

## RELEASE FORM

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## APPROVAL FORM



The undersigned certify that they have read and made recommendations to Midlands State University for acceptance of a research project entitled '*The Ease of Doing Business Policy and its impact on Local Economic Development: Case of Vungu Rural District Council*' submitted in partial fulfilment of the requirements of the Bachelors of Science Honours Degree in Local Governance Studies .The project was submitted by Amanda Chakara in partial fulfilment of a Bachelors Degree in Local Governace Studies.

.....

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DATE

## DECLARATION

I ,Amanda Chakara (**R147059X**),declare that this research is a product of my own individual and original effort,that it has never been plagiarized nor submitted for related degree in any other University.

Signed : .....

Date : .....

## **DEDICATIONS**

This research is dedicated to my mom Mrs Chakara and to my brothers Arnold and Bruce .

## ACKNOWLEDGEMENTS

*“Make it a habit to tell people THANK YOU. To express your appreciation, sincerely and without the expectation for anything in return. Truly appreciate those around you and you’ll soon find many others around you. Truly appreciate life and you’ll find that you have more of it”-R Marston.*

This research would not have been able to see the light of the day without the wisdom and blessings from the Almighty God to whom I give all my gratitude. In Your presence Lord I walked through this journey of academic excellence. Special thanks goes to my supervisor Mr Banga for the contribution and support through the research. His guidance and support triggered critical thinking and made me to remain focused throughout this research. Special mention goes to the lecturers in the Department of Local Governance Studies – Mrs Bosha ,Mrs Rajah ,Mr Mutema ,Mr Chakaipa ,Mr Chakunda ,Mr Mabika and Ms Matsika for the requisite skills that have changed me throughout my studies at Midlands State University. I salute you all.

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Your support throughout my studies was amazing. **THANK YOU ALL!!!!**

## **ABBREVIATIONS AND ACRONOMYS**

<b>E.O.D.B.P</b>	Ease of Doing Business Policy
<b>ESAP</b>	Economic Structural Adjustment Program
<b>EPZA</b>	Export Processing Zones Authority
<b>FDI</b>	Foreign Direct Investments
<b>GAFI</b>	Global Authority for Investment
<b>IDP</b>	Infrastructural Development Projects
<b>MIGA</b>	Multi-lateral Investment Gurantee Agency
<b>LED</b>	Local Economic Development
<b>OSSI</b>	One Stop Shop Investment
<b>OSSIC</b>	One Stop Shop Investement Centre
<b>PPP</b>	Public Private Partnership
<b>RBZ</b>	Reserve Bank of Zimbabwe
<b>RDCA</b>	Rural District Council's Act
<b>SMEs</b>	Small and Medium Enterprises
<b>STERP</b>	Short Term Economic Recovery Program
<b>UCA</b>	Urban Council's Act
<b>VRDC</b>	Vungu Rural District Council
<b>WARDCO</b>	Ward Development Committee
<b>YES</b>	Youth Empowerment Schemes
<b>ZDA</b>	Zambia Development Act
<b>ZIA</b>	Zimbabwe Investment Authority
<b>ZIC</b>	Zimbabwe Investment Centre
<b>ZIMASSET</b>	Zimbabwe Agenda for Socio-Economic Transformation

## ABSTRACT

Over a period of time many obstacles that comprises of high taxes and rates, long registration and licensing process and policy adjustments has continuously mystified in both urban and rural local authorities in Zimbabwe. These challenges have further portrayed the Zimbabwean local governance in a bad picture creating an environment that is non favourable in doing business. It is the main pupose of this study to analyse the E.O.D.B.P in detail and its impact on LED using Vungu RDC as the case study. The research was aimed at examining the contribution of the E.O.D.B.P on LED identifying the aspects of the Ease of Doing Business Policy implemented , examining the impact of the Ease of Doing Business Policy in terms of Local Economic Development and establishing factors that contribute to success as well as the failures of the Ease of Doing Business Policy on Local Economic Development in Vungu Rural District. Although this study was mainly based in Zimbabwe it also used other countries that include Egypt and Zambia in a bid to analyse on how the E.O.D.B.P is being implemented and the other policies that are being used to create a conducive business environment. The research employed qualitative and quantitative data analysis in collecting data. The study was targeting a sample of 50 respondents including the council officials and the business people in Chiundura (ward 12& 13), Lower Gweru (ward 3 &8) , Somabhula (ward 15) and Tree tops in Vungu Rural District. Probability and Non-Probability sampling techniques were used for data presentation and analysis which are purposive and stratified sampling techniques. In total 50 questionnaires were distributed to the council officials and the business communities in Somabhula, Chiundura, Treetops and Lower Gweru and the response rate was 68%. Primary and secondary data collection were combined through questionnaires and the findings concluded that positive changes were bought about by the E.O.D.B.P on Local Economic development with the people operating in a conducive business environment and a sense of ownership of the community is promoted. Observations made during the data collection shows that infrastructural development plays a pivotal role in creating a conducive business environment and in promoting Local Economic Development. The researcher recommend among other things that there should be an effective communication and team work between the Central Government of Zimbabwe and the Local Authorities and between the Local Authorities and the business community for the promotion of Local Economic Development and the creation of a favourable business environment.

## TABLE OF CONTENTS

RELEASE FORM.....	i
APPROVAL FORM.....	ii
DECLARATION.....	ii
DEDICATIONS.....	iv
ACKNOWLEDGEMENTS.....	v
ABBREVIATIONS AND ACRONOMYS.....	vi
LIST OF TABLES.....	xii
LISTS OF FIGURES.....	xiii
LISTS OF PLATES.....	xiv
LISTS OF APPENDICES.....	xv
LIST OF MAPS.....	xvi
CHAPTER 1.....	1
INTRODUCTION.....	1
1.0 INTRODUCTION.....	1
1.1 Background of the study.....	1
1.2 Statement of the problem.....	2
1.3 Key Research Questions.....	3
1.4 Research Objectives.....	3
1.5 Justification of the study.....	3
1.6 Significance of the study.....	4
1.7 Delimitations of the study.....	4
1.8 Limitations of the study.....	4
1.8.1 Time limit.....	4
1.8.2 Disclosure issues.....	5
1.9 Definition of terms.....	5
1.10 Summary.....	5
CHAPTER II.....	6
LITERATURE REVIEW.....	6
2.0 Introduction.....	6
2.1 Conceptual And Theoretical Frameworks For Led And The Ease Of Doing Business.....	6
2.1.1 Definition of LED.....	6
2.1.2The Ease of Doing Business Policy (E.O.D.B.P).....	7
2.2 Historical Context Of Local Economic Development And The Ease Of Doing Business.....	7
2.2.1Local Economic Development.....	7



2.2.2	The Ease of Doing Business .....	7
2.3	Actors Of LED.....	8
2.3.1	Local Level .....	9
2.3.2	Regional Level .....	9
2.3.3	National level .....	10
2.4	Theories Of Local Economic Development.....	11
2.4.1	Economic Base Theory .....	11
2.4.2	Place Marketing Theory.....	11
2.5	Local Economic Development Strategies .....	12
2.5.1	Enterprise and business development .....	12
2.5.2	Regional Collaboration .....	13
2.5.3	Community cash flow development.....	13
2.5.4	Workforce development.....	14
2.5.5	Infrastructural Development .....	14
2.5.6	Locality Development.....	15
2.6	The Ease Of Doing Business Policy (E.O.D.B.P) In Zimbabwe .....	15
2.7	Role Of Local Authorities In Creating A Conducive Business Environment.....	16
2.8	Challenges Faced By Local Authorities And The Business Community Before The Ease Of Doing Business Policy .....	17
2.9	The Rationale Behind The Ease Of Doing Business In Zimbabwe .....	17
2.10	Legal Frameworks For The Ease Of Doing Business And Local Economic Development .....	18
2.10.1	For Local Economic Development (L.E.D).....	18
2.10.2	For the Ease of Doing Business Policy .....	19
2.10.2.1	Case of Zimbabwe .....	19
2.10.2.2	Case of Egypt.....	22
2.10.2.3	Case of Zambia .....	23
2.11	The Negative And Positive Impacts Of The Ease Of Doing Business Policy (E.O.D.B.P) on Local Economic Development (LED) .....	24
2.11.1	Central and Local Government Coordination.....	24
2.11.2	Corruption .....	25
2.11.3	Economic Structure.....	25
2.11.4	Politics.....	25
2.11.5	Impediments to foreign investment.....	26
2.11.6	Technology .....	27
2.12	Summary .....	27
CHAPTER III .....		28

RESEARCH METHODOLOGY .....	28
3.0 Introduction.....	28
3.1 Research.....	28
3.1.2 Research Methodology .....	28
3.1.3 Research Design.....	28
3.1.4 Quantitative Research Design.....	29
3.1.5 Qualitative Research Design.....	29
3.2 Population .....	29
3.3 Sampling .....	29
3.3.1 Sampling Frame .....	29
3.4 Sampling Techniques.....	31
3.4.1 Stratified Sampling .....	31
3.4.2 Purposive Sampling.....	31
3.5 Data Collecting Instruments.....	32
3.5.1 Primary Data .....	32
3.5.1.1 Primary Data Collecting Instruments.....	33
3.5.1.2 Questionnaires.....	33
3.5.1.3 Interviews.....	34
3.5.1.4 Observations/Non Participant .....	35
3.5.1.5 Ethical Considerations .....	36
3.6 Secondary data.....	36
3.7 Summary .....	37
CHAPTER IV .....	38
DATA PRESENTATION AND ANALYSIS .....	38
4.1 Introduction.....	38
4.2 Questionnaire Response Rate.....	38
4.3 Demographic Presentation Of Data Based On Gender .....	40
4.4 Age Distribution.....	40
4.5 Level Of Education .....	41
4.6 Marital Status .....	42
4.7 Ratings Of Infrastructure In Vungu District .....	43
4.7.1 Roads.....	43
4.7.2 Electricity supplies.....	44
4.7.3 Water supplies.....	44
4.7.4 Business Buildings.....	45

4.8 Identifying Local Economic Development Projects In Vungu Rural District Council Since The Adoption Of The Ease Of Doing Business Policy.....	46
4.8.1 Small to Medium Enterprises(SMEs) .....	47
4.8.2 Youth Empowerment Schemes(YES .....	48
4.8.4 Infrastructural Development Projects (IDP) .....	50
4.8.5 Command Fishing.....	51
4.8.6 Small Scale Farming .....	52
4.9 Impact Of The Ease Of Doing Business Aspects On Local Economic Development In Vungu District .....	52
4.9.1 SMEs (Small and Medium Enterprises).....	52
4.9.2 YES (Youth Employment Schemes).....	52
4.9.3 Infrastructure Development Projects .....	54
4.9.4 Mining.....	54
4.9.5 Others .....	54
4.10 Remedial Actions That Can Be Implemented By Council To Minimize The Negative Impacts In Promoting A Conducive Business Environment. ....	55
4.11 Summary .....	56
CHAPTER V .....	57
SUMMARY ,CONCLUSIONS AND RECOMMENDATIONS .....	57
5.0 Introduction.....	57
5.1 Summary .....	57
5.2 Conclusions.....	59
5.3 Recommendations.....	60
References.....	62
Appendices.....	66

## **LIST OF TABLES**

<i>Table 2.1 New bills and acts of the Ease of Doing Business introduced in Zimbabwe.....</i>	<i>24</i>
<i>Table 3.1 Sample size for questionnaire.....</i>	<i>34</i>
<i>Table 4.1 Statistics for response rate.....</i>	<i>44</i>

## LISTS OF FIGURES

<i>Fig 2.1 Multi actor Model for LED</i> .....	12
<i>Fig 3.2 Types of data collection in research methods</i> .....	37
<i>Fig 4.1 Demographic presentation based on gender</i> .....	44
<i>Fig 4.2 Statistics for Age distribution</i> .....	45
<i>Fig 4.3 Level of Education</i> .....	46
<i>Fig 4.4 Martial Status</i> .....	47
<i>Fig 4.5 Level of Infrastructure in Vungu District</i> .....	49
<i>Fig 4.6 LED in Vungu District since the adoption of the E.O.D.B.P</i> .....	51
<i>Fig 4.7 The impact of the E.O.D.B.P aspects on LED in Vungu District</i> .....	56
<i>Fig 4.8 Remedial actions that can be implemented by the council to minimize the negative impacts in promoting a conducive business environment</i> .....	58

## LISTS OF PLATES

<i>Plate 2.1 The Zimbabwe Investment Authority in Harare</i> .....	24
<i>Plate 4.1 The Insukamini Dam in Ward 8 Lower Gweru</i> .....	48
<i>Plate 4.2 The Gunde Business Centre in Chiundura</i> .....	50
<i>Plate 4.3 The Insukamini Irrigation Scheme in Lower Gweru</i> .....	53
<i>Plate 4.4 The Makepesi Irrigation Scheme in Lower Gweru</i> .....	54
<i>Plate 4.5 Bemebeswana Dam in Kabanga (Chiundura)</i> .....	56

## **LISTS OF APPENDICES**

*Appendix I Access Letter to the Vungu Rural District Council*

*Appendix II: Questionnaire to the Council Management*

*Apeendix III: Questionnaire to the business community*

## LIST OF MAPS

Map 2.1	The Ease of Doing Business Index Map.....	10
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## CHAPTER 1

### INTRODUCTION

#### 1.0 INTRODUCTION

Due to the economic sanctions imposed by the Europeans, Zimbabwe has been hard hit by lack of foreign direct investment. This has also led to the failure by the Central Government of Zimbabwe to support the local authorities both urban and rural in partaking Local Economic Development (**LED**) in their own areas. To outsmart this scenario, Zimbabwe among other developing countries in Africa introduced the Ease of Doing Business Policy (**E.O.D.B.P**) in 2015 with the main goal of improving the business environment for the local actors and attracting mutual beneficial foreign direct investors into the country. This research seeks to investigate on the Ease of Doing Business Policy (**E.O.D.B.P**) in detail and its impact on Local Economic Development (**LED**) with the case of Vungu Rural District Council. The purpose of this chapter is to focus on the background of the study, research objectives and questions, statement of the problem, the limitations and delimitations of the study, significance of the study together with the definition of terms.

#### 1.1 Background of the study

The Zimbabwean economy has been stable during the colonial regime until 1990 after independence. The economy in Zimbabwe depreciated due to poor fiscal policies and the failure of these fiscal policies to control the budget deficit. In 2002 the economy further deteriorated due to the massive droughts together with the fast track land reform program. This has later contributed to high inflation rates, imposed sanctions as well as lack of foreign and direct investors in Zimbabwe. With the main aim of promoting local economic development into the country the Central Government of Zimbabwe introduced many policies since independence in the 1980s. The policies that were implemented include the Economic Structural Adjustment Program (**ESAP**) of 1996, Zimbabwe Program for Economic and Social Transformation (**ZIMPREST**) of 1998-2000, Vision 20/20 of 2009, Short Term Economic Recovery Program (**STERP**) of 2009-2013 and the **ZIMASSET**.

Poverty reduction, the involvement of local and foreign stakeholders for the development of a local area, use of sustainable local resources are some of the chief components of Local Economic Development. Zimbabwe has been rated poorly in the Ease of Doing Business Indicators according to the World Bank Reports of 2016. To ensure that the business environment is conducive and that growth is nurtured by the Central government, Zimbabwe among other developing countries adopted the Ease of Doing Business Policy (**E.O.D.B. P**) in 2015. The key highlights of the Ease of Doing Business Policy are labour market regulation, enforcing contracts, registering property, protecting minority investors among other as according to the World Bank report of (2004).

In this research the Vungu Rural District Council is the area of case study being used. A short background of the Vungu Rural District Council in line with the Vungu RDC website (2017) shows that the “council covers Chiwundura Communal lands, Lower Gweru Communal lands, large business farming areas and A2 and A1 farming areas around Gweru City. The area covers two Houses of Assemblies constituencies that are the Vungu constituency (ward 1,2,3,4,5,6,7,8,15,17 and 19) and most of the Chiwundura constituency (ward 10,12,13,14,16 and 18)

The area under study suffers from poor service delivery especially when it comes to infrastructure development and meeting the demands and needs of its clients. Furthermore, it has been discovered that many local people both the business and residents are not gaining in investing and developing their local areas due to the Traditional Public Administration that was practised by the council. Hence it is the aim of this study to research on the benefits of the Ease of Doing Business which was introduced by the Central Government of Zimbabwe and its impact on Local Economic Development with the Vungu Rural District Council as the study area.

## **1.2 Statement of the problem**

Improving service delivery and client’s satisfaction has become the key element of concern of Local Authorities in Zimbabwe and Vungu R.D.C is no exception. Vungu R.D.C has faced many challenges in attracting local investors as well as improving client’s satisfaction pertaining to the issues of development in Vungu District. It is the main goal of the Ease of Doing Business to certify that such challenges are dealt with. The research seeks to scrutinize the impact of the Ease of Doing Business Policy on Local Economic Development in Vungu District.

### **1.3 Key Research Questions**

1. What aspects of the Ease of Doing Business Policy (**E.O.D.B.P**) that are currently being implemented by Vungu Rural District Council?
2. What are the Local Economic Development Projects that are currently being undertaken by Vungu Rural District Council since adopting the Ease of Doing Business Policy (**E.O.D.B.P**)?
3. What are the major challenges being faced by Vungu Rural District Council in implementing the Ease of Doing Business Policy on Local Economic Development Projects?
4. To what extent has the Ease of Doing Business Policy promote Local Economic Development in Vungu Rural District Council?

### **1.4 Research Objectives**

1. To identify aspects of the Ease of Doing Business Policy implemented in Vungu Rural District Council.
2. To examine the impact of the Ease of Doing Business Policy in terms of Local Economic Development in Vungu Rural District.
3. To establish factors that contribute to the success and failures of the Ease of Doing Business Policy on Local Economic Development in Vungu Rural District.

### **1.5 Justification of the study**

The Ease of Doing Business Policy (**E.O.D.B.P**) is a strategy that was implemented with the main aim of creating an environment that is conducive for the operation of a business. The objective of this research is therefore to scrutinize the Ease of Doing Business Policy (**E.O.D.B.P**) in detail and its impact on Local Economic Development. It is also the purpose of this study to analyze if the policy of Ease of Doing Business is being fully adopted in Zimbabwean Local Authorities. The relationship between the Ease of Doing Business Policy and Local Economic Development analyzing on the negative and positive impacts of the policy will be also highlighted in this research. In addition, this study will also invite Local Authorities in creating opportunities that they may have unnoticed in their strategic plans together with the plans that they can be introduce in trying to foster development in their own areas.

## **1.6 Significance of the study**

The study seeks to bring out the relationship between the Ease of Doing Business reforms and Local Economic Development and the impact of the policy by examining on the successes as well as failures of the key aspects of the policy together with the projects of Local Economic Development. There is still less literature available on the Ease of Doing Business in the country and it is the aim of the researcher to communicate on what is happening in other developing countries that have implemented the similar approach to development through the Ease of Doing Business Policy (**E.O.D.B.P**) highlighting on the success factors and failures of the key aspects of the policy. Thus, it means developing countries can adopt a similar method in promoting development.

## **1.7 Delimitations of the study**

Vungu Rural District Council is one of the local authorities in the Midlands Province. The council has six departments, which are the Social Services, Human Resources and Administration, Environment, Finance, Roads, Works and Planning department and the Audit department. The study shall focus on some of the departments of the council basing on their functions in achieving the Vision and Mission of the council. The research shall only be focus on Vungu Rural District Council at administration and the business community operating in Vungu district. The research targeted business people, Council workers and the management. The objective of including these groups was to ensure that the study brings to light the impact of the Ease of Doing Business Policy (**E.O.D.B.P**) on local economic development projects since its initiation in Zimbabwe in 2015.

## **1.8 Limitations of the study**

Turabian (2013) points out limitations are physical and conceptual boundaries of the study. This research covers one local authority in Zimbabwe that is Vungu Rural District Council. The study is focused on the Policy of the Ease of Doing Business and its impact on Local Economic Development.

### **1.8.1 Time limit**

The researcher had some difficulties in balancing times, as she has to conduct a research and on the other hand she had to attend the lectures.

Solution: - To overcome this the researcher created a timetable in order to accommodate all the activities to performed by the study.

### **1.8.2 Disclosure issues**

There are situations in which the council management may decide to suppress information mentioning various explanations like confidentiality amongst other things. To overcome this, the researcher persuaded the organization that the study was entirely for educational purposes and would not be issued till there was an authorization from the organization to conduct the research.

### **1.9 Definition of terms**

#### **Definition LED**

Blakely (1994) viewed Local Economic Developments as a process that collaborates local authorities and other stakeholders to work together as a team in their areas to promote and maintain business activity to create local employment.

The World Bank (2004) defined Local Economic Development “as a way by all the local stakeholders partner and work together to promote better conditions for the growth of an economy and employment creation to enhance the quality of life of the local people”.

#### **The Ease of Doing Business**

A reform set that is meant to improve the performance of the public sector and service delivery to the citizens and investors.

### **1.10 Summary**

The chapter brings out some of the key fundamentals of the research highlighting on the brief history of the Ease of Doing Business as well as Local Economic Development. The background of the study ensured that it bring out the meaning behind the research by highlighting on the objectives and the research questions of the study. The chapter was also mainly on communicating the significance of the study using Vungu Rural District Council as the case study as well as the phenomenon that currently exists in the ease of doing business and local economic development in Zimbabwe. The next chapter shall disclose the literature review of the Ease of Doing Business and Local Economic Development by many researchers as well as the legal structures that supports them.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

To understand the Ease of Doing Business Policy and Local Economic Development in detail, this chapter brings out an assessment of the related literature. This chapter unfolds with the definitions of terms, and provides a historical background on the Ease of Doing Business and Local Economic development, theoretical foundations of Local Economic Development. It shall also examine the aspects of the Ease of Doing Business Policy. In addition, the chapter will analyze in greater detail the actors that are involved in Local Economic Development. This chapter shall also seek to find out the relationship between the Ease of Doing Business Policy and Local Economic Development with relevance to two case studies that is Zambia and Egypt.

#### **2.1 Conceptual And Theoretical Frameworks For Led And The Ease Of Doing Business**

##### **2.1.1 Definition of LED**

Rodriguez-Pose (2008:23) described LED as an “integrated approach in development rather than a ‘one size fits all solution’ with its core purpose being to ‘mobilize the local economic potential by bringing innovation to all its growth dimensions which range from infrastructure to local small and medium enterprise and their skills ,to attracting foreign direct investment ,fostering territorial competitiveness strengthening local institutions ,better management of the development process and internalizing local resources”.

According to Mufamadi (2000:1), LED is an outcome based local initiative, which is driven by local stakeholders. It involves identifying and using primary level resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities for local residents, alleviate poverty and redistribute resources and opportunities to the benefits of all residents.

Basing on the above definitions by different scholars, LED is more focused on different actors or stakeholders who participate to improve the livelihoods of the people within the community as well as promoting the economic growth of the country using the locally available resources within an area.

### **2.1.2 The Ease of Doing Business Policy (E.O.D.B.P)**

As reported by the World Bank Report(2012:12-20) “The Ease of Doing Business is an index that was created by Simeon Djankov at the World Bank Group”

The Ease of Doing Business Policy is a policy that is used by many developing countries to improve the business-operating environment as well as attracting sustainable and mutual beneficial foreign direct investments.

## **2.2 Historical Context Of Local Economic Development And The Ease Of Doing Business**

### **2.2.1 Local Economic Development**

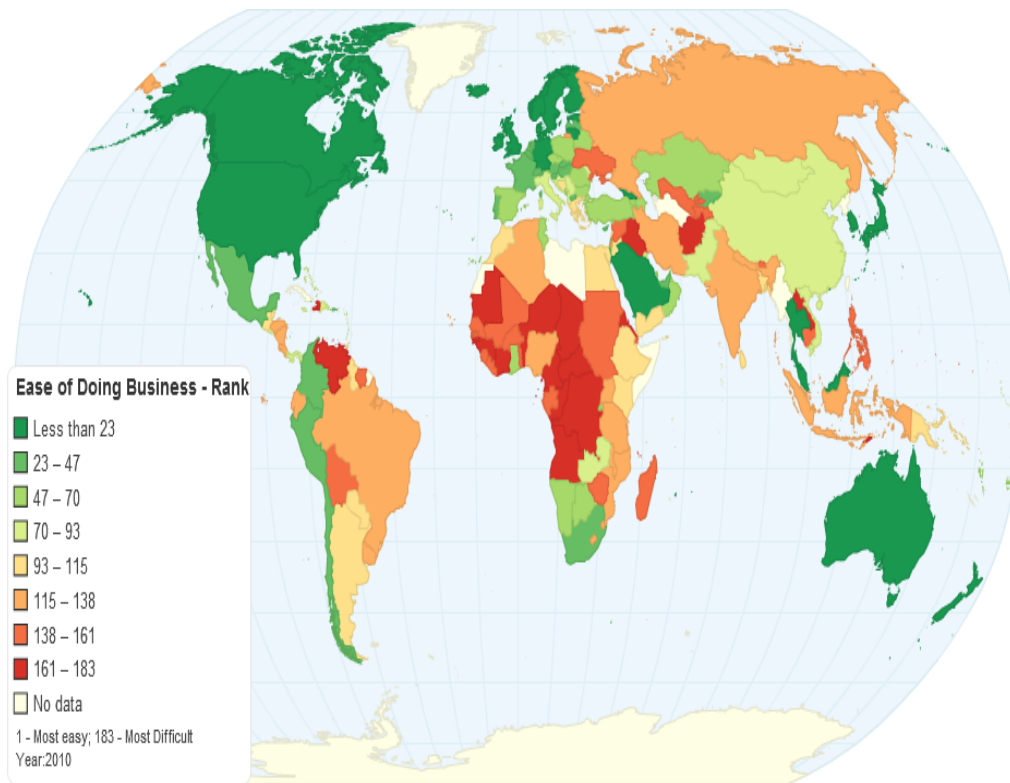
As stated by the World Bank (2003) the concept of LED arose in the context of Globalization. The World Bank further summarizes the post 1960 understanding of LED through three waves of development.

According to the World Bank (2001) the first wave was from the 1960s to the early 1980s. During this period, the LED focus was on attraction of manufacturing investments, hard infrastructure investment and attracting outside investors. The second wave was focused on retaining and growing of existing local business. The emphasis was still on inward investment attraction. The late 1990s and onwards can be classified as the third wave. During this wave of LED, greater focus was placed on soft infrastructure investments, public-private partnerships, networking and making the entire business environment more conducive to business.

### **2.2.2 The Ease of Doing Business**

According to Djankov (2012) The Ease of Doing Business Report has its origins in a paper first issued in the Quarterly Journal of the Economic termed ‘The Regulation of Entry in 2002’ The paper emphasized on the regulation of entry of start up firms in eighty -five countries covering a number of procedures, official time and cost that a start up firm should consider operating legally.

Basing from the above findings it can be concluded that the Ease of Doing Business from its origins was mainly focussed on measures or strategies that a business should observe before operating legally within an area.



*Plate 1.1: The Ease of Doing Business Index Map*

*Source: Charts Bin Website*

### **2.3 Actors Of LED**

Local Economic Development is a transformation that is mainly based on developing a local area and is directed by the community in partnership with the other local stakeholders that consists of the local governments, national government, the private sector and the Non-governmental organizations. It is a foundation on which local economies are inspired to enhance competitiveness, increase sustainable growth and to eradicate poverty. In addition, Local Economic Development is a multi-actor as it is not only initiated at local level but it is also based on decentralization with the involvement of regional and national level for coordination, promotion and support.

According to Wekwete (2009), 'Local Economic Development is a multi-actor in terms of operation and all key players become part of continuous learning and lesson sharing. In addition, Wekwete (2009) further viewed Local Economic Development as a strategy and procedure that joints all the key local, national and international stakeholders together to



invest and promote local economies for development and poverty reduction. It is viewed as a bottom up approach that derives from localities advocating for and attracting external investments, retention and expansion of local enterprises linking worldwide values chains and mobilizing the private sector’.

It can be concluded from the above views of Local Economic Development by Wekwete it can be concluded that it is a bottom approach that originates from the local level with the involvement of the community by promoting the use of local resources and the participation of all local stakeholders for economic growth by attracting foreign direct investors.

### **2.3.1 Local Level**

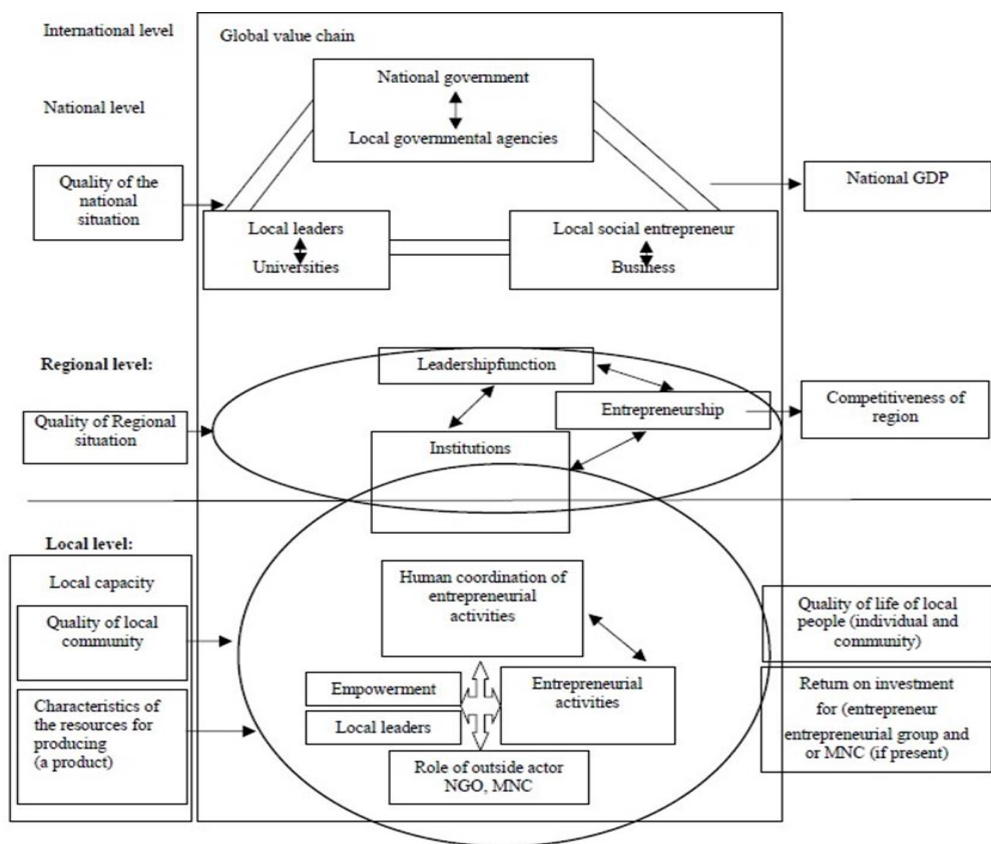
According to many scholars through the model of Local Economic Development actors, the local level is the pillar on which development lays. As stated by Canzaneli (2001) ‘economic development at the local level involves local stakeholders work cohesively. Such a process will promote and facilitate partnership between local stakeholders enabling the joint-design and implementation of strategies’. It can be concluded from the above views that at the local level that is where local development begins as local stakeholders work together in order to make local economic development strategies within an area.

### **2.3.2 Regional Level**

The regional level also plays a pivotal role in promoting local economic development. Basing on the Multi-Actor Model for Local Economic Development by Pennink (2012) in fig 1, Stimson et al (2009) is of the view that the first variable demonstrates the resources endowments and market conditions that a region currently possesses. Sufficient resources are necessary for a region to efficiently grow and perform. The second and third variable, leadership and entrepreneurship are closely related but not synonymous. Effective leadership encompasses entrepreneurship. Leadership can be performed by an individual but in the case of regional economic development is more likely to be the expression of the collective action of a society or a group of people.

### 2.3.3 National level

Pennink (2012) is of the view that economic development is proposed to be promoted by co-operation between government, businesses and industries. For the government, it is not just the nation agencies but also provincial and municipal heads that are actors that can (and should) contribute to interplay of the three actors. In this interplay, the willingness to share knowledge is significant and at the local level, there is need for knowledge.



Map 2.1 Multi-Actor Model for Local Economic Development

Source: Pennink, B. 2014. *Dimensions of Local Economic Development: Towards a Multi-Level, Multi Actor Model*

## **2.4 Theories Of Local Economic Development**

### **2.4.1 Economic Base Theory**

Fisher(2005) is of the view that “economic base theory is based on two sectors the basic and the non-basic sector. In the basic sector, industries produce goods and services for markets outside the local economy and in the non-basic sector industries are there to serve primarily the local customers such as the business communities, health care among others. Das and Leatherman (2013), argue that an economy is intended to have a strong basic economy than the non-basic one, that puts it in a higher position if the economy of the nation fails. Das and Leatherman (2013) postulated an industry that is basic is does not place emphasis on the local market but rather focuses on the international markets. Examples of such include mining, agriculture and tourism, the latter having prices which are highly determined on the world scale. The non- basic industry is that which depends on local markets like stores, butcheries among others.

The study will examine the aspects of the Ease of Doing Business Policy that are being implemented by Vungu Rural District Council analyzing on the general contribution of the policy to local economic development.

### **2.4.2 Place Marketing Theory**

Conforming to Usley(2016:187) place marketing is the expansion and implementation of administrative processes that support an area to achieve its goals by through a market oriented philosophy. Hague et al (2011) viewed place competitiveness as a method by which teams working on behalf of a regional or sub-regional economy strive to build the economy as a site for economic activities either directly or indirectly in competition with other areas. By way of explanation it can be concluded that friendly policies attracts potential investors instead of driving them away.

According to Storper (1997), a local authority ought to be ready to have circumstances that attract investors and the business people as well as sustaining the ones with a increasing market share in any activity while upholding or accumulating the standards of living for people who contribute in it.

The Cardiff Consensus of 2011 brings out the four key actions or conditions that enable local governments to play their full roles. These actions according to the Cardiff Consensus (2011) are -

1. Providing a clear national framework for local economic development through effective fiscal, political and legal decentralization including appropriate constitutional and legal recognition and access to an equitable share of national resources;
2. Creating an enabling environment for LED which enable business to flourish by promoting direct investments, providing core services, convening the private sector and reducing red tape;
3. Developing local strategies to promote LED, which involves local government working with other partners to understand the local economies and promoting integrated development planning and community consultation.
4. Developing the capacity of local governments to access existing funding sources or to use innovative financing models to support LED through public private partnerships, special purpose vehicles, joint ventures, municipal bonds, and borrowing on the market where appropriate and accessing credit; and developing partnerships with the private sector and other partners to ensure effective promotion and coordination of LED.

From the above view, place marketing is influential in empowering local economic development as it encourages development within an area leading to more employment opportunities, participation of local stakeholders thereby eradicating issues of poverty as well as promoting issues of development within an area.

## **2.5 Local Economic Development Strategies**

For there to be a meaningful development within an area , there are innumerable strategies of Local Economic Development that can be implemented. For Local Authorities can promote Local Economic Development through six main strategies of LED that are the regional collaboration,locality development, enterprise and business development, infrastructural development community cash flow development, and workforce development.

### **2.5.1 Enterprise and business development**

There are provisions that are created in order to ensure that businesses can offer the necessary capital investment for any development to take place. Metaxas (2012) is of the view that the development of enterprises and businesses involves retention of current actors, attraction of new investors as well as the formation of new businesses complimenting the existing businesses.Ndabeni (2014) is of the view that economic failure resulting in the closing down of many industries has subsidized to the development of many informal sector, which is

influential in poverty reduction and unemployment. Kuratko and Lafollette (1987) postulated that local governments are able to assist in the development of businesses and enterprises through the formation of small business incubators. It is crystal clear that most of the enterprises are unproductive from the beginning, a factor that is supported by lack of financial and entrepreneurial skills. The SMEs need the utilization of leases on the basis that they are flexible in nature as well as accommodative rentals.

### **2.5.2 Regional Collaboration**

As stated by Dillenhourg(1999) a collaboration is a mutual contract of participants in coordinated efforts to solve a problem together as a team. Regional collaboration normally comprises a situation whereby there is coordination for mutual gain between local authorities or team work with the other key stakeholders. Local authorities strengthen the performance of the economy both in the short and long period through the application of a co-operative strategy. Self- Pierson (2012) is of the view that local authorities can take advantage of city twinning which confirms that there is an exchange of manpower and technical skills between various local authorities. Hague et al (2011), is of the view that local markets are developed through regional collaboration particularly for the primary producers. It can be argued however that regional collaboration is not only centered on geographical boundaries only but across national frontiers. For example, the Harare City Council collaborated with the German city of Munich. Chimushonga (2015) hearsays that Harare City Council has gained medical provisions and the information on town planning, urban governance and municipal improvements among others. In this regard, regional collaboration can be as a policy that calls for involvement of all stakeholders including the business community or the respective local authorities. Participation or engagement local stakeholders is one of the pillars of Local Economic Development.

### **2.5.3 Community cash flow development**

Smith (2009) is of the view that to promote community cash flow development, there are key elements that should be considered that consists of the formation of local safety nets, housing developments and settlement upgrading, basic service delivery and promoting local economy. Hague, (1990) argues that encouraging the community to buy local products such as groceries from local stores rather than buying from other territories is essential in promoting the Community cash flow development. Cash flow development comprises of the movement of money in and out of an area, and the need to promote investment and this clarifies the use

of growth points as a development tools. Dube, (1990) postulates that growth points are used to promote development through the use of rates and grants, which attracts investors. Moreover, through market research, local governments are aware of the products and amenities that are essential within their area of domain and work to obtain them. According to Blakely (2010), a community should participate in income generating projects as well as have the necessities for a community trust where those who are underprivileged can borrow money. This will guarantee that people are in a better position to fend for themselves even if the economy of a nation fails.

#### **2.5.4 Workforce development**

According to Ajala (2012) workforce development is linked to improved service delivery. This is a point which is made clear by the fact that skilled and capable labor force is better viewed as being inventive and innovative in view of any changes on the worldwide scale be it a deprived economy or other irregularities. Armstrong (2006) points out that to have a competitive advantage and a highly capable and experienced workforce, there is a requirement that there is training and improvement on the conditions of an employee. Hauf (2015) is of the view that workforce development is important in community development and labels a wide variety of the terms of activities and plans that used by different areas to articulate, undergo and reserve an experienced workforce that is capable in supporting the current and up-coming business and industries. The Wisconsin Economic Development Institute (2003) supports that the shortage of highly capable human resources may lessen the opportunities of attracting investors. An upright workforce development promotes an effective and efficient service delivery, which in turn may lead to low levels of outward movement by the employees. Furthermore, as local economic development emphasizes on employment creation, poverty reduction, it often means that the higher the level of inward investment stimulated by the existence of a skilled workforce, the higher the chances of the community getting employment and poverty being reduced.

#### **2.5.5 Infrastructural Development**

Smith & Da Lomba (2010) viewed infrastructure as the physical features of an economy, which allows the invention of goods and services without being involved in the production process. It consist of the hard infrastructure that is water ,rail networks, roads , educational facilities, solid waste treatment among others. It also involves the soft infrastucture of good administration and policies of development and the use of operating measures, to certify that

they are reactive to the demands of the community . Infrastructure plays pivotal role in the development of communities socially and economically. Smith and Da Lomba (2010) further mention that places lacking infrastural development have high rates of people suffering in poverty with the local governments seen to be concentrating more on providing of basic services like water and sanitation.

### **2.5.6 Locality Development**

As reported by Helmsing (2010) locality development is about planning and realization of infrastructure and of relevant economic and social overhead capital in the locality. Locality development is not restricted to the export base of an area. It also has to address the orderly development of the non-basic sector of the local economy. Locality development corresponds to the management of the entire local territory. Localities that succeed in better management of their territories contribute to enhance the competitiveness of their economic activities. It may also improve the local quality life. Together these may take the locality more attractive to external investment, firms and people. Helmsing (2010) further goes on to highlight that the management of the territory would involve several components. Participatory Local Economic Development Planning: LED is a multi-actor affair. There important investment complementarities within the private and community sectors and between the public and private agents which when properly managed can result in important economic gains and external benefits. Local government can make an important contribution by properly coordinating its own Public Sector Investment Program with needs and investment priorities of communities and the private and through its physical planning.

### **2.6 The Ease Of Doing Business Policy (E.O.D.B.P) In Zimbabwe**

The Ease of Doing Business deals with the aspects of regulations affecting the key areas to do with the business that include: -starting a business, getting electricity, getting credit, protecting minority investors, trading across borders, dealing with construction permits ,enforcing contracts, registering property ,resolving insolvency and paying taxes. The concept of the Ease of Doing Business Policy started in Zimbabwe in September 2015 with the President and Cabinet introducing the first 100(hundred) Day Rapid Results Initiative on the Ease of Doing Business. It is also stated by the Progress report on the Ease of Doing Business(2017) that Zimbabwe has concentrated on key areas concepts expect on getting electricity. After its execution, in Zimbabwe many milestones have been achieved in areas such as registering property, starting a business and getting credit. The achievement of the results has been enabled

and sustained through the adoption of the Rapid Results Approach whose thrust is achievement of results in a business usual manner.

## **2.7 Role Of Local Authorities In Creating A Conducive Business Environment**

Yunus et al (2013) is of the view that the ‘local government or better known as the local authority vested with the power to plan, develop, and regulate businesses in the area within its jurisdiction plays a significant role in creating a conducive environment for businesses to grow and flourish.’

Basing on the views of Yunus it can be concluded that Local Authorities in urban and rural areas have a pivotal role to play in creating a favourable business environment for their clients.

- Stakeholders engagement

It is mandatory for local governments to involve local stakeholders in Local Economic Development Strategies and Planning and other factors that may affect them in the business environment. This can be done through open meetings with the business community.

- Affordable taxes and rates

Another role that can be played by Local authorities in creating a conducive environment is through affordable taxes and rates for the business people. Local Authorities should avoid accommodating high taxes and rates as this is the main obstacle that act as a draw back in creating a conducive business environment.

- Provision of Potable water and trafficable roads

The provision of potable of water and trafficable roads is yet another pivotal role that can be played by Local Authorities in creating an environment that is conducive for business. According to the Supreme law of Zimbabwe that is the Constitution Ammendment No 20 of 2013 in Section 77(a) gurantees that every person has the right to safe, clean and potable water’. It is through the Supreme law of Zimbabwe that local authorities has a duty to fulfil in providing potable water and trafficable roads among other basic services in order to create a favourable business environment.



- Provision of commercial stands –The provision of commercial stands is yet another role that can be played by local authorities in building a conducive business environment. In addition providing land is yet another essential part that local authorities can do in promoting a conducive business environment.
- Friendly policies

## **2.8 Challenges Faced By Local Authorities And The Business Community Before The Ease Of Doing Business Policy**

- Lack of coordination between the Central Government , Ministries of the government and the local authorities in decision making.
- Failure to create a communication channel between the Local Authorities and the business community .
- Political Interference by the Central Government in developmental issues of the local authorities.
- Long term processing of business licenses and registration.
- High taxes and rates by Local authorities.
- Frequent adjustment to policies .
- Use of multi-currency.

## **2.9 The Rationale Behind The Ease Of Doing Business In Zimbabwe**

The Ease of Doing Business Policy is there to transform the investment climate in the country and can lead to significant changes in the Company Act. It is also intended to improve the business-operating environment in Zimbabwe through enhancing local and foreign investment. According to the Progress Report on the Ease of Doing Business (2017), the reforms of the Ease of Doing Business are aimed to -

- 1. Improve the business-operating environment in Zimbabwe in order to boost local and foreign investment.*

2. *Improve performance of the public-sector institutions in delivering quality services to the people.*
3. *Reduce the cost and ease of doing business.*
4. *Creation of value for money.*

## **2.10 Legal Frameworks For The Ease Of Doing Business And Local Economic**

### **Development**

For any plan to be successfully applied it is essential to confirm that it is organized by the law to certify that it is explicit ,not exposed by the implementers. The legal frameworks that guide local economic development in Zimbabwe will be highlighted in the following section. In addition, the section will bring out legal provisions that share a link with the Ease of Doing Business in Zimbabwe and other countries that include Egypt and Zambia.

#### **2.10.1 For Local Economic Development (L.E.D)**

In Zimbabwe,Local Economic Development originates its legality from the Constitution Amendment No 20 of 2013 on Section 14. Local authorities are also authorized to participate in local economic development through the Rural District Council Act chapter 29.13 on section 60. Other acts that also guide local authorities on local economic development are the Regional and Town Planning Act Chapter 29.16, Special Economic Zones Act Chapter 14.34, Urban Council Act Chapter 29.15, the **ZIMASSET** as well as the Sustainable Development Goals (SDGs).

**As stated by the Constitution of Zimbabwe on Chapter 14 Section 264(1)** Whenever appropriate, governmental powers and responsibilities must be devolved to provincial and metropolitan councils and local authorities, which are competent to carry out those responsibilities efficiently and effectively.(2) The objectives of the devolution of governmental powers and responsibilities to provincial and metropolitan councils and local authorities are-  
**(a)** To give powers of local governance to the people and enhance their participation in the exercise of the powers of the State and in making decisions affecting them;**(b)** To promote democratic, effective, transparent, accountable and coherent government in Zimbabwe as a whole.

**According to the RDCA Chapter 29.13 on Section 60: -(5)** The functions of a rural district development committee shall be—**(a)** To consider ward development plans submitted to it in terms of section fifty-nine; **(b)** To make recommendations to the council as to matters to be included in the annual development and other long-term plans for the district within which the council area is situated.

Basing on the legal frameworks of Zimbabwe Local Economic Development is all about transferring powers and responsibilities by the Central government to the local authorities in order to manage their own affairs at local people. Furthermore, Local Economic Development is about giving powers to the local people or community for the purpose of development within their own areas basing on the legal frameworks of Zimbabwe upon the effective and efficient use of local resources.

### **2.10.2 For the Ease of Doing Business Policy**

The Ease of Doing Business Policy was put forward to transform the investment climate in Zimbabwe as well as creating significant changes in the Company's Act.

#### **2.10.2.1 Case of Zimbabwe**

The Ease of Doing Business Policy shares a link with various pieces of legislation that is the Special Economic Zones Act, the Deeds Registry Act, Judicial Laws Ease of Setting Commercial Dispute Bill, Shop licensing Act, Insolvency Act, the Movable Property Security Interest Bill, Estate Administrators and Insolvency Practitioners Act, Public Procurement Act together with the Statutory Instruments (S.I).

#### **One Stop Shop Investment**

To promote and facilitate both foreign direct investment and local investment, the government launched the Zimbabwe Investment Authority (**ZIA**). It is an institution born out of the union of the Export Processing Zones Authority (**EPZA**) and the Zimbabwe Investment Centre (**ZIC**). This was done to create the One Stop Shop Investment Centre (**OSSIC**). The One Stop Shop (**OSS**) was set up in 2010. Its main purpose is to combine a number of key organizations that includes the Deeds Offices, the Reserve Bank of Zimbabwe, the Ministry of Mines, Zimbabwe Electricity Supply Authority, Environment Management Authority, Local

Authorities and the immigration department to speed up the procedures essential for an investor to set up shop in Zimbabwe.



*Plate 2.1: The Zimbabwe Investment Authority in Harare*

*Source: ZIA website*

As reported by the Progress Report on the Ease of Doing Business Report of Zimbabwe (2015) ‘Significant progress has been made in drafting nine piece of legislation and a number of Statutory Instruments on the Ease of Doing Business in Zimbabwe’.

Pieces of legislations and Statutory Instruments that were drafted in Zimbabwe are presented in the following table:-

**New Bills of the Ease of Doing Business in Zimbabwe**

<i>Name of bill</i>	<i>Area of Impact</i>	<i>Current status</i>
<i>Deeds Registry Act</i>	<i>Provide for online deployment of deeds registry</i>	<i>Bill awaiting Stakeholder Consultation in Parliament</i>

<i>Judicial Laws Ease of Settling Commercial Disputes Bill</i>	<i>Increase financial jurisdiction of small claims court. -Establish a Commercial Court and reducing time taken to resolve commercial disputes cases.</i>	<i>Bill awaiting Stakeholder Consultation in Parliament</i>
<i>Shop Licensing Act</i>	<i>Streamline processes and regulations for time taken for licensing of shops.</i>	<i>Bill awaiting Stakeholder Consultation in Parliament</i>
<i>Insolvency Act</i>	<i>Overhaul Insolvency regulations to reduce time taken to settle insolvency matters</i>	<i>Bill awaiting Stakeholder Consultation in Parliament</i>
<i>Movable property Security Interest Bill</i>	<i>Allow for the establishment of a Collateral Registry to improve access to credit for all citizens</i>	<i>Bill awaiting Stakeholder Consultation in Parliament</i>
<i>Estate Administrators and Insolvency Practitioners Act</i>	<i>Provides for governing the administrators of estates</i>	<i>Bill awaiting Stakeholder Consultation in Parliament</i>
<i>Company Act</i>	<i>Overhaul/ amend the current Act to be in line with modern business practice and consolidation of different types of corporations</i>	<i>Bill going for Peer Review. To be submitted for consideration by Cabinet Committee on legislation before mid March 2017 and</i>

		<i>is expected to be enacted into law in the first half of 2017.</i>
<i>Regional Town and Country Planning Act</i>	<i>Reduce the time taken and procedures for issuing construction permits</i>	<i>Bill currently being drafted by the Attorney General's Office</i>
<i>Public Procurement Act</i>	<i>Create a National Procurement Authority responsible for Monitoring and Evaluation of procurement, Setting Standards and Guidelines.  Decentralise procurement to Ministries, Departments and Agencies to improve on transparency and accountability</i>	<i>The Bill is with Parliament. Stakeholder consultations on the Bill were completed. Bill now awaits Senate consideration before enactment.</i>

*Fig2.1 :New Bills and Acts of the Ease of Doing Business introduced in Zimbabwe*

*Source:Progress Report on the Ease of Doing Business Reforms(2015)*

### **2.10.2.2 Case of Egypt**

In Egypt, the Global Authority for Investment (**GAFI**) eases the way of global investors looking to harness opportunities present by Egypt's fast growing domestic economy and

nation's robust competitive advantage as an export hub for European, Arab world and Africa.

The main purposes of the GAFI are to-

1. Facilitate the procurement of business licenses.
2. Offer tech advice and information to clients planning.
3. Introduce a transparent and reasonable fee structure.
4. Improve the quality and timeliness of government related processes.

### **The Investment Service Centre of Egypt**

The Investment Service Centre guides the Ease of Doing Business in Egypt through the Incentive Law No 8 of 1997, Company Law No 159 of 1981

### **According to the Investment Law No 72 of 2017 Chapter 2 of Egypt**

Investment in the Arab Republic of Egypt is intended to improve the economic growth of the nation as well as the local production rates, creation of employment opportunities, advancement of exports, and increasing competitiveness, which subsidize in accomplishing the inclusive and sustainable development.

Investment is ruled by the following ethics: Equality of the investment chances and equal opportunities despite the dimension and site of the Scheme and without judgment based on sex. The government supports the up coming companies, entrepreneurship, and micro, smes to empower the youth and small investors. Reflecting on all features with social facet, defense of the environment and the public health. Liberty of competition, hindrance of exploitation practices, and protection of the consumers.

#### **2.10.2.3 Case of Zambia**

There are legal frameworks of doing business that are mandatory to the national government and the local authorities of Zambia. These legal frameworks include the Zambian Development Act, Multi-lateral Investment Guarantee Agency (MISA), Company's Act Cap 388 of Zambia and the Zambia Development Agency (ZDA) Act.

Building on the legislations discussed in this section, it can be seen that policies are created and some amended to ensure that there are implemented. In addition, this section has also highlighted the policies that are used by other countries and how they successful the Ease of Doing Business policy thereby promoting Local Economic Development in their countries. In addition, this section has also shade light on the ideas of other countries on the Ease of Doing Business and it further calls for a critical analysis on how Zimbabwe can improve in the Ease of Doing Business policy as well as fostering for Local Economic Development.

## **2.11 The Negative And Positive Impacts Of The Ease Of Doing Business Policy**

### **(E.O.D.B.P) on Local Economic Development (LED)**

#### **2.11.1 Central and Local Government Coordination**

The relationship between the central government and the local authorities bears an impact on local economic development. A cordial relationship between the central and local government drives away investors and there is no development while on the other hand when the central government and the local authorities' coordinates, development is promoted thereby by attracting both local and foreign direct investors. The failure by the Central Government to decentralize some of its responsibilities and powers to the local authorities promotes poor service delivery and less development within the country. At times, the central government can create an environment that is not conducive enough for development to take place. Madzivanyika (2011:33) alleges that the efficient and effective provision of service is undermined by a high level of central interference in the decisions of municipalities. According to the Urban Councils Act of Zimbabwe (UCA) Chapter 29.15 on Section 91 the Minister to have unrestricted access to all council records, minutes and nay document in the possession of any council which is relevant to the council's meeting, resolutions and affairs. Muchadenyika (2014) also argues that the relations between the Central Government and the local authorities have contributed to local authorities lacking autonomy, which directly translate to poor service delivery. From the above views one can also conclude that lack of coordination between the Central government and the local authorities is also another key element that has contributed to the failure of Local Economic Development (LED) projects and the attraction foreign investors.



### **2.11.2 Corruption**

According to Kunaka (2002), corruption often promotes low levels of infrastructure development as the money that is reserved for developmental resolutions can be sidetracked on other things that do not support the needs of the people. In line with Mundenga (2014), corruption sidetracks resources needed to enhance the livelihoods of the people to enhance a few at great cost to many. It hinders the government from attaining its constitutional requirements, degenerates the legality of an independent government and weakens the rule of law. It has an authoritative deteriorating consequences on Foreign Direct Investment (FDI) by destroying the investor optimism and confidence

### **2.11.3 Economic Structure**

Local economic development is influenced by the economic structure of a country. A country with a good economic performance promotes development whilst a country with an unstable economy drives away development. The frequent adjustments of policies within a country affect issues to do with local economic development as well as the performance of the economy in a negative way. These frequent changes in government policies can create uncertainty for local business as well as the investors. As reported by the Zim Stats (2015) we are not stimulating local growth in our country as we are importing quite a large number of goods from other countries instead of locally creating our own and exporting them. According to Chakaipa (2010) poor economic performance of a nation and high levels of unemployment lead to brain drain whereby qualified and skilled labour force flock out of the country to other countries in search of greener pastures.

From the above views by different scholars, it can be concluded that the economic performance of a country has an impact on local economic development. Without unskilled personnel within a country, there is no capacity to develop a local area especially on infrastructure thus leading to a less conducive business environment for attracting investors.

### **2.11.4 Politics**

According to Buckett (2015), investors are motivated to capitalize in a country where their investments are profitable and secured against any changes in the political environment. Griffith and Wall (1995:322) observes that an uncertain political environment can hinder efforts made to attract investment. In the case of Zimbabwe, ZANU PF and MDC officials in both urban and rural local authorities are often in favour of their own political parties instead

of promoting local economic development in their own areas. For instance, some councilors from the MDC party in Vungu Rural District Council allocated stands without the knowledge of the council not for development but only to further their own political interests. This scenario is also the same with some of the local authorities both in urban and rural areas where councilors' advocate for development for their political parties. In most scenarios, especially in rural areas, the Ward Development Committees (WARDCOs) that are meant for developmental purposes are no longer serving their purposes as most of the councilors are developing their own wards for political interests. Muchadenyika (2010) observed that the rise and ascendancy of MDC in Urban local governments resulted in serious confrontations between state and local level further supports this pointed. ZANU PF had lost the control of most local authorities in elections and tried to regain lost urban governance institutions. The fight to control urban areas has sustained at the expense of service delivery. With the events of political instability between different political parties, Zimbabwe it has often been difficult for the country to be a safe country for doing business and attracting foreign direct investors. Basing on the above, one can conclude that politics is also one of the factors that contribute to the failure of local economic development and the attraction of local as well as foreign investors within the country.

### **2.11.5 Impediments to foreign investment**

For Local Economic Development to be successful within a country there is the need to ensure that investors are fully protected by the laws so that they can operate in a conducive business environment. According to Theron (2010) although Zimbabwe law guarantees the right to private ownership, this right is increasingly not respected in practice. The Central government of Zimbabwe that seized private farms and businesses of the foreign investors without compensation or legal process evidence the above view. The Land Reform Program is an example of such programs that seized the private properties of the foreign investors.

Unlike in Egypt, where investors operate in a conducive business environment as according to the Investment Law No72 Chapter 2 Article 2 of 2017 of Egypt. The act provides for equality and equal opportunities for the investors support from the government and freedom of competition among other rights. It is through these policies, that Egypt is ranked better in the Ease of Doing Business index according to the World Bank reports. With regards to the above, one can clarify that friendly policies attracts foreign investors to operate in a conducive environment while strict laws drive away investors.

### **2.11.6 Technology**

Technology is yet another key component that plays a pivotal role in Local Economic Development. Kundishora (2012) points out that Information Communication and Technology assist in creating work opportunities for people. Melkott(2001) further agrees that development can only take place in a country if the community is enlightened and this can only take place through access to information which is imposed by Information Communication and Technology infrastructure. Technology therefore plays a pivotal role in promoting a fruitful local Economic Development. Effective ICT policies attract investor's thereby promoting development in both urban and rural areas.

### **2.12 Summary**

Basing on the views of many scholars, Local Economic Development revolves around the engagement of both local and foreign direct investment with the exploitation of resources for the benefit of the community. The chapter also highlighted on the theories and strategies of local economic development and their relationship with the Ease of Doing Business Policy. This chapter also highlighted the legal fram

eworks that are inter-related with the Ease of Doing Business in other countries. The following chapter that is Chapter Three will be more focused on the research methodology.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

The following chapter will highlight the research design, target population, sample frame as and the research instruments. The chapter will also seek to make preliminary surveys into research areas that are unknown as well as looking for new information into spectacles and in the settings of this research, to examine the Ease of Doing Business Policy and its impact on Local Economic Development.

#### **3.1 Research**

A research is a systematic core analysis and interpretation of data to answer a certain question which one have in mind or to solve a problem. According to Rajasekar (2013) Research is a logical and systematic search for new and useful information on a topic. Concerning the above views, a research is therefore a systematic process of collecting, examining and interpreting data.

##### **3.1.2 Research Methodology**

Polit and Hungler (2004:233) define methodology as ways of obtaining, organizing and analyzing data. Methodology decisions depend on the nature of the research question. Henning (2004:36) also defined methodology as coherent group of methods that complement one another and that have the ability to fit to deliver data and findings that will reflect the research question and suit the researcher purpose. The methodology here captures characteristics such as the study design and research instruments as well as discussing data analyzing tools.

##### **3.1.3 Research Design**

According to Parahoo (1997:142) a research design is 'a plan that describes how, when and where data are to be collected'. Mc Millian and Schumacher (2001:166) further defines a research design is a plan for selecting subjects, research sites and data collection procedures to answer the research questions. They further indicate that the goal of a sound research design is to provide results that have judged to be credible. The research design aims to make

sure that data collected addresses research the intended research objectives. The research design is appropriate as it intends to conduct an in-depth analysis on the Ease of Doing Business Policy and its linkage with Local Economic Development.

### **3.1.4 Quantitative Research Design**

According to Leedy (1993) Quantitative research methods deals with numbers and anything that is measurable in a systematic way of investigation of phenomena and their relationship. It is used to answer questions on relationships with measurable variable with the intention to explain, predict and control a phenomenon. In other words, quantitative research design creates meanings through objectivity uncovered through data collection.

### **3.1.5 Qualitative Research Design**

Hiatt (1986) points out that qualitative research methods focus on discovering and understanding the experiences, perspectives and thoughts of the participant that is qualitative research explores meaning purpose or reality. According to Lincoln and Guba (1985) qualitative research is usually described as allowing a detailed exploration of a topic of interest in which information is collected by a researcher through case studies, interviews and questionnaires.

## **3.2 Population**

A population is a collection in which the researcher would obtain results from. It is embraced with individuals or organizations with specific characteristics. The population includes all the basics that meet certain criteria for inclusion in a study (Burns & Grove 2003:43).

## **3.3 Sampling**

Brown and Dowling (1998), argues that sampling is the selection of some elements to present the entire populace from which the elements are chosen or selected. It should be noted that the vital concept in sampling is representativeness.

### **3.3.1 Sampling Frame**

According to Saunders et al (2000) a sampling frame is a complete list of all the cases in the population from which your sample will be drawn. Turner (2003) defined a sampling frame as a total population in which participants for the research would be chooses from. The purpose of the sample frame is to enable the researcher to identify members or the population that will be used in the study. The study shall be restricted to about 50 people including the

Council Management and the business people in four areas under the jurisdiction of Vungu Rural District Council that is Somabhula, Lower Gweru, Treetop and Chiwundura. The distribution of the research instruments, sample frame and the sampling techniques that was used to select them is presented in the following table.

Population Category	Population	Sample	Sampling Technique	Research Instrument
Council Management (VRDC employees)	23	10	Purposive Sampling Technique	Questionnaire
Business Community (Chiundura-ward 12 & 13)	200	10	Stratified Sampling Technique	Questionnaire
Business Community (Lower Gweru –ward 3 and 8)	350	10	Stratified Sampling Technique	Questionnaire
Business Community (Somabhula-ward 15)	120	10	Stratified Sampling Technique	Questionnaire
Business Community (Treetops)	450	10	Stratified Sampling Technique	Questionnaire

<b>TOTAL</b>		<b>50</b>		
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*Table 3.1 :Sample size for questionnaires*

### **3.4 Sampling Techniques**

Sampling can be defined as a process of selecting units that include people, organisation from a population of interest so that by categorizing the sample a researcher may fairly generalize the results back to the population from which they were chosen. The research will apply random and non-random sampling techniques, which are the stratified sampling, convenience sampling, purposive sampling and observation. Probability sampling will be used to achieve representativeness. Random sampling techniques will be used on quantitative methods whereas non-random techniques will be applicable to the qualitative methods.

#### **3.4.1 Stratified Sampling**

Walliman (2014), is of the view that “ stratified sampling is used when cases in population fall into distinctively different categories strata”. From each stratum, an equally randomized sample will be attained to confirm that each sample is equally represented. These samples will then be joined to create a complete sample from the whole population. Sampling units will be separated into different stratas that consists of the business community , council officials, elected officials and other local stakeholders. This would ensure that the sample would be divided into manageable sub units based on information to be gathered. In addition, it will be easier to collect and analyse data through the separation of the sampling units.

#### **3.4.2 Purposive Sampling**

Purposive Sampling is a technique that is based on the researcher’s judgement to fulfil those who will participate in the research process. Black (2010) defines purposive sampling as a non-probability sampling method and it occurs when elements selected for the sample are chosen by the judgement of the researcher. The researcher employed purposive sampling by collecting data from the local council officials as well as the business community in Lower Gweru, Chiundura, Treetops and Somabhula. The study is mainly focused on the council management as they articulate development plans in the district and as such have all the required information that is relevant to the study. The Council Management has also the data

that consists of the number of the business people within all the areas under the jurisdiction of Vungu Rural District Council.

### 3.5 Data Collecting Instruments

According to Burns & Grove (2003:373), data gathering is the precise, systematic gathering of information relevant to the research sub-problems, using methods such as interviews, participant observation, focus group discussion, narratives and case histories. The data gathered for this study will originate from the primary and secondary sources of data. Primary data will derive from the questionnaires and the interviews.

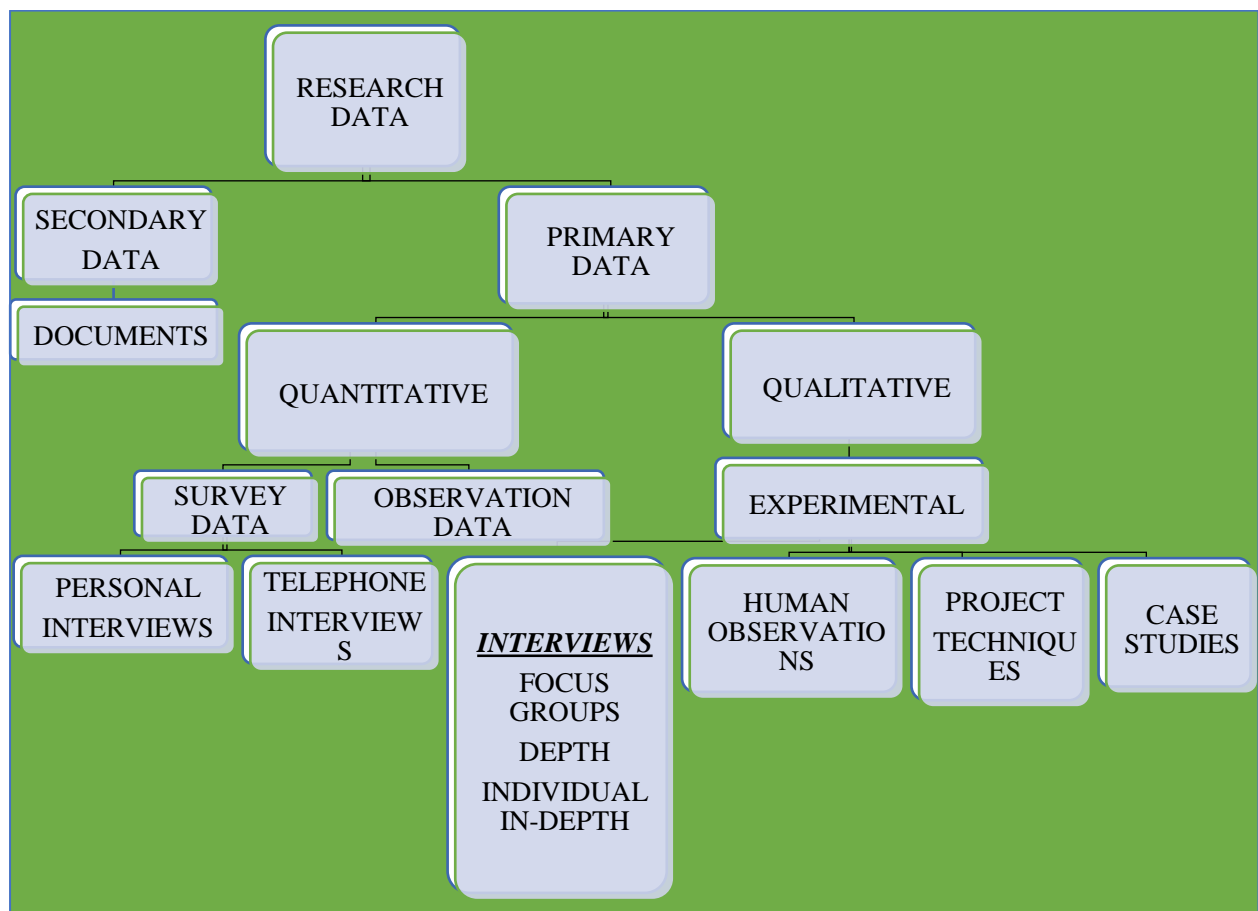


Fig 3.1: Types of Data Collection in Research Methodology

Source: Wikipedia website

#### 3.5.1 Primary Data

The primary data of this research will be obtained by the researcher in the form of observations, questionnaires and interviews directed to respondents. The main advantage of the primary data as a form of gathering information is that it may not be exposed to



overemphasis, a norm quite synonymous with secondary data. Moreover, it verifies that the collected facts are current and up to date.

### **3.5.1.1 Primary Data Collecting Instruments**

The researcher will make use of the research instruments that includes the questionnaires and interviews for the purposes of this study . The data will be obtained from a sample of the business people ,council officials and management.

### **3.5 .1.2 Questionnaires**

As stated by Bells (1999) a questionnaire is essentially a structured technique for collecting primary data .It is generally a series of questions for which respondents has to provide the answers.From the above view, a questionnaire can be seen as a data collection instrument that consists of open-ended or closed questions or both. The questionnaires shall combine elements of open ended and close ended. The open-ended questions are flexible and it gives room for a respondent to elaborate. The close ended questions are limited and do not give room for clarification and are restricted to such answers as ‘yes, no’, ‘agree, disagree’ to mention but a few. Carter and Williamson (2004) cite the following as the merits and demerits of using questionnaires as a research instrument.

#### **Merits**

- i. Questionnaires are cheap in gathering quantitative data. There can be sent on email or website to the targeted population .
- ii. They are practical as they are more focused on the targeted population and they are manageable.
- iii. Sufficient time is given to the respondents to give reliable information as the researcher simply leaves the questionnaire and will take it at any given date.
- iv. Respondents are not obligated under any circumstances to review themselves thereby protecting their identity. Thus, it often means that the research will be done within the limitations of the research ethics. Furthermore, respondents give answers without fear of persecution or reprisal.

## **Demerits**

- i. During the data collection, questionnaires can be subject to misconception especially if there are self-administered by the respondents. As a result, it often means that people may understand the questions in different ways hence giving answers that are biased.
- ii. Low response rate is also yet another shortcomings of a questionnaire. It has often been observed that many of the questionnaires that are send out to respondents during data collection are not returned which often greatly reduces the chances of having a valid research.
- iii. They require a follow-up investigation on issues related to the study in greater depth.

### **2.5.1.3 Interviews**

An interview involves a one on one direct conversation with another person and it is done to find out new information basing on a specific research topic. According to Cohen (2006) an interview is a two-way discussion between the interviewer and the respondent or oral questionnaire for the exact purpose of attaining research related information and to learn about the ideas, beliefs, views and opinions of interviewees. Flick (1998:76) points out that there are different types of namely semi-structured, structured and unstructured interviews. According to Gabrium (2002) an unstructured interview is an open situation through which great flexibility and freedom is offered to both sides that is the interviewer and the interviewee in terms of planning, implementing and organising the interview content and question. According to Haralambos and Holborn (2004) structured interviews are a list of predetermined questions in which the researcher is not allowed to differ from. On the other hand, semi-structured interviews give room for the researcher to let the respondent talk about other things during the course of the interview before redirecting them to the topic discussion.

## **Merits**

1. More information in greater depth can be obtained.
2. There is room for flexibility as questions can be restricted.

3. There is room for probing in case of verification.
4. Personnel information can be easily obtained.
5. Supplementary information can be obtained.
6. Language can be adjusted to suit the respondent.

### **Demerits**

1. Interviews are expensive to carry out when compared to questionnaires
2. Interviews may lead to biased information as the interviewee may overstate some information to satisfy the researcher
3. Interviews lack discretion that is provided by the oral questionnaires and as such respondents may suppress some vital information or avoid answering questions considered to be sensitive .
4. Interviews are time consuming.

#### **3.5.1.4 Observations/Non Participant**

An observation can be viewed as the recording of events as observed by an outsider for example observing the traffic and record the number of cars or the social behaviour of people interacting in a bus.

### **Merits**

1. An observation allows a deeper insight into the researcher's problems.
2. It compliments other research methods.

### **Demerits**

1. Interviews introduce biases on their own
2. Observing people may change their behaviour.
3. Observations are time-consuming and expenses.

### **3.5.1.5 Ethical Considerations**

According to Gray (2004p235) In conducting interviews, ethical issues are one of the main concerns. Confidentiality must be given. Respondents should not be harmed or damaged in any way by the research. Putton (2000 p404-5) and Gray (2004p235) also state that there are some ethical issues that need to be considered during the research methods which are: -

1. Explaining the purpose of inquiry to the respondent.
2. Promises and reciprocity-state what respondents will gain.
3. Risk assessment-considering in what ways might the interview put the respondent at risk in terms of stress, legal liabilities or political repercussion.
4. Confidentiality-reflect on the extent to which promises of confidentiality can be met.
5. Inform consent-what kind of consent is necessary if any.

### **3.6 Secondary data**

As stated by Haralambos and Holborn (2004) ,secondary data is a form of data collection that have already been created. In other words, they are sources that already in existence. Information will derieve from the internet especially linking to projects amongst others.

#### **Merits**

Secondary data is easily obtained as one simply has go into a library or search on the internet for relevant information. Information on the Ease of Doing Business and local economic development is readily available on the internet as well as in the library.

- ii) It is time consuming and cheap as one does not have to go into the field
- iii) Permits comparativeness as the researcher can match the outcomes to those that are in already existing literature.

#### **Demerits**

- i) Case studies may not be available which forces the researcher to conduct a field research.

ii)Information may be irrelevant to the researcher's studies for instance the researcher found it is problematic to obtain the literature reviews that links the Ease of Doing Business with local economic development.

### **3.7 Summary**

The core purpose of this chapter was to clarify in detail the research methodology that can be employed by the research when scrutinizing the findings from the field, which are the primary and the secondary data together with the sampling techniques. The next chapter will present the data and analyse the findings from the field's work.

## **CHAPTER IV**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

This chapter seeks to bring out the data which was collected on the impact of the Ease of Doing Business Policy (E.O.D.B.P) on Local Economic Development (LED) in Vungu District. The chapter also tries to analyze the framework of the findings through presentation, analysis and interpretation of data. Document analysis, questionnaires and the interpretation of data was used by the researcher to gather information. Photographs, tables, pie charts and bar graphs will be used in this chapter to analyze the information. The thematic approach in presenting data in this chapter is to cover up the following objectives of the research that are:

-

- To identify aspects of the Ease of Doing Business Policy that are currently being implemented by Vungu Rural District Council.
- To examine the impact of the Ease of Doing Business Policy on Local Economic Development.
- To establish factors that contribute to the success and failures of the Ease of Doing Business Policy on Local Economic Development.

#### **4.2 Questionnaire Response Rate**

The table below shows that a total of 50 questionnaires were distributed to different groups and 34 responded which represent 68 %. The Somabhula Business Community had the least respondent rate of 50% showing that from the 10 questionnaires distributed only 5 were returned and 5 were not received.

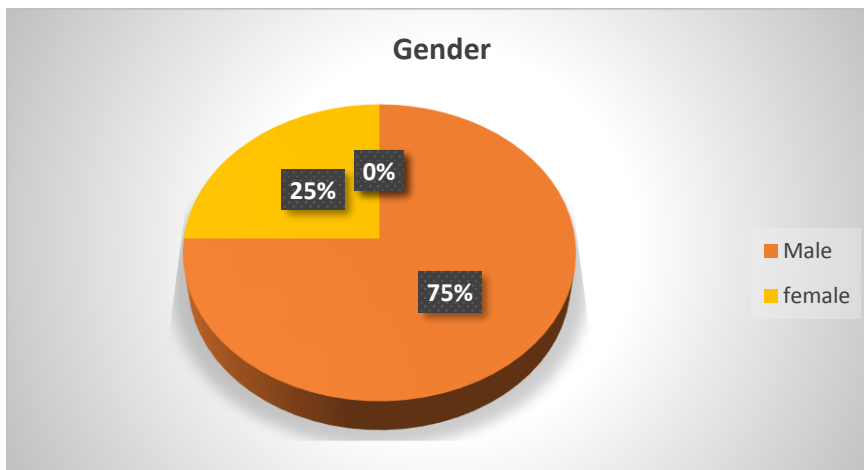
<b>Population Category</b>	<b>Administered questionnaires</b>	<b>Respondents</b>	<b>Non-Respondents</b>	<b>Percentage of respondents</b>
Council Employees(management)	<b>10</b>	<b>8</b>	2	<b>80</b>
Business Community (Chiundura)-Ward 13,12	<b>10</b>	<b>8</b>	2	<b>80</b>
Business Community (Lower Gweru)Ward 3,8	<b>10</b>	<b>6</b>	4	<b>60</b>
Business Community (Somabhula)	<b>10</b>	<b>5</b>	5	<b>50</b>
Business Community (Treetops)	<b>10</b>	<b>7</b>	3	<b>70</b>
<b>TOTAL</b>	<b>50</b>	<b>34</b>	<b>16</b>	<b>68</b>

*Table 4.1 Statistics for response rate*

*Source: field data 2018*

Chiundura Business Community had a total response of 80% implying that from the 10 questionnaires 8 were returned whereas 2 were not returned. The Tree Tops Business Community also shows a total of 70% response rate with 7 questionnaires out of 10 returned and 3 of them not returned. Lower Gweru Business Community Centre has a total response rate of 60% with 6 questionnaires out of 10 returned. The overall response rate from the questionnaire was pegged at 68 %.

### 4.3 Demographic Presentation Of Data Based On Gender



*Fig 4.1: Demographic presentation on Gender*

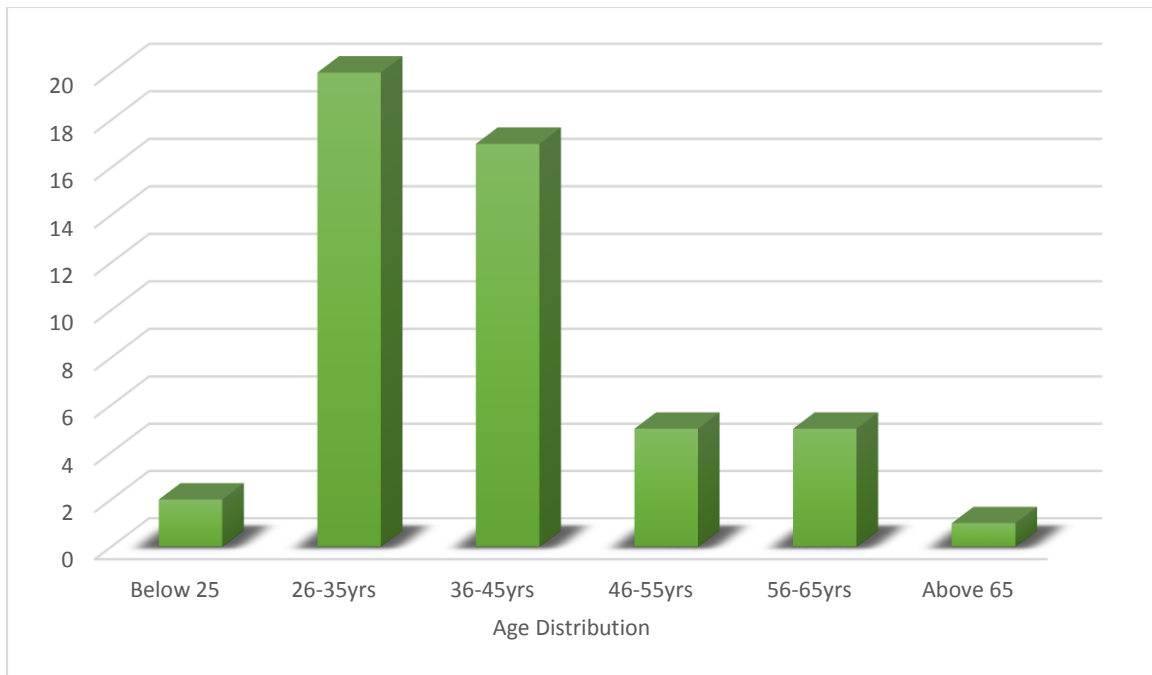
*Source: Field Data 2018*

The above findings in Fig 5, shows that 75% of males of the targeted population were more contributing in giving information against the 25% represented by the female. In addition, it is also crystal clear that they are more males in the business industry than females. It can be concluded from the above findings that the issue of gender equality is its low especially in the rural areas than in urban areas. Men dominate in the business industries while women are still house keepers and child bearers in the society. Basing on the issue of gender, people should be aware of gender policies and education.

### 4.4 Age Distribution

The study indicates that various the various age groups of the target population in Somabhula, Lower Gweru, Chiundura and Treetop is involved in the business industry particularly the Small to Medium Enterprises. According to the findings in figure 4.4 the largest age group in doing business is between the age ranges of 26-35 years which is presented by 20 people that is 40% of the targeted population under study followed by the age group of between 36-45 years which is the second highest that represents 17 people that is 34%. Figure 4.4 also shows two age groups that is between 46-55 years and 56-65 years have the same number of the targeted population that are involved in the business industry which is 10% representing 5 people in each age groups.





*Fig: 4.2 Statistics for Age Distribution*

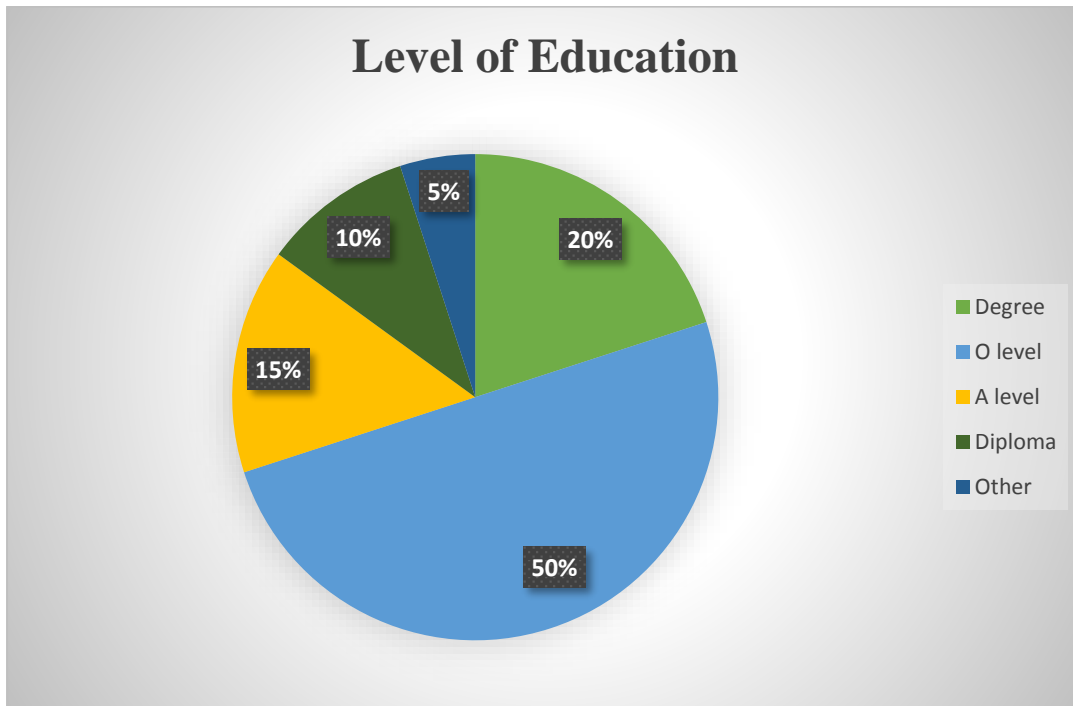
*Source : Field Data 2018*

The least age group that was involved in the Small and Medium enterprises is the above 65 years age range with only 1 person in the targeted population. It was perceived that most of the small and medium enterprises business which were owned by the different age groups between the ages of 26-35 years and between 36-45 years and below the age of 25 years were family owned businesses. Most of the small and medium enterprises which were owned in Somabhula, Treetops, Chiundura and Lower Gweru include grocery shops, lodges and small mines.

#### **4.5 Level Of Education**

An examination on education levels was done to determine the district level in Local Economic Development. It is a clear evidence that most of the development is more common in areas that have high education literacy. Moreover, high education literacy rate shows that even family owned businesses are successful and this is contributory in ensuring that there are high rates of Local Economic Development with regard to the creation of employment as well as attracting investors. Figure 4.5 illustrates the findings of the level of education collected from the sample. According to the sample taken the highest percentage rate is 50%

represented the people with their O level certificates.20% of the people have degrees, and 15% have their A Level certificates,10% have their diplomas and the least group which is labelled as “others” represents those with Masters with a percentage of 5%.

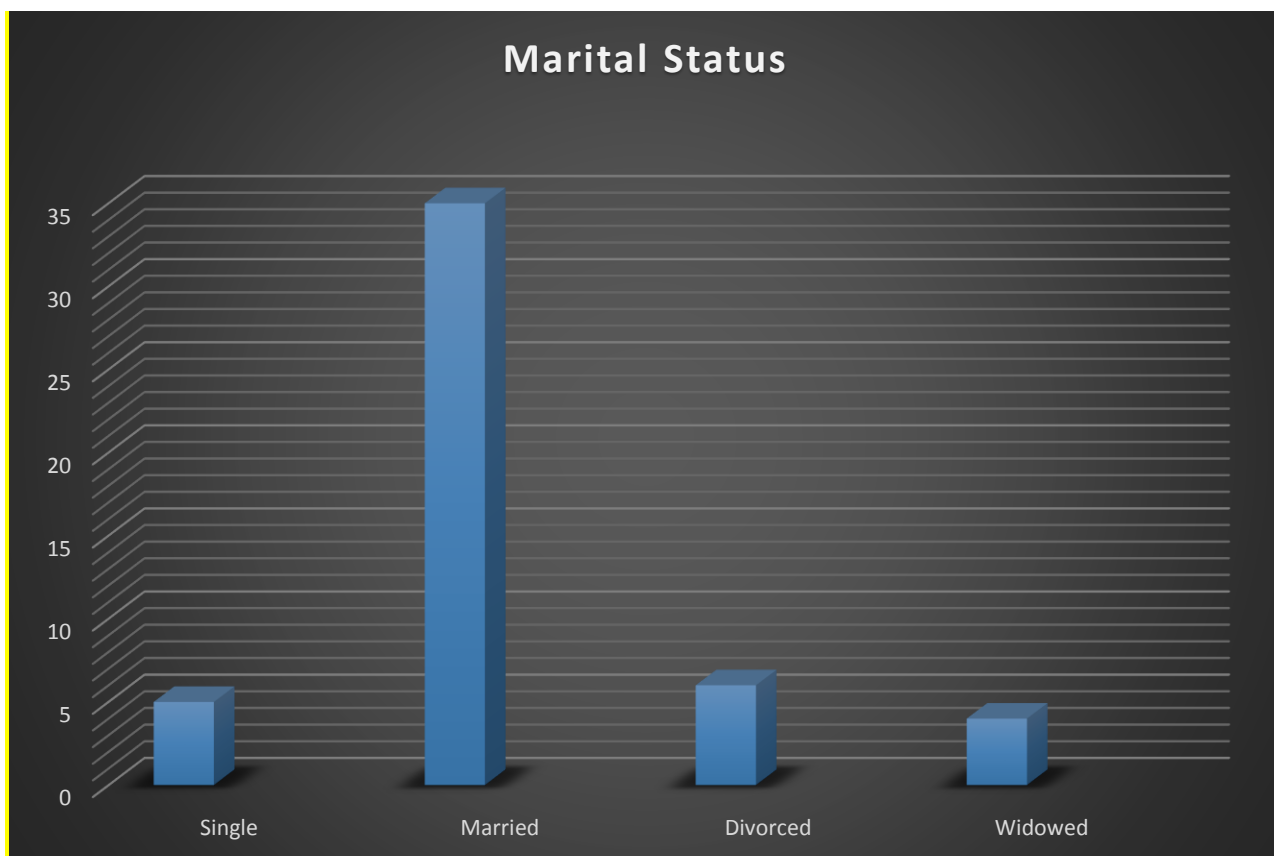


*Fig 4.3 Level of Education*

*Source:Field Survey 2018*

#### **4.6 Marital Status**

The research reveals that 35% of the population under study is married followed by 5% of the population which is single while those who are divorced constitute a population percentage of 6% .4% of the population represents the widowed.



*Fig 4.4 Martial Status*

*Source:Field Survey 2018*

#### **4.7 Ratings Of Infrastructure In Vungu District**

Infrastructure is the major component that bears a major impact in creating a conducive business environment, attracting investors as well as promoting issues of Local Economic Development (LED) within an area.

##### **4.7.1 Roads**

The outcomes from figure 4.5 below shows that approximately 90% of the targeted population in areas under study were of the view that the infrastructure in Vungu District was in good condition. This is made crystal clear by all weather and trafficable roads in areas under study that includes Somabhula, Treetops, Chiundura (Muchakata and Gunde), and some other parts of Lower Gweru like Makepesi and Insukamini of ward 8 with a represented

population percentage of 80%. In areas like Masvori and Kabanga of ward 13 in Chiundura and in Lower Gweru (Madigane and Tumbire) there are no trafficable roads.

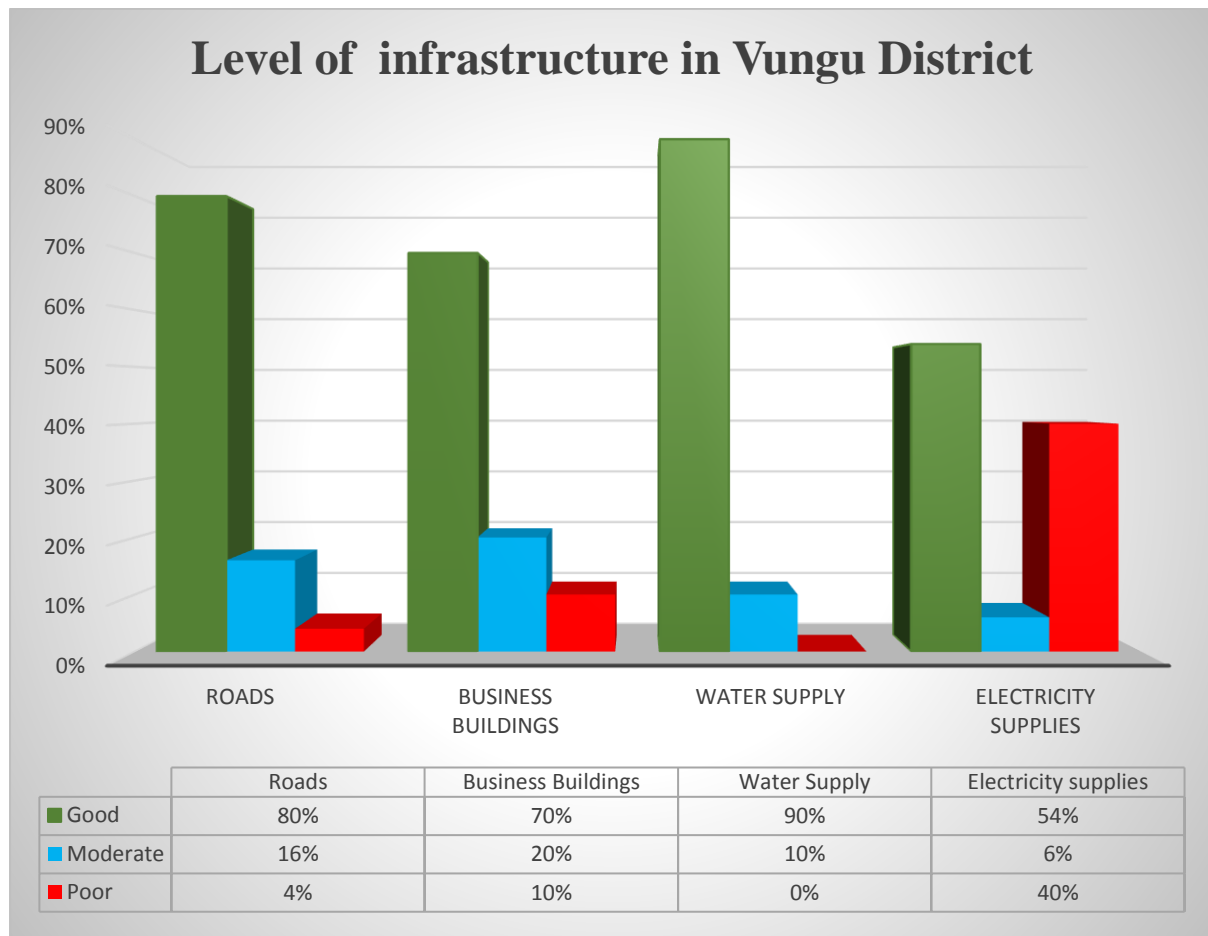


Fig 4.5 Level of Infrastructure in Vungu District

Source:Field Survey 2018

#### 4.7.2 Electricity supplies

This is also the same with the uneven distribution of electricity in areas like Mangwande and Ntabamhlope in Lower Gweru. There is no electricity in these areas while other areas under study in Lower Gweru have electricity as represented by the 40 % of the targeted population.

#### 4.7.3 Water supplies

Basing on the population under study 90% of them represented that there are potable water supplies in Treetops, Lower Gweru and Somabhula through the Water, Sanitation and Hygiene(WASH) Program and the Drought Response Program which is supported by UNICEF.



*Plate 4.1 :Insukamini Dam (Ward 8) in Lower Gweru*

*Source:Field Survey 2018*

#### **4.7.4 Business Buildings**

Furthermore,70% of the population presented that there is fair distribution of business buildings and 10% of them targeted population were of the view that there is an uneven distribution of business building in areas under study. In areas like Muchakata, Gunde and Chinamasa in Chiundura and Treetops there is a fair distribution of business buildings and thus there is a stiff competition. In addition, this also means that some areas develops whilst other areas are under developing.





*Plate 4.2 The Gunde Business Centre in Chiundura*

*Source:Field Survey 2018*

#### **4.8 Identifying Local Economic Development Projects In Vungu Rural District Council Since The Adoption Of The Ease Of Doing Business Policy.**

The figure below shows projects of Local Economic Development Projects that are most dominant in Vungu Rural District Council since the implementation of the Ease of Doing Business Policy. According to the statistics in Figure 4.8 below, the SMEs (Small and Medium Enterprises) are the most dominant LED projects with a percentage of 90% followed by Youth Empowerment Schemes amounting to 75% of the sample. The Infrastructural Development Schemes are yet another Local Economic Development Projects in Vungu Rural District which is 45%. Small scale mining is yet another Local Economic Development projects representing a percentage of 35% while other projects such as the Community Share Ownership Schemes, Command Fishing and Command Agriculture are rated at 20%. During the data collection process through observations and questionnaires, the following information was obtained:

#### 4.8.1 Small to Medium Enterprises(SMEs)



*Fig 4.6: Local Economic Development in Vungu District since the adoption of the E.O.D.B.P*

*Source: Field Survey 2018*

Creating a conducive business environment is one of the main objectives of a local authority. In order to achieve this goal Vungu Rural District Council offers serviced commercial stands in Treetops, Somabhula, Chiundura and other areas under its jurisdiction. According to the Vungu Rural District Annual Report (2017) “Over 900 people including the youths have received commercial stands in all areas under the Vungu District “. Many people within Vungu District, Gweru and other parts of Zimbabwe have benefited from these commercial stands. These commercial stands were mainly for the SMEs. Since the implementation of the Ease of Doing Business Policy, the council has reduced the number of days for the obtaining licenses as well as reducing the number of days for the commercial waiting lists for applicants. In this regard, it can be concluded that the council is playing a significant role in promoting Local Economic Development(LED) after the adoption of the Ease of Doing Business Policy through employment creation, sustaining the livelihoods as well as attracting investors into the area.

#### **4.8.2 Youth Empowerment Schemes(YES)**

The Roads, Works and Planning Department of Vungu Rural District Council employs youths who are unemployed throughout the districts for road construction and rehabilitation program. The council in partnership with ZINARA embark on the road construction and rehabilitation program in areas such that include Somabhula, Tree tops and Lower Gweru. It is in this regard that the Youth Empowerment Schemes greatly contributes to Local Economic Development as well as creating a conducive business environment thereby attracting investors and alleviating poverty

#### **4.8.3 Command Agriculture**

Eradicating poverty, sustaining the livelihoods of the community and employment creation are some of the aims of Local Economic Development. In order to make this a reality Vungu Rural District Council has embarked on Command Agriculture in Lower Gweru targeting the Insukamini and Makepesi irrigation schemes in Ward 8 and the Dufuya Integrated Project. According to Matsa (2012) ‘The Insukamini Irrigation was established by the government in 1988 following the construction of Insukamini Dam by DANIDA in 1986. Among the reasons for the establishment of the scheme was poverty alleviation in the rural community, food security enhancement as well as the empowerment of local farmers.’ The Command Agriculture was implemented in 2016 by the Central government of Zimbabwe in collaboration with the Ministry of Agriculture





*Plate 4.3 The Insukamini Irrigation Scheme in Lower Gweru*

*Source: Field Survey 2018*

According to the Financial Gazette newspaper (2016) “The Command Agriculture was aimed at targeting farmers near water bodies who could put a minimum of 200 hectares under maize per person. The Command Agriculture is aimed at ensuring food self-sufficiency following the drought of previous season”. The Insukamini Irrigation Scheme together with Makepesi Irrigation Scheme are aimed at producing quantities of maize. Command Agriculture has played a pivotal role in Vungu Rural District since the implementation of the Ease of Doing Business Policy through promoting economic growth as well as attracting investors in Vungu Rural District.





*Plate 4.4: The Makepesi Irrigation scheme in Lower Gweru*

*Source:Field Survey 2018*

#### **4.8.4 Infrastructural Development Projects (IDP)**

The Vungu Rural District Council plays a pivotal role in developmental issues especially in providing basic infrastructure to stimulate development within all the areas under its jurisdiction. The Council has engaged in Public Private Partnerships (PPPS) thus bringing locally available resources with the external resources that are being developed for specific intervention in sub-sectors of the local economy. The Council is also in control of sand and quarry extraction sites throughout the Vungu District. The extraction of sand and quarry is instrumental in ensuring infrastructural development.

#### 4.8.5 Command Fishing

Vungu Rural District Council has gone into partnership with the Ministry of Environment, Water and Climate in collaboration with Zimparks embarking on the National Command Fisheries Project at Insukamini dam in Lower Gweru and other three dams within Vungu District. According to the Chronicles newspaper (2017) ‘the Zimparks took the project to the Midlands Province where 10 000 fingerlings were stocked in Insukamini dam in Lower Gweru bringing the number of 110 000 of fingerlings stocked in three dams. The National Command Fisheries Scheme was established in June 2017 in collaboration with the community who would be the main beneficiaries of the project’. The Insukamini dam Committee was created with the main task of managing fishery resources of the dam for the smooth running of the project. Command Fishing have contributed significantly to Local Economic Development through enhancing people lives and economic growth as well as attracting investors into the area in Lower Gweru and Chiundura.



*Plate 4.5 :Bembeswana Dam in Kabanga –Chiundura Source:Field Survey 2018*



#### **4.8.6 Small Scale Farming**

Vungu Rural District Council has engaged in Public Private Partnership with organisations that include Feed the Future Non-Governmental Organization and ADRA in Command Agriculture in Lower Gweru. According to Feed the Future Non-Governmental Organization report of (2015)'there was an agreement on three parties that include Vungu Rural District Council, ADRA and Feed the Future and inputs for small -scale farmers in what is known ad contract farming in Insukamini would be provided'Feed the Future also stated that 'over 450 people have gained massively from the contract farming and it is transforming the livelihoods of these people.' It is in this regard that Local Economic Development is being promoted in Vungu District since the implementation of the Ease of Doing Business Policy.

#### **4.9 Impact Of The Ease Of Doing Business Aspects On Local Economic Development In Vungu District.**

##### **4.9.1 SMEs (Small and Medium Enterprises)**

During data collection the targeted population were asked about the impact of the aspects of Ease of Doing Business Policy on Local Economic Development through questionnaires and the following information was obtained. 46 people of the targeted population representing a percentage of 92% emphasized that the SMEs since the implementation of the Ease of Doing Business Policy has contributed positively Local Economic Development. This is due to the fact that the Small Medium Enterprises has been able to sustain the livelihoods of the people, create employment as well as attracting more investors. Most of these Small and Medium Enterprises (SMEs) are owned mainly by the people between the age of 25 to 45 years.

##### **4.9.2 YES (Youth Employment Schemes)**

44 people of the respondents representing a percentage of 96% also highlighted that the Youth Empowerment Schemes has also contributed positively to Local Economic Development since the adoption of the Ease of Doing Business Policy by the council. This is made crystal clear through the creation of employment by the council under the department of Roads, Works and Planning as well as enhancing the lives of the youth within the district. According to the statistics obtained from the Council close to 200 youths have been employed by Vungu Rural District Council under the Roads, Works and Planning

Department in collaboration with ZINARA for the construction and rehabilitation of roads in Somabhula, Treetops and Lower Gweru. In this regard it can be seen that the council is playing a pivotal development role through Youth Empowerment Schemes (YES) in promoting Local Economic Development as well as creating a favourable business environment that attracts investors in the area. 10% of the respondents were however highlighted that the Youth Empowerment Schemes (YES) were not successful due to nepotism. According to the respondents representing the 10% of the sample most of the youths who were employed through the Youth Empowerment Schemes were basing on nepotism and corruption. In this regard, the Youth Empowerment Schemes can be seen as a failure on the other hand since the adoption of the Ease of Doing Business Policy as some benefited whilst others were left unemployed.

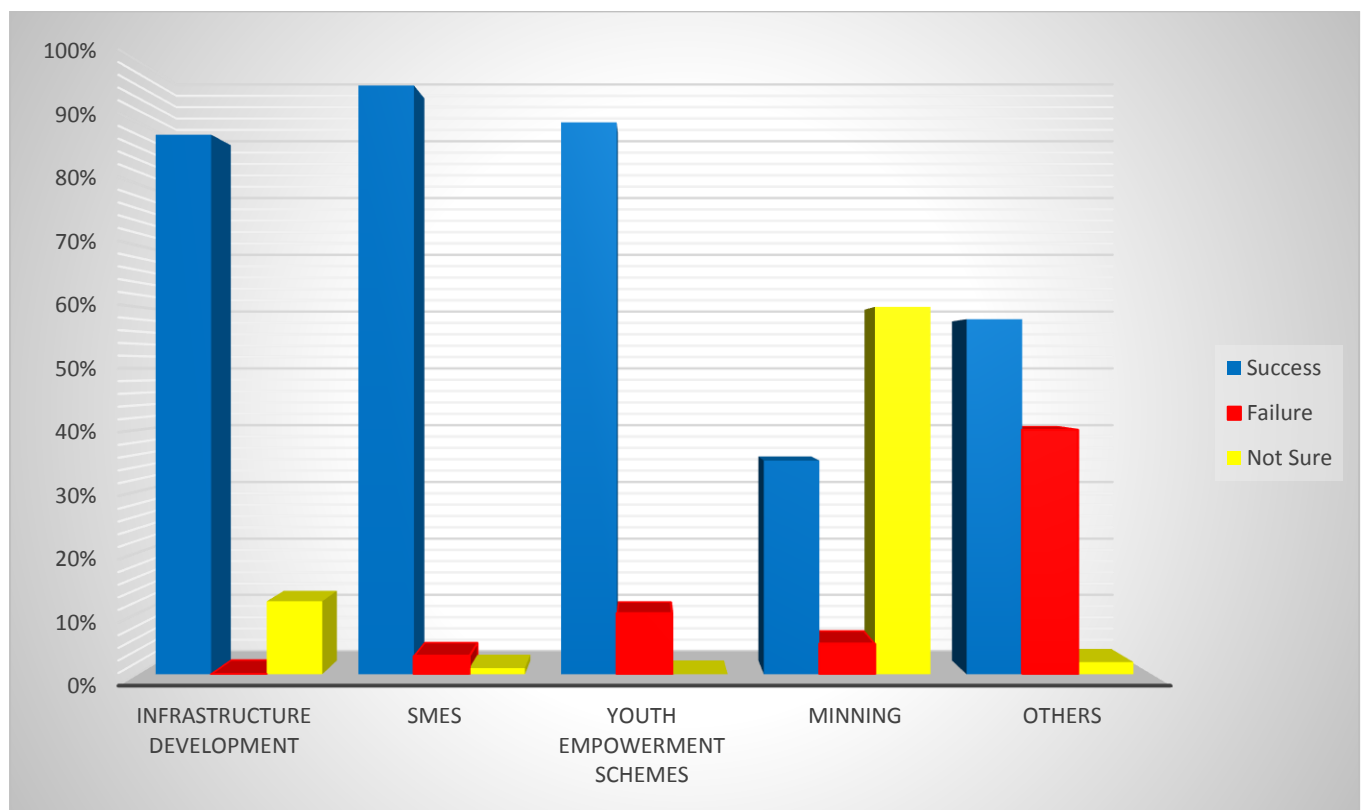


Fig 4.7 :The Impact of the Ease of Doing Business Aspects on LED in Vungu RDC

### **4.9.3 Infrastructure Development Projects**

According to the findings in Fig 4.9 ,88% of the respondents representing 44 people emphasized that the Infrastructure development Projects have impacted positively on Local Economic Development since the implementation of the Ease of Doing Business Policy in Vungu District. This is a fact made clear through the construction of all-weather trafficable roads and the supply of potable water in all areas under the jurisdiction of Vungu. In this regard, many local people have been attracted to invest in Vungu District. In addition, the council has created an environment that is conducive for business opportunities to take place.

### **4.9.4 Mining**

The findings of the research review that 30 people representing a percentage of 60% of the targeted observed the failure of Small Scale Mining in the district. The creation of employment and enhancing economic growth are some of the main variables of Local Economic Development and with the case of mining in Vungu District this was not the issue. Lack of financial resources was seen as the main challenge that contributed to the failure of these mines. It was also observed that most of the people who owned these mines lack entrepreneurship skills and thus their projects quickly collapsed. However, 18% of the targeted population stated that mining has contributed significantly to Local Economic Development through enhancing their livelihoods as well as eradicating poverty in their areas.

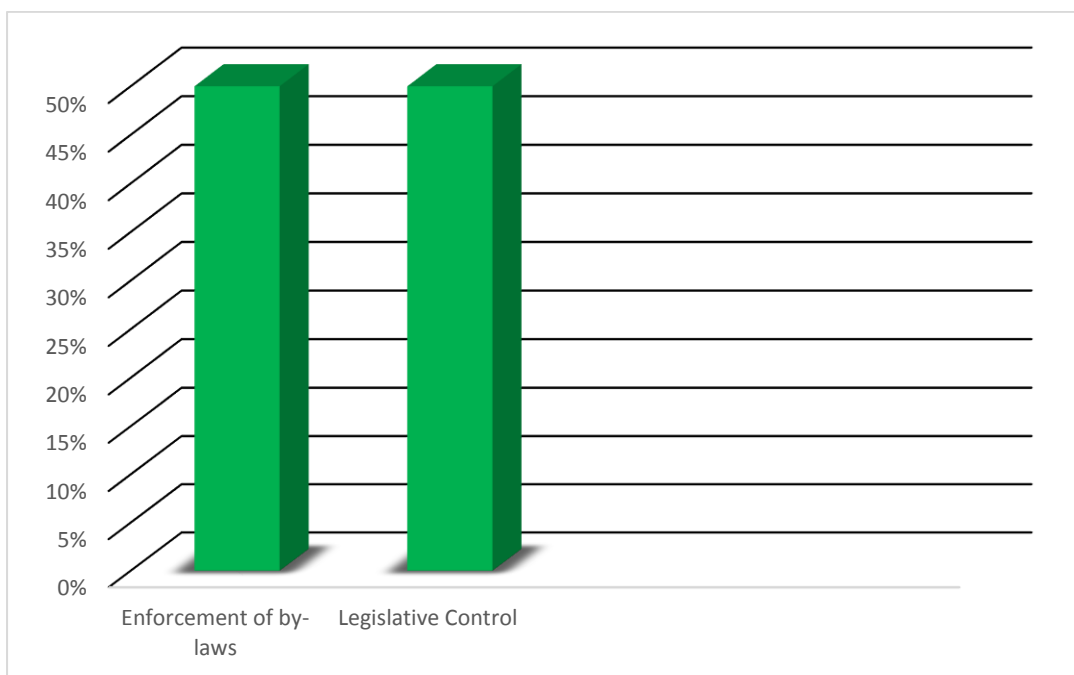
### **4.9.5 Others**

Basing on the information obtained,58% of the targeted population were of the view that projects that includes the Command Fishing and Command Agriculture since the adoption of the aspects of the Ease of Doing Business Policy have impacted positively to Local Economic Development. During data collection it was observed that although the Command Fishing and Agriculture were newly introduced into the district, they have contributed significantly to Local Economic Development. This is due to the fact that these projects have been beneficial

in enhancing the economy as well as sustaining the livelihoods of the community. In terms of the Command Fishing and Agriculture, the council is playing a major role in stimulating Local Economic Development since the adoption of the Ease of Doing Business Policy in the district.

#### **4.10 Remedial Actions That Can Be Implemented By Council To Minimize The Negative Impacts In Promoting A Conducive Business Environment.**

Through questionnaire, the targeted population was questioned about the remedial actions that can be adopted by Vungu Rural District Council to minimize the negative impacts in promoting a conducive business environment. The verdict shows that 50% of the targeted population was in support of strict legislative controls and the other 50% of the population was in favour of by-laws. It is crystal clear that strict legislative controls and the enforcement of by-laws are essential in creating a conducive business environment



*Fig 4.8 :Remedial actions that can be implemented by the council to minimize the negative impacts in promoting a conducive business environment*

*Source:Field Survey 2018*

A balance between legislative controls and the enforcement of by-laws opens door to a favorable business operating environment as well as the attraction of both foreign and local investors within an area. Council management is therefore recommended to implement strict legislative controls as well as enforcing by-laws with regards to the business environment. Through this measures, the council is able to promote local economic development in its areas as well as creating a favorable environment for the business community and investors to operate in.

#### **4.11 Summary**

Chapter Four was manily baserdf on collecting and analysing data from the study areas. The results were obtainrd through questionnaires and observations. Graphical methods that consists of bar graphs, pie charts ,tables and pictures were also analysed from the research. This chapter also employed narration in analysing quantitative data from the targeted study areas. The following chapter shall present the summary, conclusions and the recommendations of the study.



## **CHAPTER V**

### **SUMMARY ,CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

The main intention of this research is to critically examine the Ease of Doing Business Policy and its impact on Local Economic Development using Vungu Rural District Council as a case study. The chapter will bring out a brief summary of the research from the first chapter to the final chapter. It also reflects on the major conclusions that are drawn from the findings of the study and the researcher's recommendations.

#### **5.1 Summary**

The Ease of Doing Business Policy and its impact on Local Economic Development ,Case of Vungu Rural District Council is the research topic that the research originates from. The main motive behind the study was to examine the Ease of Doing Business Policy and its contributions to Local Economic Development. To come up with the research three main objectives were created as mentioned in Chapter I which are:-

- To identify aspects of the Ease of Doing Business Policy implemented in Vungu Rural District Council.
- To examine the impact of the Ease of Doing Business Policy in terms of Local Economic Development in Vungu Rural District.
- To establish factors that contribute to the success and failures of the Ease of Doing Business Policy on Local Economic Development in Vungu Rural District.

Chapter One of the study offered an insight of the background of the study which reviewed the meaning behind the research ,Statement of the problem which highlighted the problems that are current,Research objectives and questions which guided the

research, Significance of the study, Delimitations of the study, Limitations of the study which emphasized on the challenges that were encountered by the researcher and how they were overcome and the definitions of the key terms of the study. To bring out the meaning, the research was carried out in some parts of Vungu Rural District that is Somabhula, Lower Gweru, Chiundura and Treetops.

The Literature review of the study was categorized into two sections namely the conceptual and theoretical framework. On conceptual framework, the study was based on the definitions of Local Economic Development by different scholars, explaining the origins of the Ease of Doing Policy and Local Economic Development in detail, actors of Local Economic Development and their contribution in creating a favourable business environment. The theoretical framework of the study highlighted on the strategies and theories of Local Economic Development, the legislative frameworks that links with the Ease of Doing Business Policy in Zimbabwe and other countries like Egypt and Zambia. The researcher also reviewed on the roles of Local Authorities in creating a conducive business environment and the challenges they encounter together with the business community.

Chapter Three of the research was mainly based on the research methodology used that comprises of primary and secondary data. The secondary and primary data were vital in proposing a 50 people sampling frame targeting the council officials and the business people in areas that include Somabhula, Chiundura, Tree tops and Lower Gweru in Vungu District. The researcher used questionnaires to collect data from the targeted population. 10 questionnaires were each distributed to four areas in Vungu District which the Choundura (ward 12 and 13), Lower Gweru (ward 3 and 8), Somabhula (ward 15) and Tree tops. Non-probability and probability sampling techniques which involved stratified and purposive sampling were employed during the data collection.

In Chapter Four data was presented and analyzed after a field research. Data collection was done with a total respondents of 34 out of a sample size of 50 respondents. The respondent rate of the study was 68%. The findings which were drawn from the research were presented through bar graphs, pie charts, pictures, tables and narratives. Basing on the

findings the Ease of Doing Business Policy is essential in stimulating Local Economic Development when implemented effectively and efficiently.

## **5.2 Conclusions**

- ❖ The researcher findings and the literature review demonstrations that the Ease of Doing Business Policy contributed positively to Local Economic Development and it was also beneficial to the council officials and the business community. This is a fact supported through the creation of a favourable business environment, and attracting foreign direct investors.
- ❖ The beneficiaries of Local Economic Development since the implementation of the Ease of Doing Business Policy by the council were mainly youths.
- ❖ The infrastructure and basic services in Vungu Rural District Council are in good condition and this opens door for investment and the creation of a favourable business environment.
- ❖ The researcher also observes that roads, water and electricity supplies are the main instruments of infrastructural development that creates a conducive business environment thereby promoting Local Economic Development in Vungu Rural District.
- ❖ The researcher also concluded that there is lack of communication and team work between the Central Government and Local Authorities and between the Business Community and the Local Authorities.
- ❖ The findings also found out that the frequent adjustments of policies and long process of business registrations and licenses are still a major challenges in creating a favourable business environment in Vungu District.

- ❖ The researcher also concluded that women are still in lower positions than men in the business industry.
- ❖ The study concluded that policies and by-laws are implemented effectively and efficiently.
- ❖ The researcher also concluded that an area with poor infrastructure promotes less development and therefore an unfavourable business environment.
- ❖ Another major conclusion drawn from the study is that the business people and local stakeholders recommend the council to involve them in the decision making process through open meetings and consultations.

### **5.3 Recommendations**

1. For the Ease of Doing Business to promote Local Economic Development, the researcher recommends the council to engage with the business people and other local stakeholders through open meetings so as to overcome challenges that are encountered in the business environment.
2. Council to consider the views and needs of the business people and other relevant local stakeholders.
3. Gender awareness and campaigns to be done in all the areas of Vungu Rural District, and encouraging women to partake in Local Economic Development.
4. Council to be engaged in Public Private Partnership for infrastructural development to create a conducive business environment.
5. The researcher also recommends the council to accommodate affordable taxes and rates as this will help in solving some of the problems that are encountered by the business people and other local stakeholders.
6. The government of Zimbabwe should support local authorities financially in Local Economic Development.

7. It is also authoritative for Vungu Rural District Council to make positive strides towards its citizen on enterpreneurial skills.
8. The researcher also recommends that there should be an effective communication and team work between the Central Government of Zimbabwe and the Local Authorities and between the Local Authrorities and the business community.

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Appendices

Appendix I –Access Letter

House Number No 436

Zizi Road

Mkoba 2

Gweru

30 April 2018

The Chief Executive Officer

Vungu Rural District Council

P.O Box 936

19 Lincoln Road

Industrial Site

Gweru

**REF :PERMISSION TO CARRY OUT AN ACADEMIC RESEARCH AT YOUR ORGANISATION AND AREAS UNDER YOUR JURISDICTION.**

The above matter refers.

I am a student at Midlands State University studying for a Bachelor of Science Honours Degree in Local Governance Studies. It is an obligation of the programme to submit a researched dissertation for the partial fulfilment of the degree. It is in this case that I have chosen your area as a case study for my research. I am therefore seeking for your permission to carry out this academic research at your organisation and the other business centres in Treetops, Lower Gweru, Chiundura and Somabhula. My research topic is *“The Ease of Doing Business Policy and its Impact on Local Economic Development :Case of Vungu Rural District Council”*.

I will be indebted if my request meets your most complimentary attention and be authorised to carry out a research as well as getting access to information basing on my research topic from the Vungu Rural District which maybe valuable in conducting the study .

Thank you

Your Sincerely

Amanda Chakara

## Appendices



### FACULTY OF SOCIAL SCIENCES DEPARTMENT OF LOCAL GOVERNANCE STUDIES

#### *Appendix II: Questionnaire for Council Management*

My name is Amanda Chakara (**R147059X**), student at Midlands State University partaking in Local Governance Studies. I'm carrying out a research entitled " **The Ease of Doing Business Policy and its impact on Local Economic Development: Case of Vungu Rural District Council**". I kindly ask you to participate in the research. The answers are for academic purposes and your contribution will be greatly appreciated. Your participation is voluntary and all the information you will provide is for academic purpose only. Therefore, you are assured that you will not be identified or identifiable in any way and the information you will provide shall be treated with the strictest confidentiality.

---

#### **INSTRUCTIONS**

- I.** Do not write your name on the questionnaire.
- II.** Tick (✓) the correct response unless stated otherwise.
- III.** Fill in blank spaces provided below.

#### **SECTION A: DEMOGRAPHIC DATA**

##### **1. Gender**

Male [ ]                      Female [ ]

##### **2. Marital Status**

Single [ ]              Married [ ]              Divorced [ ]      Widowed [ ]

**3. Age**

Below 25 yrs. [ ]                      26-35yrs [ ]                      36-45yrs [ ]                      46-55yrs [ ]  
56-65yrs [ ]                      Above 65yrs [ ]

**4. Level of education**

O level [ ]                      A Level [ ]                      Diploma [ ]                      Degree [ ]  
Masters [ ]

***SECTION B: Identifying aspects of the Ease of Doing Business Policy that have been implemented by Vungu Rural District Council.***

**1a)** Can you identify the Local Economic Development Projects that are currently done in Vungu Rural District Council since the adoption of the Ease of Doing Business Policy. (Tick where appropriate)

Infrastructural Development Projects	
Small to medium enterprises	
Small Scale Mining	
Community Share Ownership Schemes	
Youth empowerment Schemes	

Others (please specify)

.....

.....

.....

.....

**1b)** Can you identify the key aspects of the Ease of the Doing Business Policy that Vungu Rural District Council has adopted. (Tick where appropriate)

Starting business	
Enforcing contracts	

Paying taxes	
Getting credit	
Trading across borders	
Resolving insolvency	
Construction permits	
Registering property	
Protecting minority investors	

2. Have you in any way benefited from the aspects of the Ease of Doing Business Policy in term of Local Economic Development in Vungu District?

Yes [ ]

No [ ]

Explain your answer.....  
 .....  
 .....  
 .....

3. How would you rate infrastructure in Vungu District?

K.R.A	Good	Moderate	Poor
Roads			
Business Buildings			
Water supplies and sanitation			
Electricity			

***SECTION C: The impact of the Ease of Doing Business Policy on Local Economic Development.***

4. Do the following aspects of the Ease of Doing Business Policy contribute to Local Economic Development? **(Please tick your response).**

Key Aspect	Agree	Disagree	Not sure
Starting business			
Registering property			
Enforcing contracts			
Getting credit			
Paying taxes			
Trading across borders			
Resolving insolvency			
Protecting minority investors			
Construction permits			

**4b)** Please explain in brief your answer for each aspect of the Ease of Doing Business Policy mentioned above.

- i.** .....
- .....
- ii.** .....
- .....
- iii.** .....
- .....
- iv.** .....
- .....
- v.** .....
- .....
- vi.** .....
- .....

- vii. ....
- .....
- viii. ....
- .....
- .....
- .....
- ix. ....
- .....

**SECTION D: Factors that contribute to the success and failures of the Ease of Doing Business Policy on Local Economic Development.**

**6a)** Do you think that the Ease of Doing Business Policy is being fully implemented for Local Economic Development in Vungu Rural District?

Yes [  ]

No [  ]

**6b)** If No, what do you think could be the reason for the poor implementation of the policy.

.....

.....

.....

**6c)** List any 5 challenges the council is facing in adopting the Ease of Doing Business Policy

	Challenges
1.	
2.	
3.	
4.	
5.	

**6d)** What strategies has the council put in place to solve these challenges?

	Strategies



1.	
2.	
3.	
4.	
5.	

7. What advantages can the council enjoy through the adoption of the Ease of Doing Business Policy in terms Local Economic Development?

.....

.....

.....

.....

***Thank You!!!!Tatenda!!!! Siyabonga!!!***

**Appendices**



**FACULTY OF SOCIAL SCIENCES**

**DEPARTMENT OF LOCAL GOVERNANCE STUDIES**

*Appendix III: Questionnaire for Business People*

My name is Amanda Chakara (**R147059X**), student at Midlands State University partaking in Local Governance Studies. I'm carrying out a research entitled” **The Ease of Doing Business Policy and its impact on Local Economic Development: Case of Vungu Rural District Council**”. I kindly ask you to participate in the research. The answers are for academic purposes and your contribution will be greatly appreciated. Your participation is voluntary and all the information you will provide is for academic purpose only. Therefore, you are assured that you will not be identified or identifiable in any way and the information you will provide shall be treated with the strictest confidentiality.

---

***INSTRUCTIONS***

- IV.** Do not write your name on the questionnaire.
- V.** Tick (√) the correct response unless stated otherwise.
- VI.** Fill in blank spaces provided below.

***SECTION A: DEMOGRAPHIC DATA***

**1. Gender**

Male [ ]

Female [ ]

**2. Marital Status**

Single [ ]

Married [ ]

Divorced [ ] Widowed [ ]

**3. Age**

Below 25 yrs. [ ]      26-35yrs [ ]      36-45yrs [ ]      46-55yrs [ ]  
 56-65yrs [ ]      Above 65yrs [ ]

**4. Level of education**

O Level [ ]      A Level [ ]      Diploma [ ]      Degree [ ]  
 Masters [ ]

**5. How long have you started your business in Vungu District?**

Less than 5 years	
5-10 years	
10-15 years	
15-20 years	
Above 20 years	

***SECTION B: Identifying Local Economic Development and aspects of the Ease of Doing Business Policy that are currently done in Vungu Rural District Council.***

5. What do you think are the major drivers for a conducive business environment in Vungu District?

.....  
 .....  
 .....  
 .....

7. Indicate the type of business you are involved in?

Small to Medium Enterprises [ ]      Partnership [ ]  
 Non-Profit Organisation [ ]      Cooperative [ ]

8. Are you formally registered?

Yes [ ]

No [ ]

***Section C: The impact of the Ease of Doing Business Policy on Local Economic Development***

9. Which remedial action can be implemented by the council to minimize the negative impacts in promoting a conducive business environment?

Enforcement of by-laws [ ]

Legislative Controls [ ]

Others (please specify) .....

10. Are you aware the regulations that promotes a conducive business environment?

Yes [ ]

No [ ]

Please elaborate your answer:

.....  
.....  
.....  
.....

***SECTION D: Factors that contribute to the success and failures of the Ease of Doing Business Policy on Local Economic Development.***

11. What challenges pertaining to the council regulations do you face in operating your business?

.....  
.....  
.....

.....  
.....

**Thank You!!!! Siyabonga!!!! Tatenda!!!!**

# The E.O.D.B.P and its impact on LED case of Vungu RDC

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