

Entrepreneurship-Based Programs (EBPs): A Strategy for Community Development in Zimbabwe

N Munywarara^a and K K Govender^b

^a

School of Management, IT and Governance University of KwaZulu-Natal

^bSchool of Management, IT and Governance University of KwaZulu-Natal

Article History: Received: 10 January 2021; Revised: 12 February 2021; Accepted: 27 March 2021; Published online: 20 April 2021

Abstract: Since universally, entrepreneurship-based programs considered as the backbone for community development, this study investigates the relationship between entrepreneurial-based programs and poverty reduction in poor communities in Zimbabwe. Entrepreneurs in urban poor communities are facing a plethora of challenges, such as lack of training and development, financial and technological support and the ability to establish meaningful industries. This paper provides an insight into the impact of supporting entrepreneurial-based programs on the urban poor in Zimbabwe. The study found out that supporting entrepreneurship initiatives contributes to community development.

Keywords: Entrepreneurial-based programs, community development, poverty alleviation

1. Introduction

The prosperity and strength of every community lies in stimulating entrepreneurship based programs, as a strategy to create employment, social cohesion, value addition and communication networks (infrastructure), which are instrumental in changing and sustaining the majority of the poor in metropolitan areas (Bliemel, McCarthy & Maine, 2016; Armeanu, Istudor & Lache, 2015; Adusei, 2016). From this perspective, cultivating an entrepreneurship culture among the poor compels them to venture into business and play an important role in improving the standard of living in poor communities (Chivasa, 2014; Dhahri & Omri, 2018). Taking entrepreneurial initiatives seriously helps solve problems of unemployment, poverty, economic disparity; gender inequality and improving socio economic conditions of the poor in the Metropolitan (Seekings, 2014; Dossou-Yovo, 2015).

Poor areas, such as the Mbare community in Zimbabwe need support for their entrepreneurial- based programs to develop the spirit of entrepreneurship as a means of promoting economic independence through self-reliance projects, in order for them to earn decent living. It is against this background that governments support entrepreneurship through promoting entrepreneurial based programs among the poor as a strategic intervention that could transform and accelerate community development and stimulate economic independence among its citizenry (Bjørnskov & Foss, 2013; Dvouletý, 2018; Chowa & Mukuvare, 2013). Furthermore, various governments have made bold and urgent interventions in supporting entrepreneurial programs in poverty stricken communities. The key reason being to drive the growth of economies through entrepreneurial based programs (EBPs) (Bjørnskov & Foss, 2013; Adusei, 2016). From this gesture, there is need to encourage entrepreneurship-based programs (EBPs) in developing nations.

The literature provides a policy framework for entrepreneurship based programs (EBPs); where in poor communities are actively engaged actively in entrepreneurial activities. They enter as individuals, private companies and cooperatives (Bjørnskov & Foss, 2013; Prieger; Dossou-Yovo, 2015 Bampoky, Blanco & Liu, (2016). Castells-Quintana (2017), observed that there is need to accelerate community development in poor metropolitan areas, thus, it is important to mainstream entrepreneurial based programs (EBPs) in poor communities. Prieger, Bampoky, Blanco and Liu (2016), found out that entrepreneurial support has developed livelihoods in terms of employment growth, income distribution and food provision.

Adusei (2016) concluded that community development is being largely linked to small enterprises and or startups by entrepreneurs who have become a vehicle for spurring economic independence among poor families. Several researchers (Dhahri & Omri, 2018; Kolstad & Wiig, 2015; Cho & Lee, 2018) found that policies linked to entrepreneurship activities influence the level of community growth through improving their requisite skills through training and development. Other researchers (Antony, Klarl and Lehmann, 2017; Armeanu, Istudor and Lache, 2015), indicated that the Entrepreneurship Charter of the metropolitan poor is a game changer for the disadvantaged in the community. Their aforementioned researchers concluded that acceleration of economic development in the poor metropolitan areas, is necessary though entrepreneurship growth.

It is against the above background that this study attempts to contribute to the existing literature by assessing the main role played by entrepreneurship in community development in Mbare, a poor community in Zimbabwe. It will specifically review the challenges faced by entrepreneurs as well as recommend areas of policy interventions to stimulate entrepreneurship-based programs (EBPs) in the community. It is hypothesized that there

is an interrelationship between entrepreneurship based programs (EBPs) and community development in Zimbabwe (Lucas & Fuller, 2017).

2. Literature Review

In many studies (Bjørnskov & Foss, 2013; Lafuente & Vaillant, 2016), the level of entrepreneurship activities is considered as a measure of community development and is a crucial determinant of any country's wealth generation. However, current empirical evidence on the impact of entrepreneurship on development of poor communities in Zimbabwe is largely absent. Theoretically, the positive relationship between entrepreneurship and community development is explained by the concept of encouraging entrepreneurship based programs (EBPs) in the poor metropolitan (Bjørnskov & Foss, 2013; Muñoz & Otamendi, 2014). Banwo, Du and Onokala (2017) furthermore explain that entrepreneurship programs should be considered as a management concept and a catalyst to evolve small businesses so that they create wealth in the poor areas through employment creation and value addition to their product mechanism, so that they breakeven and diversify, merge and compete, in order to promote social responsibility, which in turn develops communities (Bilal, Naveed & Anwar, 2017). Despite these theoretical assumptions, from various empirical studies, scholars report on the effects of entrepreneurship on socio-economic transformation among poor families in communities (Dellink, Chateau, Lanzi & Magné, 2017). However, it seems that there is limited data available in less developing nations. Thus, the motivation for this study in Zimbabwe arises from the plethora of empirical findings reported on First world countries which are leading in economic emancipation of poor communities, compared to developing countries. Therefore the research focused on the impact of entrepreneurial based programs (EBPs) which aim to stimulate livelihoods in poor metropolitan areas in Zimbabwe (Prieger et al., 2016; Lucas & Fuller, 2017; Castells-Quintana, 2017).

Entrepreneurship Based Programs

Drawing from Schumpeter (1934), supporting an entrepreneur's activities is key in stimulating community development. Whether an entrepreneur is running a social, economic and or political entity, it's the entrepreneur's role to introduce innovations that change the community outlook. However, these entrepreneurs are not identical, but vary depending on material resources, industry, climate, responsiveness to the political system and availability of EBPs (Piperopoulos, 2016). Their contribution may be more favourable based upon EBPs conditions and relatively less harsh environmental conditions to develop poor communities and they become competitive through scanning, analyzing and identifying opportunities in the vicinity so that they transform into business tycoons who are able create meaningful employment and able to fend for their families (Antony, Klarl & Lehmann, 2017; Castells-Quintana, 2017). As such, government's EBPs include the distribution of resources such as capital, training and development, establishment of incubation centers, value addition and market networking strategies among the poor so that they become 'polished' entrepreneurs and make a meaningful living. Efficient support and distribution of resources in poor communities, will go a long way in improving entrepreneurs welfare (Kolstad & Wiig, 2015; Cho & Lee, 2018), since they act as catalysts for community development and buffers or agents of poverty eradication in communities (Seekings, 2014). According to Prieger et al. (2016), the rate of economic progress of a nation depends upon its EBPs which are aimed to improve entrepreneurial innovation activities by the urban poor. Arunachalam, Ramaswami, Herrmann and Walker (2018) assert that entrepreneurship ideation does not occur spontaneously, but it's a process where entrepreneurship growth is supported by EBPs so that they transform their businesses. As such, to a larger extent, government support is needed to spur entrepreneurial growth by the poor.

Adusei (2016) and Banwo, Du and Onokala (2017) state that the diversity of entrepreneurial activities that characterizes rich countries can be attributed to massive government support of EBPs to promote community businesses since entrepreneurs play a vital role in the development of a country. The poor urbanites capitalize on the opportunities of governmental concessions, subsidies and facilities to set up their enterprises. Thus, the setting up of clusters and incubation hubs in poor communities has resulted in poverty alleviation and infrastructure development at community level (Antony, Klarl & Lehmann, 2017). Therefore, this noble approach of equitable EBPs reduces imbalances and disparities in communities since the poor become job providers.

With the advent of the Second Republic of Zimbabwe, jobs have shrunk, leaving many urbanites unemployed. Hence, the idea of EBPs is the only hope and source of direct and indirect help for the poor to mitigate poverty through self-employment (Seekings, 2014). This initiative leads to the increase in income and purchasing power of the community (Lucas & Fuller, 2017).

Community Development

In their theory of economic development, Prieger, Bampoky, Blanco and Liu (2016) posit that community wealth creation and development seem to be entrepreneurially-regulated. Thus, developed countries, tend to have been developed by supporting entrepreneurial growth. Bjørnskov and Foss (2013) concur that the economy is an effect for which entrepreneurship based programs are the cause. The crucial role played by entrepreneurs in community development in Western countries has made the poor in underdeveloped countries too conscious to rally for entrepreneurship support in poor communities. Now, people have begun to realize that achieving community development is a necessary approach through EBPs in the country where enthusiastic entrepreneurs explore potential in the country's available resources such as labour, technology and capital to support community development (Adusei, 2016; Muñoz & Otamendi, 2014). Dhahri & Omri (2018) described entrepreneurship

support as one of necessary conditions to stimulate community wealth creation . The afore mentioned authors further opine that entrepreneurs are the prime movers of infrastructure growth, and that community development does not occur spontaneously as a natural consequence, this requires entrepreneurial initiatives to spur changes necessary for community development.

3. Research Methodology

The quantitative methodology was preferred in this study because data collected was expressed in numbers and analysed in tests (Babbie, 2013). This study focused on the impact of entrepreneurship based programs on the urban poor in Zimbabwe, as a strategy to spur wealth creation. A sample of 80 entrepreneurs was drawn using random sampling technique. The researcher used structured questionnaires to collect data because it was quicker and easy to administer and appropriate for describing the characteristics of a large population (Bryman, 2015). The questionnaire was developed after a thorough review of literature on entrepreneurship and community wealth creation.

Likert scale questions were developed to evaluate the extent to which entrepreneurship based programs alleviated poverty and spurred community wealth creation. The respondents had to identify trends in community wealth creation and entrepreneurship initiatives. The development was measured in terms of the standard of living and business growth.

The Cronbach’s alpha test was used to measure reliability of the questionnaire items (Magwa & Magwa, 2015; Apuke,2017).

Discussion of the Findings

Response Rate

From 80 questionnaires which were distributed, 70 were returned, which implies that the response rate was 90%. The Cronbach’s alpha coefficient for the measures of entrepreneurship and community wealth creation was 0.889, suggesting that the items under study relatively have high internal consistency.

Table 1 is a summary of government support through EBPs to spur entrepreneurial growth by the poor. The EBPs through government interventions are very critical in assisting entrepreneurs to grow as noted by 35.1% of respondents who agreed to a very great extent. Another 47.2% just agreed to a great extent and the total of these two overwhelm the other responses.

Table 1: Opinion of Government Support Regarding EBPs on Entrepreneurial Growth

Overall Summary on EBPs Measures	Percent
Lower Extent	17.7
Great Extent	47.2
Very Great Extent	35.1
Total	100.0

Table 2 shows that the support for entrepreneurs through EBPs. Different age groups are not significantly different from each other with respect to receiving support to influence community wealth creation in their areas of business activities. It shows that their opinions are almost the same and they all feel that if adequate EBPs are availed, this will help to improve their standard of living and encourage community wealth creation (Bjørnskov & Foss, 2013; Lucas & Fuller, 2017).

Table 2: Opinion of Entrepreneurs Regarding EBPs on Community Development

Measure	Sum of Square	Mean Square	Df	F	Sig.
EBPs and Community Wealth Creation	17.987	6.717	5	0.098	0.976
Within Group	9865.875	98.922	1646		
Between Group	9659.700		1477		
Total					

An ANOVA test was conducted for entrepreneurship based programs as the independent variable and community development as the dependent variable, to test the hypothesis which postulated that there is a relationship between entrepreneurship based programs and community wealth creation. The results support the hypothesis, since there was significant evidence as reflected in the test results (F=3.565, p=0.000). The hypothesis is therefore accepted since p=0.000 and is greater than .0005 (Etikan & Bala, 2017). The most plausible explanation could be that if government through the EBPs supports the poor to grow their businesses, this in turn positively influences community wealth creation and more poor people become economically independent in various ways (FAO, 2018).

4. Conclusion

With increased entrepreneurship based programs, economic activities by the poor increases, thereby improving their standard of living and at the same time reducing extreme poverty in urban areas. Owing to the variety of entrepreneurial ventures triggered by EBPs in the poor urban areas, income distribution increases, thereby making more citizens to be able to afford a simple standard of living. This approach of stimulating

entrepreneurship will definitely result in a positive impact on citizens' self-reliance. The support of entrepreneurial growth also puts new infrastructure into place. In doing so, it creates jobs and facilitates family unity, thereby creating a patriotic and strong community. Therefore, entrepreneurship based programs are extremely vital in the context of reducing the widening poverty gaps in communities. If government scales up EBPs in Zimbabwe, entrepreneurship initiatives will close the wide poverty gap in Zimbabwean communities.

References

1. Adusei, M. (2016). Does entrepreneurship stimulate economic growth in Africa? *African Development Review*, 28(2), 201–214.
2. Antony, J., Klarl, T., Lehmann, E. (2017). Productive and harmful entrepreneurship in a knowledge economy. *Small Business Economics*, 49(1), 189–202.
3. Armeanu, D., Istudor, N., Lache, L. (2015). The role of SMEs in assessing the contribution of entrepreneurship to GDP in the Romanian business environment. *Amfiteatru Economic*, 17(38), 195.
4. Apuke, O. D. (2017). Quantitative Research Methods a Synopsis Approach, *Arabian Journal of Business and Management Review (Kuwait Chapter)*, 6 (10):40-47.
5. Arunachalam, S., Ramaswami, S.N., Herrmann, P. & Walker, D. (2018). Innovation Pathway to Profitability: The Role of Entrepreneurial Orientation and Marketing Capabilities, *Journal of the Academy of Marketing Science*, 46(4), 4-766.
6. Bilal, A. R., Naveed, M. & Anwar, F. (2017). Linking Distinctive Management Competencies to SMEs' Growth Decisions. *Studies in Economics and Finance*, 34, 302-330. doi:10.1108/sef-10-2015-0236.
7. Bliemel, M. J., Mc Carthy, I. P. & Maine, E. M. (2016). Levels of Multiplicity in Entrepreneur's Networks: Implications for Dynamism and Value Creation. *Entrepreneurship Research Journal*, 6, 242-272. doi:10.1515/erj-20150001.
8. Banwo, A.O., Du, J., Onokala, U. (2017). The determinants of location specific choice: Small and medium-sized enterprises in developing countries. *Journal of Global Entrepreneurship Research*, 7(1), 16.
9. Bjørnskov, C. & Foss, N. (2013). How strategic entrepreneurship and the institutional context drive economic growth. *Strategic Entrepreneurship Journal*, 7(1), 50–69.
10. Bjørnskov, C. & Foss, N.J. (2016). Institutions, entrepreneurship, and economic growth: What do we know and what do we still need to know? *The Academy of Management Perspectives*, 30(3), 292–315.
11. Babbie, E.R. (2013). *The basics of social research*, 6th ed., Cengage Learning, Belmont, CA.
12. Bryman, A. (2015). *Social research methods*, 5th ed., Oxford University Press, Oxford.
13. Castells-Quintana, D. (2017). Malthus living in a slum: Rural concentration, infrastructure and economic growth. *Journal of Rural Economics*, 98, 158–173.
14. Chivasa, S. 2014. Entrepreneurship Culture among SMEs in Zimbabwe: A Case of Bulawayo SMEs. *International Journal of Economic, Commerce and Management*, 11 (9), 1-13.
15. Chowa, T. & Mukuvare, M. (2013). An Analysis of Zimbabwe's Indigenization and Economic Empowerment Programme (IEEP) As an Economic Development Approach. *Research Journal's Journal of Economics*, 1(2): 1-18.
16. Cho, Y.H. & Lee, J.H. (2018). Entrepreneurial Orientation, Entrepreneurial Education and Performance. *Asia Pacific Journal of Innovation and Entrepreneurship*, 12 (2), 124-134.
17. Dossou-Yovo, A. (2015). Entrepreneurial Growth Aspirations and Familiarity with Economic Development Organizations: Evidence from Canadian SMEs. *Journal of Entrepreneurship, Management and Innovation*, 11(4), 161-184.
18. Dellink, R., Chateau, J., Lanzi, E. & Magné, B. (2017). Long-term economic growth projections in the shared socioeconomic pathways. *Global Environmental Change*, 42, 200–214.
19. Dhahri, S. & Omri, A. (2018). Entrepreneurship contribution to the three pillars of sustainable development: What does the evidence really say? *World Development*, 106, 64–77.

20. Dvouletý, O. (2018). How to analyse determinants of entrepreneurship and self-employment at the country level? A methodological contribution. *Journal of Business Venturing Insights*, 9(2), 92–99.
21. Lafuente, E. & Vaillant, Y. (2016). Recent developments in the study of entrepreneurship and territorial economic performance. *Strategic Change*, 25, 99–103. <https://doi.org/10.1002/jsc.2049>.
22. Lucas, D.S. & Fuller, C.S. (2017). Entrepreneurship: Productive, unproductive, and destructive—Relative to what? *Journal of Business Venturing Insights*, 7, 45–49.
23. Kolstad, I. & Wiig, A. (2015). Education and Entrepreneurial Success. *Small Business Economics*, 44 (4),783-796.
24. Magwa, S. & Magwa, W. (2015). A Guide to Conducting Research: A Student Handbook, *Strategic Book Publishing and Rights Co.*, Singapore.
25. Muñoz, F.F., & Otamendi, F.J. (2014). Entrepreneurial effort and economic growth. *Journal of Global Entrepreneurship Research*, 4(1), 8.
26. Prieger, J.E., Bampoky, C., Blanco, L.R. & Liu, A. (2016). Economic growth and the optimal level of entrepreneurship. *World Development*, 82, 95–109.
27. Piperopoulos. P. G. 2016 .*Entrepreneurship, Innovation and Business Clusters*. USA: Routledge.
28. Schumpeter, J.A. (1934). The theory of economic development: An inquiry into profits, capital, credit, interest and the business cycle, Harvard University Press, Cambridge, MA.
29. Seekings, J. (2014). South Africa: Democracy, poverty and inclusive growth since 1994, Centre For Development and Enterprise, Johannesburg.