stough & Roberts (2006) noted that economic base expansion results in an increase of export goods and services sold to consumers outside the region's boundaries. Economic base expansion also increases cash inflows into a region that can be used to generate new local consumption. In Zimbabwe, the industrial sector together with mining, tourism, and agriculture constitute the economic base. The ZNIDP has various broad strategies, implemented to boost industrial growth. Some of these strategies are discussed below.

8.4.1 Sector strategies

The sector-based strategy envisaged in ZNIDP is one of the broad strategies identified in the policy document and is in line with Hirschman's (1958) unbalanced growth theory. Sector-based strategies are developed to give more attention to priority sectors such as, the Zimbabwe Cotton to Clothing Strategy and Zimbabwe Leather Sector Strategy. Hirschman (1958) and Saliminezhad & Lisaniler (2018) agree, they encourage investments in key sectors of the economy. Growth in key sectors is believed to trigger growth in the other sectors through positive externalities (Hirschman 1958; Saliminezhad & Lisaniler 2018). According to Hirschman (1958), forward and backward linkages between industries are vital in the transfer of growth from core to peripheral regions. The transfer of growth is achieved through the trickling down effects as economic policies are enacted to address unfavourable effects of polarisation (Hirschman 1958; Dawkins 2003). Like other countries in the Global South, Zimbabwe is characterised by low financial capital, inability to create an environment for massive investment, and limited diversity in human resource skills (Saliminezhad & Lisaniler 2018). Thus, induced investments in key sectors are likely to have multiplier effects in the sense that they can trigger other subsequent investments in a series (Hirschman 1958).

8.4.2 Financing industrial development

Financing industrial development is another broad strategy in the policy document. In line with the study findings discussed in the Chapters 6 and 7, acute shortages of working capital and

finance for retooling have crippled industrial development in the country. The policy therefore stresses the need to financially capacitate the Industrial Development Corporation of Zimbabwe (IDCZ) so that it is able to fund industrial sector activities. Government has already released US\$30 million seed money for that purpose. Other forms of finance envisaged in the policy include domestic and external financiers willing to avail lines of credit to the industrial sector. Group financing schemes are expected to fund MSMEs and rural industrialisation. However, complexities surrounding the issue of collateral should be addressed for this strategy to benefit many firms.

8.4.3 Local content strategy

Another broad strategy is the Local Content Strategy (LCS) and it is presented in a separate document. Several sub-strategies are outlined in the LCS document. The main ones are presented in Table 8.5.

Table 8.5 Sub-strategies under the Local Content Strategy

Sub-strategy	Action plan
Preferential local procurement	<ul style="list-style-type: none"> • Encourage consumers to purchase locally produced goods and services. • Local production and consumption awareness programmes to be implemented. • One of the key messages to be utilised is “Make Local, Buy Local and Consume Local”.
Funding to capacitate local suppliers	<ul style="list-style-type: none"> • Funds to support the programme to be sourced from government, development partners, and private capital.
Creating business opportunities for local firms	<ul style="list-style-type: none"> • Encourage backward and forward linkages. • Big contracts will be unbundled that will ensure the participation of local citizens and entrepreneurs.
Technology transfers	<ul style="list-style-type: none"> • Firms operating in Zimbabwe are expected to spearhead the technological and skills transfers in their areas of specialisation. • Rebates on duty offered to those importing raw materials and capital equipment. • Tax and duty waivers to firms promoting local producers through forward and backward linkages.

Source: Government of Zimbabwe (2019b)

According to GoZ (2019b: 7) the LCS is meant to promote “local value addition through utilisation of domestic resources and localisation of supply chains.” The LCS is taken as a tool that should promote competitiveness and beneficial linkages amongst local sectors (GoZ 2019b). As its sub-objectives, the LCS seeks to increase the percentage of the usage of local resources in priority industries from 25% to 80% by 2023, increase capacity utilisation in the same sectors from 45% to 75% by 2023, and achieve a 5% annual increase in manufactured exports from 2019 to 2023 (GoZ 2019b). The sub-strategies are expected to provide quick returns in the revitalisation of the industrial sector. However, these strategies should be properly implemented. In addition, consistency in government policies is important to allow business planning and forecasting.

8.4.4 Improvement of innovation and technology

Improvement of innovation and technology, another broad strategy, is expected to enhance competitiveness of goods and services. Accordingly, government envisages giving incentives to firms investing in innovation and research and development activities. The incentives are in the form of tax rebates and low interest rates. Here, the policy attempts to tackle the challenges common to many countries in the Global South. As compared to countries in the Global North, most countries in Sub-Saharan Africa (SSA) are characterised by low investment and capital formation, minimum technological change, shifting of labour from industry to agriculture, and minimum benefits from international trade (Sampath 2014). Under such circumstances, Geyer (2006) asserted that for companies and industries in the South to survive the global competition, stronger manufacturing and marketing capabilities are now required. This can be achieved in Zimbabwe through improvement of innovation and technology. As noted by Lin (2013: 260) “a continuous stream of technological innovation is the basis for sustained growth in any economy.” Tax rebates and low interest rates are indeed necessary for the industries in the country to improve their technology levels.

8.4.5 Embracing the fourth industrial revolution

Linked to improvement in innovation and technology is the upgrading and modernisation of industries in line with the fourth industrial revolution. Central government anticipates re-orientating tertiary institutions towards the production of high-end skills needed by industries in order to be competitive. Government commitment has been witnessed in this regard. Currently tertiary institutions have been reviewing their degree programmes so as to be in line with the fourth industrial revolution. The new emphasis is on 'Education 5.0' (i.e. teaching, research, community engagement, innovation, and industrialisation). This is an improvement from 'Education 3.0' (i.e. teaching, research, and community engagement) which was common in tertiary institutions. The reviewed programmes are expected to be available in August 2020. As a new policy direction, tertiary institutions are expected to advance interests in innovations and industrial solutions, to address problems facing the country. This is consistent with strategies undertaken in other Global South countries with stronger economies, such as the Asian Tigers.

8.4.6 Industrial cluster initiatives

Industrial cluster initiatives are also considered an important strategy in ZNIDP. Through this strategy, government aims to establish industrial clusters. The main target is to support the development of MSMEs by promoting linkages with other businesses. Government is set to identify geographical areas where existing synergies can be leveraged. However, creating new clusters might be problematic, especially where government seeks to find areas in different provinces that can be designated for the operation of clusters. Clustering is usually a spontaneous formation rather than an induced one, hence once formed, a cluster is expected to evolve subject to its ability to adapt to changing times (Qing 2012). The clusters to be formed by government should be able to evolve, for this strategy to work out.

Another challenge to the cluster initiative is the current state of the economy. Favourable business environments are necessary for the emergence of clusters and their full development

(Porter & Ketels 2009). Creating clusters without addressing business confidence may be setting up the clusters for failure. Besides, linkages and complementarities amongst industries and other entities are essential in clusters especially for competitiveness (Porter 1990; 2000). These linkages cannot be fully enforced by government by way of cluster development. However, leveraging the already existing clusters has a potential to help them grow. This can be effective in countries in the South as they are characterised by less-developed clusters that are inundated by inadequate supporting industries and institutions (Porter & Ketels 2009). Thus, competition of firms is mainly based on cheap labour and locally available natural resources (Porter & Ketels 2009). Besides, the firms in such clusters are mainly dependent on components, machinery, and technology that must be imported (Porter & Ketels 2009). This explains the character of the firms in Bulawayo. These firms are mainly using old machinery installed in industries during the colonial times (i.e. before 1980). Little has been done to improve or upgrade the machinery. This issue needs to be addressed for the cluster initiative to fully benefit the growth and development of industries and subsequently regional economies.

8.4.7 Entrepreneurship and micro, small, and medium enterprises

The ZNIDP also seeks to encourage the development of entrepreneurship amongst MSMEs. This recognises the important role played by MSMEs in socio-economic development. Accordingly, the government seeks to address industrialisation constraints experienced by MSMEs. This approach is expected to benefit the economy of Bulawayo which is dominated by MSMEs. The economy is also dominated by industrial-district type of firms. Industrial districts focus on agglomerations of mainly small light manufacturing industries or firms (Porter & Ketels 2009). In light of this the linkages programme proposed by government can promote the effective growth of industrial districts in the metropolis and their potential development into clusters. The same can also be said about existing clusters in Bulawayo that are struggling to thrive in the current economic meltdown. Sub-contracting linkages between large formal industries and MSMEs can necessitate the improvement of small firms in terms of their level of technology and

access to export markets (Kimura 2009). This linkage thrust has the potential to improve the industrial sector in Bulawayo metropolis.

8.4.8 Reflections on the ZNIDP (2019-2023)

The ZNIDP is strongly rooted in existing regional development literature. However, it is vital to note that production processes are not always influenced by policy interventions. Production processes move to areas where conditions are most favourable for production (Geyer 2006). A firm therefore chooses an optimal location that supports profit maximisation (Brouwer, Mariotti & Van Ommeren 2004). It is thus clear that there is a need to create conditions favourable for investment in Bulawayo. The first step is to recognise that most urban economies in Southern Africa are dualistic in nature (Geyer 1989). Thus, the integration of formal and informal urban sectors provides prospects for better economic growth in these cities (Geyer 1989). This can be beneficial in Zimbabwe. The Zimbabwe National Chamber of Commerce (ZNCC) indicated that approximately seven billion Zimbabwean dollars are trapped in the informal sector in Zimbabwe. Emanating from this, the integration of formal and informal sector firms is likely to unlock this dead capital (De Soto 2001a; 2001b) in the informal sector.

The policy is also anchored on the belief that development can be taken as increased industrialisation. Strategies in this development thinking are usually meant to achieve rapid industrialisation and the abandonment of agriculture (Todaro & Smith 2015). However, abandonment of agriculture seems impossible in Zimbabwe. Agriculture has been at the centre of Zimbabwe's economic growth for decades. In addition, the bulk of industrial production has been anchored on agriculture. The revitalisation of the agricultural sector may help reduce food imports and so save scarce foreign currency. Rather than spending the currency on food imports, it can be invested in social overhead investments (Hirschman 1958). As noted by Hirschman (1958), governments should identify economic sectors with strong growth potential and make social overhead investments. This would expand employment opportunities in those sectors once they have started responding to the social overhead investments (Hirschman 1958). In Zimbabwe social overhead investments can, amongst other things, address water and power shortages.

Foreign direct investment (FDI) is a good source of capital and technological know-how (Diaconu 2014). Consequently the government's focus has been influenced in order to attract FDI. However, one participant indicated that government efforts to lure investors, should not ignore those investors already in the country. Investors in Zimbabwe might also be interested in diversifying their investments. Apart from that, attracting FDI also requires an improvement in the business climate of the country as poor business environments could negatively influence the effectiveness of private capital and could also increase the cost of doing business to unsustainable levels (Ndulu et al. 2007).

8.5 CONCLUSION

Political instability is a threat to the achievement of policy goals and objectives (Mbaku 1988). Improvements discussed in this chapter are required to make policies that positively influence economic resilience in general in Zimbabwe. Policy analysis is one of the key improvements required in Zimbabwe. If well executed, it could improve problem structuring, forecasting, and prescription (Dunn 2018). Improvements are also required in the educational system which, according to ZNCC, is not yet entrepreneurially focused, although efforts to revamp the education system are already underway. It is clear that there is a need for continuity, whether the current government remains in power, or loses the next election. Continuity promotes consistency in policies. Furthermore, it increases the chances to attract foreign investors into the country. Finally, government should be committed to its policy direction on import substitution and export promotion to realise positive growth results.

CHAPTER 9: STRATEGY OPTIONS FOR ECONOMIC RESILIENCE IN BULAWAYO METROPOLITAN PROVINCE

A region's economic structure; the competitiveness and innovative propensity of its firms; the relational linkages of its firms with networks of other producers and customers in other regions and other countries; the skills of its workforce; its entrepreneurial culture, its institutional forms; the stance taken by and the resources and measures available to any local policy bodies (such as regional or local development agencies); and the region's economic governance arrangements, will all shape the resistance and response of a region's economy to, and its recovery from, a shock. (Martin 2012: 13).

9.1 INTRODUCTION

This chapter seeks to explore the different strategies for economic revitalisation and resilience in Bulawayo Metropolitan Province (BMP). Kimura (2009) noted that, to achieve economic development, countries in the Global South must ensure the existence of a stable macroeconomic environment, address national challenges (e.g. inadequate infrastructure and human capital), and utilise advantages drawn from the process of globalisation. However, for regional economic resilience, the following factors are important, namely a region's economic structure, firms' innovation and competitiveness, linkage types and levels, and regional economic governance, among others (Martin 2012). The chapter therefore analyses the level of economic resilience using employment as the key variable. The focus is then shifted to different strategy options that can be adopted to enhance economic resilience in BMP.

9.2 AN OVERVIEW OF ECONOMIC RESILIENCE IN BULAWAYO

When examining the economic resilience of a region, there is a need to address three issues. According to Faggian et al. (2017), it is vital to highlight the shock (resilience 'to what'), the variable utilised in analysing resilience (i.e. resilience 'of what'), and the temporal aspect involved in the analysis (resilience 'over what period'). While these issues were addressed in Chapter 5, they are summarised as a background to the discussions in this chapter.

9.2.1 The shock experienced in Bulawayo

The need to explain the shock under study is an important step in understanding and analysing regional economic resilience. The disturbance or shock under analysis in the study should be well defined (Sensier, Bristow & Healy 2016) and it should also be determined when such shock actually occurred (Han & Goetz 2015; Sensier, Bristow & Healy 2016). While it might be easy to determine such shocks as closures of firms, it is difficult to show with certainty when a shock such as an economic crisis started (Sensier, Bristow & Healy 2016). Notwithstanding this, the shock in this study takes the form of an economic recession that is believed to have been triggered by the election victory of the Zimbabwe African National Unity Patriotic Front (ZANU PF) in July 2013. As corroborated by Mlambo (2017), a period of economic collapse set in immediately after the election in 2013.

The economy of Bulawayo was heavily affected by the economic recession that followed the 2013 national election. However, it is important to realise that two years earlier, in 2011, political campaigning and jostling were already affecting the economy (see Figure 9.1). This can be attributed to conflicts that arose amongst the principal parties in the government of national unity (GNU) as campaigning and jostling for votes overshadowed government business. Thus, the onset can be argued to have started in 2011 as opposed to 2013. The end of the recessionary period is more difficult to define. Because of successive recessionary shocks experienced in Bulawayo specifically, and Zimbabwe in general, it is difficult to clearly highlight the period over which resilience is measured. The same challenge was experienced in studying regional economic resilience in Italy (Faggian et al. 2017). However, for purposes of this study, economic resilience is measured from 2011 to 2018. This is taken to represent the period of economic recession attributed to the July 2013-national election.

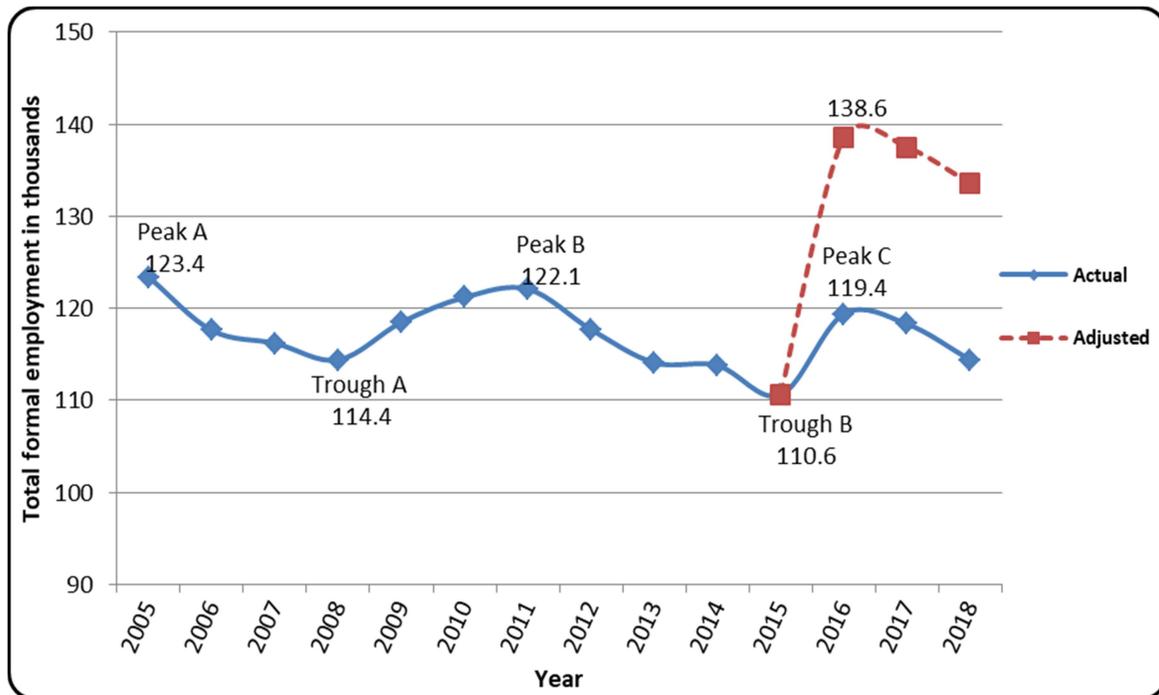
9.2.2 Analysing the resilience of the economy

Economic resilience is measured using regional employment levels from 2009 to 2018. However, data included in the trend analysis ranges from 2005 to 2018. This was considered

necessary so as to get a picture of the trends before 2009. An attempt to use gross domestic product (GDP) per capita was hampered by the unavailability of adequate data. Likewise, an attempt to determine the economic base of the metropolis using the location quotient, was unsuccessful, due to incomplete data. The Zimbabwe National Statistics Agency (ZIMSTAT) indicated that data on GDP per capita in Zimbabwe is only available at a national level. Besides that, employment data gathered are not disaggregated into sectors at provincial levels. The disaggregation is only done at a national level, so creating gaps in the data available.

The data deficiencies experienced in this study did not, however, affect an analysis of regional economic resilience that was done using employment levels as a variable. In an Italian study, Di Caro (2014) used employment as compared to GDP data, as many manipulations were needed before GDP could be utilised in that analysis. In any case, there is yet to be an agreement in literature on the variables that should be used to measure economic resilience (Breathnach, Van Egeraat & Curran 2015). As previously highlighted, variables commonly used in the North include GDP per capita, employment levels and regional production levels. Emanating from this, employment levels in BMP were utilised to analyse the economy's resilience. The employment trend is shown in Figure 9.1.

The employment trend line starts with a recession and continues on a downward trend reaching a trough in 2008. This coincides with the crash of the Zimbabwean currency that took place in the same year (Munangagwa 2009; Pilosof 2009; Mukuhlani 2014; Mlambo 2017). The disputed election result of 2008 gave birth to a GNU that introduced a multi-currency system in 2009. Accordingly, a form of recovery was experienced though its peak (in 2011) was lower than the previous one in 2005. Another form of decline was experienced after 2011. This shock was in the form of an economic recession possibly caused by political in-fighting in government as political parties tried to position themselves in preparation for the 2013 harmonised election. The trough of the economic recession was reached in 2015. This was followed by another lower peak in 2016. It is difficult, though, to treat the increase that took place between 2015 and 2016 as a recovery because it was short lived and because the trend started declining before surpassing the pre-shock growth level.



Source: ZIMSTAT (2019)

Figure 9.1 Formal employment trends in Bulawayo 2005-2018

The 'Adjusted' trend line shows formal employment inclusive of agricultural (A1 and A2) sector employment. However, ZIMSTAT (2019, Pers com) indicated that inclusion of this data in regional employment calculation, started in 2016. Thus, only the 'Actual' employment trend line was utilised in analysis for purposes of data consistency.

The resistance aspect of resilience is analysed using the sensitivity index by Martin (2012: 13). The index, which is fully explained in Chapter 5, is expressed as follows:

$$\beta_r = [(\Delta E_r/E_r)/(\Delta E_N/E_N)]$$

Where β_r produced a value of (-1.435353469)

The values used in the calculation were peak and trough values for the years 2011 and 2015. The corresponding values for national employment for the same years were also used.²⁶ However, the

²⁶ Figures are 786 750 and 838 375, respectively.

sensitivity index achieved is difficult to properly interpret as Martin (2012) did not explain the interpretation of negative values in his original abstraction. According to Martin (2012) if the index is greater than 1, it means the region's resistance to a recessionary shock is low. However, if it is less than 1, the concerned region has a greater resistance to a recessionary shock. Using these criteria it means Bulawayo's economy has greater resistance to the shock than the national one. In order to expand the scope of analysis other variants that exist in literature (Oliva & Lazzeretti 2018) were adopted. Two indices were selected, which are modifications of Martin's (2012) formula by Faggian et al. (2017) and Lagravinese (2015). The modification by Faggian et al. (2017: 399) is expressed as follows:

$$SI = (E_{r,t}/E_{r,t-1})/(E_{n,t}/E_{n,t-1})$$

Where E_r represents total employment in region (r)
 E_n represents total national employment
 Period t is the recessionary period
 Period ' $t - 1$ ' is the pre-recessionary period

The modified formula produced a sensitivity index value of 0.850037128. As indicated by Faggian et al. (2017) the result above 1 represents a region which is more resistant than the nation. On the contrary, a result below 1 indicates that the concerned region was affected by the shock more than the comparable nation. Consequently, this means the economy of Bulawayo was less resistant than the national one. Another variant of Martin's (2012) sensitivity index is presented by Lagravinese (2015:334) as follows:

$$\beta_{res} = [(\Delta E_r / E_r) - (\Delta E_N / E_N)] / | \Delta E_N / E_N |$$

Where $(\Delta E_r / E_r)$ represents the percentage change in employment at a regional level
 $(\Delta E_N / E_N)$ represents percentage change in employment at a national level

Lagravinese's (2015) variant produced a β_{res} of (-2.435353469). According to Lagravinese (2015) a positive β_{res} shows that the region has a greater resistance to the shock than the nation. On the contrary, a region with a negative index has a lower resistance. Accordingly, this confirms the conclusion reached using Faggian et al. (2017) namely, that the economy of Bulawayo showed a lower resistance than the national economy. This means the economic meltdown in Zimbabwe had a greater impact on the economy of Bulawayo than the national economy.

9.3 STRATEGIES FOR ENHANCING ECONOMIC RESILIENCE IN BULAWAYO

The promotion of regional economic resilience is not a straightforward process. Variables that affect economic resilience are many and they vary from one region to another. In addition to the factors indicated in Section 9.1, regional economic resilience is also influenced by the skills of labour force and entrepreneurial culture (Martin 2012). Apart from that, Simmie (2014: 104) noted that, "invention and new knowledge production, and their commercialization as new product and process innovations, are argued to underlie the long-term adaptation of and the development of economic resilience in regional economies." Accordingly, the strategy options applicable in Bulawayo are assessed.

9.3.1 Diversification of the economic base

The economic base of BMP is dominated by the manufacturing sector as shown in Table 9.1. In 2017, manufacturing dominated the metropolis' export earnings followed by tourism, agriculture, and mining.²⁷ These findings are comparable to existing literature. For instance in Thailand, diversification in the economy was important for its growth. Besides industry development, foreign earnings were also obtained from agricultural outputs and tourism (Burton 1989).

²⁷ 2017 statistics are used due to difficulties in accessing recent data.

Table 9.1 Bulawayo export earnings in 2017

Industrial Sector	Export Earnings (USD)
Manufacturing	17 620 000
Tourism	5 880 000
Agriculture	3 540 000
Mining	400 000
Total	27 440 000

While the economic base in Bulawayo is diversified, the dominance of the manufacturing sector makes the economy vulnerable. As highlighted in Chapters 6 and 7, the economy was devastated when industrial decline became rife as the other sectors constituting the economic base in Bulawayo could not sustain the economy on their own. The diversification of the economy in Bulawayo is therefore superficial. There is a need to grow export earnings from the other three sectors in order for export earnings to represent a more balanced combination of sectors. This study showed that 66.1% of the participants were in the manufacturing sector, followed by 26.5% in the services, 5.6 % in the agricultural, and 1.8% in the extractive sectors, respectively. Consistent with the economic base theory, regions experiencing growth should have their economies diversifying as production increases in order to serve both the local and export market (Dawkins 2003). Thus, the growth and development of the services, agricultural, and extractive sectors is likely to improve Bulawayo's economic resilience.

Increasing the export levels of tourism, agriculture, and mining in Bulawayo can be achieved by exploiting already existing opportunities. Zimbabwe is a member of the Common Market for Eastern and Southern Africa (COMESA) Free Trade Area. COMESA-membership provides a huge market for the firms in Bulawayo. Full participation in this market can increase the levels of export earnings in the metropolis. This represents benefits of global regionalisation (Geyer 2006; Leonova 2016). However, there is need to improve the level of technology and innovation as a precursor to strengthening and further diversifying the economic base. This strategy produced positive results in other countries in the South. The success of industrialisation in China, for instance, was anchored on the country's improvement in technology and the importation of sophisticated industrial machines (Lin 2013). This resulted in massive production that led to a rapid increase in China's international trade (Lin 2003). China also managed to grow

the share of manufactured goods in its exports from 75% in 1979 to levels above 95% in 2009 (Lin 2013).

9.3.2 Firm linkages for economic growth and development

The types of firm relationships found in Bulawayo are mainly in the form of backward and forward linkages (Hirschman 1958). However, the linkages found can also be classified into local, national, and international linkages. Linkages are important to understand as they attract monetary inflows and influence the circulation of wealth within regions.

9.3.2.1 Local linkages

This study found that 81.9% of the participants have business linkages with firms in Bulawayo. The types of linkages reported by the participants are shown in Table 9.2.

Table 9.2 Types of local linkages

		Responses ²⁸		Percent of Cases
		N	Percent	
Linkages with firms in Bulawayo	We purchase goods and services	221	30.2%	56.4%
	We are suppliers of goods and services	208	28.4%	53.1%
	Outsourcing (they hire us)	61	8.3%	15.6%
	Outsourcing (we hire them)	59	8.1%	15.1%
	We share the same production infrastructure (roads, railways, power grids, etc.)	47	6.4%	12.0%
	Sharing knowledge and technology transfers	40	5.5%	10.2%
	We borrow business finance from them	17	2.3%	4.3%
	We provide business capital to them	4	0.5%	1.0%
	N/A	75	10.2%	19.1%
Total		732	100.0%	186.7%

²⁸ Tables of this format in this chapter capture multi-responses from 392 participants. Accordingly, 'N' represents the number of responses given by the participants, the 'percent' column represents percentages of responses, and the column 'percent of cases' captures the percentage of participants who gave the highlighted responses.

A total of 56.4% of the participants purchase goods and services from other firms in the metropolis while 53.1% sell their products to local firms. These findings are consistent with Hirschman's (1958) backward and forward linkages. Other types of business linkages that exist in Bulawayo are in the form of outsourcing, with 15.6% of the participants being hired by other local firms. In contrast, 15.1% of the participants hire other local firms for tasks they cannot perform internally. These linkages are important in explaining how participants rated the competitiveness of their goods and services against imports. A chi-square test conducted at 5% significance level showed that there is significant evidence of an association between local linkages and competitiveness of goods and services. The test produced a *p value* of 0.040 as shown in Table 9.3.

Table 9.3 Chi-square test – local linkages vs. competitiveness of goods

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	10.053 ^a	4	0.040
Likelihood Ratio	10.447	4	0.034
Linear-by-Linear Association	0.242	1	0.622
N of Valid Cases	392		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 0.54.

The result shows that firms with local linkages have a better chance of producing competitive goods and services as compared to those without linkages. However, the Cramer's V test conducted together with the chi-square test produced a coefficient value of 0.16. This coefficient indicates a weak association.

9.3.2.2 National linkages

Firms in Bulawayo that have linkages with firms in other Zimbabwean regions constitute 60.2%. The types of linkages are shown in Table 9.4. The majority of the participants (44.6%) supply goods and services to firms in other regions in Zimbabwe. In comparison, 35.5% of participants

purchase goods and services from firms outside Bulawayo. Only 11.2% of the participants share knowledge and technology with firms in other Zimbabwean regions.

Table 9.4 Types of national linkages

		Responses		Percent of Cases
		N	Percent	
Business linkages with firms outside Bulawayo	We are suppliers of goods and services	175	27.6%	44.6%
	We purchase goods and services	139	22.0%	35.5%
	Sharing knowledge and technology transfers	44	7.0%	11.2%
	We share the same production infrastructure (roads, railways, power grids, etc.)	41	6.5%	10.5%
	Outsourcing (we hire them)	31	4.9%	7.9%
	Outsourcing (they hire us)	29	4.6%	7.4%
	We borrow business finance from them	15	2.4%	3.8%
	We provide business capital to them	5	0.8%	1.3%
	N/A	154	24.3%	39.3%
Total		633	100.0%	161.5%

A chi-square test conducted at 5% significance level showed that there is evidence of an association between national linkages and the way participants rated the competitiveness of their goods and services. The test produced a *p value* of 0.000²⁹ as shown in Table 9.5.

Table 9.5 Chi-square test – national linkages vs. competitiveness of goods

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	24.227 ^a	4	0.000
Likelihood Ratio	25.678	4	0.000
Linear-by-Linear Association	5.157	1	0.023
N of Valid Cases	392		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.19.

²⁹ This value is not necessarily a zero as previously indicated. This only represents a very small decimal number.

The strength of the association measured by Cramer's V test produced a value of 0.249. This represents a moderate association. Generally the study revealed that the association between local linkages and competitiveness of goods produced in Bulawayo is weaker (as evidenced by a Cramer's V coefficient of 0.16) than that involving linkages at a national level (0.249).

A Fischer's exact test was conducted to determine whether there is a relationship between participants' export/import relationships and national linkages. The test produced a *p value* of 0.000 [Exact Sig (2-sided)] as shown in Table 9.6

Table 9.6 Fisher's exact test – national linkages vs. exports/imports relationship

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-square	40.178 ^a	3	0.000	0.000		
Likelihood Ratio	43.237	3	0.000	0.000		
Fisher's Exact Test	41.416			0.000		
Linear-by-Linear Association	37.219 ^b	1	0.000	0.000	0.000	0.000
N of Valid Cases	392					
a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 3.18.						
b. The standardised statistic is -6.101.						

Accordingly the test showed that there is significant evidence at 5% of a relation between participants' export/import relationships and their national linkages. The Cramer's V test produced a value of 0.32, depicting a moderate association. Generally the study showed that firms with national linkages have more exports than imports compared to those without linkages at a national level.

9.3.2.3 International linkages

International linkages are those involving firms in Bulawayo and those operating outside Zimbabwe. It emerged from the study that only 35.2% of the participants have business linkages with firms outside Zimbabwe. The linkage types are shown in Table 9.7. The percentage of

participants (29.1%) purchasing goods and services outside Zimbabwe is higher compared to those supplying the same outside the country (11.5%). According to the economic base theory, these findings imply that firms in Bulawayo are more importers than exporters. This has negative implications for the monetary inflows of the metropolis.

Table 9.7 Types of international linkages

		Responses		Percent of Cases
		N	Percent	
Business linkages with firms outside Zimbabwe	We purchase goods and services	114	23.6%	29.1%
	We are suppliers of goods and services	45	9.3%	11.5%
	Sharing knowledge and technology transfers	29	6.0%	7.4%
	Outsourcing (we hire them)	17	3.5%	4.3%
	Outsourcing (they hire us)	8	1.7%	2.0%
	We borrow business finance from them	8	1.7%	2.0%
	We share the same production infrastructure (roads, railways, power grids, etc.)	8	1.7%	2.0%
	We provide business capital to them	1	0.2%	0.3%
	N/A	254	52.5%	64.8%
Total	484	100.0%	123.5%	

The metropolis is using more foreign currency on international trade compared to earnings.³⁰ As such the metropolis' exports need to improve for the economy to become resilient.

International linkages improve the competitiveness of local goods and services against imports. A chi-square analysis conducted at 5% significance level produced a *p value* of 0.000 as shown in Table 9.8. Accordingly, there is significant evidence of an association between international linkages and how participants rated the competitiveness of their goods and services against imports. The strength of the association is moderate as evidenced by a Cramer's V coefficient of 0.257. In general international linkages have a relatively stronger (0.257) association with competitiveness of goods and services against imports. This is followed by the association

³⁰ This argument is made, holding other factors constant. The real picture is only depicted if values of both exports and imports are known.

involving national linkages (0.249) and local linkages (0.16), respectively. The trend displayed by the Cramer's V tests shows the importance of linkages in determining competitiveness of goods and services. Linkages that attract monetary inflows into the region are important for economic growth and development.

Table 9.8 Chi-square test – international linkages vs. competitiveness of goods

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	25.803 ^a	4	0.000
Likelihood Ratio	25.537	4	0.000
Linear-by-Linear Association	9.359	1	0.002
N of Valid Cases	392		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.06.

Likewise, the utility of the local linkages cannot be overlooked. These linkages promote the circulation of export earnings into the region. The same analysis can also be applied to the participants' export/import relationships. A Fisher's exact test conducted at 5% significance level produced a *p* value of 0.000 [Exact Sig. (2-sided)] as shown in Table 9.9.

Table 9.9 Fisher's exact test – international linkages vs. firms' export/import levels

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-square	84.977 ^a	3	0.000	0.000		
Likelihood Ratio	84.627	3	0.000	0.000		
Fisher's Exact Test	84.120			0.000		
Linear-by-Linear Association	80.850 ^b	1	0.000	0.000	0.000	0.000
N of Valid Cases	392					

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.82.
b. The standardised statistic is -8.992.

The test showed that there is an association between international linkages and participants' level of exports. The association is relatively strong as determined by a Cramer's V coefficient of 0.466. International linkage is therefore an important variable in determining the relationship

between firms' exports and imports. Firms with international linkages have more exports than imports compared to those without international linkages.

The different types and levels of linkages presented in the foregoing paragraphs can be a useful strategy option for economic resilience in Bulawayo. Linkages between formal and informal firms have an opportunity to unlock dead capital in the informal sector. This sector mainly constitutes industries producing goods and services that are only consumed within the region and not for export (Stimson, Stough & Roberts 2006). The linkages between foreign- and locally-owned firms and, public and private firms, also have a positive influence on a region's economic growth. Besides creating jobs for the rural workforce, foreign-owned export-oriented firms in Malaysia fostered the development of locally-owned enterprises through backward and forward linkages (Tan 2014). Apart from that, a mutually beneficial relationship between the public and private sectors in Malaysia supported growth and development of the latter (Tan 2014). The private sector benefitted from public investments in roads, ports, and energy infrastructure (Tan 2014).

9.3.2.4 Industrial cluster strategy

Another strategy option for economic resilience lies in promoting cluster development in Bulawayo. Efforts to initiate industrial clusters are already underway through government programmes. One of the cluster initiatives is the Bulawayo Leather Cluster (BLC). Areas surrounding Bulawayo specialise in cattle and game ranching, thus there is a reliable source of hides. One of the participants indicated that the market for footwear is available in and out of Zimbabwe. The COMESA (as a partner of BLC) facilitates the distribution of leather products in the region. The European Union (EU) has also expressed interest in BLC products through a programme that supports sustainable economies and employment creation in countries in the South. Accordingly, one of the participants indicated that the EU donated 250 000 Euros worth of equipment to the cluster on top of US\$125 000 worth of equipment provided by COMESA.

Institutions providing skills and knowledge in the cluster are already available. The Leather Institute of Zimbabwe has been re-launched after its recapitalisation in 2018. The Leather institute, together with the Africa Leather & Leather Products Institute (ALLPI) can provide the research and skills needs of the cluster. The main gap that was found was on the availability and production of chemicals used to treat and process the hides. These chemicals are mainly imported. As such the National University of Science and Technology (NUST) can help bridge the gap. Other important institutions that are also available in the metropolis include the Esigodini Agricultural College that offers courses in animal husbandry. This institution supports the research and production of skills required in cattle breeding. The leather industry used to be one of the biggest sectors in BMP. As such it remains a strategy option for economic revitalisation and resilience.

9.3.2.5 Industrial districts expansion and re-orientation

Industrial districts are also common in Bulawayo. These districts are dominated by micro and small enterprises. The clustering of these firms can be explained by both internal and external agglomeration economies (Hoover 1937; Isard 1956; Parr 2002a; 2002b) though urbanisation economies were found to be a dominant force. The agglomeration is similar to the one described by Marshal (1920), who observed that textile industries were mainly concentrated in the same areas with mining and engineering industries. Almost the same pattern characterises Bulawayo. The pattern of the industrial districts in Bulawayo also resembles Markusen's (1996) satellite platforms though the metropolis is not a lagging region according to the ranking of cities in Zimbabwe. Some small firms were found to be branches that are controlled by corporate headquarters outside Bulawayo. As a strategy option for economic resilience, there is a need to support the growth of MSMEs into large enterprises. As indicated by the Zimbabwe National Chamber of Commerce (ZNCC), this can be achieved through identifying MSMEs with potential for growth from each sector in Bulawayo. These MSMEs should then be given tax holidays or preferential tax brackets by the government in order to encourage growth. Long-term capital should also be provided to support the growth and development of these firms. However, to

ensure the performance and adherence to stipulated terms, these MSMEs should be monitored strictly.

Supporting small engineering³¹ firms that are solely focused on export production can be a crucial strategy in Bulawayo. The ZNCC observed that some Chinese companies investing in Zimbabwe are MSMEs and not big conglomerates. With adequate support, MSMEs in Bulawayo can significantly contribute to the monetary inflows through exports and investments outside the country. These findings are consistent with existing literature. In the post-World War II era, Japan had a considerable number of small and medium enterprises (SMEs) (Kimura 2009). These firms received a great deal of support from government in the form of financial, technological, and tax concessions (Kimura 2009). The growth of SMEs in Japan led to subcontracting linkages with large firms. Consequently, the SMEs improved technologically and in terms of their access to export markets. Likewise, MSMEs in Bulawayo can grow the economy if given government support.

9.3.3 Improving city's attractiveness

Improving a region's attractiveness to capital and labour is an important variable of regional growth and development. As explained by Myrdal's (1957) circular cumulative causation theory, regions that are able to attract capital, labour, and enterprises, experience economic growth as compared to the regions losing capital, labour, and enterprises. Improving the attractiveness of Bulawayo is a possible strategy for economic revitalisation and resilience.

Currently, the level of investment in Bulawayo is generally low. The metropolis has been experiencing out-migration of investors and skilled labour to other cities in Zimbabwe and countries in Southern Africa. The migration taking place can be explained through the lens of the world systems theory by Wallerstein (1974) and also Krugman's (1991) new economic

³¹ The mining and engineering sector is ranked as the most important in Bulawayo. The ranking was done by BMM together with key stakeholders in the metropolis. Kindly see Appendix D.

geography. South Africa exhibits characteristics of a semi-periphery whilst Zimbabwe is a periphery. Metropolitan cities in South Africa have been able to attract capital, skilled labour, and enterprises from BMP. Bulawayo has lost mainly manufacturing labour which, according to Krugman (1991) is completely mobile compared to immobile agricultural labour. Semi-peripheries offer better business and employment opportunities than peripheries. As such, economic opportunities in South Africa have acted as magnets to enterprises and skilled labour from BMP. Alternatively, the process can also be explained by Myrdal's (1957) backwash effects, viewed as a capital and labour flight towards the growing region (Dawkins 2003; Hall & Ludwig 2009). Growth experienced in South Africa has partly resulted in negative growth effects in Zimbabwean cities and towns (Myrdal 1957). In order to turn this trend around, a strong marketing strategy is required in Bulawayo.

At the metropolis level, Bulawayo Metropolitan Municipality (BMM) has implemented a number of initiatives meant to improve the city's attractiveness. In terms of city planning and local economic development, BMM has mainly produced 'marketable' statutory plans. BMM indicated that the Waste Water Master Plan has helped the city attract a huge investment in the form of a US\$36 million grant from the African Development Bank. In addition, Egodini, Makokoba, and Ascot redevelopment plans have attracted huge infrastructural investments to the city. New infrastructural developments currently underway are expected to revive the image of the city. An example is a multi-million-dollar Egodini Mall project. On completion the mall will have approximately 50 state-of-the-art shops, a modern bus terminal, and working space for informal traders. BMM's public transport policy has also attracted the attention of Australians who are currently working on a project to develop trackless trains in the metropolis. Linked to this are promotional materials that are utilised by BMM to market the metropolis' natural endowments and investment opportunities. Examples of promotional pamphlets are shown in Appendix E.

The marketing initiatives by BMM are partly in tandem with the expectations of the participants, as shown in Table 9.10. The most common initiatives as perceived by the participants are

reducing the level of rates and taxes paid by industries (49%) and developing modern industrial parks for export production (32.1%).

Table 9.10 Possible strategies by BMM for industry revival

		Responses		Percent of Cases
		N	Percent	
Action by BMM that can help revive industries	Lower the level of rates and taxes paid by industries	192	26.2%	49.0%
	Developing modern industrial parks meant for export production	126	17.2%	32.1%
	Provide adequate and strategic work space for formal and informal industries	125	17.0%	31.9%
	Overall upgrade of urban infrastructure that support business growth	125	17.0%	31.9%
	Effective and efficient management of urban systems, e.g. transport networks	80	10.9%	20.4%
	Improve the provision of municipal services such as water, etc.	68	9.3%	17.3%
	None	18	2.5%	4.6%
Total		734	100.0%	187.2%

Instead of relying on government tax incentives only, participants indicated that BMM should offer rates discounts to struggling firms to keep them operational. Apart from reducing rates paid by declining industries, participants also advocated the development of modern industrial parks meant for export production. This strategy is in tandem with the government initiative of special economic zones (SEZs). Once operational, SEZs are expected to attract a significant level of local and foreign investments.

9.3.4 Infrastructural development strategy

Infrastructural development is one of the central strategies that can boost economic growth in Bulawayo. Vacant industrial buildings are some of the infrastructure that is readily available as well as a network of railways, roads, and air transport that link the metropolis to countries such as South Africa, Botswana, Namibia, and Zambia. This existing infrastructure could be an

incentive to investors who want to produce goods for export as the location of the metropolis facilitates easy access to regional markets, especially that of Botswana and South Africa. It must be noted, however, that the available industrial infrastructure needs to be refurbished and modernised.

Infrastructural development can also help boost the special economic zones (SEZs) initiative being implemented in Bulawayo. The designated sites are Belmont, Donnington, and Umvumela. While the first two are built-up industrial areas, the third one is yet to be serviced. As noted by BMM, the challenge remains the provision of adequate infrastructure in these SEZs especially in Umvumela. Furthermore, BMM indicated that the other designated areas have the necessary industrial infrastructure. What is mainly needed is to make changes to the available infrastructure in order to suit the investors' expectations. Accordingly, 58.2% of the participants expressed optimism on the possibility of SEZs benefitting them, as compared to 41.8%, who did not anticipate any benefits.

A Special Purpose Vehicle (SPV) has been formed to oversee the development of SEZs in Bulawayo. Enablers such as the Zimbabwe Electricity Supply Authority (ZESA) and the National Railways of Zimbabwe (NRZ) have been roped in. These findings are in line with Hirschman's (1958) theory of unbalanced growth. Economic development is to a greater extent influenced by the availability of social overhead capital (SOC) (Hirschman 1958). As an example, Hirschman (1958) observed that investments in energy and transport infrastructure have a positive effect on economic growth and development. Accordingly, investments in water and electricity infrastructure in Bulawayo can improve the metropolis' economic resilience. Current transport facilities do however need renovation and upgrading.

The study findings in Bulawayo are also supported by Ndulu et al. (2007), who found that Sub-Saharan Africa (SSA) has weak social overhead investments. Poor infrastructure has caused delays in new energy connections and prolonged periods of power outages (Ndulu et al. 2007). These delays and outages reduce productivity and increase the cost of doing business in SSA. Consequently, the costs of power, transport, and communication in SSA are higher than the other

regions (Ndulu et al. 2007). Furthermore, widespread state monopolies in energy provision in African countries have created inefficiencies that affect the operation of private capital (Ndulu et al. 2007). Accordingly, social overhead investments should be at the centre of economic revitalisation in Bulawayo.

9.3.5 Favourable regional policy

Regional policy is an important variable for regional economic resilience. As discussed in the previous chapter, evidenced-based policymaking has an opportunity to address ‘real’ policy problems in Zimbabwe. This study found a dire need to promote research and development in Zimbabwe in general and Bulawayo specifically. The dearth of quality data has to some extent affected the quality of policies implemented in the country. Zimbabwe has not collected gross domestic product (GDP) data on a provincial or city level. Such data is only found at a national level. While employment data is available at provincial and city levels, the data has not been classified into industrial sectors. That classification is only done at a national level. These data deficiencies have a negative effect on regional economic planning. It is thus suggested that research and development should be prioritised especially at provincial and city levels. This enhances city-based or province-based economic analyses that in turn inform strategic interventions.

One of the most important policy shifts required in Zimbabwe is the protection of priority industries. These are industries of national or regional importance. Commenting on this issue, ZNCC (2019, Pers com) stated that, “while some countries protect their key companies, in Zimbabwe ours are no more. Investors who came in and bought some of the remaining ones, paid very little. This is a lost opportunity for the country.” In Bulawayo, such companies include National Blankets, National Railways of Zimbabwe, Merlin and United Refineries. The protection of priority industries has been implemented in some countries in the South. According to Lin (2013) governments should protect priority industries through measures such as subsidies, price distortions, and monopolies, because these industries are a source of security and also

economic power. In China, industrial protection helped priority industries to remain operational and to avoid their collapse (Lin 2013). In the long run, these priority industries regained viability and competitiveness (Lin 2013).

A clear separation of national and regional policymaking can positively influence economic revitalisation and resilience in Bulawayo. Bureaucracy and centralisation of decision-making is not desirable for regional economic resilience thus, this separation should be addressed. This is consistent with the findings of Kakderi & Tasopoulou (2017). The reliance on national policies to achieve regional economic resilience is problematic because in many instances national policies are not sensitive to regional differences (Kakderi & Tasopoulou 2017). This is supported by Simmie (2014: 115) who noted that, “regionally specific innovation policies are required in order to generate locally relevant configurations of actors, institutions, knowledge, skills, learning, and networks that constitute a successfully functioning Regional Innovation System.” For Zimbabwe, clear separation of national and regional policies can be helpful for provinces and metropolitan cities though, complementarities should be guaranteed. This gives provinces an opportunity to create policies that are specific to their unique developmental needs with their efforts complemented by national policies.

9.3.6 Regional patriotism

One of the key determinants of regional economic resilience was found to be regional patriotism. In this study the term ‘regional patriotism’ is used to mean one’s dedication and devotion to the wellbeing (economic, social, and environmental) of an area, whether it is a province, city, or town. The patriotism in this instance applies to all the inhabitants of an area in their different capacities. Such capacities may include business people, skilled labour, political actors, and consumers of goods and services. It emerged from the study that rejuvenated regional patriotism can be a strategy to revitalise the economy of Bulawayo. Commenting on national and regional patriotism ZNCC (2019, Pers com) noted that:

Our economy should be driven by the indigenous people as is the case of economically advanced countries such as USA, Britain, etc. It is not good for our economy to be dominated by foreigners. Our mentality is biased towards seeking foreigners who invest and run the economy for us while our own millionaires and billionaires are either investing or hiding money in different parts of the world.

Two important issues can be discerned from the comment by ZNCC. Firstly, the proportion of foreign versus indigenous investors in an economy should be balanced. This mix guards against possible economic sabotages especially by foreign investors. However, this argument is posed holding constant the fact that capital follows favourable locations. Investors place their capital in areas that are likely to give them high returns. The second issue pertains to lack of regional patriotism.

Regional patriotism entails having dedicated business people that hail from Bulawayo who are dedicated to invest in the growth and development of the metropolis. Likewise, politicians, skilled workforce, and consumers should also be dedicated to support initiatives meant to revitalise the economy. ZNCC (2019, Pers com) noted that, “there is need to revisit our mind power as Zimbabweans. We need to revisit how we see things, how we digest them and come up with solutions to address our contemporary challenges.” Linked to the strategy of regional patriotism is the use of public and private savings in the growth and development of Bulawayo. Instead of indigenous people ‘hiding’ their wealth in different parts of the world as alleged by ZNCC, the money can be invested in developmental projects in the metropolis. This strategy proved functional in countries in Asia. In China high rates of savings by households and private firms resulted in an increased rate of investments (Lin 2013). Apart from that, Hill (2013) noted that the existence of a group of reformers referred to as the ‘technocrats’ was behind the success of the economic reforms in Indonesia. While the reforms undertaken were driven by necessity instead of political gimmicks (Hill 2013), the ‘technocrats’ were passionate about achieving economic growth and development. Thus, re-invigorated regional patriotism can be a strategy option for economic resilience in Bulawayo.

9.4 CONCLUSION

Regional economic resilience strategies vary from one region to the other as shocks have different effects on regional economies. In Bulawayo, the diversification of the economic base and the leveraging of business linkages are important strategies for economic revitalisation and resilience. However, these strategies need to be buttressed by social overhead investments and favourable regional policies. In as much as vacant industrial space is available in the metropolis, refurbishments are required in tandem with modern industrial space requirements. The likelihood of yesteryear industries re-opening is slim, hence forward planning, with the fourth industrial revolution in mind, might provide opportunities to turn the economy around. Finally, national and regional patriotism among the economic, political, and social actors was found to be an important factor for economic resilience in Bulawayo. Turning around the economy and enhancing its resilience ought to be driven by dedicated and devoted patriots yearning for a better Bulawayo. However, this is dependent upon government regaining and earning the trust of local investors. Unfortunately, this is not a condition that is likely to change overnight.

CHAPTER 10: CONCLUSIONS, POLICY IMPLICATIONS AND RECOMMENDATIONS – RECONCEPTUALISING REGIONAL ECONOMIC RESILIENCE

The concept of regional (economic) resilience is a promising and attractive approach for some researchers; however, it still remains an alternative and fuzzy framework Notwithstanding this, there is an increasing need to explore and discuss the concept of regional (economic) resilience, especially in periods of shock and recessions, both in science and in practice. (Tóth 2015: 73).

10.1 INTRODUCTION

This chapter gives an overall conclusion of the study. The objectives addressed in this study were to evaluate the effects of industrial decline on the economy of Bulawayo Metropolitan Province, assess the resilient strategies employed by industrialists in Bulawayo to overcome their operational challenges, examine how economic and industrial policies in Zimbabwe should be formulated in order to promote economic resilience of metropolitan regions in the country, explore how the economy of Bulawayo can be revitalised in order to attract meaningful investment, and enhance economic resilience in the metropolis, and redefine the concept of economic resilience in the light of the African economic development setting, whilst highlighting how it is similar or dissimilar to its conceptualisation in other parts of the world. The chapter is concluded with a proposed model for analysing economic resilience in Zimbabwean metropolises. This proposed model can also be applicable to other countries in the South.

10.2 SUMMARY OF KEY FINDINGS

This summary is organised under the following subheadings; the effects of industrial decline on the economy of Bulawayo Metropolitan Province (BMP), the operational challenges and resilience strategies of firms in BMP, policymaking for regional economic resilience, and

strategy options for economic resilience in BMP. These subheadings present an overall perception of the study findings.

10.2.1 Effects of industrial decline on the economy of Bulawayo

The factors behind industrial decline in Bulawayo are many and varied. Key factors include capital flight, worn out and aging industrial machinery, shortage of finance and financing mechanisms, high production costs, and market shrinkages. In addition liquidity problems and capital constraints are also some of the challenges facing industrialists in Zimbabwe. Capital flight in Zimbabwe was mostly caused by policy inconsistencies and reversals by central government. These inconsistencies further frustrated the efforts of local firms to stay afloat. These uncertain circumstances also made business forecasting and prediction very difficult. As a result investors migrated from BMP in search of locations where conditions are favourable for production (Geyer 2006). Regardless of how industrial decline set in, the outcomes thereof affected the economy of BMP in different ways.

10.2.1.1 The structure of the industry in Bulawayo

The nature and form of industry in Bulawayo has significantly changed since the country attained independence in 1980 (Ndlovu 1994; Zaaizer 1998; Mbiba & Ndubiwa 2006; Mlambo & Phimister 2006; Parliament of Zimbabwe 2011; Mbira 2015). The abandoned and dilapidating industrial infrastructure lying idle in some parts of its industrial areas confirms that Bulawayo used to be the industrial capital of Zimbabwe. In fact, the majority of large industries in Zimbabwe were traditionally located in Bulawayo, resulting in the city being named 'Manchester of Rhodesia'. While some of these industries, for example, Radar Metal and the Treger Group, are still operational, others such as Hunyani Holdings, Hubert Davies, and National Blankets Limited have closed down. As a result, the metropolis is now dominated by micro, small, and medium enterprises (MSMEs) mainly owned by indigenous Zimbabweans. These MSMEs constitute 90% of the participants that took part in this study, while only 10% are large

enterprises. Consistent with Desoto (2001a; 2001b) and Ndulu et al. (2007), the bulk of capital in Bulawayo is currently trapped in the informal sector. This scenario is explained by the concept of path dependence, especially the ‘lock-in’ effect (Page 2006; Simmie & Martin 2010). BMP’s economy has been ‘restricted’ to a declining economic development path due to the effects of successive economic recessions, since 1980 (see Chapters 4 and 6), that negatively affected its industrial growth and development. As such, the ‘lock-in’ development trajectory in this case, is a negative trait affecting the adaptability of the regional economy to various shocks (Simmie & Martin 2010).

10.2.1.2 The city’s export levels

Following the protracted industrial decline, the majority of firms in Bulawayo are non-basic in nature and sell the bulk of their goods and services locally. While 76% of the participants are non-exporters, only 22% of the participants export 1-40% of their products. Furthermore, a combined 2% of participants export 41-100% of their goods and services. Apart from the declining export levels, industrial decline has also affected the city’s economic base with basic industries downsizing, relocating, or shutting down completely (Mlambo 2017; RBZ 2018). These findings also epitomise what has been taking place in Zimbabwe’s economy as a whole.

10.2.1.3 Employment levels in Bulawayo

Industrial decline in Bulawayo has generally caused an increase in unemployment levels. This study found that between 2009 and 2018, 40.9% of the participants experienced an increase in employment, 34% of the participants experienced a decline, and 22.6% maintained their employment levels. These findings are comparable to those of Mbira (2015) despite the fact that he only focused on manufacturing industries. However, the general trend shows that industrial decline in Bulawayo affected employment levels in the manufacturing sector more than in the other sectors.

10.2.1.4 The city's attractiveness

Industrial decline has triggered out-migration of firms from BMP, causing the number of industries operating in BMP to dwindle. Currently, the metropolis is failing to attract and retain industries with high and sustainable growth levels. Consistent with Birkinshaw et al. (2006) the need to remain competitive has pushed firms to migrate to other cities and countries. This is corroborated by Gambe (2019) who found that firms do not want to establish, or continually operate in a city that negatively affects their competitiveness.

10.2.2 The operational challenges and resilience strategies of firms

Firms in Bulawayo are facing numerous challenges that interrupt their operations. The most common challenges include their inability to access cash needed in daily operations (68.9%), erratic power supplies (54.3%), and their inability to import inputs (50.5%). In spite of these challenges, capacity utilisation and employment levels showed that small firms in Bulawayo are more resilient than medium-sized and large firms. The firms' capacity utilisation and employment trends managed to fit into the different categories of resilience (Simmie & Martin 2010; Martin 2012; Simmie 2014; Han & Goetz 2015). While the majority of the firms showed resistance, others showed recovery and reconfiguration (Martin 2012). Common firm resilience strategies in Bulawayo are the diversification of products and services (49%), expansion of the market base (47.4%), using a US dollar-based pricing system to avoid losses through currency reforms (45.9%), and the adoption of new technology in the production of goods and services (33.4%).

10.2.2.1 Diversification of products and services

Firms in Bulawayo have resorted to the production of a diversity of goods and services. The participants indicated that the failure of one product and/or service on the market does not necessarily completely affect the economic wellbeing of a firm. Thus, for Bulawayo firms,

diversification is a widely used strategy at firm, regional, and national levels that stimulates economic growth. In other Global South countries such as Thailand, diversification has led to positive economic growth where foreign earnings are not only obtained from industrial operations, but also from agriculture and tourism (Burton 1989).

10.2.2.2 Broad customer base and loyalty

The size of the firm's market share is also an important determinant of firm resilience in Bulawayo. This study found that the second most important firm resilience strategy in Bulawayo is the firm's ability to maintain a broad customer base. This strategy is affected by the size of the city's population, the quality, and pricing of the firm's goods and services. However, some firms were able to command a huge market, even outside the Bulawayo metropolis. Firms with high quality and durable products that are correctly priced have managed to command a broad customer base within and outside Bulawayo. Producers of these products have managed to penetrate the Southern African market. It can thus be stated that the expansion of a firm's local, regional, and global market share is a strategy option for firm resilience.

10.2.2.3 USD based pricing system strategy

Charging goods and services in US dollars has been, for some time, illegal in Zimbabwe. An exception was made with regards to the tourism sector that deals with both local and foreign clients. However, most firms have continued to charge their goods and services according to a USD-based pricing system. As a result, Zimbabwean dollar prices change almost on a daily basis as firms seek to protect themselves from losses caused by fluctuating exchange rates. The insistency on charging goods and services in US dollars is widespread especially amongst firms importing raw materials. For these firms to remain operational, these firms need a guaranteed supply of foreign currency if they are to continually import raw materials.

10.2.2.4 Adoption of new technology

Adoption of new technology and new ways of producing goods and services has kept 33.4% of the participants operational. The quality of their goods and services has improved compared to those of their local counterparts. Out of 33.4% of the participants who adopted new technology, 83.6% of them are private companies, 10.7% are public companies, and only 3.1% represent mixed ownership (i.e. partnership of private and public ownership). The Marxist's approach to development regards technology as a key determinant of economic growth (Parthasarathy 1994). For economic resilience firms in Bulawayo need to import and adapt technology to serve their needs. These firms can also facilitate technological transfers through different types of linkages. A case in point is the way Japan managed to successfully integrate informal and formal production technology (Ito & Weinstein 1996; Kimura 2009; Jhingan 2011) that resulted in a reduction of their production costs and creation of beneficial synergies between formal and informal industries.

10.2.3 Policymaking for regional economic resilience

More than half (50.5%) of the participants in this study rated government policy interventions as poor while 23.3% rated the interventions as very poor. In contrast, those who rated the policies as good constitute 24.4% and as excellent a slim 1.5%. The policy with the most negative effects to the operation of the participants is the Transitional Stabilisation Programme (TSP). These negative effects include reduced production indicated by 24.5% of participants, followed by increased operation costs (23%), scarcity of foreign currency (22.7%), scarcity of business finance (21.4%), and shrinking market opportunities (20.4%). Accordingly, the strategies indicated by participants to improve policymaking include avoiding politicisation of policies (61.8%), research-based policymaking (42.1%), policymaking guaranteeing availability of business finance (27.6%), and the protection of firms from cheap imports (22.5%).

10.2.3.1 Avoiding politicisation of policies

Approximately 62% of the participants indicated that policymaking can improve their operations if 'national interests' are pursued rather than individual interests. Conflicted interests in agenda setting and policy formulation are prevalent among politicians who are also business people. This study found that 'double players' (i.e. politicians who are also entrepreneurs) sometimes use policies to protect their business interests. Accordingly, to revitalise the economy, a strategy option is required in terms whereof policymaking would address the 'public interest' (Klosterman 1980). The 'public interest' would then be served if both collective and individual benefits of policy outcomes outweigh their common and particular demerits (Klosterman 1980).

10.2.3.2 Evidence-based policymaking

Policies in Zimbabwe can improve business growth and development if based on adequate research. According to the Zimbabwe National Chamber of Commerce (ZNCC) the real problem that hinders industrial growth is a gap in the research concerning machinery that are used, machinery that are required, and the strategies that are effective in achieving the required machinery and reviving the industrial sector. ZNCC alleges that these are issues little is known about. In spite of researchers having been occupied with studies to address these issues, funding has remained the biggest challenge. Lack of adequate policy research has affected problem definition and structuring in Zimbabwe. As such, some policies do not address the 'real' problems, but their symptoms. The 'real' problems have remained 'hidden', waiting to be discovered.

10.2.3.3 Policy should guarantee availability of business finance

Acute shortage of finance is one of the challenges faced by firms in Bulawayo. Thus, 27.6% of the participants indicated that government policy interventions should guarantee the availability of business finance. The Ministry of Finance and Economic Development has set up an

Industrial Development Fund which was announced in the 2019-budget statement. A sum of US\$30 million seed money was given to the Industrial Development Corporation of Zimbabwe (IDCZ) as venture capital to projects of national importance. However, high collateral requirements remain one of the factors that hinder most firms from benefitting from this loan facility.

10.2.3.4 Industrial protectionism policies

Industries in Bulawayo need to be protected from cheap imports. The level of industrial protection provided for in current policies is considered inadequate and is affected by inconsistencies and reversals. Consequently, 80.1% of the participants indicated that firms in Bulawayo require protection from cheap imports if the city is to regain its former glory as the industrial hub of Zimbabwe. Protection of industries in their infancy was adopted as a resilience strategy in Japan. However, the firms were exposed to full competition as soon as they became exporters and competitive on the global market (Ito & Weinstein 1996). Some form of protection of industries in their infancy is therefore a common strategy and should be considered for firms operating in economically depressed regions such as Bulawayo.

10.2.4 Economic revitalisation and resilience in BMP

Utilising three different sensitivity indices by Martin (2012), Lagravinese (2015), and Faggian et al. (2017), this study found that Bulawayo's economy has low resistance to economic recession as compared to the national economy. The economy showed some recovery between 2015 and 2016 although this was short-lived, with further decline that immediately set in thereafter. Factors important for economic resilience in Bulawayo are the level of diversification in the region's economic structure, linkage types and levels, regional attractiveness, and social overhead investments, amongst others.

10.2.4.1 Diversification of the economic base

The economic base of Bulawayo is dominated by the manufacturing sector, followed by tourism, agriculture, and mining, respectively. While the economic base is diversified, the dominance of the manufacturing sector makes the economy vulnerable. As discussed in Chapters 6 and 7, the economy was devastated when industrial decline became rife. There is a need to grow export earnings from the other three sectors for the economy to become more balanced. However, improvement of technology and innovation as a precursor to strengthening and further diversifying the economic base is important. This strategy was vital in the success of industrialisation in China where the share of manufactured goods in exports grew from 75% in 1979 to more than 95% in 2009 (Lin 2013).

10.2.4.2 Business linkages for economic growth and development

The types of firm relationships found in Bulawayo are mainly in the form of backward and forward linkages (Hirschman 1958) at local, national, and international levels. Improving these linkages was found to be a useful strategy option for economic resilience in Bulawayo. Linkages between formal and informal firms have an opportunity to unlock dead capital in the informal sector. Assets trapped in the informal sector cannot be used as collateral against a bank loan or any other payments (De Soto 2001a). As a result, assets do produce abundant wealth in countries in the North but very little in the South (De Soto 2001b). Other strategy options that can be adopted in Bulawayo are cluster development, and improvement of existing industrial districts. Efforts are underway to revive the Bulawayo Leather Cluster, which has already partnered with COMESA and has received financial assistance from the European Union.

10.2.4.3 Improving city's attractiveness

Improving a region's attractiveness to capital and labour is an important variable of regional growth and development. Thus regions that attract capital, labour, and enterprises are able to

experience economic growth (Myrdal 1957). The attractiveness of Bulawayo needs to improve as the metropolis has been experiencing out-migration of investors and skilled labour to other cities in Zimbabwe and Southern Africa. Metropolitan cities in South Africa (as a semi-periphery) have been able to attract capital, skilled labour and enterprises from Bulawayo. Accordingly, the resultant economic downturn can be addressed by improving the attractiveness of Bulawayo.

10.2.4.4 Infrastructural development strategy

Sub-Saharan Africa has weaker social overhead investments that resulted in an increase of power, transport, and communication costs to levels higher than those of other regions (Ndulu et al. 2007). This is evident in Bulawayo where the infrastructure available is in the form of dilapidating industrial buildings, and rail-, road- and air transport networks linking the metropolis to countries such as South Africa, Botswana, Namibia, and Zambia. State monopoly in energy provision in Zimbabwe has created inefficiencies that have affected the operation of industries in Bulawayo. Prolonged power outages have affected production costs and output. Thus, social overhead investments (Hirschman 1958) should be at the centre of economic revitalisation in Bulawayo.

10.2.4.5 Favourable regional policy

One of the most important policy shifts required in Zimbabwe is the protection of key industries. These are industries of national or regional importance. In Bulawayo, such companies include National Blankets, National Railways of Zimbabwe, Merlin, Cold Storage Commission and United Refineries. As a source of security and economic power, priority industries should be protected through measures such as subsidies, price distortions, and monopolies (Lin 2013). However, in Bulawayo the priority industries have been facing viability challenges for a long time now. While some have closed down, others are still operational albeit below capacity.

10.2.4.6 Regional patriotism

Rekindling regional patriotism is one of the strategies that can be adopted in Bulawayo in order to revitalise the economy. Regional patriotism entails having dedicated and devoted business people to invest in the growth and development of the metropolis. Likewise, politicians, skilled workforce, and consumers should also be dedicated to support initiatives meant to revitalise the economy. Hill (2013) noted that the existence of a group of reformers referred to as the ‘technocrats’ was behind the success of the economic reforms in Indonesia. While the reforms undertaken were driven by necessity instead of political gimmicks (Hill 2013), the ‘technocrats’ were passionate about achieving economic growth and development.

10.3 CONCLUSIONS: REGIONAL ECONOMIC RESILIENCE IN THE SOUTH

Notwithstanding the usage of the concept of resilience in different disciplines, it remains an elusive concept. In literature, its meaning is still subject to debate (Hill, Wial & Wolman 2008; Simmie & Martin 2010; Hill et al. 2011; Martin 2012; Breathnach, Van Egeraat & Curran 2014; Simmie 2014; Tóth 2015). The concept is regularly used in fields such as economics, social sciences, and regional or urban studies, however no universally agreed definition of the concept exists (Simmie & Martin 2010; Hill et al. 2011). Instead, it is multidimensional and has multiple meanings in different academic fields (Simmie 2014; Sensier, Bristow & Healy 2016). The current study attempted to provide a conceptualisation of economic resilience in light of the African development context, indicating how it is similar or dissimilar to its conceptualisation in the North. As a way of conclusion, the study proposes a model for analysing economic resilience in metropolises in the South, specifically Zimbabwe. This model is mainly applicable to industrial metropolitan cities. The model displays the driving issues of economic resilience, the processes involved, regional attributes for economic resilience, and the observed outcomes in the metropolises.

10.3.1 Analysing regional economic resilience in Global South metropolises

The proposed model in Figure 10.1 shows the connectedness amongst major determinants of regional economic resilience in the industrial cities in Zimbabwe. Different relationships in the model are depicted by single and double-headed arrows. These arrows are used to depict a cause-effect relationship. The origin of the arrow is assumed to be the cause and the destination of the arrow the effect. Single-headed arrows depict a one-way relationship whilst the double-headed arrows show a two-way relationship. An example of a one-way relationship is depicted by single-headed arrows originating from sub-factors under the *Driving factors* and linking them with *Regional attributes*. This means factors under the *Regional attributes* are affected by the sub-factors under the *Driving factors*. A two-way relationship is depicted by the linkages between *Firm growth and development* and *Firm resilience strategies*.

10.3.1.1 Driving factors

The analysis of regional economic resilience in industrial metropolises is driven by a set of three different factors, namely *Background factors* (such as international, historical, political, economic, social, and institutional), *National policymaking* and the *Determinants of industrial growth*. The relationship of Zimbabwe with the international community has affected foreign direct investment. Capital flight has partly been the resultant effect as the country has been considered a poor investment destination. As indicated in Chapter 6, the historical, political, and economic developments in the country have negatively affected economic resilience in Bulawayo.

In terms of relationships, *Background factors* influence *National policymaking* and *Determinants of industrial growth* at both national and regional levels. As an example, economic and industrial policies implemented in Zimbabwe from independence have been heavily influenced by the country's history, national politics, and international relations (see Chapters 4 and 6). Likewise, the *Background factors* also affected the *Determinants of industrial growth*.

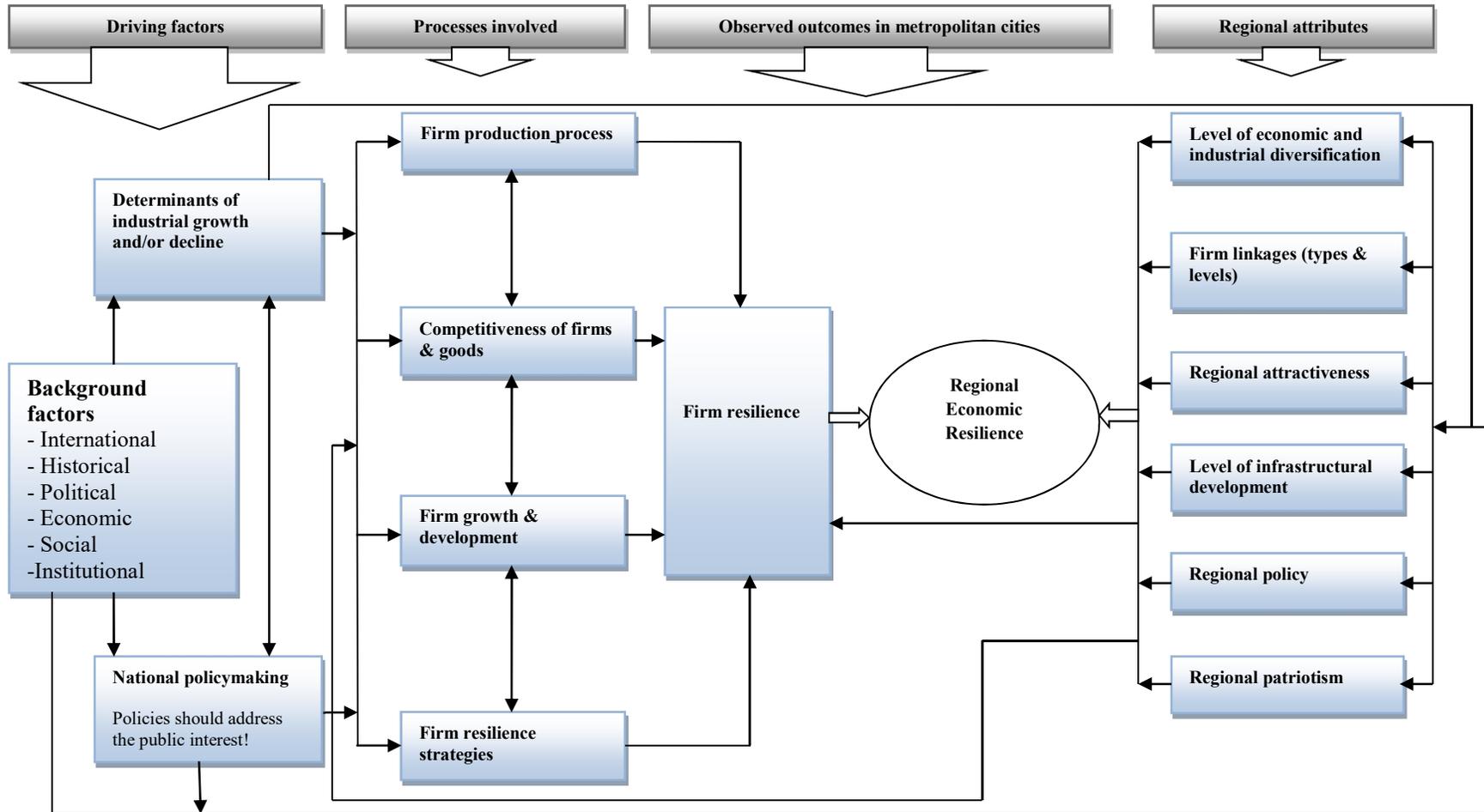


Figure 10.1 A model for analysing economic resilience in metropolitan cities in Zimbabwe

These determinants include state and age of industrial machinery, available business finance and financing mechanisms, production costs, and the size of the market. The determinants were fully explained in Chapter 6, including their consequential effect on the economy of BMP.

10.3.1.2 Processes involved

The processes that influence economic resilience in industrial metropolises are *Firm production processes*, *Competitiveness of firms & their products*, *Firm growth and development*, and *Firm resilience strategies*. These processes are affected by *National policymaking*, *Determinants of industrial growth* and overall by *Background factors*. This study found that the production processes in Bulawayo are affected by worn-out and aging industrial machinery, high production costs, and market shrinkages, among other factors. Consequently, firms in the metropolis are struggling to compete with others whether in the region or globally. The pricing of goods is uncompetitive owing to high production costs. Therefore the goods are failing to compete with cheap imports sold in the market. Due to the economic recession, some firms downsized and relocated, while others closed down. Those that remained operational in BMP have adopted various strategies including products and/or services diversification, technological advancement, fostering industrial linkages, maintaining a broad customer base, strategic downsizing (reducing unnecessary expenses), and toll manufacturing. These strategies are fully explained in Chapter 7. The *Processes involved* influence *Firm resilience*, which is a major determinant of *Regional economic resilience* in industrial metropolitan regions such as Bulawayo.

10.3.1.3 Regional attributes

It emerged from the study that some of the factors that affect regional economic resilience are region specific. In Bulawayo, these factors were found to be the level of economic and industrial diversification, types and levels of firm linkages, the metropolis' attractiveness to capital and skilled labour as well as firms from other regions, the state and level of infrastructural development, availability or unavailability of favourable regional policy, and regional patriotism.

These factors have a direct effect on both firm and regional economic resilience as demonstrated in Chapters 7, 8 and 9. This study found that *Regional attributes* are influenced by the *Driving factors*. Thus the interaction of these two has an influence on the resilience outcomes in metropolitan cities. The economic base of Bulawayo is dominated by the manufacturing sector and the contribution of other sectors (tourism, agriculture and mining) to the metropolis' export earnings is limited. Further diversification of the economic base is therefore a strategy option for economic resilience in BMP.

10.3.1.4 The observed outcomes in metropolitan cities

The proposed model shows *Firm resilience* and *Regional economic resilience* as the two observed outcomes. In Bulawayo, small firms are more resilient than large firms (see Chapter 7). Resilience at the firm level was measured using capacity utilisation and employment trends. The common type of resilience found among firms in Bulawayo is 'resistance'. This covers firms that continually increased their employment or capacity utilisation levels and those that kept them constant in spite of the economic recession. Other firm resilience types that emerged from the study include recovery and reconfiguration (Martin 2012). Regional economic resilience in Bulawayo was measured using employment levels and the economy of the metropolis was found to be less resistant to economic recession than the national economy (see Chapter 9). Overall, it should be stressed that the model in Figure 10.1 is mainly applicable to the development context in Zimbabwe. However, the model can also be useful to other cities in the South, in which case, each metropolis should be evaluated and judged according to its own specific historical, political, and economic attributes.

10.3.2 Re-conceptualising economic resilience in metropolises in the South

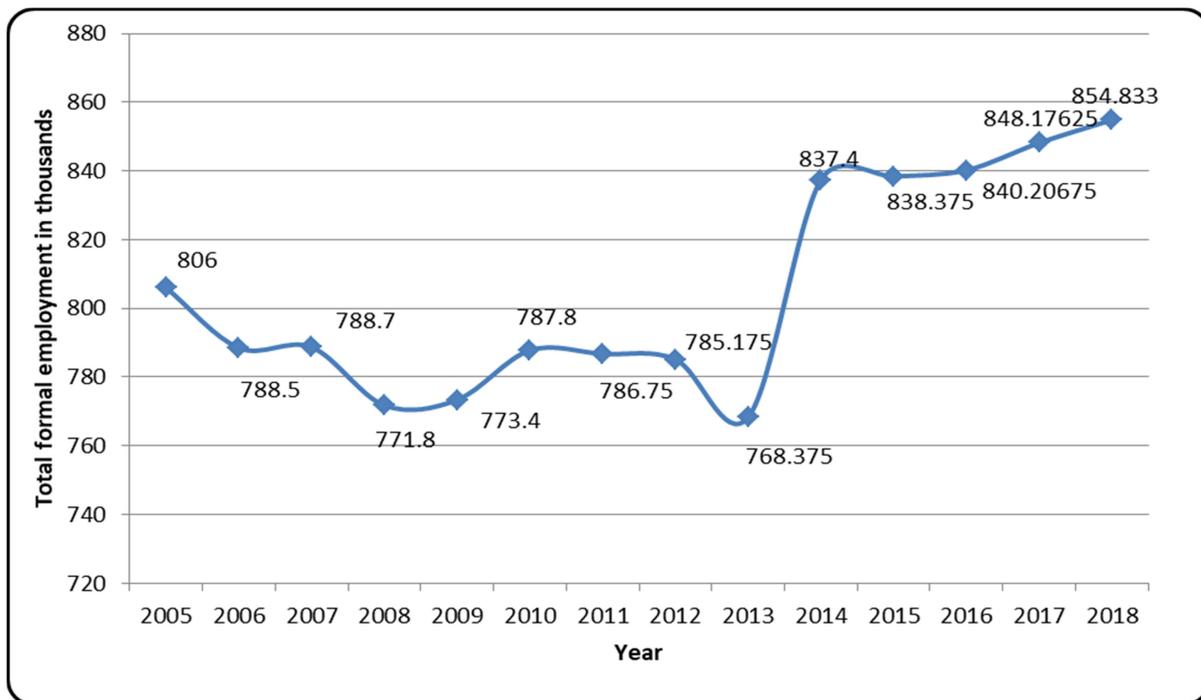
The concept of resilience is fully discussed in Chapter 2. However, as a background to the debates presented in this chapter, an overview is given. Instead of focusing on resilience in its totality, the discussions are limited to economic resilience – a concept which guides this study.

Other perspectives of resilience such as ‘engineering’ (Simmie & Martin 2010; Martin 2012; Wink 2012) and ‘ecological’ (Martin 2012) are not given due cognisance in this section.

Regional economic resilience is a concept that can be perceived through different lenses including the ‘plucking model’, ‘hysteresis’, and ‘adaptive evolution’ (Simmie 2014). The ‘plucking model’ defines resilience as the ‘bounce-back’ of an economy to its pre-shock growth path, while the ‘hysteresis’ approach defines resilience as an economy’s reaction to an external shock and the nature of the new development path that the economy takes due the shock’s immediate impact (Simmie 2014). The concept of ‘adaptive evolution’ as the third approach emanates from the theory of complex adaptive systems (Martin 2012; Simmie 2014). In this approach, regional economic resilience is taken to be the regional economy’s capacity to reconfigure and/or adapt its structure in terms of its industries, technologies, and institutions so that it is able to maintain sustainable growth levels in terms of output, employment, and wealth over a given period of time (Martin 2012). It is also worth noting that in literature there seems to be consensus that economic resilience is better conceptualised as a process (Turok 2014; Sensier, Bristow & Healy 2016) and resilience can be analysed at different levels, for example on individual, community, firm, sub-regional, regional, sub-national, and national levels (Vale 2014; Sensier, Bristow & Healy 2016).

In terms of its definition, regional economic resilience in Zimbabwe is viewed in the same way as in the North. In agreement with Sensier, Bristow & Healy (2016), reflections on the study in Bulawayo showed that economic resilience is indeed better viewed as a process, with the shock and period of analysis, being clearly stated. However, resilience is better perceived through the ‘hysteresis’ and ‘adaptive’ approaches but rarely the ‘plucking model’. This study revealed that although it is difficult, it is possible to find circumstances where an economy bounces back to its pre-shock growth level. This is evidenced by the employment levels in Bulawayo (presented in Chapter 9) and Zimbabwe (see Figure 10.2 and Figure 10.3) in general. The types of resilience shown are mainly ‘resistance’ and ‘reconfiguration’ as compared to a return to the pre-shock growth level. The same argument is also applicable to firm resilience (see Chapter 7). Conceptualising regional economic resilience in Zimbabwe and other countries in the South is

determined by how accurately it is measured. While in the North variables such as GDP per capita and employment trends are mainly used (Breathnach, Van Egeraat & Curran, 2015; Sensier, Bristow & Healy 2016; Giannakis & Bruggeman 2017), utilising the same presents challenges in the South.



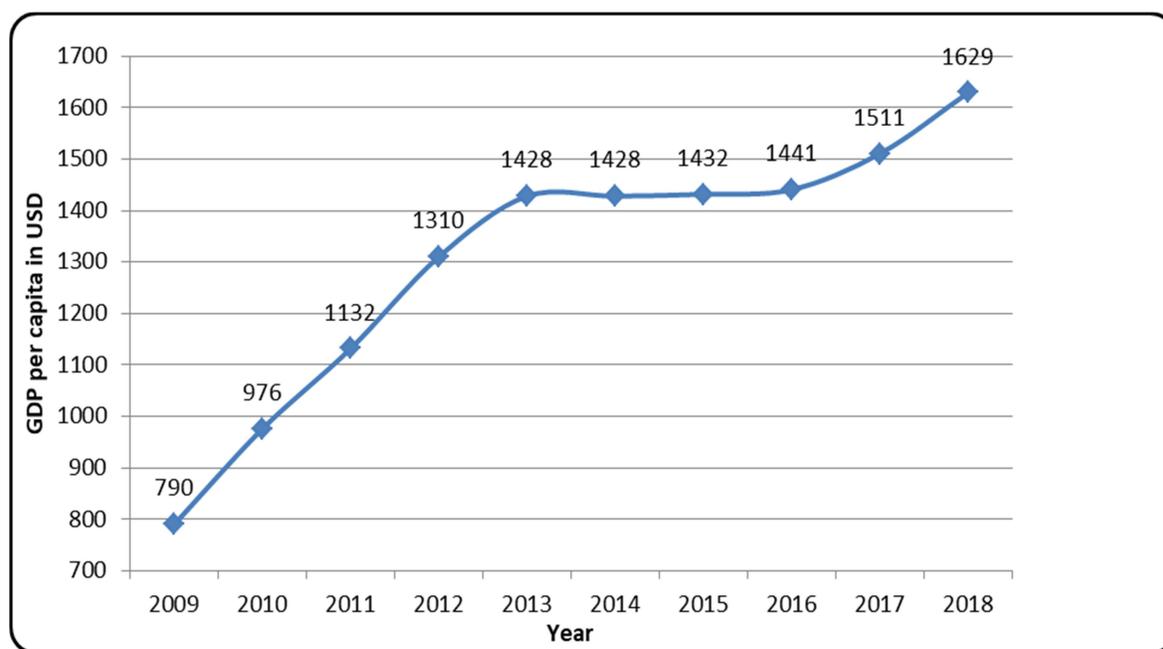
Source: ZIMSTAT (2019)

Figure 10.2 Formal employment trends in Zimbabwe 2005-2018

These variables may show economic resilience while in conflict with the actual situation on the ground. This cannot be clearly illustrated by employment levels in Bulawayo, however national employment and GDP per capita levels provide a clearer picture. Employment levels in Figure 10.2 show that the economy of Zimbabwe is resilient. The trend shows resilience in the form of recovery starting from 2013 onwards. Apart from that, the GDP per capita trend line shown in Figure 10.3 also depicts that the economy of Zimbabwe is resilient. The trend shows continuous growth from 2009 to 2018 though the rate of growth decreases from 2013 onwards.

In resilience thinking, the trends shown by Figures 10.2 and 10.3 are misleading. The economy of Zimbabwe has been deteriorating since 2013 (Raftopoulos 2014; RBZ 2016, 2018; Mlambo

2017). This depicts a conflict between data and the scenario on the ground. This scenario has been foreseen by Tóth (2015: 73) who noted that: “One may imagine a situation, where ‘objective’ data showed resilience, but inhabitants of an area and the local society do not express pleasure or satisfaction.” This is the case in Zimbabwe. The local citizens show a general lack of satisfaction (as presented by the findings in Chapters 6 to 9) with the economic trends in the country yet, the quantitative indicators show economic resilience.



Source: ZIMSTAT (2019)

Figure 10.3 GDP per capita trends in Zimbabwe 2009-2018

The discrepancies can be explained in two ways. The low-quality data gathered in poor countries in the South (e.g. Zimbabwe) and possible manipulation of data by some governments may be behind this discrepancy. In the case of Bulawayo, the dearth of data restricted the analysis of economic resilience using GDP per capita and only employment trends could be utilised. Thus, measuring and analysing regional economic resilience is not a smooth process in the South, especially in Zimbabwe. While regional economic resilience can be defined and perceived through the lens of the North, its measurement and analysis should be different. Consideration should be given to the unique and region-specific attributes or determinants of regional economic resilience in poor countries in the South.

The factors that influence regional resilience in Zimbabwe are partly similar to those in the North. However, regional patriotism was found to bear more weight in Bulawayo. The devotion amongst economic actors in a region is important in driving economic resilience. Regional patriotism is considered vital because, unlike in the North, systems in the South are still very much dependent on the people who control them. The political, economic, and social systems and institutions in Bulawayo are influenced by those who preside over them. As such, inculcating resilience thinking within actors controlling these systems and institutions, has a better chance of enhancing regional economic resilience. On the other hand, systems and institutions in the North have been in existence for long and have therefore matured. Accordingly, they are not easily influenced by those presiding over them.

When resilience is analysed at firm level, it is not only the ability to resist or recover from a shock that should define firm resilience. This study found that downsizing is an important form of firm resilience in BMP. Firms may continually downsize for a long period of time until they reach an optimum level. Such firms are considered to be 'resilient' in BMP because those that are not resilient have totally collapsed. An example is Firm 4 (see Figure 7.3 in Chapter 7), which was one of the leading textile industries in Bulawayo but that was affected by the successive economic recessions in Zimbabwe since 1980 (see Chapter 4). In the course of re-strategising, the firm downsized to a capacity utilisation level of 10% in 2009 and 2010. In 2011, the firm closed down its operations. However, the firm re-opened its doors in 2018 operating at a capacity utilisation of 5%. Firm 4 is therefore resilient. This is consistent with Gambe's (2019) observations in Harare. He noted that although firms exhibited a downward trend in terms of their capacity utilisation and employment levels, they were able to 'adapt'. Their adaptability was however viewed as the ability to continually operate in an environment where others totally shut down. Likewise, Firm 4 in the previous discussion, can be taken to have adapted to the changes in the economy. However its way of adapting entailed reducing capacity utilisation, closing down, and re-opening as a firm that has been reconfigured.

10.4 POLICY IMPLICATIONS AND RECOMMENDATIONS

In Zimbabwe, the concept of resilience still remains difficult to measure accurately through quantitative indicators due to the dearth of data and its low quality. To measure and analyse regional economic resilience quantitative and also qualitative indicators must be used, including the level of motivation for resilience, regional patriotism, and the skill set among the economic actors in the region. These qualitative attributes, among other factors, have an influence on the performance of firms and other institutions important for regional economic resilience.

10.4.1 Enhancing firm resilience strategies

Firm resilience is one of the most important determinants of regional economic resilience (Martin 2012; Soroka et al. 2019). Accordingly, it is essential that firms in BMP improve their level of innovation and technological advancements. An improvement in innovation and technology has been, and still is, a necessity for competitiveness (Parthasarathy 1994; Ito & Weinstein 1996; Kimura 2009; Jhingan 2011) both regionally and globally. Firms in Bulawayo should work on technology transfers that can be achieved through international business linkages. As noted by Parthasarathy (1994), technological advancements can also be in the form of developing new technologies or by importing and adapting technology. Developing new technology is difficult for most firms in Bulawayo for now, hence importing and adapting technology from other countries should be endeavoured.

10.4.2 Policymaking for regional economic resilience in Zimbabwe

The policymaking process was found to be an important determinant of both firm and regional economic resilience. Accordingly, policymaking in Zimbabwe and its metropolitan cities should aim to serve the public interest.³² Besides, a clear separation of national and regional policymaking is recommended. For so long regional planning in Zimbabwe has been silent and

³² Public interest is perceived in the lens of Klosterman (1980).

invisible in spite of its existence in statutes. It is therefore essential to operationalise regional planning in Zimbabwe so that regions are able to formulate and implement policies that are unique to their local settings. However, the study recommends that such regional and national policymaking processes should be complementary.

Both national and regional policymaking in Zimbabwe should also be evidence-based. This recommendation emanates from the study findings on the deficiencies in regional data that informs policymaking. Examples include the lack of GDP data at provincial and metropolitan levels and data detailing the contribution of each sector in regional growth. These datasets are important for regional policymaking. As such a concerted effort by government departments, private firms, research institutes, and local authorities is needed to start building data bases consisting of ‘quality’ data that informs national and regional policymaking. Apart from that, there is a need to rethink industrial protectionism policies. In line with the findings of Ito & Weinstein (1996), government protection should be granted to firms in their infancy and also those operating in economically depressed regions such as Bulawayo. However, protection should be lifted once firms achieve competitiveness.

10.4.3 Improving economic resilience in BMP

Although the economic base of BMP is diversified it is dominated by manufacturing. This makes the economy vulnerable to shocks, especially those that threaten the manufacturing industry. Accordingly, further diversification of the economic base is imperative. Besides revitalising manufacturing, incentivising investments in other sectors is important. Such sectors include tourism, agriculture, and mining. As these sectors are already exporters, what is required is to improve their contribution to the regional export earnings. Duty-free importation of sophisticated industrial machines by investors in these sectors may help improve the export levels.

Encouraging the linkages between formal and informal sector firms is also recommended as a way of unlocking ‘dead capital’ in the latter. This can be achieved by leveraging on the already

existing backward and forward linkages. Besides that, it is also important to support strategically and financially cluster initiatives. An example is the Bulawayo Leather Cluster currently operational. Clusters have a positive influence on regional growth and development (Porter 1990; 2000). Likewise, there is a need to promote MSMEs-based export growth. MSMEs constitute approximately 90% of the industries in Bulawayo. Accordingly, any growth strategy in the metropolis that is oblivious of this reality is likely to fail. Linked to this strategy is the investment in social overhead capital (Hirschman 1958). Social overhead investments recommended in Bulawayo are mainly in the energy and water sectors. Similarly, available industrial, transport, and the information and communications technology (ICT) infrastructure need to be refurbished to suit the modern-day industry requirements.

As a way of encouraging sustained economic growth and resilience in Bulawayo, the study recommends behaviour-change programmes or strategies meant to inculcate regional patriotism and resilience thinking within economic and social actors. These include investors, politicians (at all levels), skilled workers, and consumers. As in the case of Indonesia (Hill 2013), those presiding over firms and different institutions in Bulawayo should be passionate about achieving an economically resilient metropolis.

10.5 AREAS FOR FURTHER STUDY

Measuring regional economic resilience in the Global South requires adequate and reliable data. As such, there is a need for detailed research on the types of industrial machinery and infrastructure, and also the level of technological advancements in the industry in Bulawayo, as well as other cities and towns in Zimbabwe. This comprehensive study should focus on the levels of technology required versus what is currently available in the industry, the skillset necessary for industrial revitalisation, opportunities available for improving and expanding the services sector, and assess the opportunities for providing patient capital to MSMEs in the metropolis. The findings of such research should inform the kind of interventions required to resuscitate industrial activity in BMP and the country at large. Apart from this, there is also need for a research that focuses on a spatial analysis using GIS maps to show how the location and

relocation patterns of firms overtime explain firm resilience in Bulawayo. This study should indicate how different locations such as industrial areas, city centre, and suburban areas influence firm resilience patterns in the metropolis. In addition, a temporal analysis is required covering periods such as 1990s, 2000s, and 2010s, in order to explain how the relocation patterns of MSMEs within Bulawayo influences firm resilience outcomes. A study of this nature will complement the current one and broaden the understanding of firm resilience and regional economic resilience in industrial metropolises.

Further research on regional-based planning strategies is necessary as it can be useful in enhancing economic resilience in towns and cities in Zimbabwe. This study should initially focus on the contribution of each province to the economic performance of the country then examine the different region-specific opportunities that can improve regional growth and development. Furthermore, an analysis should be conducted to assess whether these region-specific opportunities support the adoption of a provincial government system similar to the one in South Africa. In general, the provincial government system is expected to invoke the desire to undertake practical regional-based planning and development in Zimbabwe. This justifies the need for research that details the nature and form the provincial government system should take and how this system is likely to improve the growth and development of regional economies in Zimbabwe. Finally, more research is still required focusing on ways to measure and properly conceptualise regional economic resilience in poor and data-deficient countries in the South. The gist should be on finding appropriate research methodologies that can be easily utilised in such countries to produce valid and reliable regional economic resilience insights.

10.6 CONCLUSION

Despite its complexity and elusiveness, the study has attempted to conceptualise economic resilience in industrial metropolises in a country in the Global South. The proposed model for analysing resilience in Zimbabwe has indicated the major factors behind such an analysis and their relationships. Besides political, social, and institutional factors, regional economic

resilience is also affected by policymaking processes and determinants of industrial growth at both national and regional levels. In analysing economic resilience in industrial cities, firm growth and development, production systems, and firm resilience strategies should be assessed. These processes have an influence on firm resilience, which is a key determinant of regional economic resilience. However, regional economic resilience is also affected by the concerned region's attributes that include the level of economic and industrial diversification, types and levels of firm linkages, the region's attractiveness to high-growth industries and skilled workforce, the level of social overhead investments, regional policy, and regional patriotism.

Regional economic resilience in metropolises in Zimbabwe mainly takes the form of resistance and reconfiguration as compared to recovery. Findings in BMP indicated that prolonged and stepped downsizing at firm level is also considered a form of resilience. Firms can intentionally downsize over an extended period of time while reconfiguring themselves to adapt to shocks and recessions. While high-quality data in the North underpins the conceptualisation of regional economic resilience, the same is not the case in some countries in the South. An attempt to measure and analyse regional economic resilience quantitatively in Zimbabwe is marred by low-quality data and data deficiencies. Accordingly, utilising mixed methods provides a better chance of success. Finally, regional patriotism is an important determinant of economic resilience that should be inculcated within those who preside over different systems and institutions operating in metropolitan cities in Southern Africa.

REFERENCES

- AfDB (African Development Bank), OECD (Organisation for Economic Co-operation and Development) & UNDP (United Nations Development Programme) 2016. *African Economic Outlook 15th Edition: Sustainable Cities and Structural Transformation*. Paris: OECD.
- AfDB (African Development Bank), OECD (Organisation for Economic Co-operation and Development) & UNDP (United Nations Development Programme) 2017. *African Economic Outlook 2017: Entrepreneurship and Industrialisation*. Paris: OECD.
- Aiginger K 2009. Strengthening the resilience of an economy: Enlarging the menu of stabilisation policy to prevent another crisis. *Stabilisation Policy* 44: 309-316.
- Alofun GOO 2014. African socialism: A critique. *IOSR Journal of Humanities and Social Sciences* 19: 69-71.
- Alshenqeeti H 2014. Interviewing as a data collection method: A critical review. *English Linguistics Research* 3: 39-45.
- Ariff KAM 1973. Economic development of Malaysia: Pattern and perspective. *The Developing Economies* 11: 371-391.
- Armeanu DS, Vintila G & Gherghina SC 2018. Empirical study towards the drivers of sustainable economic growth in EU-28 countries. *Sustainability* 10: 1-22.
- Arrighi G 1967. *The political economy of Rhodesia*. The Hague: Institute of Social Studies.
- Aziz Z, Barker C & Tezel BA 2016. Using quantitative approaches to enhance construction performance through data captured from mobile devices. In Ahmed V, Opoku A & Aziz Z (eds) *Research methodology in the built environment: A selection of case studies*, 79-91. New York: Routledge.
- Bailey AJ 2010. Industrialization and economic development in advanced placement human geography. *Journal of Geography* 99: 142-152.
- Bamikole LO 2012. Nkrumah and the triple heritage thesis and development in African societies. *International Journal of Business, Humanities and Technology* 2: 68-76.

- Bartholomew S & Smith AD 2006. Improving survey response rates from chief executive officers in small firms: The importance of social networks. *Entrepreneurship Theory and Practice* 30: 83–96.
- Becattini G 1990. The Marshallian industrial district as a socio-economic notion. In Pyke F, Becattini G & Sengenberger W (eds) *Industrial districts and inter-firm co-operation in Italy*, 37-51. Geneva: International Institute for Labour Studies.
- Belussi F & Caldari K 2008. At the origin of industrial district: Alfred Marshall and the Cambridge school. *Cambridge Journal of Economics* 33: 335-355.
- Bertelsmann Stiftung 2016. *BTI 2016 - Zimbabwe country report*. Gütersloh: Bertelsmann Stiftung.
- Bertelsmann Stiftung 2020. *BTI 2020 country report – Zimbabwe*. Gütersloh: Bertelsmann Stiftung.
- Bhalla A, Davies R, Mabugu MC & Mabugu R 1999. Globalization and sustainable human development: Progress and challenges for Zimbabwe. Paper delivered at the UNCTAD/UNDP National Workshop on challenges facing Zimbabwe, Harare.
- Birkinshaw J, Braunerhjelm P, Holm U & Terjesen S 2006. Why do some multinational corporations relocate their headquarters overseas? *Strategic Management Journal* 27: 681-700.
- Bratton M & Masunungure E 2011. *The anatomy of political predation: Leaders, elites and coalitions in Zimbabwe, 1980 – 2010*. Development Leadership Program Research Paper 09. Birmingham: DLP.
- Bratton M 1981. Development in Zimbabwe: Strategy and tactics. *The Journal of Modern African Studies* 19: 447-475.
- Breathnach P, Van Egeraat C & Curran D 2014. Regional economic resilience in Ireland: The roles of industrial structure and foreign inward investment. *Regional Studies, Regional Science* 2: 497-517.
- Briguglio L & Piccinino S 2012. Growth with resilience in East Asia and the 2008 – 2009 global recession. *Asian Development Review* 29: 183-206.

- Briscoe I 2008 (ed). *Chasing the Tigers: Can fragile states copy the Asian Miracle?* Proceedings of the Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE) Seminar held 6-7 October 2008. Madrid: FRIDE.
- Bristow G & Healy A 2018. Innovation and regional economic resilience: An exploratory analysis. *The Annals of Regional Science* 60: 265-284.
- Brooks C, Vorley T & Williams N 2016. The role of civic leadership in fostering economic resilience in City Regions. *Policy Studies* 37: 1-16.
- Brouwer AE, Mariotti I & Van Ommeren 2004. The firm relocation decision: An empirical investigation. *The Annals of Regional Science* 38: 335-347.
- Brueckner M & Kraipornsak P 2016. Determinants of economic growth in South East Asia: An analysis for the first decade of the third millennium. Paper for the Centre for Applied Macroeconomic Analysis, Australian National University. Canberra, ACT
- Burrell G & Morgan G 2005. *Sociological paradigms and organisational analysis: Elements of the sociology of corporate life*. Aldershot: Ashgate.
- Burton C 1989. The role of NICs in Southeast Asia's political and economic development. *International Journal: Canada's Journal of Global Policy Analysis* 44: 660-675.
- Capello R 2010. A handbook of industrial districts. *Regional Studies* 44: 1301-1302.
- Carmody P & Taylor S 2003. Industry and the urban sector in Zimbabwe's political economy. *African Studies Quarterly* 7: 53-80.
- Carmody P 2008. Neoclassical practice and the collapse of industry in Zimbabwe: The case of textiles, clothing and footwear. *Economic Geography* 74: 319-343.
- Chambers R 2004. *Ideas for development: Reflecting forward*. IDS working paper 238. Brighton, Sussex: Institute of Development Studies.
- Chicago, 1978-1987. *Journal of the American Planning Association* 54: 279-290.
- Chirisa I, Dumba S & Dube B 2013. Servicing the needs of inflating population at growth points in Zimbabwe: Spatio-temporal and economic considerations. *Journal of Sustainable Development* 4: 36-52.
- Christiansen O, Ehnts DH & Trautwein H 2010. Industry relocation, linkages and spillovers across the Baltic Sea: Extending the footloose capital model. *Baltic Journal of Economics* 10: 61-78.

- Clarke DG 1973. The economics of underdevelopment in Rhodesia: An essay on selected bibliography. *A Current Bibliography on African Affairs* 6: 293–332.
- Clemens M & Moss T 2005. *Costs and causes of Zimbabwe's crisis*. Washington, DC: Center for Global Development.
- Collins SM, Bosworth BP & Rodrik D 1996. Economic growth in East Asia: Accumulation versus assimilation. *Brookings Papers on Economic Activity* 2: 135-203.
- Coltrain D, Barton D & Boland M 2000. Value added: Opportunities and strategies [online]. Manhattan, KS: Arthur Capper Cooperative Center. Available from [https://www.researchgate.net/publication/228647997 Value Added Opportunities and Strategies](https://www.researchgate.net/publication/228647997_Value_Added_Opportunities_and_Strategies) [Accessed 17 May 2018].
- Creswell JW & Creswell JD 2018. *Research design: Qualitative, quantitative, and mixed methods approaches*. 5th ed. Thousand Oaks, CA: Sage.
- Creswell JW & Garrett AL 2008. The “movement” of mixed methods research and the role of educators. *South African Journal of Education* 28: 321-333.
- Creswell JW 2009. *Research design: Qualitative, quantitative, and mixed methods approaches*. 3rd ed. Thousand Oaks: Sage.
- Creswell JW 2014. *Research design: Qualitative, quantitative, and mixed methods approaches*. 4th ed. Thousand Oaks: Sage.
- Crook C & Garratt D 2005. The positivist paradigm in contemporary social science research. In Somekh B & Lewin C (eds) *Research methods in the social sciences*, 207-214. London: Sage.
- CSO (Central Statistical Office) 2004. *The Zimbabwe profile – 2002 population census*. Harare: CSO.
- CTS (Catholic Truth Society) 2006. *Compendium of the catechism of the Catholic Church*. London: CTS.
- Curran W 2007. ‘From the frying pan to the oven’: Gentrification and the experience of industrial displacement in Williamsburg, Brooklyn. *Urban Studies* 44: 1427-1440.
- Curtin TRC 1968. Rhodesian economic development under sanctions and “The Long Haul.” *African Affairs* 67: 100-110.

- CZI (Confederation of Zimbabwe Industries) 2017. *Manufacturing sector survey 2017*. Harare: CZI.
- CZI (Confederation of Zimbabwe Industries) 2019. *Manufacturing sector survey report 2019*. Harare: CZI.
- Dao MQ 2014. Drivers of economic growth in developing countries. *Journal for Studies in Economics and Econometrics* 38: 75-86.
- Dardi M 2009. The Marshallian industrial districts and current trends in economic theory. In Becattini G, Bellandi M & De Propis L (eds) *A handbook of industrial districts*, 129-140. Cheltenham: Edward Elgar.
- Davies R 2004. Memories of underdevelopment: A personal interpretation of Zimbabwe's economic decline. In Raftopoulos B & Savage T (eds) *Zimbabwe: Injustice and political reconciliation*, 19-42. Cape Town: Institute for Justice and Reconciliation.
- Dawkins CJ 2003. Regional development theory: Conceptual foundations, classic works, and recent developments. *Journal of Planning Literature* 18: 131-172.
- De Soto H 2001a. Dead capital and the poor. *SAIS Review* 21: 13-43.
- De Soto H 2001b. *The mystery of capital: Why capitalism triumphs in the West and fails everywhere else*. London: Black Swan.
- Di Caro P 2014. Recessions, recoveries and regional resilience: Evidence on Italy. *Cambridge Journal of Regions, Economy and Society* 8: 273-291.
- Diaconu L 2014. The foreign direct investments in South-East Asia during the last two decades. *Procedia Economics and Finance* 15: 903-908.
- Dolgui A & Proth J 2013. Outsourcing: Definitions and analysis. *International Journal of Production Research* 51: 6769-6777.
- Dunn WN 2018. *Public policy analysis: An integrated approach*. 6th ed. New York: Routledge.
- Ernst & Young 2011. Africa oil and gas: A continent on the move [online]. Available from [http://www.ey.com/Publication/vwLUAssets/Africa-Oil-and-Gas-a-continent-on-the-move/\\$FILE/Africa-Oil-and-Gas-a-continent-on-the-move.pdf](http://www.ey.com/Publication/vwLUAssets/Africa-Oil-and-Gas-a-continent-on-the-move/$FILE/Africa-Oil-and-Gas-a-continent-on-the-move.pdf) [Accessed 14 April 2018].
- Esteva G 2010. Development. In Sachs W (ed) *The development dictionary: A guide to knowledge as power*, 1-23. London: Zed Books.

- Faggian A, Gemmiti R, Jaquet T & Santini I 2017. Regional economic resilience: The experience of the Italian local labor systems. *The Annals of Regional Science* 60: 393-410.
- Fan CC & Scott AJ 2003. Industrial agglomeration and development: A survey of spatial economic issues in East Asia and a statistical analysis of Chinese regions. *Economic Geography* 79: 295-319.
- Friedmann J 1967. *A general theory of polarized development*. Santiago: The Ford Foundation.
- Fujita M & Thisse JF 2002. *Economics of agglomeration: Cities, industrial location, and regional growth*. New York: Cambridge University Press.
- Gambe TR 2019. Rethinking city economic resilience: Exploring deglomeration of firms in inner-city Harare. *Resilience* 7: 83-105.
- Garlake PS 1982. Prehistory and ideology in Zimbabwe. *Africa: Journal of International African Institute* 52: 1-19.
- Garretsen H & Martin R 2010. Rethinking (New) Economic Geography Models: Taking geography and history more seriously. *Spatial Economic Analysis* 5: 127-160.
- Geyer HS 1989. The integration of the formal and informal urban sectors in South Africa. *Development Southern Africa* [Online], 6(1) 29-42. Available from: <https://doi.org/10.1080/03768358908439440> [Accessed 10 April 2018].
- Geyer HS 2006. Introduction: The changing global economic landscape. In Geyer HS (ed) *Global regionalization: Core periphery trends*, 3-38. Cheltenham: Edward Elgar.
- Ghazanchyan M & Stotsky JG 2013. *Drivers of growth: Evidence from Sub-Saharan African countries*. Working paper 13/236. Washington, DC: International Monetary Fund.
- Giannakis E & Bruggeman A 2017. Determinants of regional resilience to economic crisis: A European perspective. *European Planning Studies* 25: 1394-1415.
- Giloth R & Betancur J 1988. Where downtown meets neighborhood: Industrial displacement in
- Ginting B, Sembiring R, Siregar M & Abduh A 2018. The role of law in economic development: To develop a special economic zone in order to build a national and regional economy. *Proceedings of MICoMS 2017* 1: 209-214.
- Glaeser EL 2010. Introduction. In Glaeser EL (ed.) *Agglomeration economies*, 1-14. Chicago: The University of Chicago Press.

- GoZ (Government of Zimbabwe) 2009. *Short Term Emergency Recovery Programme (STERP): Getting Zimbabwe Moving Again*. Harare: Ministry of Finance and Economic Development.
- GoZ (Government of Zimbabwe) 2010. *Short Term Emergency Recovery Programme (STERP II): Getting Zimbabwe Moving Again*. Harare: Ministry of Finance and Economic Development.
- GoZ (Government of Zimbabwe) 2013. *Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset): "Towards an empowered society and a growing economy" October 2013-December 2018*. Harare: GoZ.
- GoZ (Government of Zimbabwe) 2018. *Transitional Stabilisation Programme: "Towards a prosperous & empowered upper middle income society by 2030"*. Harare: Ministry of Finance and Economic Development.
- GoZ (Government of Zimbabwe) 2019a. *Zimbabwe national industrial development policy, 2019-2023: Towards investment, innovation & export-led industrialisation*. Harare: Ministry of Industry and Commerce.
- GoZ (Government of Zimbabwe) 2019b. *Local content strategy: Towards investment, innovation & export-led industrialisation*. Harare: Ministry of Industry and Commerce.
- Hall J & Ludwig U 2009. Gunnar Myrdal and the persistence of Germany's regional inequality. *Journal of Economic Issues* 43: 345-352.
- Hamburger V 1957. The concept of "development" in biology. In Harris DB (ed) *The concept of development: An issue in the study of human behaviour*, 49-58. London: Oxford University Press.
- Han Y & Goetz SJ 2015. The economic resilience of U.S. counties during the Great Recession. *The Review of Regional Studies* 45: 131-149.
- Hanke SH & Kwok AKF 2009. On the measurement of Zimbabwe's hyperinflation. *Cato Journal* 29: 353-364.
- Harris D, Moore M & Schmitz H 2009. *Country classifications for a changing world*. Working paper number 326. University of Sussex, Brighton: IDS.

- Harris DB 1957. Problems in formulating a scientific concept of development. In Harris DB (ed) *The concept of development: An issue in the study of human behaviour*, 3-14. London: Oxford University Press.
- Harris JR & Todaro MP 1970. Migration, unemployment and development: A two-sector analysis. *The American Economic Review* 60: 126-142.
- Hediger W 1997. Towards an ecological economics of sustainable development. *Sustainable Development* 5: 101-109.
- Heidhues F 2009. Why is development in Sub-Saharan Africa so difficult? Challenges and lessons learned. *Review of Business and Economic Literature* 54: 398-417.
- Heintz J 2015. Employment, economic development, and poverty reduction. In Bangura Y (ed) *Developmental pathways to poverty reduction*, 30-54. New York: Palgrave Macmillan.
- Helmsing AHJB 1999. *Competitive response, innovation and creating an innovative milieu the case of manufacturing industry in Bulawayo, Zimbabwe*. Working paper series 291. The Hague: Institute of Social Sciences.
- Henley D & Van Donge JK 2013. Diverging paths: Explanations and implications. In Berendsen B, Dietz T, Nordholt HS & Van der Veen R (eds) *Asian tigers, African lions: Comparing the development performance of Southeast Asia and Africa*, 27-50. Leiden: Koninklijke Brill, NV.
- Hill E, St. Clair T, Wial H, Wolman H, Atkins P, Blumenthal P, Ficenc S & Friedhoff A 2011. *Economic shocks and regional economic resilience*. Working paper 2011-03. Berkeley, CA: MacArthur Foundation.
- Hill EW, Wial H & Wolman H 2008. Exploring regional economic resilience. Paper delivered at the annual meeting of Urban Affairs Association, Berkeley CA.
- Hill H 2013. The political economy of policy reform: Insights from Southeast Asia. *Asian Development Review* 30: 108-130.
- Hirschman AO 1958. *The strategy of economic development*. New Haven: Yale University Press.
- Hoer AR 2002. Identifying linkages with a Cluster-based Methodology. *Economic Systems Research* 14: 131-146.
- Hoover EM & Giarratani F 1984. *Introduction to Regional Economics*. Pittsburgh, Pennsylvania: Alfred A. Knopf.

- Hoover EM 1937. *Location theory and the shoe and leather industries*. Cambridge, MA: Harvard University Press.
- Houck JP 1984. "Market": A definition for teaching. *Western Journal of Agricultural Economics* 9: 353-356.
- Huq M & Tribe M 2004. Economic development in a changing globalized economy. *Journal of International Development* 16: 911-923.
- Hussein A 2009. The use of triangulation in social sciences research: Can qualitative and quantitative methods be combined? *Journal of Comparative Social Work* 1: 1 – 12.
- Ihantola E & Kihn L 2011. Threats to validity and reliability in mixed methods accounting research. *Qualitative Research in Accounting & Management* 8: 39-58.
- Ikechukwu OB 2016. African theories of development and the reality of underdevelopment. *International Journal of Development and Economic Sustainability* 4: 12-19.
- Imade RI 2016. Japan's development experience: What lessons does it hold for Nigeria? *Cogent Social Sciences* 2: 1-18.
- IMF (International Monetary Fund) 2015. *Building resilience in Sub-Saharan Africa's fragile states*. Washington, DC: IMF.
- Ingham-Thorpe V 1997. Reconciliation in Zimbabwe: Reality or illusion? *Development in Practice* 7: 487-489.
- Isard W 1956. *Location and space economy: A general theory relating to industrial location, market areas, land use, trade and urban structure*. Cambridge, MA: MIT Press.
- Israel GD 1992. *Determining sample size. Fact sheet PEOD-6*. Gainesville, FL: Institute of Food and Agricultural Sciences.
- Ito T & Weinstein DE 1996. Japan and the Asian Economies: A "miracle" in transition. *Brookings Papers on Economic Activity* 1996: 205-272.
- Jhingan ML 2011. *The Economics of Development and Planning*. 40th ed. New Delhi: Vrinda.
- Johnson RB, Onwuegbuzie AJ & Turner LA 2007. Toward a definition of mixed methods research. *Journal of Mixed Methods Research* 1: 112-133.
- Jones L & Somekh B 2005. Observation. In Somekh B & Lewin C (eds) *Research methods in the social sciences*, 138-145. London: Sage.
- Jones W 1997. Outsourcing basics. *Information Systems Management* 14: 66-69.

- Kakderi C & Tasopoulou A 2017. Regional economic resilience: The role of national and regional policies. *European Planning Studies* 25: 1435-1453.
- Kambites CJ 2014. 'Sustainable development': The 'unsustainable' development of a concept in political discourse. *Sustainable Development* 22: 336-348.
- Kaushik MK 2016. Industrial corridors in India – opportunities and challenges. Paper delivered at the 3rd DAV National Congress on Science, Technology, Engineering, Humanities and Management at DAVIET, Jalandhar.
- Kawewe SM & Dibie R 2000. The impact of Economic Structural Adjustment Programs [ESAPs] on women and children: Implications for social welfare in Zimbabwe. *The Journal of Sociology & Social Welfare* 27: 79-107.
- Kimberlin CL & Winterstein AG 2008. Validity and reliability of measurement instruments used in research. *American Journal of Health-System Pharmacy* 65: 2276-2284.
- Kimura F 2009. Japan's model of economic development: Relevant and non relevant elements for developing economies. Paper for the United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki.
- Kivunja C & Kuyini AB 2017. Understanding and applying research paradigms in educational contexts. *International Journal of Higher Education* 6: 26-41.
- Klosterman RE 1980. A public interest criterion. *Journal of the American Planning Association* 46: 323-333.
- Knight A & Turnbull N 2008. Epistemology. In Knight A & Ruddock L (eds) *Advanced research methods in the built environment*. 4th ed, 64-74. West Sussex: Wiley-Blackwell.
- Knight L & Shi L 1997. Cumulative causation and inequality among villages in China. *Oxford Development Studies* 25: 149-172.
- Kothari CR 2004. *Research methodology. Methods and techniques*. 2nd revised ed. New Delhi: New Age International.
- Kramarenko V, Engstrom L, Verdier G, Fernandez G, Oppers SE, Hughes R, McHugh J & Coats W 2010. *Zimbabwe: Challenges and policy options after hyperinflation*. Washington, DC: International Monetary Fund.
- Krauss S. E. (2005). Research paradigms and meaning making: A primer. *The Qualitative Report* 10: 758-770.

- KRI (Khazanah Research Institute) 2018. *The state of households 2018: Different realities*. Kuala Lumpur: KRI.
- Kruger N 2005. Zimbabwe: Political constructions of war veterans. *Review of African Political Economy* 30: 323-328.
- Krugman P 1991. Increasing returns and economic geography. *Journal of Political Economy* 99: 483-499.
- Kwon H & Yi I 2015. Economic development and poverty reduction in Korea: Governing multifunctional institutions. In Bangura Y (ed) *Developmental pathways to poverty reduction*, 175-200. New York: Palgrave Macmillan.
- Lagravinese R 2015. Economic crisis and rising gaps North-South: Evidence from the Italian regions. *Cambridge Journal of Regions, Economy and Society* 8: 331-342.
- Leavy P 2017. *Research design: Quantitative, qualitative, mixed methods, arts-based, and community-based participatory research approaches*. New York: The Guilford Press.
- Leonova O 2016. Global regionalization as a phenomenon of globalization. *Globalistics and Globalization Studies* 2016: 271-276.
- Levy JS 2008. Case studies: Types, designs, and logics of inference. *Conflict Management and Peace Science* 25: 1-18.
- Lewin C 2005. Elementary quantitative methods. In Somekh B & Lewin C (eds) *Research methods in the social sciences*, 215-225. London: Sage.
- Lewis P 2013. Cross-regional comparisons in development: Questions, approaches, and challenges. In Berendsen B, Dietz T, Nordholt HS & Van der Veen R (eds) *Asian tigers, African lions: Comparing the development performance of Southeast Asia and Africa*, 51-84. Leiden: Koninklijke Brill NV.
- Lin JY 2013. Demystifying the Chinese economy. *The Australian Economic Review* 46: 259-268.
- Lin L, Shanglang L & Yong L 2014. *How agglomeration in the financial services industry influences economic growth: Evidence from Chinese cities*. Economics discussion paper No. 2014-6. Kiel: Kiel Institute for the World Economy.
- Loasby BJ 2009. Industrial districts in Marshall's economics. In Becattini G, Bellandi M & De Propis L (eds) *A handbook of industrial districts*, 78-89. Cheltenham: Edward Elgar.

- Mack L 2010. The philosophical underpinnings of educational research. *Polyglossia* 19: 5-11.
- MacLean SJ 2002. Mugabe at war: The political economy of conflict in Zimbabwe. *Third World Quarterly* 23: 513-538.
- Malinga W 2018. From an agro-based to a mineral resources-dependent economy: A critical review of the contribution of mineral resources to the economic development of Zimbabwe. *Forum for Development Studies* 45: 71-95.
- Mancini JA & Roberto KA 2009. A roadmap for understanding human development, contexts and change. In Mancini JA & Roberto KA (eds) *Pathways of human development: Explorations of change*, 3-11. Lanham, Maryland: Lexington Books.
- Manyanhaire IO, Mhishi B, Svtowa E & Sithole N 2009. Growth points or declining points? A case of Magunje Growth Point in Mashonaland West Province of Zimbabwe. *Journal of Sustainable Development in Africa* 10: 506-520.
- Markusen A 1996. Sticky places in slippery space: A typology of industrial districts. *Economic Geography* 72: 293-313.
- Marshall A 1920. *Principles of Economics*. 8th ed. London: Macmillan.
- Martin R & Sunley P 1996. Paul Krugman's geographical economies and its implications for regional development theory: A critical assessment. *Economic Geography* 72: 259-292.
- Martin R 2012. Regional economic resilience, hysteresis and recessionary shocks. *Journal of Economic Geography* 12: 1-32.
- Martin R, Sunley P & Tyler P 2015. Local growth evolutions: recession, resilience and recovery. *Cambridge Journal of Regions, Economy and Society* 8: 141-148.
- Masaka D 2013. Pitting market economy against planned economy: A false dichotomy in Zimbabwe (1980 – 2011). *Journal of Black Studies* 44: 314-329.
- Mbaku JM 1988. Political instability and economic development in Sub-Saharan Africa: Some recent evidence. *The Review of Black Political Economy* 17: 89-111.
- Mbiba B & Ndubiwa M 2006. *Decent construction and the role of local authorities: The case of Bulawayo city, Zimbabwe* [online]. Research report for the Urban and Peri-Urban Network (PERI – NET). Retrieved from http://eprints.lse.ac.uk/3015/1/Bulawayo_report.pdf [Accessed 24 January 2019].

- Mbira L 2015. The de-industrialization of Bulawayo manufacturing sector in Zimbabwe: Is the capital vacuum to blame? *International Journal of Economics, Commerce and Management* 3: 1-5.
- McGovern PD 1961. Identifying exporting industries: The base of the base theory. *Journal of the American Institute of Planners* 27: 144-150.
- Meisenhelder T 1994. The decline of socialism in Zimbabwe. *Social Justice* 21: 83-101.
- Ménacère K 2016. When more does not mean better: Selecting a research methodology and methods. In Ahmed V, Opoku A & Aziz Z (eds) *Research methodology in the built environment: A selection of case studies*, 11-31. New York: Routledge.
- Mlambo A & Phimister I 2006. Partly protected: Origins and growth of colonial Zimbabwe's textile industry, 1890-1965. *Historia* 52: 145-175.
- Mlambo AS 2017. From an industrial powerhouse to a nation of vendors: Over two decades of economic decline and deindustrialization in Zimbabwe 1990-2015. *Journal of Developing Societies* 33: 99-125.
- Mollet J 2011. Ethical issues in social science research in developing countries: Useful or symbolic. In Cribb R (ed) *Transmission of academic values in Asian studies: Workshop proceedings*, 1-9. Proceedings of the Transmission of academic values in Asian Studies workshop held 25-26 June 2009. Canberra: Australia-Netherlands Research Collaboration.
- Morrison LL 1988. On sample sizes and reliable information. *The Condor* 90: 275-278.
- Morvaridi B 2008. *Social justice and development*. Basingstoke: Palgrave MacMillan.
- Mpofu B 2019. US slaps StanChart Zim with \$18m fine. *Business Times* 11 April [online]. Available from <https://businesstimes.co.zw/us-slaps-stanchart-zim-with-18m-fine/> [Accessed 25 June 2020].
- Msindo E 2007. Ethnicity and nationalism in urban colonial Zimbabwe: Bulawayo, 1950 to 1963. *Journal of African History* 48: 267-290.
- Mukhlis M, Robiani B, Marwa T & Chodijah R 2017. Agglomeration of manufacturing industrial, economic growth, and interregional inequality in South Sumatra, Indonesia. *International Journal of Economics and Financial Issues* 7: 214-224.

- Mukuhlani T 2014. Zimbabwe's government of national unity: Successes and challenges in restoring peace and order. *Journal of Power, Politics & Governance* 2: 169-180.
- Munangagwa CL 2009. The economic decline of Zimbabwe. *Gettysburg Economic Review* 3: 110-129.
- Mutami C & Gambe TR 2015. Street multi-functionality and city order: The case of street vendors in Harare. *Journal of Economics and Sustainable Development* 6: 124-129.
- Myrdal G 1957. *Economic theory and under-developed regions*. London: Gerald Duckworth.
- Nadkarni MV 2001. Poverty, environment and development in India. In Hayes A & Nadkarni MV (eds) *Poverty, environment and development: Studies of four countries in the Asia Pacific region*, 25-92. Bangkok: UNESCO.
- Nagel E 1957. Determinism and development. In Harris DB (ed) *The concept of development: An issue in the study of human behaviour*, 15-24. London: Oxford University Press.
- Närman A 1997. Developing thinking - bridging the gap between theory and practice. *Geografiska Annaler* 79B: 217-225.
- Navarro-Espigares JL, Martín-Segura JA & Hernández-Torres E 2012. The role of the service sector in regional economic resilience. *The Service Industries Journal* 32: 571-590.
- Ndiweni E & Verhoeven HAL 2013. The rise of informal entrepreneurs in Zimbabwe: Evidence of economic growth or failure of economic policies? *African Journal of Accounting, Auditing and Finance* 2: 260-276.
- Ndlovu LB 1994. *The system of protection and industrial development in Zimbabwe*. Aldershot: Avebury.
- Ndulu B, Chakraborti L, Lijane L, Ramachandran V & Wolgin J 2007. *Challenges of African growth: Opportunities, constraints and strategic directions*. Washington, DC: The World Bank.
- Negussie S 2018. Why Africa remains underdeveloped despite its potential? Which theory can help Africa to develop? *Open Access Biostatistics & Bioinformatics* 1: 1-5.
- Neuman WL 2014. *Social research methods: Qualitative and quantitative approaches*. 7th ed. Harlow, Essex: Pearson.
- Nicolaides A 2014. Research and innovation – the drivers of economic development. *African Journal of Hospitality, Tourism and Leisure* 3: 1-16.

- Nussbaum MC 2003. Capabilities as fundamental entitlements: Sen and social justice. *Feminist Economics* 9: 33-59.
- Nussbaum MC 2011. *Creating Capabilities: The Human Development Approach*. Cambridge, Massachusetts: Harvard University Press.
- Nyerere JK 1987. Ujamma – the basis of African socialism. *The Journal of Pan African Studies* 1: 4-11.
- Nyoni T 2018. A critical diagnosis of the success/failure of economic policies in Zimbabwe during the Banana (1980 – 1987) and the Mugabe (1988 – 2017) administrations: Learning the hard way. *Journal of Business and Management* 1: 27-33.
- OECD (Organisation for Economic Co-operation and Development) & AfDB (African Development Bank) 2004. *African Economic Outlook 2004*. Paris: OECD
- Ohno K 2006. *The economic development of Japan: The path traveled by Japan as a developing country*. Tokyo: GRPS Development Forum.
- Oliphant V 2017. Zimbabwe map: Where is Zimbabwe and Harare? What is happening in the capital? *Express* 16 November [online]. Available from <https://www.express.co.uk/news/world/879751/Zimbabwe-map-where-is-Zimbabwe-Harare-location-Africa-mapped> [Accessed 25 June 2020].
- Oliva S & Lazeretti L 2018. Measuring the economic resilience of natural disasters: An analysis of major earthquakes in Japan. *City, Culture and Society* 15: 53-59.
- Onwuegbuzie AJ & Johnson RB 2006. The validity issue in mixed research. *Research in the Schools* 13: 48-63.
- Opoku A, Ahmed V & Akotia J 2016. Choosing an appropriate research methodology and method. In Ahmed V, Opoku A & Aziz Z (eds) *Research methodology in the built environment: A selection of case studies*, 32-49. New York: Routledge.
- Page SE 2006. Path dependence. *Quarterly Journal of Political Science* 1: 87-115.
- Parliament of Zimbabwe 2011. *Bulawayo provincial profile*. Harare: Parliament of Zimbabwe.
- Parr JB 2002a. Agglomeration economies: Ambiguities and confusions. *Environment and Planning A* 34: 717-731.
- Parr JB 2002b. Missing elements in the analysis of agglomeration economies. *International Regional Science Review* 25: 151-168.

- Parthasarathy B 1994. Marxist theories of development, the new international division of labour, and the Third World. *Berkeley Planning Journal* 9: 109-124.
- Patel D 1988. Some issues of urbanisation and development in Zimbabwe. *Journal of Social Development in Africa* 3: 17-31.
- Patel IG 1986. *Essays in economic policy and economic growth*. New York: Palgrave Macmillan.
- Patton MQ 1997. *Utilization-focused evaluation*. 3rd ed. London: Sage.
- Pellenbarg PH, Van Wissen LJG, & Van Dijk J 2002. Firm relocation: State of the art and research prospects. *SOM-theme D: Regional Science* [Online]. Available from https://www.researchgate.net/publication/4767868_Firm_Relocation_State_of_the_Art_and_Research_Prospets [Accessed 23 June 2017].
- Phimister IR 1980. *Capital and class in Zimbabwe 1890-1948*. Henderson seminar paper 50. Harare: Department of History, University of Zimbabwe.
- Pilosof R 2009. 'Dollarisation' in Zimbabwe and the death of an industry. *Review of African Political Economy* 36: 294-299.
- Piper H & Simons H 2005. Ethical responsibility in social research. In Somekh B & Lewin C (eds) *Research methods in the social sciences*, 56-63. London: Sage.
- Polèse M 2005. Cities and national economic growth: A reappraisal. *Urban Studies* 42: 1429-1451.
- Porter M & Ketels C 2009. Clusters and industrial districts: Common roots, different perspectives. In Becattini G, Bellandi M & De Propis L (eds) *A handbook of industrial districts*, 172-183. Cheltenham: Edward Elgar.
- Porter ME 1990. *The competitive advantage of nations*. New York: The Free Press.
- Porter ME 2000. Location, competition and economic development: Local clusters in a global economy. *Economic Development Quarterly* 14: 15-34.
- Porter RC 1978. Economic sanctions: The theory and the evidence from Rhodesia. *Journal of Peace Science* 3: 93-110
- Proverbs D & Gameson R 2008. Case study research. In Knight A & Ruddock L (eds) *Advanced research methods in the built environment*. 4th ed, 99-110. West Sussex: Wiley-Blackwell.

- Qing Z 2012. The research on influence of industrial clusters on regional economic development. *IERI Procedia* 3: 206-212.
- Raftopoulos B & Phimister I 2004. Zimbabwe now: The political economy of crisis and coercion. *Historical Materialism* 12: 355-382.
- Raftopoulos B 2014. Zimbabwean politics in the post-2013 election period. *Africa Spectrum* 49: 91-103.
- Rahman SAT & Kabir A 2019. Factors influencing location choice and cluster pattern of manufacturing small and medium enterprises in cities: Evidence from Khulna City of Bangladesh. *Journal of Global Entrepreneurship Research* 9: 1-26.
- Rapley J 2007. *Understanding development: Theory and practice in the Third World*. 3rd ed. Boulder, CO: Lynne Rienner.
- RBZ (Reserve Bank of Zimbabwe) 2016. *Quarterly economic review: March 2016*. Harare: RBZ.
- RBZ (Reserve Bank of Zimbabwe) 2018. *Quarterly economic review: December 2017*. Harare: RBZ.
- RBZ (Reserve Bank of Zimbabwe) 2020. *Sector contribution to exports in Zimbabwe* [online]. Available from <https://www.rbz.co.zw/index.php/research/markets/external-statistics> [Accessed 06 July 2020].
- Rea LM & Parker RA 2014. *Designing and conducting survey research: A comprehensive guide*. 4th ed. San Francisco, CA: Jossey-Bass.
- Rich P 1976. African socialism. *The Black Sash* February: 14-16.
- Richardson HW & Townroe PM 1986. Regional policies in developing countries. In Nijkamp P (ed) *Handbook of regional and urban economics, Volume 1*, 647-678. Amsterdam: Elsevier.
- Richardson HW 1973. *Regional growth theory*. London: MacMillan.
- Richardson HW 1980. Polarization reversal in developing countries. *Papers in Regional Science* 45: 67-85.
- Robbins L 1968. *The theory of economic development in the history of economic thought*. London: Macmillan.
- Rowley J 2002. Using case studies in research. *Management Research News* 25: 16-27.

- Rowthorn R & Coutts K 2013. *De-industrialisation and the balance of payments in advanced economies*. Future of Manufacturing Project: Evidence Paper 31. London: Foresight, UK Government Office for Science.
- Rowthorn R & Ramaswamy R 1997. *Deindustrialisation – its causes and implications*. Economic Issues 10. Washington, DC: IMF.
- RTPI (Royal Town Planning Institute) 2014. *Economic resilience in small and medium sized towns*. RTPI Research Briefing No. 7. London: RTPI.
- Runeson G & Skitmore M 2008. Scientific theories. In Knight A & Ruddock L (eds) *Advanced research methods in the built environment*. 4th ed, 75-85. West Sussex: Wiley-Blackwell.
- Sachikonye LM 2000. *Zimbabwe human development report 2000: Governance*. Harare: Poverty Reduction Forum.
- Sachikonye LM 2003. From 'Growth with Equity' to 'Fast-Track' reform: Zimbabwe's land question. *Review of African Political Economy* 30: 227-240.
- Sachs JD & Warner AM 1997. Sources of slow growth in African economies. *Journal of African Economies* 6: 335-376.
- Sadie JL 1969. Economic growth through industrialisation. *The Rhodesian Journal of Economics* 3: 42-55.
- Saliminezhad A & Lisaniler FG 2018. Validity of unbalanced growth theory and sectoral investment priorities in Indonesia: Application of feature ranking methods. *The Journal of International Trade & Economic Development* 27: 521-540.
- Sampath PG 2014. Industrial development for Africa: Trade, technology and the role of the state. *African Journal of Science, Technology, Innovation and Development* 6: 439-453.
- Saunders M, Lewis P & Thornhill A 2007a. Understanding research philosophies and approaches. In Saunders M, Lewis P & Thornhill A (eds) *Research methods for business students*, 4th ed, 100-128. London: Pitman.
- Saunders M, Lewis P & Thornhill A 2007b. Formulating the research design. In Saunders M, Lewis P & Thornhill A (eds) *Research methods for business students*, 4th ed, 130-160. London: Pitman.
- Schumpeter JA 1934. *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*. New Jersey: Transaction.

- Scoones I, Marongwe N, Mavedzenge B, Murimbarimba F, Mahenehene J & Sukume C 2011. Zimbabwe's land reform: Challenging the myths. *Journal of Peasant Studies* 38: 967-993.
- Scotland J 2012. Exploring the philosophical underpinnings of research: Relating ontology and epistemology to the methodology and methods of the scientific, interpretive, and critical research paradigms. *English Language Teaching* 5: 9-16.
- Seeliger L & Turok I 2013. Towards sustainable cities: Extending resilience with insights from vulnerability and transition theory. *Sustainability* 5: 2108-2128.
- Seers D 1969. *The meaning of development*. IDS communications series no. 44. Brighton, Sussex: Institute of Development Studies.
- Sen A 1985. A sociological approach to the measurement of poverty: A reply to Professor Peter Townsend. *Oxford Economics Papers* 37: 669-676.
- Sen A 1988. The concept of development. In Chenery H & Srinivasan TN (eds) *Handbook of development economics, Volume I*, 9-26. Amsterdam: Elsevier.
- Sen A 2000. *Development as freedom*. New York: Alfred A Knopf.
- Sen A 2003. Development as capability expansion. In Fukuda-Parr S & Shiva Kumar AK (eds) *Readings in human development: Concepts, measures, and policies for a development paradigm*, 3-16. New York: Oxford University Press.
- Sensier M, Bristow G & Healy A 2016. Measuring regional economic resilience across Europe: Operationalizing a complex concept. *Spatial Economic Analysis* 11: 128-151.
- Shannon-Baker P 2016. Making paradigms meaningful in mixed methods research. *Journal of Mixed Methods Research* 10: 319-334.
- Sheppard E 2017. Economic theory and underdeveloped regions. *Regional Studies* 51: 972-973.
- Shizha E & Kariwo MT 2011. *Education and development in Zimbabwe: A social, political and economic analysis*. Rotterdam: Sense.
- Sibanda D & Dubihlela J 2013. Factors that impede viable bond market development in one hyperinflationary economy. *Review of Business and Finance Studies* 4: 107-118.
- Simmie J & Martin R 2010. The economic resilience of regions: Towards an evolutionary approach. *Cambridge Journal of Regions, Economy and Society* 3: 27-43.
- Simmie J 2014. Regional economic resilience: A Schumpeterian perspective. *Raumforsch Raumordn* 72: 103-116.

- Singh AS & Masuku MB 2014. Sampling techniques & determination of sample size in applied statistics research: An overview. *International Journal of Economics, Commerce and Management* 2: 1-22.
- Singh P 2012. Barriers to development: Terrorism, corruption and social violence. *IOSR Journal of Business and Management* 1: 37-42.
- Sirkin G 1959. The theory of the regional economic base. *The Review of Economics and Statistics* 41: 426-429.
- Soares Jr. J & Quintella RH 2008. Development: An analysis of concepts, measurement and indicators. *BAR, Curitiba* 5: 104-124.
- Soroka A, Bristow G, Naim M & Purvis L 2020. Measuring regional business resilience. *Regional Studies* 54: 838-850.
- Southall R 2017. Bob's out, the croc is in: Continuity or change in Zimbabwe? *Africa Spectrum* 52: 81-94.
- Spiridonova J & Novakova M 2005. Bulgaria: Identifying regions of industrial decline. In Muller B, Finka M & Lintz G (eds) *Rise and decline of industry in Central and Eastern Europe: A comparative study of cities and regions in eleven countries*, 45-68. Berlin: Springer.
- SRA (Social Research Association) 2003. *Ethical guidelines*. London: SRA.
- Stark O & Torrance H 2005. Case study. In Somekh B & Lewin C (eds) *Research methods in the social sciences*, 33-40. London: Sage.
- Stimson RJ, Stough RR & Roberts BH 2006. *Regional economic development: Analysis and planning strategy*. New York: Springer.
- Stohr C 2014. Growth poles: *Agglomeration economies and economic growth in Switzerland from 1860 to 2008*. Working paper series 14-09-2. Geneva: Paul Bairoch Institute for Economic History.
- Stoneman C 1990. The industrialisation of Zimbabwe – Past, present and future. *Afrika Focus* 6: 245-282.
- Straussfogel D 1997. A systems perspective on World-Systems Theory. *Journal of Geography* 96: 119-126.
- Sylvester C 1985. Continuity and discontinuity in Zimbabwe's development history. *African Studies Review* 28: 19-44.

- Szajnowska-Wysocka A 2009. Theories of regional and local development – Abridged review. *Bulletin of Geography* 12: 75-90.
- Tan EC 2014. Malaysia's economic growth and development: Challenges and the way forward. *The Singapore Economic Review* 59: 1-17.
- Thompson CB 1983. Toward economic liberation: Zimbabwe in Southern Africa regional development. *Contemporary Marxism* 7: 96-115.
- Todaro MP & Smith SC 2015. *Economic development*. 12th ed. New Jersey: Pearson Education.
- Todaro MP 1969. A model of labour migration and urban unemployment in less developed countries. *The American Economic Review* 59: 138-148.
- Todaro MP 1980. Internal migration in developing countries: A survey. In Easterlin RA (ed) *Population and economic change in developing countries*, 361-402. Chicago: University of Chicago Press.
- Todo Y & Shimamoto D 2019. Economic and political networks and firm openness: Evidence from Indonesia. In Tsunekawa K & Todo Y (eds) *Emerging states at crossroads*, 97-117. Singapore: Springer.
- Tóth BI 2015. Regional economic resilience: Concepts, empirics and a critical review. *Miscellanea Geographica* 19: 70-75.
- Turok I 2014. The resilience of South African cities a decade after local democracy. *Environmental and Planning A* 46: 749-769.
- UNDP (United Nations Development Programme) 1986. Second country programme for Zimbabwe. Proceedings of 33rd Session of the Governing Council of the United Nations Development Programme held 13 June 1986. Geneva: United Nations.
- UNECA (United Nations Economic Commission for Africa) 2018. *Country profile 2017 – Zimbabwe*. Addis Ababa: ECA.
- UNOCHA (United Nations Office for the Coordination of Humanitarian Affairs) 2009. *Bulawayo province – overview map* [online]. Available from <https://reliefweb.int/sites/reliefweb.int/files/resources/6C5435B3FCDBDF1C85257664007E54A0-map.pdf> [Accessed 03 May 2018].
- Vale LJ 2014. The politics of resilient cities: Whose resilience and whose city? *Building Research & Information* 42: 191-201.

- VanVoorhis CRW & Morgan BL 2007. Understanding power and rules of thumb for determining sample sizes. *Tutorials in Quantitative Methods for Psychology* 3: 43-50.
- VanWynsberghe R & Khan S 2007. Redefining case study. *International Journal of Qualitative Methods* 6: 1-10.
- Wallerstein I 1974. *The modern world-system: Capitalist agriculture and the origins of the European world-economy in the sixteenth century*. New York: Academic Press.
- Wekwete KH 1994. Urbanisation, urban development and management in Zimbabwe. In Wekwete KH & Rambanapasi CO (eds) *Planning urban economies in Southern and Eastern Africa*, 31-54. Aldershot: Avebury.
- Wildavsky A 1980. *The art and craft of policy analysis*. London: MacMillan.
- Williams N & Vorley T 2014. Economic resilience and entrepreneurship: Lessons from the Sheffield City Region. *Entrepreneurship & Regional Development* 26: 257-281.
- Wilson J 2011. Colonising space: The new economic geography in theory and practice. *New Political Economy* 16: 373-397.
- Wink R 2012. Economic resilience as the evolutionary concept for post-industrial regions: The case of Leipzig and Halle. *Journal of economics & Management* 10: 60-72.
- Yeung HW 2017. The strategy of economic development. *Regional Studies* 51: 348-349.
- Zaaijer M 1998. Urban economic restructuring and local institutional response: The case of Bulawayo, Zimbabwe. IHS Project Paper Series UM 1. Rotterdam: Institute for Housing and Urban Development Studies (HIS).
- Zhou G & Zvoushe H 2012. Public policy making in Zimbabwe: A three decade perspective. *International Journal of Humanities and Social Science* 2: 212-222.
- ZIMSTAT (Zimbabwe National Statistics Agency) 2013a. *Census 2012 provincial report – Bulawayo*. Harare: ZIMSTAT.
- ZIMSTAT (Zimbabwe National Statistics Agency) 2013b. *The Zimbabwe 2012 population census national report*. Harare: ZIMSTAT.
- ZIMSTAT (Zimbabwe National Statistics Agency) 2015. *2014 Labour force survey*. Harare: ZIMSTAT.
- Zinyama T & Takavarasha PET 2014. Zimbabwe's government of national unity: Harvest of thorns. *International Journal of Asian Social Science* 4: 444-459.

- Zohrabi M 2013. Mixed method research: Instruments, validity, reliability and reporting findings. *Theory and Practice in Language Studies* 3: 254-262.
- Zvobgo CJM 2009. *A history of Zimbabwe, 1890 – 2000 and postscript, Zimbabwe, 2001 – 2008*. Newcastle upon Tyne: Cambridge Scholars.

PERSONAL COMMUNICATIONS

Bulawayo Metropolitan Municipality 2019. Bulawayo. Interview on 23 July on industrial growth and decline in Bulawayo Metropolitan Province.

Confederation of Zimbabwe Industries 2019. Harare. Interview on 17 July 2019 about industrial growth and decline in Bulawayo Metropolitan Province.

Industrial Development Corporation of Zimbabwe 2019. Harare. Interview on 17 July about industrial growth and development in Zimbabwe.

Ministry of Women Affairs Community, Small and Medium Enterprises Development 2019. Bulawayo. Interview on 24 July about government interventions in promoting resilience of firms in Bulawayo.

Zimbabwe Investment Authority 2019. Bulawayo. Interview on 25 July on the state of investment in Bulawayo and Zimbabwe in general.

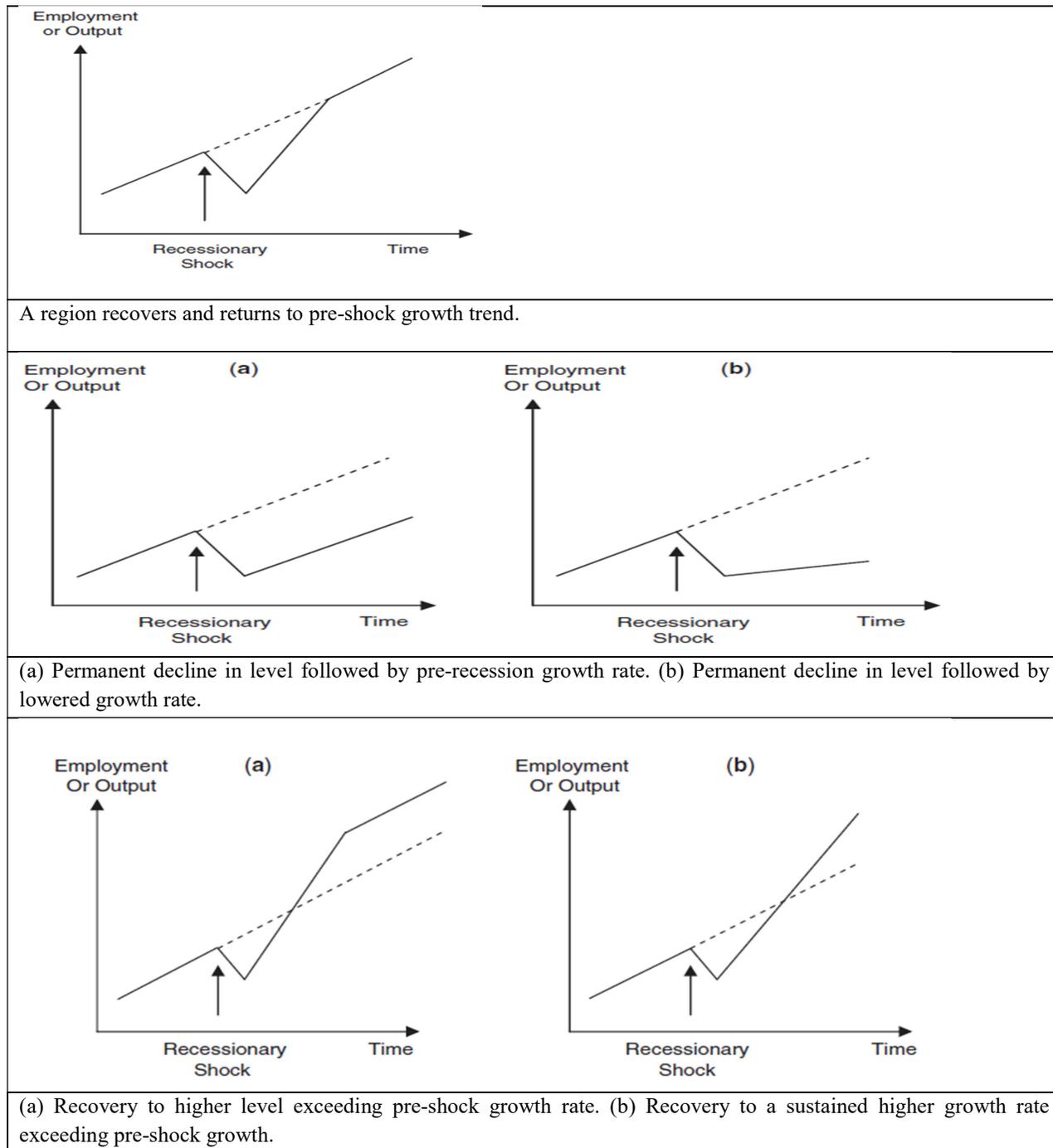
Zimbabwe National Chamber of Commerce 2019. Bulawayo. Interview on 05 September about industrial growth and development in Bulawayo.

Zimbabwe National Statistics Agency 2020. Harare. Email on 19 February about employment statistics in Bulawayo Metropolitan Province.

APPENDICES

APPENDIX A: ECONOMIC RESILIENCE OUTCOMES	293
APPENDIX B: MAIN POLICY INTERVENTIONS IN ZIMBABWE 1980-2018.....	294
APPENDIX C: CLASSIFICATION OF MSMEs IN ZIMBABWE	297
APPENDIX D: INDUSTRIAL SECTOR RANKING IN BMP	298
APPENDIX E: BMM'S PROMOTIONAL MATERIALS.....	299
APPENDIX F: STUDY PERMISSION LETTERS	302
APPENDIX G: DATA COLLECTION INSTRUMENTS.....	311

APPENDIX A: ECONOMIC RESILIENCE OUTCOMES



Source: Martin (2012: 6-10)

APPENDIX B: MAIN POLICY INTERVENTIONS IN ZIMBABWE 1980-2018

Policy/Programme	Main Objective/Key Strategies	Main Effects
Growth with Equity (GWE) 1981.	<ul style="list-style-type: none"> • High rate of economic growth averaging 8% over a 3 year period. • Address social & economic imbalances (redistribution of incomes & land). • Lure FDI by allowing investors to repatriate 50% of profits. 	<ul style="list-style-type: none"> • Remarkable improvement in health & educational facilities. • FDI levels below expectation. • Budget deficits. • Moderate economic growth.
Transitional National Development Plan (1982-1985).	<ul style="list-style-type: none"> • Achieve a new society anchored on equality in terms of economic opportunities & prosperity for all Zimbabweans. • Achieve an economic growth rate of 8% and reduce inflation to around 15%. 	<ul style="list-style-type: none"> • Plan abandoned due to drought. • Targets (economic growth & inflation) not met. • Low levels of export earnings though moderate economic growth was recorded.
First Five Year National Development Plan (1986-1990).	<ul style="list-style-type: none"> • Develop an egalitarian and socialist society in Zimbabwe. • To achieve an economic growth of 5.1%. • Improve the standards of living of the entire population. • Increase employment opportunities and manpower development. • Promote the development of science and technology. 	<ul style="list-style-type: none"> • Growth targets not met. • Low rate of economic growth. • Improvement in public infrastructure especially in rural areas.
Economic Structural Adjustment Programme (ESAP) (1991-1995).	<ul style="list-style-type: none"> • To promote market-led economic development in Zimbabwe while at the same time stimulating productive investment, employment and exports. • Reducing government budget deficit. • Removing barriers on international trade in order to promote increased competition. • The removal of stringent domestic controls on for example prices, labour and wages. 	<ul style="list-style-type: none"> • Budget deficits remained high thereby increasing inflation. • High interest rates. • Unemployment soared while textile industries experienced a sharp decline.
Export Processing Zones (EPZs) 1995.	<ul style="list-style-type: none"> • To revive the economy through supporting export production. • To attract foreign direct investment. • Offering tax exemptions and duty-free imports of mainly capital goods and raw materials. 	<ul style="list-style-type: none"> • The policy failed to boost economic growth in the country due to continued existence of government restrictions. • Foreign direct investments remained low.
Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) (1996-2000).	<ul style="list-style-type: none"> • Addressing the ills of ESAP by restoring macro-economic stability & encouraging growth through utilising public and private savings. • Promoting economic empowerment and reduction of poverty. • Reduction of budget deficits & inflation levels. • Promoting an improvement in domestic savings. 	<ul style="list-style-type: none"> • The contribution of savings & investments to GDP decreased from an average of 18% in 1996 to 9% and 13% in 1999. • Export growth measured in US\$ terms declined from 12% in 1996 to (-20%) in 1999. • Foreign exchange reserves declined from 4.2 months cover in 1995 to a mere 1.6 months cover in 1999.

Continued overleaf

APPENDIX B CONTINUED

Policy/Programme	Main Objective/Key Strategies	Main Effects
Fast Track Land Reform Programme (FTLRP) (2000-2005).	<ul style="list-style-type: none"> • Redress land imbalances in terms of ownership created by the colonial rule. • Acquisition of 8.3 million hectares targeting resettlement of 160 000 families in A1 model and 54 000 families in the A2 model. • Empower indigenous Zimbabweans by giving them access to rich fertile land. 	<ul style="list-style-type: none"> • 200 000 farm workers (i.e. approximately two thirds of total farm work-force at the time) lost their jobs. • About 90% of white commercial farmers lost their farms to the state by 2002. • Massive decline in agricultural output. • A general decline in the whole economy.
Millennium Economic Recovery Programme (MERP) (2001-2003).	<ul style="list-style-type: none"> • Achieve an all-stakeholder effort in implementing reforms that would restore macro-economic stability. • Restoration of vibrant economic growth and curtailing corruption. • A reduction of the budget deficit to 3.8% of GDP & spending 25% of total expenditure on capital projects. • Creating institutions that oversee implementation, accountability and monitoring of the policies. 	<ul style="list-style-type: none"> • The economy continued to decline. • The percentages of the total budget that were set aside for capital projects from 2000 to 2003 remained way below 25%, ranging around 8%, 4%, 8.1% and 11.7% respectively.
Ten Point Plan (TPP) 2001.	<ul style="list-style-type: none"> • Linking land occupations that took place after 2000 to the broader economic framework. • Promoting economic growth driven by agriculture and indigenous capital accumulation. 	<ul style="list-style-type: none"> • No recovery in the economy. • Industrial closures. • Emergence of a black-elite group enjoying preferential treatment from government. • Foreign exchange shortages.
National Economic Revival Programme (NERP) 2003.	<ul style="list-style-type: none"> • To restore economic stability & provide humanitarian support to the general citizens. • The plan allowed the importation of basic food items such as maize and wheat duty free. • Introducing an export support exchange rate and easing price controls. • Devaluation of the Zimbabwean dollar. 	<ul style="list-style-type: none"> • Continued economic decline. • Partial liberalisation of commodity prices. • Failure to boost gold & tobacco production as was expected.
Indigenisation and Economic Empowerment Programme (IEEP) 2008.	<ul style="list-style-type: none"> • To improve the participation of the indigenous people in the national economy through increased business ownership. • Promoting economic empowerment of indigenous Zimbabweans through reserving for them 51% shareholding in public companies or any other business operating in Zimbabwe. 	<ul style="list-style-type: none"> • Industrial closures. • Flight of foreign investors. • Continued economic decline. • An increase in small to medium enterprises.

Continued overleaf

APPENDIX B CONTINUED

Policy/ Programme	Main Objective/Key Strategies	Main Effects
Short Term Emergency Recovery Programme (STERP) (2009)	<ul style="list-style-type: none"> • To stabilise the macro- and micro-economy, recover the levels of savings, investment and growth, and lay the basis of a more transformative mid-term to long-term economic programme. • Implementing land audits and addressing security of tenure. • To increase capacity utilisation in manufacturing sector. • Encouraging value addition and beneficiation. • Set up external lines of credit to allow actors in the tourism sector to access working capital, undertake rehabilitation of infrastructure, and import capital equipment. 	<ul style="list-style-type: none"> • A multi-currency system was introduced. • Moderate economic growth witnessed as investor confidence improved. • Increased capacity utilisation and improved agricultural output. • Increased Value Added Tax collections by government from US\$435 578 in February 2009 to US\$43 million in October 2009.
Short Term Emergency Recovery Programme (STERP) II (2010-2012)	<ul style="list-style-type: none"> • Sustaining macro-economic stabilisation and consolidating STERP. • The restoration of basic services. • Promote foreign investment complemented by domestic savings and investment that is above 20% of the GDP. • Restoration of international relations - lobbying for the removal of sanctions and other restrictive measures imposed against the country. 	<ul style="list-style-type: none"> • STERP II failed to achieve most of its intended objectives. • Constitutional reforms were not concluded. • The restoration of key services has failed as power and water cuts have worsened. • Restrictive measures against the country still existing.
Zimbabwe Agenda for Sustainable Socio- Economic Transformation (Zim Asset) (2013-2018).	<ul style="list-style-type: none"> • To achieve sustainable development and social equity anchored on indigenisation, empowerment, and employment creation. • Implementing the Presidential Agricultural Input Support Scheme to address issues of food security and nutrition. • Building and rehabilitating infrastructure and utilities as drivers of economic growth. • Establishment of diamond cutting and polishing centres and also agro-processing projects such canning of fruits and vegetables. • Promoting ease of doing business in all sectors by reducing unnecessary delays and creating one stop shops. 	<ul style="list-style-type: none"> • Zim Asset failed to turn around the economy. • Progress has been witnessed in the distribution of agricultural inputs though still biased towards political lines. • A few infrastructural projects completed e.g. Mutare-Plumtree highway. • Resuscitation of industries failed.
Transitional Stabilisation Programme (TSP) (2018- 2020).	<ul style="list-style-type: none"> • Stabilising the macro-economy, and the financial sector. • Introducing necessary policy, and institutional reforms, to transform the country to a private sector-led economy. • Opening up the economy for business by improving the ease of doing business and re-engaging international investors and financiers. • Upholding the rule of law, human, and property rights. • Revive industry through implementing Special Economic Zones (SEZs). 	<ul style="list-style-type: none"> • Policy still ongoing however currently not much has be witnessed in terms of economic growth. • Removal of the multi-currency system. • Increase in inflation levels.

Source: Bratton (1981); UNDP (1986: 6); Zaaier (1998); Bhalla et al. (1999); ZHDR (2000); Sachikonye (2003); OECD & AfDB (2004); Raftopoulos & Phimister (2004); GoZ (2009); GoZ (2010); Zhou & Zvoushe (2012); GoZ (2013); GoZ (2018); Nyoni (2018)

APPENDIX C: CLASSIFICATION OF MSMEs IN ZIMBABWE

Sector or Sub-sector of Economy	Size or Class	Maximum total number of full time paid employees	Maximum total annual turnover \$	Maximum gross value of assets (excluding immovable property) \$
Agriculture:	Medium:	75	1 000 000	500 000
	Small:	30	500 000	250 000
	Micro:	5	30 000	10 000
Arts, Entertainment, Culture, Education and Sport	Medium:	75	1 000 000	500 000
	Small:	30	500 000	250 000
	Micro:	5	30 000	10 000
Mining and Quarrying:	Medium:	75	3 000 000	2 000 000
	Small:	40	1 500 000	1 000 000
	Micro:	5	50 000	50 000
Manufacturing:	Medium:	75	1 000 000	1 000 000
	Small:	40	500 000	500 000
	Micro:	5	30 000	10 000
Construction:	Medium:	75	2 000 000	2 000 000
	Small:	40	1 000 000	1 000 000
	Micro:	5	50 000	10 000
Energy	Medium:	75	2 000 000	1 000 000
	Small:	40	1 000 000	500 000
	Micro:	5	50 000	10 000
Financial Services	Medium:	75	1 000 000	500 000
	Small:	30	500 000	250 000
	Micro:	5	30 000	10 000
Transport:	Medium:	75	1 000 000	500 000
	Small:	40	500 000	250 000
	Micro:	5	30 000	10 000
Retail:	Medium:	75	1 000 000	500 000
	Small:	30	500 000	250 000
	Micro:	5	30 000	10 000
Tourism and Hospitality:	Medium:	75	1 000 000	500 000
	Small:	30	500 000	250 000
	Micro:	5	30 000	10 000
Services:	Medium:	75	1 000 000	500 000
	Small:	30	500 000	250 000
	Micro:	5	30 000	10 000

Adopted from Fourth Schedule of the Small and Medium Enterprises Act [Chapter 24:12]

APPENDIX D: INDUSTRIAL SECTOR RANKING IN BMP

Rank	Industrial sector	Description
1	Mining and engineering	Top exporter earner in 2016. High potential in terms of old infrastructure, good transportation network (road & rail) – movement of coal, raw materials from Hwange & Midlands. Proximity to supply engineering parts to mines in Matabeleland and Midlands. Value addition processing of steel products and minerals (Lithium).
2	Beef and leather industry	Beef supplied to abattoirs (CSC & others) then to canning industry and hides to leather sector.
3	Textile and clothing industry	Industries supplied with cotton and produce yarn and fabric – to be supplied to the clothing sub-sector.
4	Rubber and plastics	Conveyors and plastic products will be needed in the revived manufacturing sector.
5	Agro-industry	To produce stock-feeds to support beef in the region.
6	Pharmaceuticals	Take advantage of infrastructure already existing.
7	Education, innovation and research hub	Tertiary institutions available e.g. NUST, Bulawayo Polytechnic, School of Mines.
8	Transportation (Logistics)	Rail and road available to move raw materials and finished products in and out of Bulawayo. Intra-city movements will be need in and out of Special Economic Zones.
9	Creative arts and culture industries	Bulawayo regarded as one of the main cultural hubs in Zimbabwe.
10	Wood and furniture	Availability of raw materials in surrounding areas e.g. Lupane.
11	Printing and packaging	Packaging will be needed for a revived agro-industry.
12	Tourism and hospitality	Availability of mainly conferences and exhibition centres.
13	Energy and water	Consistent power and water supply is needed for reviving the industry.
14	Infrastructure	Refurbishments and new infrastructure needed.
15	Mineral value-addition	Taking advantages of the mines in areas surrounding Bulawayo.

Source: Bulawayo Metropolitan Municipality Reports (2019)

APPENDIX E: BMM'S PROMOTIONAL MATERIALS

CROP PRODUCTION



The reclaimed water is used for crop irrigation while the sludge is spread on the field and incorporated into the soil to improve crop fertility. The area set aside for cropping is 317 hectares. Cereals produced include white maize, yellow maize, red sorghum and wheat. The white maize is for grain which is supplied to the GMB, milling industry and the beer brewing industry. Yellow maize is for sale as green mealies to the local and regional market. What remains of the green mealies is harvested for use as snap corn for livestock. The red sorghum is produced specifically for beer brewing and is supplied to our sister company that is involved in beer brewing. Wheat is supplied to the GMB and companies involved in the flour milling industry.






CITY OF KINGS

CONTACT DETAILS
 Head office - Office 207,
 2nd Floor, Municipal Buildings,
 L/Takawira Avenue/Fife Street,
 P O Box 3570
 Bulawayo,

Mrs S. Ncube
 Email: sincube@citybyo.co.zw
 Cell: 0772778862

Mr C. Moyo
 0772241152






CITY OF KINGS

Business Ventures



AISLEBY AND GOODHOPE FARMS



BACKGROUND

The 1375 hectare farm was established in 1949 on a model aimed at utilizing reclaimed water from the municipality of Bulawayo sewage treatment plants. This is based on the need to productively utilize large volumes of water and sewage produced by the municipal sewage plants. The main objective was to utilize the sewage and water through agricultural activities.

The farm is mainly involved in production of cereal crops and livestock production.

VISION

To be the supplier of choice for farm produce in the region and beyond

MISSION

To enhance customer and shareholder value through production and provision of quality farm produce

VALUES

- o Transparency
- o Accountability
- o Equity
- o Fairness

CATTLE PRODUCTION



Beef production is one of the major activities at the farm. A total of 970 hectares is set aside for grazing. The grazing area is under irrigated pastures (Kikuyu and Stargrass). These grasses (Kikuyu and Stargrass) are able to sustain intense defoliation/grazing leading to a higher carrying capacity of 2,500 head being attained. The maternal line is the Hereford or its related crosses while the sire lines (Bulls) are the Brahman, Hereford and the Beefmaster. The breeding program is that all steers are sold at the age of 2 years as pen fed supers. All excess heifers are sold. The farm is well known for supplying high quality breeding stock to farmers in the region. The main aim is to supply quality in high grades (super, choice and commercial) to the beef market. As a result all the animals that are sold for slaughter are finished in the pen or in the pastures to achieve desired grades and resultant good prices.



SHEEP PRODUCTION



The farm also has a sheep enterprise which is being pursued. The flock is around 250 head and the aim is to have a breeding stock of at least 500 head. Besides utilizing the available grazing, the sheep are supplemented with crop residues. The breed of sheep reared at the farm is the Dorper. The aim in the sheep enterprise is to produce super lamb and super choice mutton. The sheep are fattened either through pen fattening or on the veld.



PROFILE
2019

Siye Phambili...

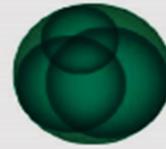
CITY OF BULAWAYO
ZIMBABWE

BCAO BULAWAYO CULTURAL AFFAIRS OFFICE

Bulawayo Arts Festival
ba
1-5 June 2020

INAUGURAL GRANTMAKING JUNE 2020
BACHEF
Bulawayo Arts Culture & Heritage Endowment Fund

APPENDIX F: STUDY PERMISSION LETTERS



CRUISE

CENTRE FOR
REGIONAL + URBAN INNOVATION
+ STATISTICAL EXPLORATION

29 October 2018

TO WHOM IT MAY CONCERN

Dear Sir/Madam.

This letter serves to inform you that Mr. Tazviona Richman Gambe (National ID No. 59-056561 N50) is a PhD Urban and Regional Science candidate (Student No. 21411875) at the Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE) in the Department of Geography and Environmental Studies, Stellenbosch University, South Africa.

Mr. Gambe's study is entitled *Regional economic resilience: Exploring industrial decline in Bulawayo Metropolitan Province, Zimbabwe*.

He is expected to commence fieldwork and data collection from the beginning of January 2019. We are kindly requesting your co-operation in assisting him in gathering relevant data for the completion of his studies. All information received will be treated with the highest degree of confidentiality and shall only be used for the purpose of this study.

Thank you in advance for your co-operation.

Yours Sincerely

Prof H.S. Geyer

Director: Centre for Regional and Urban Innovation and Statistical Exploration.



City of Bulawayo

Town Clerk's Office
Municipal Buildings
Fife Street
P.O.Box 591
Bulawayo

All Communications
To be addressed to the
Town Clerk

Tel: (263-9) 75011
Fax: (263-9) 69701
Email: info@citywb.co.zw
Website: www.citywb.co.zw
Facebook: The City of Bulawayo
Twitter: @CityofBulawayo
Call Centre: 08084700 (Econet)
08004700 (Telone) (09) 71290

13-11-18

REF: JBM/MZ.74-00-00

MR T. R. GAMBE
MUVONDE HOSPITAL
P. B. 57071 NAUMA, MASVINGO
0773 444 527

Dear Mr/Mrs/Miss T. R. GAMBE

RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH ON COUNCIL
PREMISES: REGIONAL ECONOMIC RESILIENCE EXPLORING
INDUSTRIAL DECLINE IN THE METROPOLITAN PROVINCE, ZIM

Your letter on the above matter refers.

Please be informed that Council acceded to your request to carry out research within Bulawayo City Council premises subject to the following conditions:

- a) You should submit a copy of your research findings after completing the research exercise.
- b) Council is to be indemnified against any accident/mishaps, which may occur during the conduct of the research.

Accordingly you may approach any of Council's Service Departments as appropriate for assistance.

Yours faithfully

[Signature]
TOWN CLERK

CITY OF BULAWAYO
TOWN CLERK'S DEPT.

13 NOV 2018

HUMAN RESOURCES DIVISION
P.O. BOX 591, BULAWAYO
TEL: +263 (9) 75011



CZI
CONFEDERATION OF
ZIMBABWE INDUSTRIES

31 Josiah Chinamano Avenue. P.O. Box 3794 Harare, Zimbabwe
Tel: +263-4-251490-6 Fax: +263-4-252424
E-mail: patoceo@czi.co.zw
Website: www.czi.co.zw

04 April 2019

Mr. T R Gambe
Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE)
Department of Geography and Environmental Studies
Stellenbosch University
P.O Bag XI Matieland, 7602
Stellenbosch
SOUTH AFRICA

Dear Sir

**RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH AND INTERVIEW
MEMBER/S OF CZI - REGIONAL ECONOMIC RESILIENCE: EXPLORING
INDUSTRIAL DECLINE IN BULAWAYO METROPOLITAN PROVINCE.**

Your letter dated 08 March 2019, highlighting the above matter refers.

Please be informed that your application to conduct an interview with CZI is granted. Please also note that you are free to conduct interviews with CZI members. All this can be done subject to the following conditions:

1. You should share your research findings with CZI after completing the research exercise.
2. All data obtained shall be used strictly for the purposes of your research.
3. Should you contact any of our members, the arrangements are strictly between yourself and the member.
4. CZI is to be indemnified against any accidents/mishaps which may occur while conducting your research within our premises.

Accordingly, you may get in touch with CZI Head Office to arrange the date/s and place/s where the interview will be conducted.

Yours faithfully

K Matare

MEMBERSHIP SERVICES & MARKETING MANAGER



**INDUSTRIAL
DEVELOPMENT
CORPORATION** OF ZIMBABWE LIMITED

93 Park Lane, P O Box CY 1431 Causeway, Harare, Tel. 263 242 706971-5, Fax 263 4 250385
E-mail: administrator@idc.co.zw; Website: www.idc.co.zw

8 May 2019

Mr. T R Gambe
Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE)
Department of Geography and Environmental Studies
Stellenbosch University
P.O Bag XI Matieland, 7602
Stellenbosch
South Africa

Dear Sir

**RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH AND INTERVIEW
MEMBER/S OF IDCZ ON INDUSTRIAL DECLINE IN ZIMBABWE.**

Your application letter highlighting the above matter refers.

Please be informed that your application to conduct research and interview member/s of IDCZ has been approved subject to the following conditions:

1. You should share your research findings with IDCZ after completing the research exercise.
2. All data obtained shall be used strictly for the purposes of your study.
3. IDCZ is to be indemnified against any accidents/mishaps which may occur while conducting your research within our premises.

Accordingly, you can get in touch with our Harare Office to arrange the date/s and place/s where the interview/s will be conducted.

Yours faithfully

Derek N Sibanda
PR & Administration Manager

All correspondence should be addressed to

"THE SECRETARY"

Telephone: 730081/7; 791823/7 702731
 Facsimile: 704116/723765/729311
 E-mail: mit@indandcom.co.zw
 Telegrams: "TRADEMIN", Harare
 Private Bag CY 7708, Causeway,
 Zimbabwe



ZIMBABWE

Reference: NP/33 1518

MINISTRY OF INDUSTRY AND
 COMMERCE
 Mukwati Building
 4th Street/Livingstone Avenue
 Harare
 Zimbabwe

10 April 2019

Tazviona Richman Gambe
 Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE)
 Department of Geography and Environmental Studies
 Stellenbosch University
 P. O. Bag X1 Matieland, 7602
 Stellenbosh
 South Africa

MINISTRY OF INDUSTRY
 AND COMMERCE 05
 RECORDS 05
 11 APR 2019
 P BAG 7708 CAUSEWAY
 HARARE

Dear Mr Gambe

**PERMISSION TO CONDUCT RESEARCH ON THE REGIONAL
 ECONOMIC RESILIENCE: EXPLORING INDUSTRIAL DECLINE IN
 BULAWAYO METROPOLITAN PROVINCE, ZIMBABWE: MINISTRY
 OF INDUSTRY AND COMMERCE**

Reference is made to your letter dated 20 March 2019 requesting permission to conduct research on "Regional economic resilience: Exploring industrial decline in Bulawayo Metropolitan Province, Zimbabwe."

Please be advised that your request to conduct the research within the Ministry has been approved. Please note that you **must** submit a copy of your final dissertation to this Ministry for record keeping.

PP 
 W. Kaerezi (Mr)

For: SECRETARY FOR INDUSTRY AND COMMERCE

All communications should be addressed to **The Secretary**

Telephone: 2-708398, 2-735188,
2-790932
www.women.gov.zw



Zimbabwe

Ministry of Women Affairs, Community
Small and Medium Enterprises
Development
P. Bag 7726 Causeway
Harare

Ref/ Gambe Tazviona.R
Students Reg No. 21411875

24 April 2019

Mr Gambe T. R
Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE)
Department of Geography and Environmental Studies
Stellenbosch University
P.O Bag X1 Matieland, 7602
Stellenbosch
South Africa

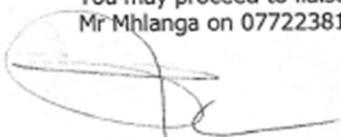
Attention: Gambe Tazviona

**REF: APPROVAL TO CONDUCT A RESEARCH IN A PHD STUDY ON INDUSTRIAL
DECLINE IN BULAWAYO METROPOLITAN PROVINCE**

I refer to your application to carry out a research on *Regional Economic Resilience: Exploring Industrial Decline in Bulawayo Metropolitan Province* in the Ministry of Women Affairs, Community, Small and Medium Enterprises Development.

I am pleased to inform you that your application has been approved. The approval is granted on condition that the information you obtain from the Ministry will be used for academic purposes only.

You may proceed to liaise with the Provincial Development Officer for Bulawayo Province Mr Mhlanga on 0772238107 for further assistance.


S. Jairos
**Director Human Resources
for Secretary for Women Affairs, Community, Small and Medium Enterprises
Development**
Cc Permanent Secretary
Cc Provincial Development Officer Bulawayo Province

Min. of Women Affairs, Community,
Small & Medium Enterprises Dev.
Director Human Resources

24 APR 2019

P. BAG 7726, CAUSEWAY
HARARE, ZIMBABWE

www.zia.co.zw

Investment House, 109 Rotten Row, P.O. Box 5950, Harare, Zimbabwe.
Tel: +263 4 757931-5, 7599111-5, 780140-9, Fax: +263 4 773843
E-mail: info@zia.co.zw



21/03/19

Mr T.R. Gambe
Muvonde Hospital
P.Bag 7071
Mvuma
MASVINGO

Dear Sir

RE: REQUEST FOR INFORMATION ON INVESTMENT FOR ACCADEMIC PURPOSES –REGIONAL ECONOMIC RESILIENCE. : EXPLORING INDUSTRIAL DECLINE IN BULAWAYO METROPOLITAN PROVINCE.

Zimbabwe Investment Authority would like to advise you that it will provide the statistics on investment in Bulawayo on condition that the information will:

- (1) Solely be used for academic purposes.
- (2) Adhere to ZIA ACT (CHAPTER 14:30) section 29 that provides for preservation of secrecy.

We wish you the best in your studies.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Z. Namburo', is written over the typed name.

Z. Namburo
INVESTOR SERVICES OFFICER
For: CHIEF EXECUTIVE OFFICER



**MATABELELAND
REGION**

P.O. Box 1292, Bulawayo
Chamber of Commerce Building
Corner 8th Ave / Fort Street
Bulawayo
Telephone: (263-9) 889655 / 60276
Fax: (263-9) 70336
Email: info@zncoby.co.zw
Website: www.zncoby.co.zw

19 November 2019

Mr. T R Gambe
Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE)
Department of Geography and Environmental Studies
Stellenbosch University
P.O. Bag XI Matieland, 7602
Stellenbosch
SOUTH AFRICA

Dear Sir

**RE: REQUEST FOR PERMISSION TO INTERVIEW MEMBER/S OF ZNCC ON
INDUSTRIAL DECLINE IN BULAWAYO, ZIMBABWE.**

Your application letter highlighting the above matter refers.

Please be informed that your application to conduct research and interview member/s of ZNCC has been approved subject to the following conditions:

1. You should share your research findings with ZNCC after completing the research exercise.
2. All data obtained shall be used strictly for the purposes of your study.
3. ZNCC is to be indemnified against any accidents/mishaps which may occur while conducting your research within our premises.

Accordingly, you can get in touch with our Bulawayo office to arrange the date/s and place/s where the interview/s will be conducted.

Yours faithfully



REGIONAL MANAGER

The Voice of Business

Dr. D Ndhukula (President), Mr. T Macheke (Deputy President), Mr. O. Marange (VP Matabeleland), Mr. J Mashavakure (VP Midlands),
Mr. K. Saruchera (VP Manicaland), Mr. E. Juru (VP Mashonaland), Mr. C. Mugaga (C.E.O)



**ZIMBABWE REVENUE AUTHORITY
COMMISSIONER GENERAL**

Write To:
The Commissioner General
Zimbabwe Revenue Authority
P O Box 4360
Harare

Telephone:
+263-4-790811
Fax:
+263-4-773161
Telegraphic:
Harare

Call At:
Reception
6th Floor ZB Centre
Kwame Nkrumah Ave /
First Street
Harare

In Reply Please Quote:
Ref: Research/07/2019

31 July 2019

Mr. Tazviona Richman Gambe
Stellenbosch University
P. O Bag X1 Matieland, 7602
Stellenbosch
South Africa

Dear Mr. Gambe,

RE: APPLICATION FOR AUTHORITY TO CONDUCT ACADEMIC RESEARCH

Topic: "Regional Economic Resilience: Exploring Industrial Decline in Bulawayo Metropolitan Province, Zimbabwe"

The above matter refers.

Please be advised that your application for authority to carry out the above research has been approved. However, we may be unable to release some of the information to you because of its confidential nature. Upon completion of the research, you are required to submit to this office a bound copy of the research.

We wish you success in your studies.

Yours sincerely,

B. GUNZO
HUMAN CAPITAL MANAGER

ACKNOWLEDGEMENT

I, TAZVIONA RICHMAN GAMBE acknowledge receipt of this letter and accept its contents. Cell No: 0773447527 Signature  Date 31/07/19

APPENDIX G: DATA COLLECTION INSTRUMENTS



Dear Respondent, my name is Tazviona Richman Gambe. I am a PhD student in the Department of Geography and Environmental Science at Stellenbosch University. Currently, I am undertaking research regarding economic resilience in Bulawayo metropolitan region. The research specifically investigates economic and industrial decline and deglomeration. Based on your involvement in the industrial sector in Bulawayo metropolis, you have been selected to provide your views on this subject. I am kindly asking you to complete this questionnaire. All information obtained will be handled in strict confidence and used only for educational purposes, and participants will remain anonymous. The first section deals with information pertaining to your organisation as a participant. The second section focuses on the operational challenges you are facing while the third one covers your organisation's contribution to the economy of Bulawayo metropolitan region. The fourth section deals with how economic and/or industrial policies have affected your business operations and the final section seeks to understand your perception on economic resilience.

Please tick the appropriate response.

1. Business Characteristics

- 1.1. Respondent's position in the organisation Owner Director CEO
 Senior manager Junior manager
- 1.2. The business/company's year of establishment in Zimbabwe? Before 1980 1980-1989
 1990-1999 2000-2009 2010-2018
- 1.3. The year your organisation started operating in Bulawayo? Before 1980 1980-1989
 1990-1999 2000-2009 2010-2018

- 1.4. Kindly indicate any 1 or 2 factors that mainly influenced you to locate in Bulawayo metropolitan region?

Tax incentives	<input type="checkbox"/>
Availability of a market	<input type="checkbox"/>
Expansion strategy (had other branches in some cities)	<input type="checkbox"/>
Location closer to raw materials	<input type="checkbox"/>
Locating closer to other industries (<i>purchasers & suppliers</i>)	<input type="checkbox"/>
Business owners stay in Bulawayo	<input type="checkbox"/>
Low costs of transport and communication	<input type="checkbox"/>
Availability of cheap labour	<input type="checkbox"/>
Availability of land suitable for company operations	<input type="checkbox"/>

- 1.5. Business ownership type Fully local Fully foreign Partnership (*local & foreign*)
- 1.6. Category of business ownership Private Public Mixed (*private & public*)
- 1.7. Total number of employees 1-20 21-40 41-60 61-80 81-100
 Above 100
- 1.8. Major business sector Manufacturing Services Extraction Agricultural

1.9. Kindly highlight your subsector by ticking the appropriate box below:

Chemical and petroleum products	
Textiles, clothing	
Drinks and beverages	
Foodstuffs	
Metal and metal products	
Non metallic mineral products	
Paper, printing and packaging	
Transport equipment, transport logistics	
Wood and furniture	
Pharmaceutical products	
Computer and software	
Information and communication technology (telecoms)	
Financial and insurance services	
Film and entertainment	
Construction industry	
Agribusiness (fishing, timber, tobacco, honey)	
Mining industry (minerals, quarry)	
Rubber and allied products	
Leather products and services	
Customs clearing services and logistics	

2. Operational challenges

2.1. Kindly indicate your capacity utilisation³³ levels in percentages from 2009 to 2018.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

2.2. Kindly indicate the number of your full time employees (including those with contracts of at least one year) from 2009 to 2018.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

2.3. Have you been experiencing industrial decline:

Over the past 10 years? [] Yes [] No

Over the past 5 years? [] Yes [] No

Over the past year? [] Yes [] No

2.3.1. If your answer is *yes*, kindly indicate below 3 types of decline you have experienced most

	10 year period	5 year period	1 year period
Producing less goods than before			
Reduction in export levels			
Reduction in employment levels (loss of skilled labour)			
Reduction in capacity utilisation			

³³ Capacity utilisation is used here to mean [(real/actual output/potential output) x 100]. In other words, is your organisation operating at maximum capacity (this can be in terms of input-output of goods OR number of employees needed versus those present)?

Closure of some branches in and outside Bulawayo			
A decrease in the competitiveness of goods and services			
Stagnation or decrease in revenue			
Outdated and worn out business infrastructure			
A decrease in profit margins			

2.3.2. How has the economic decline in Zimbabwe affected your business operations? (Only tick 5 that are most applicable to your organisation)

Reduced labour productivity levels	
Reduced employment levels	
Untimely payment of salaries	
Inability to access cash needed in daily operations	
Inability to import inputs	
Inability to service our business loans	
Loss of the regional & global market share	
Reduced profit levels	
Political intervention	
Relocation of investors that were business partners	
Purchasing power of our savings eroded due to currency reforms	
Lost skilled labour force	
Erratic power supplies	
Erratic water supplies	

2.3.3. Kindly highlight how you managed to overcome/you are trying to overcome the challenges you highlighted above (Tick only 4 best strategies you adopted)

Diversification of products/services (offering new products & services)	
Adoption of new technology in the production of goods and services	
Networking/strategic alliances with other industries/companies doing well	
Utilising the company's reserve foreign exchange for purchasing inputs not locally available	
Broad customer base kept the organisation in business	
Downsizing as a copying strategy (reducing unnecessary expenses)	
Disinvesting in other investments (including closing other branches or outlets) and focus on the main company	
A stronger control on the organisation's cash flow	
Joining mergers created by declining industries/companies	
Relocation of some branches to locations outside the country so that they help support those local	
Using a US dollar-based pricing system to avoid losses through currency reforms	

2.4. How do you rate the need for foreign currency in your operations? [] Very low [] Low [] High [] Very high [] N/A

2.4.1. If foreign currency is needed, are you able to get enough supplies for your operations?

[] Yes [] No

If your answer is **No**, explain.....

3. Revitalising the economy of Bulawayo metropolitan province

3.1. What percentage of your goods and services is consumed in Bulawayo? [] 1-20 [] 21-40 [] 41-60 [] 61-80 [] 81-100 [] None

Additional comments.....

3.2. What percentage of your goods and services is consumed outside Bulawayo but within Zimbabwe?

1-20 21-40 41-60 61-80 81-100 None

Additional comments.....
.....

3.3. What percentage of your goods and services is consumed outside Zimbabwe? 1-20 21-40

41-60 61-80 81-100 None

Additional comments.....
.....

3.4. What is the relationship between your exports and imports³⁴? Exports more than imports

Exports less than imports Exports equal to imports N/A

3.5. In terms of competitiveness, how do you rate your goods and services against imports? Low

Average High Very high

Additional comments.....
.....

3.6. What are the 3 key reforms that you think are needed within your organisation to boost your operations?

Staff development programmes	
Improve tools of work (vehicles, machines etc)	
Efficient utilisation of technology	
Efficient system of incentives and rewards for performing employees	
Clarification of roles and tasks	
Promotion of proper monitoring and evaluation systems	
Strict financial control and management	
N/A	

3.7. In your opinion, what do you think are the 3 major factors that are mainly behind the closure of industries in Bulawayo metropolis?

High costs of doing business	
Acute shortages of raw materials	
Poor availability of foreign exchange	
Unstable/unfavourable government policies	
Poor business management	
Shrinking market opportunities	
Disagreements amongst the shareholders	
Political instability rendering the business environment risky	
Stiff competition from illegal businesses/smuggled &/or cheap imports	

³⁴ Imports and exports may be taken to mean production inputs and outputs for manufacturing industries. However, for other industries such as those in the service sector, this can be taken to mean consumables imported versus services exported to other countries.

3.8. Which of the following 2 actions by the Bulawayo Metropolitan Municipality will most positively influence the revival of industrial activity in the metropolis?

Lower the level of rates and taxes paid by industries	
Developing modern industrial parks meant for export production	
Provide adequate and strategic work space for formal & informal industries	
Overall upgrade of urban infrastructure that support business growth	
Improve the provision of municipal services such as water etc	
Effective and efficient management of urban systems e.g. transport networks	

3.9. Do you think your organisation can benefit from Special Economic Zones (SEZs) being currently set up by government Yes No

Additional comments.....

3.10. Do you have any business linkages with other industries within Bulawayo metropolis?

Yes No

3.10.1. If your answer is **yes**, what form of linkages are they?

We are suppliers of goods and services	
We purchase goods and services	
Sharing knowledge and technology transfers	
Outsourcing (we hire them)	
Outsourcing (they hire us)	
We provide business capital to them	
We borrow business finance from them	
We share the same production infrastructure (roads, railways, power grids etc)	

3.11. Do you have any business linkages with other industries outside Bulawayo metropolis but within Zimbabwe? Yes No

3.11.1. If your answer is **yes**, what form of linkages are they?

We are suppliers of goods and services	
We purchase goods and services	
Sharing knowledge and technology transfers	
Outsourcing (we hire them)	
Outsourcing (they hire us)	
We provide business capital to them	
We borrow business finance from them	
We share the same production infrastructure (roads, railways, power grids etc)	

3.12. Do you have any business linkages with other industries/organisations outside Zimbabwe

Yes No

3.12.1. If your answer is **yes**, what form of linkages are they?

We are suppliers of goods and services	
We purchase goods and services	
Sharing knowledge and technology transfers	

Outsourcing (we hire them)	
Outsourcing (they hire us)	
We provide business capital to them	
We borrow business finance from them	
We share the same production infrastructure (roads, railways, power grids etc)	

3.13. Do you have any linkages with tertiary institutions? Yes No

3.13.1. If your answer is **yes**, kindly tick the applicable answer below,

Tertiary institutions in Bulawayo	
Tertiary institutions outside Bulawayo but in Zimbabwe	
Tertiary institutions outside Zimbabwe	

3.13.2. If your answer to 3.13 is **no**, explain.....

3.13.3. If your answer to 3.13 is **yes**, what benefits do you get from such linkages?

Staff training and development	
Research on product standardisation & improvement	
Research on production systems improvements	
Research on new products & ways of doing business	
Sharing infrastructure (science labs, technology hubs in universities etc)	

3.14. Do you have any business linkages with the agricultural sector (*if not in that sector*)? Yes No

3.14.1. If your answer is **yes**, what are the linkages?

We purchase inputs from this sector	
We sell our output to this sector	
We conduct research and development for this sector	
We supply business capital to this sector	
We service and repair tools used in this sector	
We link businesses/people in this sector to export markets	

3.15. Do you have any business linkages with the extractive sector [mining] (*if not in that sector*)?
 Yes No

3.15.1. If your answer is **yes**, what are the linkages?

We purchase inputs from this sector	
We sell our output to this sector	
We conduct research and development for this sector	
We supply business capital to this sector	
We service and repair tools used in this sector	
We link the businesses in this sector to export markets	

4. The Influence of Industrial/Economic Policy on Industrial Activity

4.1. Which of the following economic and industrial policies are you familiar with?

Short Term Emergency Recovery Programme (STERP 1) [2009 -2010]	
Short Term Emergency Recovery Programme (STERP 2) [2010 -2012]	
Medium Term Plan (2011-2015)	
Industrial Development Policy (2012-2016).	
Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) (2013 to 2018)	
10-Point Plan for Economic Growth (2015)	

SI 64 of 2016 and/or SI 122 of 2017	
Transitional Stabilisation Programme (2018-2020)	
None	

- 4.2. How do you rate the economic and industrial policies that have been implemented in Zimbabwe from 2009 to date? [] Very poor [] Poor [] Good [] Excellent

Additional comments.....

- 4.3. From the following policies implemented by government from 2009 to 2018, kindly indicate any 3 that resulted in the most positive benefits to your business operations?

Short Term Emergency Recovery Programme (STERP 1) [2009 -2010]	
Short Term Emergency Recovery Programme (STERP 2) [2010 -2012]	
Medium Term Plan (2011-2015)	
Industrial Development Policy (2012-2016).	
Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) (2013 to 2018)	
10-Point Plan for Economic Growth (2015)	
SI 64 of 2016 and/or SI 122 of 2017	
Transitional Stabilisation Programme (2018-2020)	
None	

- 4.3.1. Kindly indicate 3 positive benefits accrued from the policies you highlighted in Question 4.3,

Protection from stiff competition posed by cheap imports	
Increased output	
Reduced operation costs (reduced taxes and costs of services)	
Increased access to business finance	
Increased partnerships as FDI increases	
Widening market opportunities	
Security of company profits and other resources	
Expansion of the company (Increased employment levels, capacity utilisation)	
Improved access to foreign currency (mainly for imports)	
None	

- 4.4. From the following policies implemented by government from 2009 to 2018, kindly indicate any 3 that have mostly influenced your business operations in a negative way?

Short Term Emergency Recovery Programme (STERP 1) [2009 -2010]	
Short Term Emergency Recovery Programme (STERP 2) [2010 -2012]	
Medium Term Plan (2011-2015)	
Industrial Development Policy (2012-2016).	
Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset) (2013 to 2018)	
10-Point Plan for Economic Growth (2015)	
SI 64 of 2016 and/or SI 122 of 2017	
Transitional Stabilisation Programme (2018-2020)	
None	

- 4.4.1. Kindly indicate 3 negative effects that mostly affected your business, due to the policies you have highlighted in Question 4.4

Failure to withstand stiff competition from cheap imports	
Reduced production output	
An increase in the cost of doing business in the Bulawayo and Zimbabwe as a whole	
Scarcity of business finance	

Unable to acquire raw materials from other countries	
Shrinking market opportunities	
Erosion of company finances due to high inflation levels	
Scarcity of foreign exchange	
Downsizing (reduced capacity utilisation, reduced employment levels etc)	
Closure of some branches in and outside Bulawayo metropolis	
None	

4.5. Which are the 2 most important actions that can be adopted by central government to make economic and industrial policies promote rather than hinder business growth and development?

Government should avoid politicisation of policies (during crafting and implementation)	
Adequate research should be undertaken before policies are crafted and implemented	
The policies should protect industries/companies from cheap imports	
Implementation of policies should be in earnest, with provisions be adhered to	
The policies should not enable government to erode companies' financial assets	
Government should make sure that the policies guarantee availability of business finance (foreign currency should be available to companies in need)	
Needs of intended beneficiaries should be taken into account when crafting policies	

4.6. Do you think industries in Bulawayo need to be protected by government (from goods and services imported from other countries) for them to regain their former glory? Yes No

4.7. Were you affected in any way by the recent suspension of the policy that prohibits the importation of basic commodities into the country? Yes No

4.7.1. If your answer is **yes**, kindly indicate 2 effects that are most applicable to your organisation.

Increased competition from imports that have lower prices	
Increased competition from local organisations that repackage and sell the commodities	
Reduced volume of sales	
Increased competition from informal traders selling import commodities at lower prices	
Reduced profit margins	
Reduced capacity utilisation (reduced production output)	
Inability to service business loans due to poor sales	

5. Rethinking Regional Economic Resilience

5.1. Do you think it possible for your business to continually achieve productivity growth in the face of economic decline? Yes No

5.1.1. Additional comments.....

5.2. Do you think it is possible for your organisation to retain its previous capacity utilisation and employment levels (i.e. *before the decline started*)? Yes No

Additional comments.....

THANK YOU FOR YOUR TIME AND COOPERATION!

INTERVIEW GUIDE FOR BULAWAYO METROPOLITAN MUNICIPALITY

1. Kindly comment on the level of investment in the metropolis by high growth, innovative and profitable industries?
2. In terms of city planning and local economic development planning, what are you doing (or have you done from 2009 to date) to improve the attractiveness of Bulawayo metropolis as a potential business destination?
3. What is your opinion on the level of municipal services provision to industries in your area of jurisdiction?
4. Kindly comment on the changes in the ratio of formal and informal industries in the metropolis from 2009 to date.
5. From your perspective, how has the industrial closures, downsizings and displacements affected you as the local authority and also the residents of Bulawayo metropolis?
6. Have the Special Economic Zones (SEZs) that were set up by government, had an impact on the revival of industries in Bulawayo metropolis?

Thank You for Your Time and Cooperation!

INTERVIEW GUIDE FOR CONFEDERATION OF ZIMBABWE INDUSTRIES

1. Could you briefly explain the changes in your membership numbers in Bulawayo metropolis from 2009 to the current day? (How many industries closed down, relocated and how many are still operating in the area?).
2. What do you consider to be the causes (or reasons cited by those industries that closed down) of the industrial decline and displacement in Bulawayo metropolis from 2009 to date?
3. How, historically and presently, has the CZI assisted industries in Bulawayo metropolis to remain operational taking into account the current economic decline?
4. Of all the industries that are your members in Bulawayo metropolis, which industrial sector do you consider to be performing better than others? (What might be the reason for that?).
5. Could you briefly comment on the changes in the industries amongst your members in Bulawayo metropolis that are foreign-owned from 2009 to date?
6. From all your member industries currently operating in Bulawayo metropolis, what is the percentage (i.e. of industries) that exports goods and services?

Thank You for Your Time and Cooperation!

INTERVIEW GUIDE FOR INDUSTRIAL DEVELOPMENT CORPORATION OF ZIMBABWE

1. What programmes/mechanisms have you implemented from 2009 to date, to promote the development of new industries in Zimbabwe?
2. What programmes have you implemented in the past 10 years to assist in the modernisation of existing industries?
3. What are you doing (or have done from 2009 to date) to promote the competitiveness of local industries especially against foreign industries?
4. What new skills and expertise do you think are required in Zimbabwe in order to get the industries working again?
5. What programmes have you implemented so far to attract foreign investment in the country? (How successful were they?).
6. I understand you have control of enterprises in which you have invested, what is your comment on their level of performance taking into account the current economic hardships?
7. How have you managed to keep the companies you run, operational while the majority of the companies/industries have been shutting down?

Thank You for Your Time and Cooperation!

INTERVIEW GUIDE FOR MINISTRY OF INDUSTRY AND COMMERCE

1. What do you think have been the major factors behind industrial closures and shrinkages from 2009 to date?
2. What industrial policies and/or strategic frameworks have you developed from 2009 to date, in order to promote industrial and commercial growth in Zimbabwe?
3. In what ways were the policies and/or strategic frameworks highlighted in question 2 above beneficial to industries and businesses in Zimbabwe?
4. What have you done to promote entrepreneurship in economically depressed regions such as Bulawayo metropolis?
5. What have you done from 2009 to date, to make sure that local industries benefit from trade and trade relations with foreign countries and businesses?
6. What have you done from 2009 to date, to help industries that are currently operational remain in business despite economic hardships in the country?

Thank You for Your Time and Cooperation!

INTERVIEW GUIDE FOR MINISTRY OF WOMEN AFFAIRS, COMMUNITY, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

1. May you kindly comment on the role of informal industries and/or businesses in the economic development of cities and towns in Zimbabwe.
2. What policies have you formulated and implemented to help micro, small and medium enterprises (MSMEs) thrive in face of economic decline currently prevailing?
3. What are the infrastructural facilities that you have provided from 2009 to date, in order to promote the growth of MSMEs in Zimbabwe in general and Bulawayo metropolis specifically?
4. What programmes/mechanisms have you put in place to make sure that MSMEs are able to develop into full grown industries/businesses that export their goods and services?
5. Since the Ministry promotes the formation and development of clusters, business linkages and association for MSMEs, how have these mechanisms assisted MSMEs to remain operational in light of the current economic decline in the country?
6. What is your comment on the sustainability of the financing schemes you develop for micro, small and medium enterprises development?
7. What have been the benefits of the skills, entrepreneurship and management trainings that you conduct to support the growth of MSMEs?
8. Since you maintain and update a data base of MSMEs in Zimbabwe, kindly comment the change in their numbers from 2009 to date.

Thank You for Your Time and Cooperation!

INTERVIEW GUIDE FOR ZIMBABWE INVESTMENT AUTHORITY

1. Kindly comment on the level of business investment in Bulawayo highlighting the mix ratios of foreign versus local investment.
2. What are the strategies that you have implemented from 2009 to date, to encourage investment in Bulawayo metropolis by both domestic and foreign investors.
3. May you kindly comment on the changes in the number of investment applications you have processed in Bulawayo metropolis from 2009 to the current date.
4. Which industrial sector in Bulawayo metropolis has received the most investment applications from 2009 to date? (What could be the explanation for that?).
5. In your opinion, what are the reasons for the flight of foreign business investors from Zimbabwe in general and Bulawayo metropolis specifically from 2009 onwards?
6. What have you done to encourage and promote the growth of business investments amongst both the formal and informal traders?

Thank You for Your Time and Cooperation!

INTERVIEW GUIDE FOR ZIMBABWE NATIONAL CHAMBER OF COMMERCE

1. Could you briefly explain the changes in your membership numbers in Bulawayo metropolis from 2009 to the current day? (How many industries closed down, relocated and how many are still operating in the area?).
2. What do you consider to be the causes (or reasons cited by those industries that closed down) of the industrial decline and displacement in Bulawayo metropolis from 2009 to date?
3. How, historically and presently, has the ZNCC assisted industries in Bulawayo metropolis to remain operational taking into account the current economic decline?
4. Of all the industries that are your members in Bulawayo metropolis, which industrial sector do you consider to be performing better than others? (What might be the reason for that?).
5. Could you briefly comment on the changes in the industries amongst your members in Bulawayo metropolis that are foreign-owned from 2009 to date?
6. From all your member industries currently operating in Bulawayo metropolis, what is the percentage that exports goods and services?

Thank You for Your Time and Cooperation!