

Suggested Approaches to Achieve Effective Implementation of Strategies to Revive Manufacturing Companies in Bulawayo Metropolitan Province

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Abstract: The study examined issues that need to be addressed by the Government of Zimbabwe before they could implement strategies to revive the manufacturing sector in Bulawayo in order for the strategies to produce tangible results. An interpretivism paradigm was adopted in order to generate a lot of data in the field and from the site where participants experienced the problem. The study used a multiple case study design involving 20 manufacturing companies operating in Bulawayo which facilitated a holistic and in-depth investigation of the issues that need to be taken into account in order to ensure effectiveness of the strategies implemented to revive the manufacturing sector in Bulawayo. The findings of the study were that the Government needs to address corruption, avail funds to manufacturing companies, review investment laws, improve the supply of water and electricity in Bulawayo, introduce cheap mode of transport to the manufacturing sector, review the Indigenisation and Empowerment Act, review tax laws and allow manufacturing companies to procure their own fuel from neighbouring countries.

Key Words: STERP; ZIMASSET

I. INTRODUCTION

There is no straight forward answer as to when deindustrialisation of the manufacturing sector started in Zimbabwe. Davies (2007) suggests that deindustrialisation of the manufacturing sector in Zimbabwe started in 1997 and the blame was put on wealth accumulation by individuals with political power. In contrast, Moyo (2000) points that deindustrialisation of the manufacturing sector started in 2000 after the land invasion. On the other hand, the United States Agency for International Development (2006) indicated that Zimbabwe's deep economic crisis, which is a result of the government's flawed economic and public management policies started way back in 1980. This paper assumed that deindustrialisation of the manufacturing sector in Zimbabwe started in 2000 after the land reform program.

Background to the Study

Bulawayo was for years been Zimbabwe's industrial hub because of its proximity to South Africa and Botswana, as well as being the nearest city to the country's prime tourist destination, Victoria Falls (Mail & Guardian, 2014).

Bulawayo boasted of a large number of large manufacturing companies. At its height, Bulawayo industries alone contributed 25% of the GDP of Zimbabwe (Chitemba, 2011).

Many manufacturing companies in Bulawayo Metropolitan province are facing deindustrialisation since the land reform program. Many of them have either shut down or relocated to Harare leaving the once productive industrial areas of Belmont and Donnington bereft (Mail and Guardian, 2014). According to the Association of Bulawayo Businesses Report (2016), more than 20 000 jobs were lost in Bulawayo, between 2009 to February 2017. At least 85 manufacturing firms and other industries closed down during that time span (The Solidarity Peace Trust, 2011). Factories are virtually empty, and vacant shops in shopping malls and Bulawayo City Centre are being replaced with churches.

In a bid to revive the manufacturing sector in Bulawayo Metropolitan Province, the government of Zimbabwe introduced and authorised the adoption of the use of the multicurrency, STERP and ZIMASSET during the period 2009 to 2017. However, the implementation of the above strategies has failed to produce tangible results, hence this paper sought to suggest the approaches that should be adopted to achieve effective implementation of the strategies to revive the manufacturing sector.

Statement of the Problem

The government of Zimbabwe implemented a number of strategies in order to address deindustrialisation of the manufacturing sector in Bulawayo during the period 2009 to 2017 without success.

Research Question

What are the approaches that should be adopted by the government of Zimbabwe in order to effectively implement strategies that will revive the manufacturing sector in Bulawayo Metropolitan Province?

II. REVIEW OF RELATED LITERATURE

A study by Sigauke (2015) in Manicaland suggested that the Zimbabwe economy should continue with the use of multi-

currency strategy for stability and healing of economic wounds suffered during the past decade in order to revive the manufacturing activities in Marange wards.

Results from a study by Mazundu (2016) in Midlands suggested that there is need for the Government of Zimbabwe to ensure citizenry engagement in the ZIMASSET policy or strategy making and implementation so as to achieve accountability, transparency in the revival of economy or manufacturing sector. Mugumisi (2014) indicated that to solve the challenge of lack of funds for the implementation of the ZIMASSET there is need to borrow money from other countries. The ZIMASSET plan indicated that the idea is focused on getting financial support from countries like Brazil, Russia, India China and South Africa (BRICS). Countries like China have already started giving the country some funds to help open new businesses in the manufacturing sector. As a result, asking for financial help from other countries is the solution to enable the implementation of the ZIMASSET plan since it needs huge finances which are beyond the government's budget.

Research Gap

The current study sought to suggest approaches that should be adopted by the government to enable effective implementation of strategies to revive the manufacturing sector in Bulawayo Metropolitan Province.

III. RESEARCH METHODOLOGY

The research paradigm that informed the conduct of this study was the Interpretivist (Creswell, 2009). Interpretivist positions are founded on the theoretical belief that reality is socially constructed and fluid (Cohen and Crabtree, 2006). Accordingly, this paradigm enabled the researcher to have an access to reality on the suggested approaches that can be adopted by the government in order to achieve effective implementation of strategies to revive the manufacturing sector in Bulawayo through social constructions (Cohen and Crabtree, 2006). This paradigm assisted the researcher to make sense of what is perceived as the appropriate approaches that should be taken into consideration when implementing strategies to revive the manufacturing sector in Bulawayo, by multiple participants, as reality (Prabash, 2012).

Basing on interpretivist paradigm, this study used qualitative research methodology. This approach helped the researcher to generate data in the field at the site where participants experienced the problem under study. Qualitative research methodology allowed the researcher to understand the participants' thoughts, feelings and viewpoints on the phenomenon under the study (Creswell, 2013; Marshall and Rossman, 2011). In the natural setting, the qualitative approach assisted the researcher to have a face-to-face interaction, over a long time, with participants to generate their views and feelings regarding their views with regard measures that should be adopted to ensure effective

implementation of strategies to revive the manufacturing sector in Bulawayo.

The current study used a multiple case study design because it facilitated a holistic and in-depth investigation of the phenomenon (Creswell, 2007). The multiple case study approach assisted the researcher to establish the socially constructive nature of reality on the challenges which affected the strategies implemented to revive the manufacturing sector in Zimbabwe during 2009 to 2017 (Welman, Kruger and Mitchell, 2005). Moreover, multiple case study method allowed the researcher to collect a lot of primary data using multiple techniques from multiple bounded systems (Creswell, 2014; Marshall and Rossman, 2011; Creswell, 2009).

The researcher purposefully selected the research participants who had an experience in the implementation of the strategies to revive the manufacturing sector in Zimbabwe. One of the conditions for purposive sampling was that all the participants were to be active in the manufacturing sector and also experienced in the implementation of the strategies to revive manufacturing sectors. The researcher was the main data generation instrument to open-ended questionnaires to the purposively selected managers from the chosen manufacturing companies operating in Zimbabwe.

Data generation procedure was done through conducting of semi-structured interviews with 12 senior managers from ten different manufacturing companies in Bulawayo. The researcher used a thematic analysis approach to analyse the data. This involved identifying patterned meaning across data set that provided an answer to the research question being addressed.

Credibility of the data was checked in line with the findings by Trochin (2006). According to Trochin (2006), credibility creation involves establishing that the results of the study are credible from the perspective of the participants. In this study, the researcher took the preliminary analysis consisting of themes from findings back to the participants to solicit their views of the written analysis as well as indicating what was missing on the data.

IV. FINDINGS AND DISCUSSIONS

The study made the following findings with regard to the approaches that should be adopted to ensure effective implementation of strategies to revive the manufacturing sector in Bulawayo:

4.1 Addressing corruption

It was noted that as much as there are good strategies that are crafted by the government to revive the manufacturing sector in Bulawayo, they were being hampered by corruption which has reached alarming levels in the country. High level of corruption is increasing risk in the country, hence discouraging foreign investors to invest in the sector.

4.2 Avail funds to the manufacturing sector

There is lack of funding in the manufacturing sector. The government has been failing to source adequate funds to implement the strategies to revive the manufacturing sector. The financial sector has been providing short term loans at very high interest rates thereby increasing the cost of production to the firms in the sector. Therefore, there is need to source out funds to inject into the sector, both from the private sector and the government sector.

4.3 Review of investment laws

The study unearthed that the investment laws in the country are too stringent to such an extent that they are discouraging investors in the sector. Hence, review of these laws would encourage foreign investors to invest in the manufacturing sector in Bulawayo thereby reviving the sector.

4.4 Improve the supply of water and electricity

Revival of the manufacturing sector in Bulawayo has been hampered by inadequate supply of water and electricity. Therefore, the revival of the Zambezi water project would go a long way in the revival of the manufacturing sector in Bulawayo. The massive load-shedding which was introduced by ZESA as a way of saving electricity has forced some of the manufacturing companies to cease operations in Bulawayo. Hence, improving the supply of electricity in the sector would reduce the cost of production incurred by manufacturing companies thereby improving their profitability.

4.5 Introduction of cheap transport to the manufacturing sector

The demise of cheap transport from the National Railways of Zimbabwe has been a major factor to an increase in cost of production for those manufacturing companies which are still operational in Bulawayo. Manufacturing companies are forced to use road transport to transport their raw materials and finished products which are very expensive, hence reducing their ability to generate profits. It is therefore paramount that there be a need to restore rail transport in order to reduce the costs of production to the sector.

4.6 Review of the Indigenisation and Empowerment Act

The study identified that the Indigenisation and Empowerment Act discouraged the majority of foreign investors in the manufacturing sector in Bulawayo. The effect was the lack of funding for the companies in the sector as the foreign investors withdraw their funds from the Zimbabwe and invested in other countries like Zambia and South Africa. Hence, there is a need to review the Indigenisation and Empowerment Act such that it becomes friendly to foreign investors in order to reduce capital flight from this sector.

4.7 Review of tax laws

There is lack of new technology in the manufacturing sector in Bulawayo. In addition, manufacturing companies in Bulawayo Metropolitan Province are still using outdated

machinery because they are failing to acquire better machines due to high taxation imposed on these products. Therefore, there is a need to review the tax laws so that manufacturing companies are able to acquire new technology and spare parts for machines from other developed countries cheaply.

4.8 Allow manufacturing companies to procure their own fuel from other countries

The supply of fuel has been very erratic in Zimbabwe. This has negatively affected production in the manufacturing sector in Bulawayo. Therefore, the government can solve this problem by allowing manufacturing companies to be able to procure fuel from other countries on their own in order to ensure that there is smooth flow of production in the sector.

V. CONCLUSION

The study concludes that there is need to address the main factors that are impediments to the implementation of the strategies to revive the manufacturing sector in Bulawayo before such strategies are implemented if tangible results are to be realised.

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