Chapter 13

Women Entrepreneurship in a Fragile and Volatile Economy: The Case of Zimbabwe

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ABSTRACT

Women entrepreneurship in Zimbabwe has undergone a formidable structural transformation since independence (1980) and has significantly contributed towards survival of the economy, especially during the hyperinflationary period which heightened in 2008. What is peculiar about Zimbabwe is that the economy has suffered a protracted deterioration for almost two decades, fitting into the category of a fragile and volatile economy. This coincided with an exponential growth of women-owned enterprises (WOEs) in the informal economy with the wide recognition of the informal economy as the “new” economy supporting the livelihoods of the majority of people. Women entrepreneurs are increasingly becoming active economic agents in this new economy. Unpacking the paradox of a volatile and fragile economy coexisting with the growth of WOEs is critical. Analyzing the survivalist and coping strategies employed by these women in order to sustain and grow their enterprises in such an economic context is critical in order to influence policy direction and development.

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1. INTRODUCTION

Over the years, women entrepreneurship in Zimbabwe has become strategic as it has enabled the country to survive the worst economic crisis in history through providing livelihoods to the majority of the population (Ndiweni & Verhoeven, 2013). Sadly, most women entrepreneurs have remained trapped in the informal economy as past government policies focused on the formal economy whilst neglecting the informal economy where the majority of the women were found. Nonetheless, women entrepreneurs in the informal economy have remained resilient employing various survival and coping mechanisms to sustain and grow their businesses even in the midst of a fragile and volatile environment and inadequate government’s support.

The paper will unfold these dynamics and is organised as follows: section two analyses the location of WOEs within the Zimbabwean economy and the substantial role of women entrepreneurship over time. Section three undertakes a literature review whilst Section four unpacks the paradox of a volatile and fragile economy coexisting with the growth of women owned enterprises (WOEs). Section five further discusses the “peculiar” and multifaceted challenges and barriers facing WOEs in a fragile and volatile economic environment.

Section six analyses the survival and coping strategies that women entrepreneurs are employing to establish, sustain and grow their businesses in such a complex and challenging environment. Reference is made to a study undertaken in three areas in Harare (Harare Central Business District, Chitungwiza and Glenview) which have recently become hubs of WOEs braving the challenging macroeconomic environment. Finally, section seven concludes the paper with an investigation into a holistic alternative development framework that addresses the challenges women enterprises face in a volatile and fragile economy, not only as women entrepreneurs but also as economic agents contributing to economic growth and development of the country.

1.1. Research Methodology

To investigate the challenges that women in the informal economy were facing, the study used the triangulation research methodology which relies on a multi-method strategy in order to enhance confidence in the ensuing findings. This methodology was chosen in order to minimize the subjectivity of the inquiry, which can result in difficulties in establishing the reliability and validity of the approaches and information. In this regard, the multiple strategies utilized in the investigation included desk review, interviews, focused group discussions, and questionnaires.
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