**MIDLANDS STATE UNIVERSITY**

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 **FACULTY OF ARTS**

AN INVESTIGATION ON THE IMPACT OF KURERA/UKONDLA YOUTH FUND ON YOUTH LIVELIHOODS. A CASE OF MZILIKAZI DISTRICT (BULAWAYO METROPOLITAN PROVINCE).

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A Dissertation Submitted in partial fulfilment of the requirements for the Bachelor of Arts

Honours Degree Development Studies at Midlands State University.

MAY 2014

Declaration

I Percy Ndumiso Ncube of registration number R113413J declare that, this research project is a result of my work and all other sources are duly acknowledged. It has not been submitted

anywhere before for any degree purposes or examinations in any other university. It is submitted in partial fulfilment of the requirements for the Honours Degree in Development Studies, in the faculty of Arts at Midlands State University

# APPROVAL FORM

The undersigned certify that they have supervised the student Percy Ndumiso Ncube Dissertation entitled. "An investigation on the impact of Kurera/Ukondla youth fund on youth livelihoods. A case of Mzilikazi District (Bulawayo metropolitan province) and is submitted in partial fulfilment of the requirements o f Bachelor o f Arts in Development studies.

Supervisor........................... Date............................

Chairperson.......................... Date...............................

External Examiner.................... Date...............................

#

# ABSTRACT

In Zimbabwe youth constitute a large percentage of the population and they are most marginalised group of people when it comes to resource allocation. As result their livelihoods have been affected by lack resources, capabilities and assets to improve their livelihoods. However the Zimbabwe government has made numerous efforts to improve the livelihoods of youth. One of the efforts done by the Zimbabwean government is to create the Ministry of Youth, Indigenisation and Economic Empowerment with the mandate of empowering youth economically, socially and politically. To further buttress and address challenges faced by youth the indigenisation policy was formulated to reduce unemployment, to promote a culture of entrepreneurship, improve resource allocation and improve the livelihoods of young people. Thus the mandate of the Ministry of Youth, Indigenisation and Economic Empowerment is to execute and review policies relating to youth empowerment and compliance with the national indigenisation and economic empowerment. The Zimbabwean government has created national indigenisation policy were the policy has led to the creation of a Youth Fund known as Kurera/Ukondla Youth Fund which is meant to empower indigenous youth of Zimbabwe. The youth aged 18 to 35 years are the main beneficiaries of the youth fund. However, despite the availability of the Kurera/Ukondla youth fund, youth livelihoods remains questionable and has been greatly politicised, thus failing to bring the intend results regardless of government efforts to improve the livelihoods of youth.

# Acknowledgements

First and foremost I thank God Almighty for giving me the opportunity to do an Honours Degree in Development Studies. Thank you good Lord for surrounding me with helpful people throughout this course.

I would like to acknowledge and express my sincere thanks to my research supervisor Mr D Munemo who is a lecturer at the Midlands State University, for his expertise and professional encouragement. Thank you for sacrificing your time. May the Good Lord richly bless you and your family.

My deepest gratitude and appreciation to the Ministry of Youth, Indigenisation and Economic Empowerment officials in their assistance in linking me up with the community and the information they provided which was relevant to my study. My sincere gratitude also goes to my dear friend Sibangani Dube for helping me out with the whole research, God bless you I appreciate the time you took away from your personal work to help me with my dissertation. God bless you.

To my Family I appreciate all the love and support you gave in my studies special mention to Mr and Mrs D Ncube. God be with you all and I love you. My deepest gratitude and appreciation goes to Mr and Mrs K Mudzingwa for their warm welcome and unwavering support during my stay at Gweru. To my workmates thank you good people for your support and words of encouragement.

# Dedication

I would like to dedicate this piece of work to my parents (Mr and Mrs D Ncube), Leopatra Dumiso Ncube and Lisa Dumisile Ncube.

Contents

[Declaration i](#_Toc389585760)

[APPROVAL FORM ii](#_Toc389585761)

[ABSTRACT iii](#_Toc389585762)

[Acknowledgements iv](#_Toc389585763)

[Dedication v](#_Toc389585764)

[Acronyms viii](#_Toc389585765)

[List of Tables ix](#_Toc389585766)

[List of figures x](#_Toc389585767)

[CHAPTER ONE 1](#_Toc389585768)

[1.0 Introduction 1](#_Toc389585769)

[1.1 Background of the study 1](#_Toc389585770)

[1.2 Statement of the problem 5](#_Toc389585771)

[1.3 Purpose of the study 5](#_Toc389585772)

[1.4 Objectives of the study 5](#_Toc389585773)

[1.5 Research questions 5](#_Toc389585774)

[1.6 Research hypothesis 6](#_Toc389585775)

[1.7 Assumption of the study 6](#_Toc389585776)

[1.8 Justification of the study 6](#_Toc389585777)

[1.9 Scope of the study 7](#_Toc389585778)

[1.9.1 Delimitation of the study 7](#_Toc389585779)

[1.9.2 Limitations of the study 7](#_Toc389585780)

[1.10 Summary 7](#_Toc389585781)

[CHAPTER TWO 9](#_Toc389585782)

[2.0 Introduction 9](#_Toc389585783)

[2.1 Conceptual framework 9](#_Toc389585784)

[2.1.1 Kurera/Ukondla youth fund 9](#_Toc389585785)

[2.1.2 Youths 11](#_Toc389585786)

[2.1.3 Livelihood 11](#_Toc389585787)

[2.1.4 Livelihood outcomes 13](#_Toc389585788)

[2.1.5 Legal frameworks and policies supporting Kurera/Ukondla youth fund 14](#_Toc389585789)

[2.1.6 Objectives of Kurera/Ukondla youth fund 14](#_Toc389585790)

[2.1.7 Challenges encountered by youth with regards to microfinance 15](#_Toc389585791)

[2.1.8 Critique of the Kurera/Ukondla youth fund 16](#_Toc389585792)

[2.1.9 The concept of microfinance and microcredit programmes 17](#_Toc389585793)

[2.2 Literature review 19](#_Toc389585794)

[2.2.1 The Grameen Bank 19](#_Toc389585795)

[2.2.1.1 The Impacts of Microcredit Programs. 21](#_Toc389585796)

[2.2.2 Capacitating livelihoods of youths- Amartya Sen’s capability approach 25](#_Toc389585797)

[2.3 Chapter summary 29](#_Toc389585798)

[3.0 Introduction 30](#_Toc389585799)

[3.1 Research Design 30](#_Toc389585800)

[3.2 Population and Sample Size 31](#_Toc389585801)

[3.2.1 Study Population 31](#_Toc389585802)

[3.3 Sampling Design and Procedure 31](#_Toc389585803)

[3.3.1 Sampling Design 31](#_Toc389585804)

[3.3.2. Sampling Procedure 31](#_Toc389585805)

[3.3.3 Justification of the sampling method. 32](#_Toc389585806)

[3.4 Data Gathering Methods 33](#_Toc389585807)

[3.4.1 Interviews 33](#_Toc389585808)

[3.4.2 Questionnaires 34](#_Toc389585809)

[3.4.3 Personal observation 35](#_Toc389585810)

[3.2.3.1 Advantages of Personal Observation 35](#_Toc389585811)

[3.5 Data Validity and Reliability 36](#_Toc389585812)

[3.6 Ethical considerations 37](#_Toc389585813)

[3.6.1 Voluntary Participation and Informed Consent 37](#_Toc389585814)

[3.6.2 No Harm to the Participants 37](#_Toc389585815)

[3.6.3 Confidentiality 38](#_Toc389585816)

[3.7 Chapter Summary 38](#_Toc389585817)

[CHAPTER FOUR 39](#_Toc389585818)

[4.0 Introduction 39](#_Toc389585819)

[4.1 Objectives of the study 39](#_Toc389585820)

[4.2 Response Rate and demographic analysis of respondents 39](#_Toc389585821)

[4.3.1 Beneficiaries from the Kurera/Ukondla Youth Fund 45](#_Toc389585822)

[4.4 Policy and Legislation Guiding the Youth Development Fund and Youth Empowerment in Zimbabwe 46](#_Toc389585823)

[4.4.1 Impact of Kurera/Ukondla Youth Fund. 47](#_Toc389585824)

[4.5 Challenges in the Implementation of the Kurera/Ukondla Youth Fund 48](#_Toc389585825)

[4.5.1 Challenges faced by youths in accessing the funds and managing their projects 48](#_Toc389585826)

[4.5.2 Challenges faced by bank in processing the Kurera/Ukondla youth fund 50](#_Toc389585827)

[4.6 Sustainability of the Kurera/Ukondla Youth Fund as a Youth livelihood Strategy 50](#_Toc389585828)

[CHAPTER FIVE 52](#_Toc389585829)

[5.0 Introduction 52](#_Toc389585830)

[5.1 Summary of Findings 52](#_Toc389585831)

[5.1.2 Policy and Legislation supporting Kurera/Ukondla Youth Fund 52](#_Toc389585832)

[5.1.3 Relevance of Kurera/Ukondla Youth Fund in meeting livelihood needs of youth 52](#_Toc389585833)

[5.1.4 Did the Kurera/Ukondla Youth Fund meet its objectives? 53](#_Toc389585834)

[5. 2 Conclusions 53](#_Toc389585835)

[5.2.1 Kurera/Ukondla as a viable youth empowerment strategy 53](#_Toc389585836)

[5.2.2 Policy and Legislation supporting Kurera/Ukondla Youth Fund 53](#_Toc389585837)

[5.2.3 Challenges in the roll out of Kurera/Ukondla Youth Fund 53](#_Toc389585838)

[5.2.4 Sustainability of Kurera/Ukondla Youth Fund 54](#_Toc389585839)

[5.3 Recommendations 54](#_Toc389585840)

[5.3.1 Kurera/Ukondla as a viable Youth Livelihood Strategy 54](#_Toc389585841)

[5.3.2 Policy and Legislation supporting Kurera/Ukondla Youth Fund 54](#_Toc389585842)

[5.3.3 Challenges in the implementation of Kurera/Ukondla Youth Fund 55](#_Toc389585843)

[5.4 Limitations of the study 55](#_Toc389585844)

[5.5 Suggestions for Further Research 55](#_Toc389585845)

[5.6 Chapter Summary 56](#_Toc389585846)

[REFERENCES 57](#_Toc389585847)

[Online Sources 63](#_Toc389585848)

[ANNEX 1 64](#_Toc389585849)

[ANNEX 2 69](#_Toc389585850)

[ANNEX 3 72](#_Toc389585851)

# Acronyms

BCZ- Business Council of Zimbabwe

CABS- Central African Building Society

CSOTs- Community Share Ownership Trust

DA- District Administrator

DFID- Department for International Development

DYDO- District Youth Development Officer

ESOT- Employee Share Ownership Trust

GB- Grameen Bank

IEEP- Indigenisation and Economic Empowerment Programme

ILO- International Labour Organisation

IDS- Institute for Development Studies

MFIs- Microfinance Institutions

MYDIE- Ministry of Youth Development, Indigenisation and Empowerment

MYIEE- Ministry of Youth, Indigenisation and Economic Empowerment

SME- Small and Medium Enterprises

UNDP- United Nations Development Programme

YDF- Youth Development Fund

# List of Tables

[Table 1 Awareness of Kurera/Ukondla youth fund 57](#_Toc387740119)

[Table 2: Youths funded under Kurera/Ukondla youth fund in Mzilikazi District 59](#_Toc387740120)

[Table 3 Main challenges faced by youths in accessing Kurera/Ukondla Youth Fund 63](#_Toc387740121)

# List of figures

[Figure 1: Demographic Information of the respondents (youths) 53](#_Toc387739631)

[Figure 2: Distribution of Youth Respondents by Age 54](#_Toc387739632)

[Figure 3: Number of youths by highest educational qualification 55](#_Toc387739633)

[Figure 4: Youth Employment Situation by Respondents 56](#_Toc387739634)

[Figure 5: Information Channel about Kurera/Ukondla Youth Fund 58](#_Toc387739635)

[Figure 6: Awareness of policies 60](#_Toc387739636)

[Figure 7: Number of youths who benefited from Kurera/Ukondla Youth fund 62](#_Toc387739637)

[Figure 8: Challenges faced by bank in processing the Kurera/Ukondla youth fund 64](#_Toc387739638)

[Figure 9: Bank’s view on sustainability of Kurera/Ukondla Youth fund 66](#_Toc387739639)

# CHAPTER ONE

## 1.0 Introduction

This research investigates the impact of the Kurera/Ukondla youth fund on youth livelihoods. In this chapter, the background of the study will be proffered, after the background to the study has been given, the statement of the problem will be formulated and also the objectives stated. Justification of the study will be discussed while the hypothesis, delimitations and limitations will be outlined. Chapter summary caps all the work outlined in this section.

## 1.1 Background of the study

Youth unemployment is a global challenge and little attention to the challenge will pose a threat to the future of many countries. The weakening of the global recovery in 2012 and 2013 has further aggravated the youth jobs crisis and the queues for available jobs have become longer and longer for some unfortunate young jobseekers.

Globally, youth aged 15-24 are three times more likely than adults to be out of a job ([www.plan-eu.org](http://www.plan-eu.org) ). Those who do have a job, they are typically underemployed, in part time or temporary work, in the informal sector and poor working conditions (www.plan-eu.org ). From 2009 to 2011 the youth unemployment rate decreased from 12.7 per cent to 12.3 per cent. It increased again to 12.4 per cent in 2012 and has continued to grow to 12.6 per cent in 2013(okanguraybulb.com.tr). This is 1.1 percentage points above the 2007 level of 11.5 per cent. Global youth unemployment is estimated to be 73.4 million in 2013, which is an increase of 3.5 million since 2007 and 0.8 million above the 2011 level (okangurabulb.com.tr). Young people therefore continue to be almost three times more likely than adults to be unemployed, and the upward trend in global unemployment continues to hit them strongly. Hence these devastating statistics continue to increase vulnerability and poverty levels of young people.

Africa as a continent has not been spared from the job crisis affecting young people. Young people make up 50% of the population, Economic Commission for Africa (2002). In 2000, one in three persons of working age were aged between 15 and 24, but in 2012 this proportion had dropped to 28%, and it is projected to fall to one in four persons in 2015 (okangurabulb.com,tr). The outlook for the coming years remains bleak, with youth unemployment projected to remain close to 24 per cent until 2018 (okangurabulb.com.tr). Youth unemployment in Sub- Saharan Africa is twice of adults12,8% for youth and 6.5% for adults, while in North Africa triples that of adults 27.1% and 7% for adults according to ILO (2012a:93). Boateng (2014) point out that supporting entrepreneurship through promoting the development of the small and medium enterprises (SME) sector can be a solution to reducing unemployment levels in most African countries.

In the case of Mali, the ILO, (2011:3) observed that the Mali intervention was established as a response to the existence of multiple funds that had limited or no impact on employment creation or integration of youth and women in the economy. The Fund optimises the effectiveness of funding mechanisms for youth that are operational in Mali, by adapting and complementing the available financial instruments. The objectives of the Fund are to (i) create more employment; (ii) create better quality jobs; and (iii) integrate the informal sector into the formal sector, (ILO, 2011:3). Similarly the Tanzania Economic Empowerment Fund (EEF) and Youth Development Fund (YDF) have a big emphasis on employment creation, (ILO, 2011:3). The national priority was to create jobs for women and youth that were seen in a distinctive political context of fulfilling an election promise, whilst other objectives of the Fund included to avail credit to adults and youth with business ideas and projects; and to promote the culture of banking and savings.

In Zimbabwe statistics show that 70% of the 13 million people are youth aged between zero and 35 years and they also have not part in the main stream economy (New African Special Report 2013). In Zimbabwe in 1994 unemployed youth accounted for 62.1%, 65% in 1999, 67.5% in 2002 and 56,6% in 2004 (ILO,2012b). This report confirms that in developing economies where labour market institutions, including social protection, are weak, large numbers of young people continue to face a future of irregular employment and informality (nationalmirrorline.net). Young workers often receive below-average wages and are engaged in work for which they are either overqualified or under qualified. The youth unemployment rate in the formal sector increased from 70 per cent in December 2009 to 80 per cent in December 2010 ([www.ispd-zw.org](http://www.ispd-zw.org) ). Zimbabwe Poverty Assessment study (1995) revealing that the youth have the highest unemployment rate among all the age groups in the labour force in Zimbabwe. More recent figures indicate that out of the country's 12 million people, only 480,000 were formally employed in 2008, down from 3.6 million in 2003 (The United Nations Office of the Coordination Humanitarian Affairs [UNOCHA], 2008). Formal sector unemployment stood at 94 percent of which 67.7 percent constituted the youth ([www.mydec.gov.zw](http://www.mydec.gov.zw)). The problem of youth unemployment viewed as a multifaceted one that should be viewed as part of a larger problem ([www.isp-zw.org](http://www.isp-zw.org) ). Thus tackling the problem of youth unemployment will require robust strategies and multisectorial approach to address the problem of unemployment amongst youth. The complexity emanates from the fact that the formal sector has been dwindling over the past years to the extent that the economy has been largely informalised ([www.isp-zw.org](http://www.isp-zw.org) ). The rate of youth unemployment with regard to both formal and informal sectors of the Zimbabwe economy stood at 19 percent for females, 11 percent for males (nayoyouth.org).

Bulawayo Metropolitan Province is the second biggest city in Zimbabwe and with a youthful population. Bulawayo Metropolitan Province youth constitute of 60 percent of the total population and the youth have not been spared from the challenges of unemployment. As a result of the unemployment rate many youths in Bulawayo have resorted to migrate to neighbouring countries like South Africa and Botswana. (kubatana.net). The closing down and relocating of industries has also exacerbated the situation and the rate of unemployment in Bulawayo. Furthermore Bulawayo being found in region 5 where there is little rainfall and little agricultural activities, hence making formal employment as the only source of livelihood (Muhnande 2008). Operation Murambastvina of 2005 deepened the crisis in Bulawayo as many young people who were not employment had sought informal employment; however this was destroyed by the government as it attributed it as rubbish (Muhnande 2008). Thus more young people further lost a source of livelihood. As if this was not enough 2008 crisis also saw many young people suffering as inflation rose to 1000% (March 2008) (New Zimbabwe. Com 24 February 2008). Hence this mean that many young people were swimming in poverty as many bread winners in families left children behind to look for greener pastures outside the country.

The impact of economic liberalisation on the informal sector is another key issue that shapes the economic opportunities available to disadvantaged youth. The evidence is fairly scanty, but what is available suggests that most survivalist micro-enterprises where youth tend to be heavily concentrated have been negatively affected by economic liberalisation (hivaidsclearinghouse.unesco.org). This is mainly because economic reform programmes have depressed aggregate demand (especially in urban areas), increased import competition, and generally increased levels of uncertainty (Dube 2013). Income returns among survival enterprises are likely to have declined in most countries as a result of large influxes of new entrants unable to find wage employment in the formal sector. (hivaidsclearinghouse.unesco.org)

Apart from unemployment, which forms the basis for enhancing youth livelihoods, the youth also encounter more profound challenges when it comes to access to finance and entrepreneurial skills ([www.africayouthskills](http://www.africayouthskills) ).

The indigenisation and economic empowerment in Zimbabwe seeks to empower and improve the livelihoods of people through employment creation and poverty alleviation. This policy will create dignified employment especially for the youth, distribute wealth amongst citizens more equitably, cause general improvement in the quality of life of every Zimbabwean, and bring about sustainable national development which is home grown ([www.odi.uk.org](http://www.odi.uk.org) ). Thus a livelihood is sustainable if among other things is able to provide opportunities for the next generation and contributes net benefits to other livelihoods at the local and global levels in the short and long term, through capabilities, assets and activities required for a means of living ([www.researchjournal.com](http://www.researchjournal.com) ). Sustainable Livelihood Framework gives five interlinked forms of capital that encompass a livelihood namely; Human, Natural, Social, Physical and Financial Capital and these are interlinked and a single asset can generate multiple benefits ([www.researchjournal.com](http://www.researchjournal.com) ). Therefore the Sustainable Livelihood Framework can used to assess impact of the IEEP’s ESOSs, CSOSs and YDF on a number of indicators such as poverty reduction, well-being and capabilities. ([www.researchjournal.com](http://www.researchjournal.com) )

Considering these challenges, a targeted policy approach for increasing entrepreneurial activities to both increase and labour demand is increasingly acknowledged as a measure to address livelihood insecurity (Omondi 2013). Omondi (2013:1) further argues that “among the range of policy interventions include enhancing greater access to credit facilities”. In Zimbabwe, the flagship initiative is the Kurera/Ukondla Youth Fund.

## 1.2 Statement of the problem

Unemployment and lack of entrepreneurial skill are the major challenges facing youth in Africa, about 72% of Africa’s unemployed and an additional 49,6% are underemployed (ILO 2012). According to Zimstat (2012) youth aged 15-34 constitute the lager group of the unemployed with revelations that 4 out of every 5 unemployed persons were youths. Zimbabwe National Statistic Agency (2013) notes that 83. 5% of the unemployed persons are aged between 15 and 35.

## 1.3 Purpose of the study

The purpose of the study is to investigate the impact of the Kurera/Ukondla youth fund on youth livelihoods, using Mzilikazi District as a case study.

## 1.4 Objectives of the study

* To assess the impact of the Kurera/Ukondla youth fund on youth livelihoods.
* To examine the policy and legislative frame works for the Kurera/Ukondla youth fund found in Zimbabwe.
* To analyse the relevance of the Kurera/Ukondla youth fund in meeting the livelihoods needs of youth.
* To evaluate if the Kurera/Ukondla youth fund has achieved its objectives.

## 1.5 Research questions

## Is the Kurera/Ukondla youth fund a viable youth livelihood strategy?

## Are there adequate policy and legislative frameworks guiding the Kurera/Ukondla youth fund?

##  What are the challenges in implementing the Kurera/Ukondla Youth fund?

## How sustainable is the Kurera/Ukondla youth fund in improving the livelihoods of youth in Zimbabwe?

## 1.6 Research hypothesis

The Kurera/Ukondla youth fund as a youth empowerment strategy has helped reduce youth unemployment and economic exclusion in Zimbabwe.

## 1.7 Assumption of the study

The current high youth unemployment condition is likely to continue for the foreseeable future until the economy stabilizes and economic performance improves. The Ministry of Youth, Indigenization and Economic Empowerment will grant the researcher permission to conduct field interviews and access to data for the research. It is assumed that key informants will be able to give accurate information, without fear or bias.

## 1.8 Justification of the study

The research will help in filling the gaps in knowledge and contribute to research done by other researchers on this particular subject. This research will identify some of the gaps in microfinance as development strategy as line Ministries like Ministry of Women Affairs and Ministry of Small to Medium Enterprises have funds which they are allocating as way of improving livelihoods of vulnerable people. The research will help Bulawayo Metropolitan Province with information which will be useful in improving the livelihoods of youth. The study will seek to influence policy and institutional frameworks associated with microfinance in Zimbabwe.

The research is also important in that it can greatly explain the situation on the ground on whether the youths are greatly benefiting from the Kurera/Ukondla youth development fund, are they making good use of the loans they are getting from the Government so that they become masters of their own destiny, if not what can be done by the Zimbabwe Government so as to see whether the loans are put into correct use or not. The research will seek to find out if the livelihoods of youth are being improved and that do youths have enough capabilities, assets and activities required for a means of living, thus if not the research will put forward recommendations or strategies that will further improve youth livelihoods other than microfinance. The research will seek to come up with possible recommendations to the Kurera/Ukondla youth development fund. Furthermore the study will assist in identifying the positive and negative impacts of Kurera/Ukondla Youth Fund.

##  1.9 Scope of the study

### 1.9.1 Delimitation of the study

The research is based on Mzilikazi District in Bulawayo Metropolitan Province. The population to be studied will be youths, both female and male. Ministry of Youth staff were interviewed and the bank participating in the Kurera/Ukondla youth fund namely Central African Building Society (CABS).

### 1.9.2 Limitations of the study

The prevailing political environment in Zimbabwe might hamper successful research especially in view of the polarised nature of Zimbabwean society and the dominance of opposition politics in Zimbabwe’s urban areas. Key informants might were not willing release information need for a comprehensive research. To counter this, the researcher sought voluntary participation of the respondents and used the local ward youth officers to administer the questionnaires. This was of assistance as the ward youth officers are resident within the wards and are presumably more trusted by the target populations as the ward youth officers played a key role in ensuring that the youths apply and get the youth development funds loans under Ministry of Youth’s various empowerment windows that include amongst others Commercial Bank of Zimbabwe, Infrastructural Development Bank of Zimbabwe, Wealth Creation Fund and the Kurera/Ukondla youth fund.

### 1.10 Summary

This chapter outlined the introduction, background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, research hypothesis, justification and scope of the study were outlined in this chapter. The next Chapter shall look at the Conceptual framework and review literature related to the study.

# CHAPTER TWO

## 2.0 Introduction

This chapter provides conceptual frameworks and review of literature related to the study. The study will further look at the, challenges, objectives and legal and policy frame works supporting the Kurera/Ukondla youth fund. Theoretical frameworks related to the subject under study will also be discussed in this chapter.

## 2.1 Conceptual framework

The study will define concepts related to the research. The following concepts will be defined and discussed in the study: Kurera/Ukondla, Youth and livelihood.

### 2.1.1 Kurera/Ukondla youth fund

In 2007, the Indigenisation and Economic Empowerment bill was passed by Parliament and 2008 the bill was signed into law. In March 2010 a statutory instrument gave effect into Chapter 14:33 of the Indigenisation and Economic Empowerment Act stipulating that every foreign owned companies to cede 51% of their equity or shareholding to the previously disadvantaged “indigenous” Zimbabweans, not as individuals but as a collective, to enable them to participate in the mainstream economy ([www.shar4dev.net](http://www.shar4dev.net) ). The indigenisation and economic empowerment programme provides for the establishment of the following in meeting the requisite 51% indigenous equity; Employee Share Ownership Trusts (ESOT), Community Share Ownership Trusts (CSOTs) and establishment of National Indigenisation and Economic Empowerment Fund (Sovereign Wealth Fund). (Indigenisation and Economic Empowerment Act 14:33)

The Kurera/Ukondla Youth Fund is a name given to the Youth Development Fund in Zimbabwe that is being administered by the Ministry of Youth, Indigenisation and Economic Empowerment in conjunction with Central African Building Society (CABS) ([www.mydie.gov.zw](http://www.mydie.gov.zw) ). The ILO, (2011:2) states that Youth (development) Funds are financial resources that are allocated and reflected in national budgets by governments, either as grants or loans for young people to start new businesses or expand existing businesses. This is further supported by the National Youth Policy which encourages the establishment of a youth fund and other institutional funds as well as removes barriers to ensure access to capital by youth. In this study the youth development fund referred to is Kurera/Ukondla youth fund.

In a bid to create employment and sustainable livelihoods amongst youth, a US$10 million youth fund was created through a partnership between Old Mutual and MYDIE. The objective of to fund is to finance viable projects by the country’s youth ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). The fund code named Kurera /Ukondla Youth Fund is meant to fund youth businesses and income-generating projects as well as enable youths to participate in the mainstream economy and contribute to economic growth and development ([www.mydie.gov.co.zw](http://www.mydie.gov.co.zw)). Realising the challenges faced by young people in Zimbabwe, the Kurera/Ukondla youth fund is meant to assist social and economic development in communities through reducing idleness, promoting productivity, create employment and a sense of worth among youth ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). The fund which has a maximum threshold of $5 000.00 is meant for young people aged between 18 and 35 ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). The projects funded by the Kurera/Ukondla youth fund vary in nature and fall into the sectors of manufacturing, agriculture, distribution, services, telecommunications, engineering, tourism, mining and retail.([www.ruzivo.co.zw](http://www.ruzivo.co.zw)). Available information regarding suggest that “The Old Mutual funded CABS (Kurera/Ukondla) Youth Fund valued at US$10.5 million has created more than 8600 jobs and acknowledged the importance of capacity building as a key tenet of the economic empowerment process by providing one million United States dollars through the ministry and ZYC.”([www.researchjournal.com](http://www.researchjournal.com) ) The loan facility does not require youths to produce any collateral for the youths to access the loan (Chronicle, 21 November 2011).

 It is noted that Kurera is a Shona term which refers to nurturing something into fruition or bringing up a child from childhood to adulthood. In this context ‘Kurera’ refers to nurturing young people through financial start up to enable youths to be entrepreneurs and create employment. While in Ndebele ‘Ukondla’ refers to nurturing something into fruition or bring up a child from childhood to adulthood. In this context Ukondla refers to nurturing young people through financial start up to enable youths to be entrepreneurs and create employment.

### 2.1.2 Youths

In Zimbabwe, youth are defined as persons between 10 and 35 years of age, (National Youth Policy, 2012:11). For the study, youths were any persons between 18 and 35 years of age, who are eligible to apply for the Kurera/Ukondla youth fund ([www.odi.org.uk](http://www.odi.org.uk) ). The study used Zimbabwean government set aside this age (18-35) bracket as it believed that one would be mature and it is in line with the age of legal majority act enshrined in the Zimbabwean constitution.

### 2.1.3 Livelihood

According to Kollmair and Gamper (2002) the livelihood strategies comprise; “the range of combination of activities and choices that people undertake in order to achieve their livelihood goals.” They constitute a range of processing and exchange activities designed to build asset bases and access to goods and services for consumption. The analysis of livelihoods using the Sustainable Livelihoods Framework places emphasis on the livelihood assets or capitals to which people have access, and how they draw on their livelihood assets or capital in different arrangements to achieve desired livelihood outcomes ([www.gprg.org](http://www.gprg.org)). Bebbington (1999) describes the portfolio of these livelihood assets as "not simply resources that people use in building livelihoods: they are assets that give them the capability to be and act."

The Sustainable framework focuses on five clusters of livelihood assets, namely: Human capital, Social capital, Physical capital, Natural capital and Economic capital. Adopting the characterization of “livelihood resources” ([www.socialpsychology.org](http://www.socialpsychology.org) ), the five assets can be described are as follows:

* Human capital – includes the skills, knowledge, ability to labour and good health and physical capability important for the successful pursuit of different livelihood strategies.
* Social capital – includes the social resources (networks, social claims, social relations, affiliations, associations) upon which people draw when pursuing different livelihood strategies requiring co-ordinated actions
* Economic or financial capital – includes the capital base (cash, credit/debt, savings, and other economic assets, including basic infrastructure and production equipment and technologies) which are essential for the pursuit of any livelihood strategy.
* Natural capital- includes natural resources (. nutrient cycling, erosion protection, trees, land) which are important in achieving other livelihood strategies.
* Physical capital- includes basic infrastructure and producer goods (affordable transport; secure shelter and buildings; adequate water supply and sanitation; clean, affordable energy; and access to information) these infrastructure and producer goods are needed to support livelihoods ([www.sida.sc](http://www.sida.sc) ).

As the concept on livelihood framework is look into widely, it is necessary to acknowledge that the livelihood strategies that people pursue to achieve their objectives are fundamentally influenced by both the context of the environment in which they exist and livelihood assets that they have access to (Omondi 2013). “In pursuing livelihood strategies composed of a range of activities, both the access to assets and the use to which they can be put are mediated by social factors and by exogenous trends and shocks.” ([www.odi.org.uk](http://www.odi.org.uk) ). In the context of the youth, self employment remains essential part of their livelihood strategy to improve circumstances in the long term. Sustained periods of unemployment naturally motivate the youth to seek alternatives to wage employment, which can include various types of production and income-generating activities (Omondi 2013).

 The vulnerability context forms the external environment in which people exist and gain importance through direct impacts upon people’s asset status (Devereux in Kollmair and Gamper 2002). It comprises Trends (i.e. demographic trends; resource trends; trends in `governance), Shocks (i.e. human, livestock or crop health shocks; natural hazards, like floods or earthquakes; economic shocks; conflicts in form of national or international wars) and Seasonality (i.e. seasonality of prices, products or employment opportunities and represents the part of the framework that lies furthest outside stakeholder’s control (Kollmair and Gamper 2002). People’s livelihoods and the wider availability of assets are fundamentally affected by critical trends as well as by shocks and seasonality, over which they have limited or no control (DFID, 1999).

In the context of this study, youth being a vulnerable group and likely to experience adverse impacts of poverty. Thus poverty refers mainly to a lack of material or monetary resources ([www.undp.hr](http://www.undp.hr).). While vulnerability is defined as the probability or risk today of being in poverty or to fall into deeper poverty in the future ([www.worldbank.org](http://www.worldbank.org) ).Therefore, vulnerability may influence household behaviour and coping strategies and is thus an important consideration for poverty reduction policies ([www.worldbank.org](http://www.worldbank.org) ).

Against this back ground it is crystal clear that, the youth are exposed more to the risks of poverty than other age groups. Important variables of youth poverty relates to employment and wealth status. As noted, generally speaking, young people are in a less favourable social and economic position, since they do not possess property (property, savings, shares) and have more difficulty finding employment or a place to live ([www.undp.hr](http://www.undp.hr) ). In general the findings of previous research as reported in the ILO (2010) study reports, show that the youth are “disproportionately susceptible to poverty, reinforcing the notion that youth are not just disadvantaged in terms of accessing work, but also in finding productive work that provides sufficient income to escape poverty.” Considered in this manner, income level and stability remain the central and defining characteristics of vulnerability, and can have positive or negative influences on the livelihood strategies that the youth pursue (Omondi 2013).

The Sustainable livelihood Framework, as employed in this study, focuses attention on microfinance as the means through which the youth develop their underlying resources and capacities to cope with the challenges they encounter. In this way, the youth build their livelihood assets to meet their needs on a sustained basis (Omondi 2013).

### 2.1.4 Livelihood outcomes

 Livelihood outcomes refers to the goals to which people aspire, the results of pursuing their livelihood strategies, such as increased income, reduced vulnerability, increased well-being, improved food security, and more sustainable use of natural resources (Alinovi, D’Errico, Mane, and Romano, 2010). Thus livelihoods outcomes are important as noted by (Alinovi, D’Errico, Mane, and Romano, 2010 ), because they help the analyst to understand the results of peoples’ livelihoods strategies in a particular context, why people pursue particular strategies and what their priorities are, and how people are likely to respond to new opportunities or constraints.

Under economic perspective, an important aspect of the livelihood outcomes is the effects on livelihood security, defined as adequate and sustainable access to income and resources, notably to address food security, well-being, and sustainable resource management (Omondi 2013). In relation to the topic under research, the Kurera/Ukondla youth fund as livelihood strategy will seek to bring outcomes that could be reflected in the income level and income stability which will lead to improved well being of youths.

#### **2.1.5 Legal frameworks and policies supporting Kurera/Ukondla youth fund**.

The Kurera/Ukondla youth fund has been setup to support youth empowerment. To further entrench the support of youth empowerment of Kurera/Ukondla youth fund, legal frameworks and policies have been put in place. Section 14 (1) of the new constitution states that

“*The State and all institutions and agencies of government at every level must endeavour to facilitate and take measures to empower, through appropriate, transparent, fair and just affirmative action, all marginalised persons, groups and communities in Zimbabwe with emphasis on employment creation for the women and youths*.”

 Dube (2013 unpublished) observes in case where public funds are used, it is important that the programmes are supported by various policies and laws so as to remove elements of political patronage, corruption and other governance ills that hinder effectiveness and efficiency. Indigenization and Economic Empowerment Act, Chapter 14:33 of 2008, The Zimbabwe Youth Council Amendment Act No.16 of 1997, African Youth Charter, Zimbabwe National Youth Policy, and Constitution of Zimbabwe, are some of the policies and legislative documents supporting and guiding the Kurera/Ukondla youth fund in Zimbabwe.

### 2.1.6 Objectives of Kurera/Ukondla youth fund

The objectives of the Kurera/Ukondla youth fund seeks to;

* Empower youths economically.
* Enable youths to participate in the economic mainstream, at the same time creating employment for fellow young people.
* Create a platform where youths promote the utilisation of skills at their disposal.
* Create sustainable and decent jobs for youths.
* Reduce poverty and unemployment.
* Aid social development in communities.
* Aid the growth of targeted sectors of the economy involved in socially responsible activities particularly agriculture, agro-processing, small scale mining, craft work, trades, artwork and retail trade.

### 2.1.7 Challenges encountered by youth with regards to microfinance

While microfinance is a noble idea in improving livelihoods of youth, however it aroused interest in the role and extent microfinance is alleviating unemployment amongst many other challenges faced by youth. Bennell (2000) highlights the following problems that have been encountered with micro-finance programming for youth:

* Screening mechanisms: Selection procedures have generally been too lax and there has been inadequate use of savings requirements in order to screen out potential defaulters.
* Peer pressure: There are additional complications with the conventional group lending approach because peer pressure is likely to be less strong, especially among marginalised youth (with weak socialisation). The commitment to repay can also be lower among younger women who may leave the group to get married.
* Control over loan use: The lack of control of loans by youth borrowers has been a major issue. Given their subordinate position in most households, they are under strong pressure to relinquish control of loans to adult members. Research shows that control over loans given to women or youth is more likely to be retained when the size of the loan is relatively small (in relation to overall household income) and when it is based on activities that do not challenge notions of traditional or appropriate work. The need for close parental and community involvement is crucial.
* Credit-only interventions: In reviewing the performance of youth credit projects world-wide, Marcus concludes that ‘simply providing loans or savings facilities to **...** young people is not particularly effective; more than adults they may need training in how to make best use of the money’ (Save the Children, 1998). Most of the youth credit programmes in Sub-Sahara Africa recognise the need for an integrated approach, but providing the range of services required imposes major demands on organisations and seriously reduces the number of participants.
* Youth demand for micro-finance: Youth in certain situations are reluctant to borrow money. In South Africa, for example, the Centre for Opportunity Development has operated multiple enterprise development programmes for youth in the Western Cape and Northern Province. However, ‘not many loans have been facilitated for clients to date, through no lack of trying’ (Woolley, 1998:2).
* Professional expertise: The lack of appropriate technical expertise has been a key issue in a number of projects, which has resulted in basic mistakes in project design and implementation.
* Group based lending. In well-designed projects, groups have been very successful and have ‘taken on a life of their own’. Weekly meetings provide key support for participants but are time-consuming.
* Loan size: Loans are usually too small.

The above challenges having been cited though microfinance being used as a strategy to address youth unemployment, the sustainability of the strategy remains questionable inspite the strategy being carried out in different parts of the Africa like South Africa and Kenya.

### 2.1.8 Critique of the Kurera/Ukondla youth fund

Inspite of the Kurera/Ukondla youth fund creating 8600 jobs as cited in ([www.researchjournal.com](http://www.researchjournal.com)), the Kurera/Ukondla has come under a lot of criticism as an empowerment and livelihood strategy for youths in Zimbabwe has come under a lot of criticism by youths and various scholars. Criticism has been that (US$5000, 00) being the maximum amount offered for youths to start a business is too low for the targeted sectors, and most of the new projects would be under-funded with this amount if there is no other source of funding ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). There have been a number of outcries from the youths, ranging from delays in project assessments, to the fact that their projects have not been funded ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). On the other hand CABS bank delays in disbursing the funds was due to the low quality of business proposals (mainly poultry) and the stringent requirements the bank requires to fund successful applications, hence this has demoralised the youth ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). Naturally youth being impatient this has resulted in some of the youth to cross the border to neighbouring South Africa in search of better employment opportunities. While disbursement of loans has delayed, capacity building for youth to manage the funds well has been ignored, which is a critical component of empowerment ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ). Therefore disbursement of loan funds is not the end, but the beginning of the process, which should be completed through timely repayments. Thus, simply making loans available does not solve the problems, but in fact it can compound the problems should the project fail ([www.ruzivo.co.zw](http://www.ruzivo.co.zw) ).

As the only purely empowerment move in the policy, media reports show that the fund has not been equitably distributed, and its implementation has been done without the key elements of empowerment, capacity assessment, namely training, systems development and mentoring (The Chronicle Saturday, 26 January 2013).

### 2.1.9 The concept of microfinance and microcredit programmes

Microfinance/microcredit programmes are based on the theory of utilizing social capital to fuel development from below; as a result these programs have emerged as a favoured model of development (Rankin, 2002:9). Microfinance is a phenomenon that reflects the provision of credit and microloans to low income people in order to enable them to engage in productive economic activities that help them enhance their income (Awojobi and Bein, 2011). Microfinance is a wider concept than microcredit as it includes the provision of other financial services like saving funds and insurance services in addition to the provision of microcredit; however the two terms (microfinance and microcredit) are often used interchangeably (Khandker, 1998).

There are many definitions of microcredit. Generally the main idea behind it is to enable poor people to have access to financial services that they cannot attain through regular banks since they lack the collateral required in such a case. According to Schreiner & Colombet (2001: 339) it is an “attempt to improve access to small deposits and small loans for poor households neglected by banks”. It also includes “the mobilization of savings and disbursement of micro-credit to the economically active poor, so as to provide employment and means of sustainability to improve the living standard in an economy” (Awojobi & Bein, 2011, p. 160). In general the main purpose behind microcredit programmes are to “extend small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families. In most cases, microcredit programs offer a combination of services and resources to their clients in addition to credit for self-employment.

 These often include savings facilities, training, networking, and peer support.” (The Microcredit Summit Campaign, 2009) Microcredit entails not only providing the poor with financial services but with the added capabilities needed to set up their self employment business projects and maintain their sources of sustainable livelihoods instead of waiting for employment opportunities from the government (Fasoranti, 2010). Microcredit are given to the poor either to help them establish their new business projects or to help small entrepreneurs who already have their business to expand it and be more sustainable (Johnson & Rogaly, 1997). Usually the duration of these kinds of loans are short-term, maximum two years, conditioned to be used in productive projects for example agriculture, industry, trading and not in consumption. Typically the interest rates are higher compared to traditional bank loans (Jaffer, 1999).

Whilst microfinance institutions are not banks and should aim to serve people that do not have access to traditional banks, they still operate like traditional banks in that they are interested in making a profit. Hence microfinance institutions are two-faced in nature: “social nature and a for-profit nature” (Gutiérrez-Nieto et al., 2007, p. 131). The Kurera/Ukondla youth does not require collateral; the interests are at 10% and the loan repayment also is flexible between 6 to 36 months. (Chronicle, 21 November 2011). In light the above the Kurera/Ukondla would fall under the social nature as shown by the flexible terms offered by the Central African Building Society (CABS). Furthermore youth being a vulnerable lack the required assets to provide as collateral.

There are different kinds of microcredit programmes; however in general microfinance institutions offer credit either through joint liability group lending or individual-based lending. The individual lending model is close to the banks model where there is a direct relationship between the programme and the loan holder, whereas the group lending model a group of borrowers are responsible for loan repayments. In this case if one of the group members does not repay the loan the others group members have to contribute otherwise the whole group will be deprived future access to loans from the programme (Hermes & Lensink, 2007).

## 2.2 Literature review

 This study is informed by the microfinance model of the Grameen Bank and the empowerment writings advanced by Amartya Sen (herein termed the Entitlement/Capability Approach). The chosen literature is interlinked towards the goal of achieving sustainable livelihoods and eradication of poverty. This is closely related to the topic under research; investigating the impact of Kurera/Ukondla on youth livelihoods (increasing capabilities and/or creating sustainable livelihoods) through provision of loans (microfinance). Therefore the Sustainable Livelihood Framework is a tool that can used to assess impact of the IEEP’s Kurera/Ukondla youth fund on a number of indicators such as poverty reduction, well-being and capabilities ([www.researchjournal.com](http://www.researchjournal.com) ). As cited in ([www.researchjournal.com](http://www.researchjournal.com) ) explores Sen’s Capabilities of “what people can do or be with their entitlements” and argues that the analysis will allow people themselves to define the criteria which are important. The sustainable livelihoods outcome criteria may result in the inclusion of more diverse factors such as self-esteem, security, and happiness, power and material concerns ([www.researchjournal.com](http://www.researchjournal.com) ).

### 2.2.1 The Grameen Bank

The Grameen Bank frame work helps bring out the importance of financial capital (micro-credit) explained in the Sustainable Livelihood Framework as a way of achieving sustainable livelihoods outcomes. Thus access to micro-credit opportunities to youth can help to maintain livelihoods or pursue new ones.

‘‘*Micro-credit is not a miracle cure that can eliminate poverty in one fell swoop. But it can end poverty for many and reduce its severity for others. Combined with other innovative programs that unleash people’s potential, micro-credit is an essential tool in our search for a poverty-free world’’*, argue Yunus and Jolin, (1999:171).

"To argue that banking cannot be done with the poor because they do not have collateral is the same as arguing that men cannot fly because they do not have wings", argues Muhammad Yunus (founder of the Grameen Bank and microfinance model) in Ghattak and Guinnane, (1999:195). The idea of Grameen Bank originated in rural Chittagong, Bangladesh through a university professor, Muhammad Yunus in 1976 as an experiment, (Khawari, 2004). Much of the motivation behind the idea was the need for credit by the poor borrowers of the area which would eventually free them from the clutches of the informal moneylenders (because the poorest of the poor had no access to commercial credit), (Jain &Mansuri, 2003). Yunus started a project giving out collateral free loans from his own pocket to the poor villagers for income-generating activities like weaving bamboo stools and making pots, (Morduch, 1999).

“In 1976, Yunus launched the Grameen Bank Project in Jobra to experiment with a credit system that would provide banking services for the rural poor,” (Levin, 2012:110). Grameen (“Village”) Bank opened with the five following objectives: Extend banking facilities to the poor, Eliminate exploitation of the poor, Promote self-employment for rural, unemployed Bangladeshis, Include the most disadvantaged (especially women) in leadership roles, and Reverse the cycle of “low income, low saving & low investment” to “low income, injection of credit, investment, more income, more savings, more investment, more income”, (Levin, 2012:110). The United Nations declared 2005 the “International Year of Microcredit” to encourage global awareness and action, and in 2006 the Grameen Bank and Yunus jointly won the Nobel Peace Prize for their combined efforts to empower the poor, (Molenaar, 2008).

The GB lends at a commercial interest rate of 20% per annum, (Satgar, 2003:22); 8% for housing loans, 5% for student loans, and 0% for loans to ‘Struggling Members’ (beggars). In contrast, the Bangladeshi government offers a 22% interest rate on loans and the Microcredit Regulatory Authority suggests a range of 25-33% interest rates. While the Kurera/Ukondla youth fund interest rates are at 10% per annum and the loan repayment period is 6-36months depending on the amount of money the youth would have borrowed. The interest rates and the repayment period offered by Kurera/Ukondla youth fund are flexible to allow youths to have a sustainable livelihoods. As a measure of success, the Grameen Bank estimates that since its opening in 1983, 68% of borrowers’ families have risen above the poverty line, (Grameen Bank, 2011).

Professor Yunus, in 1983, developed an innovative lending technique that resulted in unprecedented success, (Levin, 2012). He extended loans to groups (mainly women), correctly predicting that a sense of collective responsibility and fear of public shame would discourage loan defaults. Loaning to ‘joint liability groups’ resulted in unparalleled rates of repayment which in turn enabled him to offer more loans to the poorest villagers, (Levin, 2012).Yunus’s model requires prompt repayment of small loans (usually around $250) which allows money to be recycled quickly to new borrowers (Rai, 2011).

Weiss, (1988) reflecting on the successes of both the Italian and Japanese microenterprise sectors since 1945, concludes that ‘the core of modern micro-capitalism is not competitive individualism but collective endeavour’. Under the scheme 5% of the loan amount is credited to a group fund and 25% of the interest payment is contributed towards the group’s emergency fund, which provides insurance coverage against default, disability, death and other accidents. Grameen Generalised System has been regarded as Grameen two (2) which provided basic loans, housing loan, higher education loan and interest free beggar loan. “It also facilitated for large or small enterprise loans” (Chowdhury, 2010:4-5); and GB has adapted through introducing new products such as flexible loans, voluntary savings and mandatory savings,

The Grameen Bank (GB) model views credit as a cutting edge tool for affecting those inequalities that confine the poor to a poverty cycle and for releasing the inherent capacities of people, (Hossain and Knight, 2008). Professor Muhammad Yunus argued that the conventional banking system is anti-poor, anti-women and anti-illiterate and thus has contributed to maintaining the status quo between the rich and poor, (1998). Research by Hossain and Knight, (2008) presents further evidence of what makes Grameen Bank different from other banks and MFIs who operate microcredit with the poor. Grameen microcredit monitoring approach offers a micro-insurance against a nominal yearly fee from its borrowers. In the event that the investment of the borrowers face proven loss (natural catastrophes, death, etc), the credit gets automatically written off. If a borrower or her/his partner dies, the husband/wife of the deceased partner gets a sum from the Bank as funeral expenditure, (Grameen Bank, 2011).

## **2.2.1.1 The Impact of Microcredit Programs.**

The impact of microcredit programmes on reducing poverty and enhancing social well-being of the poor has been widely investigated. Reviewing the literature investigating the microfinance impact on poverty alleviation shows disparities between supporters and opponents. In summary one can identify three main positions in the microfinance literature: those that argue for the positive impact of microcredit on the poor; those that argue for the negative impact of microcredit on the poor; and the third position lies somewhere in between where there is a positive impact yet not for the poorest.

Supporters for microfinance argue that microfinance has a positive impact not merely on the poor household income and consumption level but on their social wellbeing as well, reflected by the impact of these programmes on recipients’ level of education, health and children nutrition. The positive impacts of microcredit on income and consumption levels have been well documented. For example, in the study on participants of Grameen Bank in Bangladesh, Hossain (1988) discovered significant impacts of the effect of microcredit programmes on alleviating poverty in Bangladesh. This was reflected in higher income, capital accumulation and employment among loan recipients. Similarly Khandker (1998) found that 5% of the loan recipients’ households in Bangladesh were able to get out of poverty due to the loans from microcredit institutions. In both studies there were spill-over effects where the overall employment rate and wages rate were enhanced in the whole village in which the microcredit programs operated. Additionally the significant effects for the programmes were found to be greater when the recipient was a woman (Pitt & Khandker, 1998). Other research in Bangladesh by Mustafa (1996) found that microcredit programmes enabled the recipients to enhance their material wellbeing reflected in indicators such as wealth, revenue earning assets, value of house structure, the level of cash earned, per capita expenditure on food, total household expenditure. While Zaman (1999) found microcredit programmes to enhance recipients’ ability to build assets and reduce their vulnerability by enabling them smooth their consumption through balancing between their savings and spending during different phases of their life, hence become less vulnerable to income shocks. The results showed that in general participants were relatively more efficient in promoting the well-being of the households. The results were further emphasized in further studies in Bangladesh (see Khandker et al., 1998; Khandker, 2001, 2003).

Positive impacts of microcredit have also been found by Kaboski & Townsend (2005) who evaluated the impacts of microfinance institutions in rural Thailand. They found it to enhance asset growth, consumption smoothing and occupational mobility, while decreasing borrowers’ vulnerability, also especially if women are the main recipients. In another study Kaboski & Townsend (2009) found that income, consumption and agricultural investment increased among recipients as well as overall wages levels in a village in Thailand. In Mexico Bruhn & Love (2009) found positive impacts of opening a new microcredit institution branch on business ownership, income and employment.

In addition microcredit programmes have been found to enhance household social well-being and women empowerment. In his study Khander (1998) found significantly higher levels of schooling for children and especially that of girls for all credit program participants. Other positive impacts of microcredit on households’ wellbeing were found in their children’s education, health, reduced vulnerability and improved food security. Moreover, microcredit empowers people by enabling them to make their own decisions, increase their mobility, awareness, and self-esteem (Hashemi et al., 1996; Schuler et al., 1997; Husain, 1998; Zaman, 1999). However this significant positive impact of microcredit was not reached by other studies. Banerjee et al (2010) did not find such positive impacts on social wellbeing like measures of health, education, or empowerment of the beneficiaries. Lastly, Karlan & Zinman (2009) found no positive impact on the social wellbeing of the household in India especially when women were the participants. On the contrary he found that males’ applicants are significantly more likely to enrol their children in school than female applicants. Socio- economic impacts were also identified in the Grameen bank participants. Khandler (1996) notes that that the Grameen bank had socio-economic impacts as evidenced by male borrowing from the Grameen bank reduced fertility by 4percent and increasing contraception by 37 percent. Thus microfinance has the ability to reduce unwanted and teenage pregnancy on both males and females as they would have found a source of income. Indirect benefits were envisaged as a result of the Grameen bank experience. Khandler (1996) further observes that the Grameen bank helped to increase household income by 24percent, total value production (both farm and nonfarm) by 56percent, labour force and monthly hours worked by 7 percent and rural wage by 5percent. In this light while microfinance seeks to benefit the immediate beneficiaries, it is crystal clear that there are spill over effects of microfinance as evidenced by the Grameen bank experience were they indirect beneficiaries as a result of the project.

On the other side of the argument Adams & Pischke (1992) found microcredit to be ineffective on the poor income and overall well-being status. The researchers argued that lacking financial services is not the most pressing problems faced by the poor; and further argued that their problems will not be solved by going into further debt. The cost of providing these financial services was also very high compared to the benefits received by recipients especially in poor countries. This was further emphasized by Buckley (1997) in his research on micro entrepreneurs in the informal sector in Kenya, Malawi and Ghana. He found that these form of “capital injections” offers the “illusion” of fixing the profound problems of these people which rather need more structural changes in the socioeconomic conditions that defines their activities. Utilizing case studies from Sri-Lanka and Bangladesh, Montgomery (1996) showed the disadvantages of group lending schemes. He argued that there is incompatibility between meeting the poor needs and extending the credit. These programs give more pressure to the recipients and resulted in added social costs.

In Bangladesh, Morduch (1998) used a cross sectional survey of 180 respondents from participants and nonparticipants in micro credit programmes. He found no evidence indicating higher consumption levels or educational enrolments for children of loan holders, but merely a reduction in consumption variability across the seasons for the participants. Accordingly microcredit programmes were not found to enable households to increase their consumption level but simply offered them “ways to smooth their consumption through smoothing income”. This benefit he found negligible compared to the programmes costs. In his work Morduch (1998) argued that the estimation techniques used by both Khandler (1998) and Pitt & Khandler (1998) overestimated the significant positive impact of microcredit programmes. Pitt et al (1999) in turn questioned the estimation technique used by Morduch (1998) accusing it of underestimating the programme impacts, yet Roodman & Morduch (2009) in their research replied to this study and questioned the validity of the results in term of the econometric techniques used in the research. Using a randomized experiment analyzing about 5,000 households in rural Morocco who received loans of $125 to $1,850 for two years period, Dufflo, Esther (in Straus, 2010) found insignificant results on these households consumption, social well-being and empowerment of the beneficiaries.

While other researchers saw the benefits of such institutions but also identify the relative pitfalls. For example, Hulme and Mosley (1996) in their survey research in Bangladesh, India, Sri-Lanka and Indonesia found that more affluent recipients benefited more from the microcredit programmes than the poor, hence doubting the efficiency of microcredit program as a poverty alleviation tool. This is further emphasized by Mosley (2001) in his research study in Bolivia. He found that although these credits reduced poverty and increased participants’ income and assets it did not reduce extreme poverty. Furthermore in his note, Hulme (2000) indicated that effective microfinance institutions only provide services for the poor but not for the poorest and “the poorest of the poor”. Hulme supported Pischke (1992) in his naming for microcredit as “micro debt” since not all microcredit programmes were found to produce favourable results especially for the very poor working in low returns activities and vulnerable to environmental and economic shocks.

Additionally when evaluating the impact of two microcredit programmes in Thailand, Coleman (2006) found that the wealthier participants are more likely to participate in these programmes than the poor. Furthermore the positive impacts on the household were found to occur merely when the microcredit loans go to relatively wealthy households. Coleman recommended reconsideration for the eligibility criteria to be more vigilance to the poor. This finding was supported by Kondo (2007), in a research study in the Philippines where he found that microcredit did enhance income per capita and per capita expenditure but this applied mainly to the more affluent recipients while the impact was negative or insignificant in case of poorer loan recipients. Using panel data Khandker (2003) found significant positive impacts of microcredit programmes on per consumption levels and household non-land assets for the extreme poor in Bangladesh, although Roodman & Morduch (2009) questioned the validity of these results because of the technique used.

### 2.2.2 Capacitating livelihoods of youths- Amartya Sen’s capability approach

Through the Kurera/Ukondla youth fund the government seeks to empower or capacitate youths by equipping youth with entrepreneurial skills. Bebbington (1999) describes the portfolio of these livelihood assets as "not simply resources that people use in building livelihoods: they are assets that give them the capability to be and act." The Capability/Entitlement theory will be used in this study on the impact of Kurera/Ukondla youth fund in youth livelihoods.

Empowerment is a long-term, dynamic, and open-ended 'process', which involves deep and broad changes in socio-economic, political, and cultural structures. Kabeer, (2001:80) states that, “the process of empowerment is a complex phenomenon with multiple dimensions which can occur through a multiplicity of routes”. The process of empowerment is thus a spiral, changing consciousness, identifying areas to target for change, planning strategies, acting for change, and analysing action and outcomes, which leads in turn to higher levels of consciousness and more finely honed and better executed strategies, (Batliwala, 1994).

The Capability Approach suggests that the overriding objective of development is the expansion of human capabilities rather than economic growth, (Clark, 2005). A thoroughly deprived person leading a much reduced life, might not appear to be badly off in terms of the mental metric of utility, if the hardship is accepted with non-grumbling resignation. In situations of long-standing deprivation, the victims do not go on weeping all the time, and very often make great efforts to take pleasure in small mercies and to cut down personal desires to modest–”realistic”–proportions, (Sen, 1990).

Amartya Sen’s Capability Approach (CA) has emerged as the leading alternative to standard economic frameworks for thinking about poverty, inequality and human development generally, (Clark, 2005). Sen, (1992) notes that Rawls’s *Theory of Justice* (1971) and his emphasis on self-respect and access to primary goods has deeply influenced the Capability Approach. Clark, (2005:3) further notes that “the conceptual foundations of the CA can be found in Sen’s critiques of traditional welfare economics, which typically conflate well-being with either opulence (income, commodity command) or utility (happiness, desire fulfilment).”

The capability approach is based on four concepts closely related: Functionings and Capabilities, Agency and Freedom, (Sen, 1993). “Functionings represent parts of the state of a person in particular the various things that he or she manages to do or be in leading a life” (Sen, 1993:31). He further notes that it requires patterns of being and patterns of doing such as: being fed, being healthy, being housed, being linked with family or friends, communicating with others, following what happens in public life, and tracking the opportunities for work and related activities. To have the prospect of attaining a certain level of functioning is one thing, to have the capability of attaining those functionings is quite another. Sen (1993, 1996 cited in Pettit, 2001) supposes that increasing people's functioning capabilities will certainly involve improving their functioning prospects, so that focusing on capability does not involve neglecting prospect.

Human capability is an expression of freedom (Sen, 1999b). Sen also introduced the concept of “agency freedom”; “a person’s ‘agency freedom’ refers to what the person is free to do and to achieve in pursuit of whatever goals or values he or she regard as important” (Sen 1985:203). Agency means a responsible autonomy, an others-regarding way of deciding and acting, and it may lead to acts that decrease our well-being to the benefit of other persons. Sen conceives development as a process of expanding the real freedoms, (1999b). Positive freedom entails taking into account the person’s concept of the good (Sen, 1985). It is freedom to achieve whatever the person, as responsible agent, decides (Sen 1985). This concept of freedom entails an agent with a concept of the good, who has the intellectual capacity to value and to choose it.

Freedom requires that my preference is empowered in a content-independent way; it is decisive, regardless of which of the relevant options is preferred, (Pettit, 2001). For a person to have a decisive preference in an issue between A and B it is required, first of all, that their preference is decisive regardless of its content: regardless of whether the preference is for A or for B. I am free in relation to A or B only if, depending on how my preference may go, I get A or I get B, (Pettit, 2001:5). Sen, (1993) notes that in standard consumer theory, `the contribution of a set of feasible choices is judged exclusively by the value of the best element available' and that `the removal of all the elements of a feasible set (e.g. of a ``budget set'') other than the chosen best element is seen, in that theory, as no real loss'. Sen, (1993) argues that it is important, not just that a person get what they are disposed to choose from among a given set of alternatives say, option A but also that this does not depend on their being lucky enough to want that particular alternative A. They must be assured of getting whatever they are or might be disposed to choose; their choice-disposition, their preference must be content-independently decisive, (Pettit, 2001).

Sufficient freedom can only be gained by freeing the individual from favour-dependent decisiveness or preference, (Pettit, 2001). In particular it is possible for preference, as I shall put it, to be just favour-dependently decisive: to be decisive only so far as the person enjoys the gratuitous favour of certain others - the sort of favour that can be bestowed or withdrawn at the pleasure of the giver. Pettit, (2001) argues against a disposition to choose between A and B that is content-independently decisive but that the enjoyment of such decisive preference depends on the goodwill of those around you, that is, one is not powerful enough in relation to them to be sure of his/her preference's being decisive regardless of their wishes. He/she has a decisive preference only so far as they enjoy the grace and favour of those others, (Pettit, 2001). He/she can get A or you can get B, depending on his/her preference, but that this is so is due to their allowing it to be so, (Pettit, 2001).

Entitlements have been defined by Sen, (1984:497) as “the set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities that he or she faces”. People will flourish, according to Sen's formula, only if they maintain an unyielding control of their affairs and their fortunes, (Pettit, 2001). A person’s “entitlement set” is the full range of goods and services that he or she can acquire by converting his or her “endowments” (assets and resources, including labour power) through “exchange entitlement mappings”, (Devereux, 2001:254). In the context of poverty and famine, the entitlement approach aims comprehensively to describe all legal sources of food, (Sen, 1981). He reduces them to four categories: “production-based entitlement” (growing food), “trade-based entitlement” (buying food), “own-labour entitlement” (working for food) and “inheritance and transfer entitlement” (being given food by others). The notion of entitlements is conceptually and empirically inseparable from an economic system founded on private property and the legal rights associated with exclusive ownership by individuals of assets as commodities, (Devereux, 2001).

Devereux, (2001) observes that the most valuable contribution of the entitlement approach to famine theorizing is that it shifts the analytical focus away from a fixation on food supplies {the Malthusian logic of “too many people, too little food”} and on to the inability of groups of people to acquire food. Food insecurity affects people who cannot access adequate food (e.g. because of poverty) irrespective of food availability—a famine can occur even if food supplies are adequate and markets are functioning well. As Sen (Devereux, 2001:246) emphasized, there is no technical reason for markets to meet subsistence needs—and no moral or legal reason why they should. Analysing Sen’s capability approach, Clark, (2005:4) came to the conclusion that neither opulence (income, commodity command) nor utility (happiness, desire fulfilment) constitute or adequately represent human well-being and deprivation. Instead what is required is a more direct approach that focuses on human functioning’s and the capability to achieve valuable functioning’s, (Clark, 2005).

The capabilities approach, by focusing on the substantive freedom of the individual to do or to be that which she values, is better able to accommodate the diversity of human beings and the complexity of their circumstances, (Dean, 2009). Illustratively Pettit, (2001) argues that favour-dependently decisive preference is not sufficient for freedom either, for example, imagine someone whose preferences mean that they stay on the wrong side of their masters or betters and so that their preferences are systematically non-decisive; they suffer serious interference in their lives and affairs, (Pettit, 2001). If favour-dependence does not matter then such a person can make their preferences decisive and secure freedom, just by adapting their preferences so that their relations to their superiors improve. Suppose that the individual learns to like those masters, and secure reciprocal favour; or that they come to tolerate having to humour or flatter or appease them; or that they reduce their distaste for having to hide their true intentions and their actual doings from them, then they actually lose their freedom, (Pettit, 2001)

In a nutshell the above literature provide an approach towards achieving community and individual empowerment, in the same manner to which the variable of this study (the Kurera/Ukondla Youth Fund) is tailor-made to achieve youth empowerment. Hence the literature gives a proper basis for the study of the impact of the Kurera/Ukondla youth fund.

## 2.3 Chapter summary

The chapter defined the following concepts Kurera/Ukondla, livelihood and youth which are related to the topic under study. The chapter gave a review of related literature were theoretical frameworks and the relationship to the topic under research were outlined. A critique of the Kurera/Ukondla youth fund and theoretical frameworks were also discussed. Lastly the study discussed challenges, policies and legal frameworks supporting the Kurera/Ukondla youth fund. Chapter 3 will discuss the research methodology and research design. The study will further discuss population, sample size, sampling design and procedures. The instruments used to collect the data, including methods implemented to maintain validity and reliability of the data are described. Lastly the chapter highlights the ethical considerations to be considered in carrying out a research.

**CHAPTER THREE**

**Research Methodology**

## 3.0 Introduction

This chapter outlines the research methodology. The research population and sample size, sampling design and procedures are discussed. The instruments used to collect the data, including methods implemented to maintain validity and reliability of the data are described. Finally the research highlights the ethical considerations to be considered in carrying out a research.

## 3.1 Research Design

A research design refers to a plan or blueprint of how a researcher intends conducting the research (Babbie and Mouton, 2008). Research design may be defined as a list of specifications and procedures for conducting and controlling a research project (Tuckerman 1978). The study used a Case study research design. The researcher used a case study of Mzilikazi district and the case study ensured that the researcher will has a deeper understanding of the situation in which the study is being carried out which could be used to generalise for other areas. The researcher greatly opted for a case study more than a survey due to the following reason. The researcher opted for a case study to have a deeper understanding of the phenomenon of the impact of the Kurera/Ukondla youth fund on youth livelihoods. The researcher spent more time focusing on one area, which is Mzilikazi District (Bulawayo Metropolitan Province). A case study research design was chosen as it requires less financial cost as the researcher focused only at Mzilikazi District in spite of Kurera/Ukondla Youth fund being a national youth empowerment strategy being pursued by the Zimbabwean government.

## 3.2 Population and Sample Size

### 3.2.1 Study Population

The study population consisted of youths living around Mzilikazi district. The youths were inclusive of specifically beneficiaries of the Kurera/Ukondla, those who have applied and received money and those eligible, but not yet applied for the funds as well as youths in general. Bank official from CABS responsible of Kurera/Ukondla youth fund desk, Ministry of Youth district officials and the District Administrator were also part of the study population. According to McMillan and Schumacher (2010:129), “a (study) population is a group of elements or cases, whether individuals, objects or events, that conforms to specific criteria and to which we intend to generalise the result of the research.”

## 3.3 Sampling Design and Procedure

### 3.3.1 Sampling Design

A sampling design is a work plan that specifies the population frame, sample size, sample selection and estimation method in detail (Blaxter et al 2006).

### 3.3.2. Sampling Procedure

The study used different sampling procedures to conduct the research. Snowballing, purposive and simple random sampling were the sampling procedures employed in the study of the impact of Kurera/Ukondla youth fund on youth livelihoods. These different sampling methods enabled the researcher to get different views from people on the subject under study.

Snowballing sampling was used in the selection of both beneficiaries and non beneficiaries of Kurera/Ukondla Youth Fund. Denscombe (1998:16) notes that “snow balling is an effective technique for building up a reasonable-sized sample...” Snowballing is the process of references from one person to the next. One advantage is that the accumulation of numbers is quite quick, using the multiplier effect of one person nominating two or more others. The researcher can use the nominator as some kind of reference to enhance credibility, rather than the approach a new person. In this case the researcher was able to get information on the whereabouts of beneficiaries and non beneficiaries of the youth fund. This assisted the researcher to be referred to other non beneficiaries and beneficiaries of the Kurera/Ukondla youth fund.

Purposive sampling was used on the selection of Kurera/Ukondla youth fund stakeholders at District and provincial level with regards to CABS participating bank in Bulawayo Metropolitan province. With purposive sampling the sample is handpicked for the research (Blaxter et al 2006). “The advantage of purposive sampling is that it allows the researcher to home in on people or events which there is good grounds for believing will be critical for the research” (Denscombe 1998). In this case District Administrator, officials from the participating bank (CABS), Ministry of Youth officials, beneficiaries and non beneficiaries will be important in the research for the researcher to get the best information. This sampling design was opted for as the researcher noted that it is not time consuming when carrying out a study on a particular subject.

The simple random sampling method complimented the purposive and snowballing methods detailed above. This involved the selection of people at random as alluded to by Blaxter et al (2006). Random sampling was appropriate in carrying out this particular study so as to get the diverse views from people who have benefited and those who have not benefited. It was also of importance to sample randomly the fund administrators so to avoid bias.

### 3.3.3 Justification of the sampling method.

This sampling method has the advantage that it simplifies the collecting of the sample information, (Albandoz and Barreiro, 2001). A multi-stage cluster sampling technique allows for sampling triangulation, that is, use of different and relevant sampling methods such as simple random and purposive sampling as the research continues (Kalsbeek, 1998). This then helps the research to maximise on the cumulative advantages of each sampling method, hence reducing the disadvantages, (Kalsbeek, 1998). For example random sampling will reduce researcher bias as all participants will have an equal opportunity of being selected. Multistage cluster sampling solves more of the problems inherent to random sampling and it is an effective strategy because it banks on multiple randomizations, (Jupp, 2006). Saifuddin (2009) further observes that, by avoiding the use of all sample units in all selected clusters, multistage sampling avoids the large, and perhaps unnecessary, costs associated with traditional cluster sampling. It is thus cost effective and the research can be done easily. Simple random sampling is often practical for a population of business records, even when that population is large, (Freedman, 2004). The purposive sampling method falls within the non-probability sampling taxonomy, and it is useful in focusing the research towards specific research variables rather than general issues; it also helps to gather in-depth specific data from key informants, (Patton, 1990).

## 3.4 Data Gathering Methods

 Interviews, questionnaires and personal observation were used as data collection methods for this research.

### 3.4.1 Interviews

Frey and Oishi (1995) define an interview as a purposeful conversation in which one person asks prepared questions (interviewer) and another answers them (respondent). This is done to gain information on a particular topic or a particular area to be researched. Interviews are a useful tool which can lead to further research using other methodologies such as observation and experiments (Jensen and Jankowski 1991).The researcher used interviews in carrying out the research. The Kurera/Ukondla is a topical issue under the banner of Indigenisation and Economic Empowerment (IEE), hence through the use of interviews this enabled the researcher to get in depth information on the subject discussed. The researcher interviewed the District Youth Development Officer (DYDO) from Ministry of Youth Indigenisation and Economic Empowerment, District Administrator (DA) of Mzilikazi District and CABS bank officials that is the bank manager and one staff member administering the fund at the aforementioned bank. Thus interviews enabled the researcher and the respondent to talk face to face about the subject under study.

#### 3.4.1.1 Advantages of Interviews

Finn and Jacobson (2008) highlights advantages of using interviews as being useful for gaining insight and context into a topic, and allows respondents to describe what is important to them and being useful for gathering quotes and stories. Denscombe (1998) observes that interviews are particularly good at producing data which deal with topics in depth and detail. Fery and Oishi (1995) argue that interviews allows questioning to be guided as one wants and clarification of points if need be are made clearer and easily. Moreover, interviews allow the researcher to have direct contact with the respondent; hence the research used interviews so as to be able to read the non-verbal cues as observation is part of data gathering instruments. Thus interviews provided a deep understanding of the impact of the Kurera/Ukondla youth fund, as well as people’s perceptions on alternatives to this strategy in improving youth livelihoods.

#### 3.4.1.2 Disadvantages of Interviews

While interviews have advantages when carrying out a research, interviews have their own limitations. Finn and Jacobson (2008) observed disadvantages of interviews as;

* susceptibility bias,
* time consuming,
* expensive compared to other data collection methods and may seem intrusive to the respondent.

 (Breakwell, Hammond and Fife-Schaw 1995) add that the technique relies on the respondent being willing to give accurate and complete answers They may often lie due to feelings of embarrassment, inadequacy, lack of knowledge on the topic, nervousness, memory loss or confusion.

### 3.4.2 Questionnaires

Questionnaires were used on selected beneficiaries and non beneficiaries. A structured questionnaire with both open ended and close ended questions were considered an appropriate technique given the fact that it can elicit the feelings, beliefs, experiences, perceptions and attitudes of the beneficiaries and potential beneficiaries of the Kurera/Ukondla youth fund.

#### 3.4.2.1 Advantages of Questionnaires

Questionnaires as a data collection tool are useful when collecting information from a large number of respondents. Finn and Jacobson (2008) highlight that questionnaires are advantageous in thatadministration is comparatively inexpensive and easy even when gathering data from large numbers of people spread over wide geographic area, reduces chance of evaluator bias because the same questions are asked of all respondents, many people are familiar with questionnaires, some people feel more comfortable responding to a questionnaires than participating in an interview and tabulation of closed-ended responses is an easy and straightforward process. A structured questionnaire also gave room for comparisons of responses among respondents. It enables quantitative data to be collected in a standardized way so that the data are internally consistent and coherent for analysis (Chattopadhyay & Seddon, 2002). To this end questionnaires provided a deep understanding of the impact of the Kurera/Ukondla youth fund, as well as people’s perceptions on alternatives to this strategy in improving youth livelihoods.

#### 3.4.2.2 Disadvantages of Questionnaires

Questionnaires have their own limitations when carrying out a research. Jacobson et al (2009) identified the following:

* respondents may not complete the questionnaire resulting in low response rates.
* items may not have the same meaning to all respondents
* size and diversity of sample will be limited by people’s ability to read.
* given lack of contact with respondent, one might never know who really completed the questionnaire.
* unable to probe for additional details and
* good questionnaires are hard to write and they take considerable time to develop.

### 3.4.3 Personal observation

 Personal observation reinforced questionnaires and interviews in data collection. Blaxter et al (2006:13) notes that “observation method involves the researcher in watching recording and analysing events of interest.” Observation enables the researcher to collect data directly; it provides a means for collecting substantial amounts of data in a relatively short time span and effectively eliminates any bias from the current emotions or personal background of the observer (Denscombe 1998). Through observation the researcher got to get first hand information and was able to get the actual reality of the situation on the ground as compared to theory.

### 3.2.3.1 Advantages of Personal Observation

The researcher opted for personal observation as way of reinforcing information collected using questionnaires and interviews. While questionnaires and interviews provided different views and angles on the study, the researcher saw it as of paramount importance to observe the beneficiaries of the Kurera/Ukondla youth fund so as to qualify the information provided by questionnaires and interviews. Finn and Jacobson (2008) observe that personal observation has the following merits:

* it enables one tocollect data where and when an event or activity is occurring
* does not rely on people’s willingness to provide information
* directly see what people do rather than relying on what they say they do
* there is directness/vivid evidence; one can know through analyzing and interpreting the views and attitudes of the concerned group,
* The researcher observes things and issues in natural setting and it complements information gained from other techniques. .

Jacobson et al (2009) further notes that personal observation is effective because the members of the observed group are likely to change their behaviour and they are kept in ignorance of the fact that they are being observed for research purposes.

#### 3.2.3.2 Disadvantages of Personal Observation

 Personal observation has its own demerits when carrying out a research. Russ and Preskill (2001) highlight the following demerits associated with personal observation

* Susceptible to observer bias.
* Hawthorne effect – people usually perform better when they know they are being observed.
* Does not increase understanding of why people behave the way they do.

## 3.5 Data Validity and Reliability

Joppe, (2000:1) defines reliability as ‘the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable’. Polit and Hungler, (1993) refer to reliability as the degree of consistency with which an instrument measures the attribute it is designed to measure. The validity of an instrument is the degree to which an instrument measures what it is intended to measure, (Polit & Hungler, 1993). Content validity refers to the extent to which an instrument represents the factors under study. There was pretesting of the data collection instruments to be used. A pretest refers to a trial administration of an instrument to identify flaws, (Polit & Hungler, 1995). Hence for the data gathering questionnaires will be pretested to ensure that they address the needs of the research and can be relied upon to probe valid data. Researchers also determine validity by asking a series of questions, and will often look for the answers in the research of others. (Joppe, 2000). Triangulation is a strategy that was employed for improving the validity and reliability of research of findings. Mathison (1988:13) elaborates that ‘triangulation has risen an important methodological issue in naturalistic and qualitative approaches to evaluation [in order to] control bias and establishing valid propositions’. Patton, (2001) advocates the use of triangulation by stating “triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including using both quantitative and qualitative approaches”.

Other strategies used included investigator responsiveness, methodological coherence, theoretical sampling and sampling adequacy, an active analytic stance, and saturation; these strategies, force the researcher to correct both the direction of the analysis and the development of the study as necessary, thus ensuring reliability and validity of the completed project, (Morse et al, 2002:4). Within the conduct of inquiry itself, verification strategies that ensure both reliability and validity of data will include activities such as ensuring methodological coherence, sampling sufficiency, developing a dynamic relationship between sampling, data collection and analysis, thinking theoretically, and theory development, (Morse et al, 2002:12)

## 3.6 Ethical considerations

Research is a public trust that must be ethically conducted, trustworthy, and socially responsible if the results are to be valuable. Hence the researcher’s ethical considerations implored voluntary participation, protection of participants, and confidentiality.

### 3.6.1 Voluntary Participation and Informed Consent

Participants’ informed consent will be obtained before they complete the questionnaires. Burns and Grove, (1993) define informed consent as the prospective subject's agreement to participate voluntarily in a study, which is reached after assimilation of essential information about the study. The participants will be informed of their rights to voluntarily consent or decline to participate, and to withdraw participation at any time without penalty. Participants will be informed about the purpose of the study, the procedures used to collect the data, and assurance will be given that there will be no potential risks or costs involved.

### 3.6.2 No Harm to the Participants

According to Babbie and Mouton (2008), just about any research that might be conducted runs a risk of injuring other people somehow. The issues around disempowerment and marginalisation mainly in Bulawayo Province are very sensitive politically and the questions asked might have required the respondents to release painful information concerning their circumstances. The researcher considered this and asked questions in a way that would not provoke pain. The researcher prepared debriefing sessions with each respondent immediately after the interview.

### 3.6.3 Confidentiality

According to Babbie and Mouton (2008) in order to ensure confidentiality the researcher may identify the person’s response but may promise not to do so publicly. The researcher will also assure the respondents that the information they provided would be kept confidential.

## 3.7 Chapter Summary

Chapter 3 highlighted the research methodology that was used to guide the field work of the research. Justification for the research methodologies and the reason for the adoption of the case study design for the study were also included. From this approach, it is hoped that the research will investigate on the impact of Kurera/Ukondla youth fund on youth livelihoods. The next chapter analyses the data collected, presents it and interprets the findings.

# CHAPTER FOUR

 **Data Presentation, Analysis and Interpretation**

## 4.0 Introduction

This chapter focuses on presentation and analysis of the findings in line with the research design assumed in the preceding Chapter. Data is presented and analyzed in line with the research questions to be answered.

## 4.1 Objectives of the study

* To assess the impact of the Kurera/Ukondla youth development fund on youth livelihoods.
* To examine the policy and legislative frame works for the Kurera/Ukondla youth development fund found in Zimbabwe.
* To analyse the relevance of the Kurera/Ukondla youth development fund in meeting the livelihoods needs of youth.
* To evaluate if the Kurera/Ukondla youth fund has achieved its objectives.

## 4.2 Response Rate and demographic analysis of respondents

Thirty (30) questionnaires were sent to youths randomly in the chosen research area on May 8 and 9. At total of 24 were returned, giving a response rate of 80%. Interviews planned in the research methodology were with 4 key informants including government officials and CABS officials. Of these only 3 were done, with MYDIE district head (on the 9th of May 2014 and CABS Centre Bulawayo Branch Manager and officer administering the Kurera/Ukondla youth fund at the aforementioned bank on the 10th of May 2014. Interview response percentage rate was 75%. Scheduled interview with Mzilikazi District Administrator could not take place as the officer could not be found on the appointed dates of the interviews, that is, 9th of May. Hence the overall research response percentage rate was 80% for the study.

Figure 1: Demographic Information of the respondents (youths)

The youth respondents to the questionnaires according to gender were as indicated above. 54% were females whilst 46% were males. This means that the research got more exposure and responses from females than males. It might also mean that there are more females than males in Mzilikazi District, implying that youth livelihoods programming must be tailor-made to suit needs and circumstances of females

**Figure 2: Distribution of Youth Respondents by Age**

Data presented in Figure 2 reveal that 35% of youths’ respondents were between the ages of 26-30, 24% were within the 31-35 age-bracket, 23% were within the ages 21-25, the remaining 18% were within ages 18-20. The majority of youths in Mzilikazi District are in the age bracket 26-30 years. There is also high number of youths in the ages 31-35 who are in their last term as youths under the Zimbabwe laws. Youths between the ages 18-25 combined are 41% of the youth population in Mzilikazi District.

The results imply the need for decent employment creation programmes by development practitioners for the age group 18-25 as according to the International Labour Organization, (2012a:2) youths aged 15 to 24 are three times more likely than adults to be out of a job, whilst for those who do have a job, they are typically underemployed, in part-time or temporary work, in the informal sector and in poor working conditions.

The results also imply the need for tailor-made programmes to empower the youths in the last age bracket (31-35years) as they risk graduating outside the youth bracket without a means of livelihood.

Figure 3: Number of youths by highest educational qualification

A total of 4 youths’ respondents attained Grade 7 as the highest educational level; those who attended O level were 14, whilst those with diplomas were 6. None of the respondents had attained A Level 0, honours degree, and higher degrees amongst the respondents. This means the majority of youths have attained at least O level education in Mzilikazi District, meaning they are literate. The results reveal that majority of youths do not have access to or do not proceed with education beyond Ordinary Level as only 67% (20 out of 30 respondents) indicated they have gone beyond O level education. There is a worrying factor of youths who did not attend secondary education as the study results reveal that 13% (4 out of 30 respondents) attended school up to Grade 7 level only.

There is need for capacity building programmes to improve the business management skills of the youths in Mzilikazi. The results might be used to explain the low level of uptake of the Kurera/Ukondla Youth fund by Mzilikazi youths and poor quality applications as noted by Ministry of Youth District Youth Development Officer for Mzilikazi District.

Figure 4: Youth Employment Situation by Respondents

From the figure 4 above 29% of youths are unemployed, 6% are in formal employment, 18% are at school, and the self-employed taxonomy having 47% of the population. This then implies that youths without formal employment are 94%; way above the national rate which is 83.5 percent of persons aged between 15 and 34, as provided by the Zimbabwe National Statistics Agency, (2013:13).

The results above imply the need to strengthen programmes for SME development as the majority, (47%) of youths is already entrepreneurs of varying degrees. Hence Kurera/Ukondla youth fund should focus more on funding self-employed youths to expand their businesses and increase their income.

 **4.3. Kurera/Ukondla Youth Fund as a livelihood strategy**

The research sought to answer the question, Is the youth development fund a viable youth empowerment strategy?

|  |  |  |
| --- | --- | --- |
| **Category**  | **No of responses** | **Percentage distribution** |
| Yes  | 19 | 63.3 |
| No | 5 | 16.6 |

Table 1 Awareness of Kurera/Ukondla youth fund

Results in Table 1 show that 63.3% of Mzilikazi youths were aware of the Kurera/Ukondla Youth Fund, while 16.6% indicated they have never heard about Kurera/Ukondla youth fund. This means that information dissemination has been above average as the majority of youths know about Kurera/Ukondla youth fund. For good programming an awareness gap of 16.6% is too large as it leaves out a significant number of potential clients. This then implies that more outreach programmes should be done by the MYIEE to create more awareness of Kurera/Ukondla youth fund amongst Mzilikazi youths.

Figure 5: Information Channel about Kurera/Ukondla Youth Fund



The results in Figure 5 above indicate that 80% of the youths who were aware of Kurera/Ukondla youth fund listed community gatherings as the channel through which they knew about the initiative, whilst 20% read about the fund in newspapers. Community gatherings in this study included meetings of any kind at Mzilikazi district, either addressed by government officials or any community member. The results indicate that community gatherings are the main source of information of development programmes in Mzilikazi. Newspapers are not widely read by youths in Mzilikazi hence the low percentage or Kurera/Ukondla youth fund has not been adequately reported on in newspapers hence fewer youths listed them as the source of information.

Results imply that the government departments and other development stakeholders should develop awareness programmes using the community gathering communication channel to improve outreach to youths in Mzilikazi. The results also imply that Kurera/Ukondla youth fund should be widely advertised in newspapers to increase news outreach to youths. These two channels of communication provide the largest avenue for access to youths by development practitioners.

### 4.3.1 Beneficiaries from the Kurera/Ukondla Youth Fund

| **Case Processing Summary – Kurera/Ukondla outreach among respondents** |
| --- |
|  |  | Count | Percent |
| Funded by Kurera/Ukondla |  yes | 13 | 54.1% |
|  no | 11 | 45.8% |
| Overall | 24 | 100.0% |

Table 2: Youths funded under Kurera/Ukondla youth fund in Mzilikazi District

Kurera/Ukondla has only benefited 54.1% of those who knew about its existence, leaving a chunk of 45.8 % of youths out. Of the 24 respondents, only 13 indicated that they received funding under the Kurera/Ukondla youth fund window. The above results thus indicate that youths in the majority have benefitted under Kurera/Ukondla youth fund. However, the figure is way too low if viewed in proportion with the Mzilikazi youth population hence there should be programmes crafted to increase the outreach of Kurera/Ukondla to all the youths as it is set aside for the youths.

## 4.4 Policy and Legislation Guiding the Youth Development Fund and Youth Empowerment in Zimbabwe

The research sought to answer the question, Are there adequate policy and legislative frameworks guiding the Kurera/Ukondla Youth Fund.

# Figure 6: Awareness of policies



As illustrated in Figure 6 above, 85% of youths are not aware of any laws or policies in place for youth empowerment and the Kurera/Ukondla youth fund. The few (15%) who knew any could only mention the National Youth Policy and the Zimbabwe Youth Council Act. The Ministry of Youth official displayed more knowledge of the laws and policies in place for youth empowerment in Zimbabwe, including the indigenization and economic empowerment act, the sections of the Zimbabwe Constitution, the African Youth Charter, and the National employment policy. There is a critically low level of awareness of policies and laws for youth empowerment amongst the youths themselves. This means the government and other development actors have not done enough in terms of creating awareness of youth empowerment policies and laws among Mzilikazi youth.

This then implies that youths are largely disadvantaged by the lack of knowledge. This is so on the basis that one cannot take advantage of empowerment policies and laws they do not know of. It also implies that programmes should be designed or implemented, if any exist, to ensure that the majority of youths are made aware of the laws and policies meant for their empowerment in general and economic empowerment in particular.

### 4.4.1 Impact of Kurera/Ukondla Youth Fund.

Figure 7: Number of youths who benefited from Kurera/Ukondla Youth fund

Results from Figure 7 above indicate that 80% of youth feel that Kurera/Ukondla youth fund has provided youths with funds to start projects. 20% of youths feel the Kurera/Ukondla youth fund have given youths an opportunity to be leaders in their own right. None of the youths felt the fund as envisaged in its objectives have led to improved training and education of the youths. The MYIEE official indicated there is need for changes to the microfinance regulatory legislation by the Reserve Bank of Zimbabwe and Ministry of Finance so as to ensure that the various private microfinance schemes are youth-friendly in terms of their approach and lending terms so as to complement Kurera/Ukondla youth fund. This would then expand the funding platforms for entrepreneurship-minded youths and supplement government efforts.

## 4.5 Challenges in the Implementation of the Kurera/Ukondla Youth Fund

The researcher sought to answer the question, what are the challenges in implementing the Kurera/Ukondla youth fund as a youth livelihood enhancement strategy?

### 4.5.1 Challenges faced by youths in accessing the funds and managing their projects

|  |  | Frequency | Valid Percent |
| --- | --- | --- | --- |
| Valid | red tape | 8 | 33 |
| stringent requirements | 3 | 12.5 |
| delay in funds disbursement | 13 | 54.16 |
| Total | 24 | 100.0 |
| Missing | System | 06 |  |
| Total | 30 |  |

Table 3 Main challenges faced by youths in accessing Kurera/Ukondla Youth Fund

From the data presented above, 12.5 % of youths felt the loan application requirements are too stringent for them to access the Kurera/Ukondla youth funds. 54.16% listed delays in loan disbursements and 33% cited excessive red tape as the main challenges they face in accessing Kurera/Ukondla Youth fund loans. Response from interviews with MYIEE district officer concurred with the above results as he felt that the centralisation of decision-making powers of Kurera/Ukondla youth fund increases red tape and causes unnecessary delays in loan disbursements.

The results imply that there is an urgent need to review the loan processing time so as to improve youths’ access to the fund. There is need to review the institutional management of the Kurera/Ukondla with a view to eliminate unnecessary red tape and to shorten the loan disbursement period, and this might imply decentralisation of loan approval to bank branches at local level.

Figure 8: Challenges faced by bank in processing the Kurera/Ukondla youth fund



### 4.5.2 Challenges faced by bank in processing the Kurera/Ukondla youth fund

The bank listed high default rates (76%) by the youths as the major challenge they face in administration of the Kurera/Ukondla youth fund as presented in Figure 8 above. The bank officials also bemoaned poorly crafted loan applications (24%), which are the basis for funding as there is no collateral required under the Kurera/Ukondla youth fund window. The bank also cited communication difficulties, due to high mobility of the youths. Also identified was that cost of monitoring of the funded projects was too high compared to the actual loans. For example a single monitoring trip can cost $300 while total income from project is $50. Results indicating high loan repayments default rates may imply failure of funded projects and/or poor monitoring mechanisms. Hence capacity building programmes thus must be designed to increase the capacity of youths to apply for loans and subsequently manage their projects.

## 4.6 Sustainability of the Kurera/Ukondla Youth Fund as a Youth livelihood Strategy

The research sought to establish how sustainable is Kurera/Ukondla Youth fund as a youth livelihood strategy?

Results from bank respondents presented in Figure 9 overleaf above are split equally (at 50%) on whether they feel that the Kurera/Ukondla Youth is sustainable and not sustainable.

Results from content analysis reveal high default rates and low interest rates as the main factors affecting the financial sustainability of Kurera/Ukondla Youth. The main recommendations from the bank include introduction of collateral security to reduce repayment defaults, introduction of cost-effective but efficient monitoring and evaluation mechanisms and capacity training of youths in loan application writing and business management.

****

Figure 9: Bank’s view on sustainability of Kurera/Ukondla Youth fund

4.7 Chapter Summary

This chapter presented and analyzed the data obtained from the questionnaires and interviews. Questionnaire responses contributed a large portion of data presented in this chapter. The next chapter summarizes the entire study and presents conclusions and recommendations of the study, in line with the research objectives.

# CHAPTER FIVE

 **Summary, Conclusions and Recommendations**

## 5.0 Introduction

This chapter summarizes the research findings and draws conclusions from data analyzed in the preceding Chapter 4. Recommendations and suggestions for future research are also provided.

## 5.1 Summary of Findings

**5.1.1 Kurera/Ukondla Youth Fund as a viable youth livelihood enhancement strategy**

The research found that in its current setting Kurera/Ukondla youth fund has not been able to benefit the majority of youths in Mzilikazi area. It also found out that the Kurera/Ukondla youth fund is accepted by the government implementing Ministry and crucially the youth themselves as a good initiative and necessary strategy for youth livelihood enhancement strategy in Zimbabwe.

### 5.1.2 Policy and Legislation supporting Kurera/Ukondla Youth Fund

The study results reveal that there are adequate policies and laws in Zimbabwe supporting youth livelihoods diversity but there are serious implementation deficiencies such as the alarmingly high rate of information deficiency among the youths on policy and legislative instruments meant for their empowerment.

### 5.1.3 Relevance of Kurera/Ukondla Youth Fund in meeting livelihood needs of youth

Research results revealed that in spite of Kurera/Ukondla youth funds being disbursed, there is high project mortality amongst the beneficiaries as these either lack skills to run the project or the bank would have given them limited funds in comparison to what the applicants would have applied for. Bennell (2000) also observed loan size as a major challenge encountered by youths with regards to microfinance. As such it could be drawn from this that in spite of the fund targeted at enhancing youth livelihoods this objective has been met to a very minimal level. The youths are having difficulties accessing the loans under Kurera/Ukondla for various reasons such as stringent requirements and red tape. Youths in the majority do not have business management training to be able to manage their planned projects.

### 5.1.4 Did the Kurera/Ukondla Youth Fund meet its objectives?

In its present state Kurera/Ukondla youth fund is not sufficiently meeting its laid down objectives. In spite of the fund having made strides to economically empower youths, this empowerment is not sustainable due to high project mortality of beneficiaries’ initiatives. The fund has dismally failed in its employment creation objective as most beneficiaries run their projects solo without employing fellow young people. The fund has failed to lead to reduction of poverty and unemployment due to high project mortality as outlined above. Conclusively in spite of the fund having palatable objectives it has to date found to come short of effectively meeting its objectives.

The above summary findings are in agreement with what Save the Children (1998) highlighted that loans or savings facilities to young people is not particularly effective; more than adults they need training in how to make the best use of money.

## 5. 2 Conclusions

The research made the following conclusions.

### 5.2.1 Kurera/Ukondla as a viable youth empowerment strategy

* Over-centralization of decision-making powers to Harare by the administering bank affects the effectiveness and efficiency of the funds, and disadvantage youths in provinces outside Harare.

### 5.2.2 Policy and Legislation supporting Kurera/Ukondla Youth Fund

* On paper there are good policies and laws to support Kurera/Ukondla Youth Fund. However there is no adequate implementation to realize tangible youth empowerment.
* Majority of youths are not aware of policies and laws meant for their empowerment.

### 5.2.3 Challenges in the roll out of Kurera/Ukondla Youth Fund

There are a number of challenges affecting the administration of Kurera/Ukondla Youth Fund. These being amongst others;

* Shortage of training for youths in business management; the few courses offered have limited outreach.
* Fund beneficiaries lack the management skills necessary to run successful business projects.
* There is no clear monitoring and evaluation mechanism in place.

### 5.2.4 Sustainability of Kurera/Ukondla Youth Fund

* Kurera/Ukondla is not financially sustainable in its current status. It scores lowly on its revolving capacity due to high default rates.
* There is lack of sufficient community buy-in to the Kurera/Ukondla Youth Fund as no tangible results have been produced to motivate communities to appreciate and accept it.

### 5.3 Recommendations

In light of the above research-based conclusions, the research study made the following recommendations.

### 5.3.1 Kurera/Ukondla as a viable Youth Livelihood Strategy

There should be deliberate changes to the way the Kurera/Ukondla Youth fund is structured so that it benefits all youths equally regardless of proximity to the country’s capital city (Harare). Key to these will be the decentralization of decision-making powers on funding to local banks to ensure speedy disbursement of funds.

### 5.3.2 Policy and Legislation supporting Kurera/Ukondla Youth Fund

There should be improvement in mechanisms for policy implementation and enforcement of existing laws for youth empowerment. Strengthening structures created by such laws to be effective and operational to district levels will be a step in the right direction. There is more to be done by government to increase youths’ awareness of the policies and laws for youth empowerment. Awareness programmes should be done in the community for youths, parents and leaders in the community so as to have an appreciation of the policies initiatives that support youth empowerment.

### 5.3.3 Challenges in the implementation of Kurera/Ukondla Youth Fund

The researcher recommends the establishment of one institution (a Grameen Bank replicated of some sort, as has been the case in a number of South American countries and India) with sufficient capacity to administer the Kurera/Ukondla youth fund transparently in an efficient and effective manner. This will bring an end to the problematic current scenario where the bureaucratic nature of CABS administration stifles the efficient processing of youth applications.

To circumvent the problem of high defaults I propose a mixture of individual lending models and group lending in the form of economic zones, and in line with the economic conditions of the different localities. This will have to be accompanied by strong and vibrant training and mentorship programmes to ensure youth projects graduate into profitable SMEs.

 **5.3.4 Sustainability of Kurera/Ukondla Youth Fund**

Communities must actively contribute to the way Kurera/Ukondla Youth Fund is structured and managed so as to ensure the fund taps into existing local knowledge systems and feeds from the local development priorities. The value of Kurera/Ukondla Youth Fund socially should always take precedence over other aspects of sustainability such as profit-making hence government support is necessary. However that should not reduce the loans to mere donations and free grants, as the focus is on grooming youths to be business leaders in their own right.

## 5.4 Limitations of the study

Resource constraints affected the ability of the researcher to expand the study population hence the findings could not be adequately taken to present the true picture of Mzilikazi District.

## 5.5 Suggestions for Further Research

This research focused on one strategy of youth livelihoods, which is microfinance (Kurera/Ukondla Youth Fund). Further research can explore other strategies for youth livelihoods diversification, or/and indeed the whole concept of youth empowerment and development. Further research can explore whether there is any urban bias in development programming in Zimbabwe.

## 5.6 Chapter Summary

The chapter provided a summary of findings as well as conclusions and recommendations of the study. It also provided limitations to the study as well as suggestions for further research. In relation to the research hypothesis the study concludes that Indigenisation Policy has, so far, failed to contribute to meaningful youth employment and economic empowerment in Mzilikazi as seen by the minimal impact brought by the Kurera/Ukondla Youth Fund.

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# ANNEX 1

QUESTIONNAIRE TO YOUTHS

**INTRODUCTION**

Good Day Sir/Madam.

My name is Mr. Ncube Ndumiso Percy. I am student studying an Honours Degree in Development Studies at the Midlands State University in Zimbabwe and I am currently collecting data for my dissertation. The title of the dissertation is ***“An investigation on the impact of Kurera/Ukondla youth fund on youth livelihoods. A case of Mzilikazi district (Bulawayo Metropolitan province)”.*** I respect and appreciate your valuable time, but could you please help in answering the following questions. I can assure you that this information will be treated with the strictest confidentiality, and all information given to me will be used for research purposes only.

***NB: All information that you provide for this study will remain confidential and your names will not be disclosed. If you are unclear about any one of the questions, I will be more than willing to assist.***

**SECTION A: DEMOGRAPHIC INFORMATION**

**Q1: What is your gender? *Please tick (***􀀹***) appropriate answer.***

|  |  |
| --- | --- |
| Male |  |
| Female |  |

**Q2: What is your current employment status? *Please tick (***􀀹***) appropriate answer.***

|  |  |
| --- | --- |
| School Learner |  |
| Unemployed |  |
| Employed |  |
| Self employed |  |

**Q3: What age range do you fall in? *Please choose the age of your last birthday.***

***Please tick (***􀀹***) appropriate answer.***

|  |  |
| --- | --- |
| 18‐20 |  |
| 21‐25 |  |
| 26‐30 |  |
| 31‐35 |  |

**Q4: what is the highest educational qualification you have attained? *Please tick (*􀀹*) appropriate answer.***

|  |  |
| --- | --- |
| Grade 7 |  |
| O level |  |
| A Level |  |
| Diploma |  |
| Degree (Bachelors and Honours) |  |
| Higher degree (Masters and above) |  |

**SECTION B: IMPACT OF KURERA/UKONDLA YOUTH FUND ON YOUTH LIVELIHOODS.**

**Q5 (a): Are you aware of the Kurera/Ukondla Youth Fund? *Please tick (***􀀹***) appropriate answer.***

|  |  |
| --- | --- |
| Yes |  |
| No |  |

**Q5 (b): *If yes,* to question 5(a), how did you get to know about the Kurera/Ukondla Youth Fund? *Please tick (***􀀹***) appropriate answer.***

|  |  |
| --- | --- |
| At school |  |
| At a political gathering |  |
| Through newspapers |  |
| Community members |  |
| Other (please state)………………………......... |  |

**Q6: Have you managed to access the Kurera/Ukondla Youth Fund?**

Yes { } No { } Please tick appropriate.

 **(b) If yes what changes have been brought through accessing the Kurera/Ukondla Youth Fund**

**....................................................................................................................................................................**

**........................................................................................................................................................**

**.......................................................................................................................................................**

 **Q7 If no can you state the reasons .................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................**

**SECTION C: POLICY AND LEGISLATIVE FRAMEWORKS FOR THE KURERA/UKONDLA YOUTH.**

**Q8: Are you aware of any policies guiding Kurera/Ukondla youth fund?**

Yes { } No { } Please tick appropriate.

**(b) If yes what are the policies and legal frameworks guiding Kurera/Ukondla youth fund ...............................................................................................................................................................................................................................................................................................................................................................................................................................................................................................**

**SECTION D: RELEVANCE OF KURERA/UKONDLA YOUTH FUND IN MEETING LIVELIHOOD NEEDS OF YOUTH.**

**Q9 How appropriate is the Kurera/Ukondla in addressing challenges of unemployment amongst youth. *Please tick appropriate answer***

**Statement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| It is a useful approach for youth  | **Agree** |  | **Disagree** |  |
| It is a noble idea but poorly managed | **Agree** |  | **Disagree** |  |
| It is nothing but a political campaign tool | **Agree** |  | **Disagree** |  |

**SECTION E: EVALUATE IF KURERA/UKONDLA YOUTH HAS ACHIEVED ITS OBJECTIVES.**

**Q10: Indicate your opinion on the impact that has been brought by the Kurera/Ukondla to youths in the community? Using a scale from 1‐ 5? 1 denotes the one you strongly disagree with and 5 the one you strongly agree with**. *1. Strongly disagree (SD), 2 – Disagree (D), 3‐ Undecided (U), 4‐ Agree (A) and 5 – Strongly agree (SA).* ***Please tick the appropriate response***.

|  |  |
| --- | --- |
| 5 |  |
| 4 |  |
| 3 |  |
| 2 |  |
| 1 |  |

**Q11: What opportunities and benefits have been brought by accessing Kurera/Ukondla youth fund......................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................**

**Any additional comments you would like to make? ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..**

**End of Questionnaire**

**Thank you for your kind co‐operation**

# ANNEX 2

QUESTIONNAIRE TO POLICY IMPLEMENTERS

Good Day Sir/Madam.

My name is Mr. Ncube Ndumiso Percy. I am a student studying an Honours Degree in Development Studies at Midlands State University in Zimbabwe and I am currently collecting data for my dissertation. The title of the dissertation: ***“An investigation on the impact of Kurera/Ukondla youth fund on youth livelihoods. A case of Mzilikazi District (Bulawayo Metropolitan Province)”.*** I respect and appreciate your valuable time, but could you please help in answering the following questions. I can assure you that this information will be treated with the strictest confidentiality, and all information given to me will be used for academic research purposes only.

Position of Respondent: .............................................................

Date: ..........................................................................................

1. What are your views on the Kurera/Ukondla Youth Fund? ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
2. What are your comments on the youths’ uptake of the Kurera/Ukondla youth fund your institution is administering? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
3. In your opinion are there adequate policy and legislative instruments supporting the Kurera/Ukondla Youth Fund? Yes No

a) If Yes, what are these and are they adequately implemented? ..............................................................................................................................................................................................................................................................................................................................................................................................................................

b) If No, what policies and laws can be put in place to address the gap? .............................................................................................................................................................................................................................................................................................................................................................................................................................

1. What are the main challenges, if any, have you faced as a bank/ministry in the administration of the Kurera/Ukondla youth fund? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
2. What can be done to address the challenges you have faced in administration of the Kurera/Ukondla youth fund? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
3. In your experience on microfinance, what can be done to ensure the funded youth projects are successful and profitable? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
4. In your opinion, is the Kurera/Ukondla Youth Fund a sustainable approach in improving youth livelihoods in Zimbabwe? Yes No

............................................................................................................................................................................................................................................................................................................................................................................................................................. a) If Yes, what are the indicators that show Kurera/Ukondla youth fund is a sustainable livelihood approach?

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1. What opportunities and changes have been brought to livelihoods of youth through accessing the Kurera/Ukondla youth fund? ...............................................................................................................................................................................................................................................................................................................................................................................................................................................

 Any further comments or contributions to the subject ..................................................................................................................................................................................................................................................................................................................................................................................................................................................................

End of Questionnaire THANK YOU FOR YOUR CO-OPERATION

# ANNEX 3

**INTERVIEW GUIDE**

Good Day Sir/Madam.

My name is Mr. Ncube Ndumiso Percy. I am a student studying an Honours Degree in Development Studies at Midlands State University in Zimbabwe and I am currently collecting data for my dissertation. The title of the dissertation: ***“An investigation on the impact of Kurera/Ukondla youth fund on youth livelihoods. A case of Mzilikazi District (Bulawayo Metropolitan Province)”.*** I respect and appreciate your valuable time, but could you please help in answering the following questions. I can assure you that this information will be treated with the strictest confidentiality, and all information given to me will be used for academic research purposes only.

Position of Respondent: .............................................................

Date: ..........................................................................................

1. What are your views on the Kurera/Ukondla Youth Fund? ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
2. What are your comments on the youths’ uptake of the Kurera/Ukondla youth fund your institution is administering? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
3. In your opinion are there adequate policy and legislative instruments supporting the Kurera/Ukondla Youth Fund? Yes No

a) If Yes, what are these and are they adequately implemented? ..............................................................................................................................................................................................................................................................................................................................................................................................................................

b) If No, what policies and laws can be put in place to address the gap? .............................................................................................................................................................................................................................................................................................................................................................................................................................

1. What are the main challenges, if any, have you faced as a bank/ministry in the administration of the youth funds? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
2. What can be done to address the challenges you have faced in administration of the Kurera/Ukondla youth fund? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
3. In your experience on microfinance, what can be done to ensure the funded youth projects are successful and profitable? ..............................................................................................................................................................................................................................................................................................................................................................................................................................
4. In your considered opinion, is the Kurera/Ukondla Youth Fund a sustainable approach in improving youth livelihoods in Zimbabwe? Yes No

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1. What other avenues and opportunities can you recommend to youths in business to exploit within your institution? ...............................................................................................................................................................................................................................................................................................................................................................................................................................................

 Any further comments or contributions to the subject ..................................................................................................................................................................................................................................................................................................................................................................................................................................................................

 THANK YOU FOR YOUR CO-OPERATION