
Youth Capacity Building in Indigenisation and Economic Empowerment in Zimbabwe: Making a Case for Business Incubation

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ABSTRACT

This paper advances the argument that, capacity building is the missing link toward growth and sustainability of Small and Medium Enterprises (SMEs) among the beneficiaries of the indigenisation and economic empowerment programme specifically the youth. The study reveals that the concept of business incubation is an indispensable tool for promoting entrepreneurship development, growth and sustainability of SMEs across the country. This conclusion draws its support from various case studies of countries such as USA, India, China and Nigeria. The authors mainly relied on qualitative methodology whereby data were collected through documentary search and participant observation techniques while content analysis was used for data analysis. The study recommends that the Government of Zimbabwe needs to create conducive environment that promotes innovation and entrepreneurial development. The government can also benefit from public-private partnership as well as from linkages with technical and educational institutions. These linkages develop as incubation centres are established. Since incubation centres require funding and technical expertise, donors, banks and colleges will come in with the necessary support.

INTRODUCTION

The Indigenisation and Economic Empowerment policy adopted in March 2008 continue to receive widespread recognition and support from the government. Following a decade long of socio-economic crisis that bedevilled the country, the indigenisation and economic empowerment drive can be an avenue to uproot the chronic poverty through a transfer of wealth ownership from white elites to blacks. In fact, it has become the anchor of sustainable economic development and a major step towards the fulfilment of economic self-determination. This policy entails concerted efforts by the government to end colonial imbalances in wealth ownership and control in which the white settlers previously dominated. Under this policy, indigenous Zimbabweans are empowered to have a 51% control and ownership in foreign businesses operating in the country among other interventions. With all the necessary support indigenisation and economic empowerment can turn the fortunes of Zimbabwe's economy. However, participation of the youth in indigenisation and economic empowerment has not been significant. There are various reasons that dissuade youth to take part in this important programme. This paper focuses on youth capacity building, through the adoption of business incubation in order to make the programme a reality to young men and women in Zimbabwe. Thus, this study advances the assumption that capacity building could be the missing link for sustainable youth engagement in the indigenisation policy in Zimbabwe. The concept of business incubation is being implemented in countries such as America, Japan, China, Nigeria, South Africa and Uganda. These countries adopted business incubation to help SMEs to ward off business tides associated with start-up period. The general benefits of business incubation include but not limited to high economic growth; creation of employment opportunities; reduction of poverty; and the promotion of innovation and entrepreneurship spirit. In light of this, adopting this strategy will go in to assist the existing small and medium enterprises as well as setting a firm foundation for the development and growth of the future enterprise.

CONCEPTUAL FRAMEWORK

Capacity Building

Literature aground proffers multi-varied meanings regarding the concept of capacity building. The commonality in these definitions points to concerted efforts by organisations, individuals,

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governments to perform functions effectively, efficiently and sustainably. Morgan (1986:6) cited in DfID (2010:1) views the concept as a risky, messy business, with unpredictable and unquantifiable outcomes, uncertain methodologies, contested objectives, many unintended consequences, little credit to its champions and long-time lags. Within the context of DfID, capacity building is regarded as a process of enabling the capabilities of individuals, organisations and systems to operate their businesses in an efficient and effective way. The overall objective of capacity building is basically to facilitate individual and organisational learning which builds social capital and trust, develops knowledge, skills and attitudes. When successful capacity building creates an organisational culture and a set of capabilities, which enables organisations to set objectives, achieve results, solve problems and create adaptive procedures that enable them to survive in the end (Ibid: 2010). In this ever-dynamic world, capacity building is integral to empower organisations with necessary resources, skills, with a dire need to enable them achieve their set objectives; thus retaining the competitive edge. Whilst capacity building receives diverse interpretations in literature, there are generally agreeable three basic levels involved which are individual, organisational and institutional and these are highlighted below.

Individual Capacity Building- This entails the development of researchers and teams via training and scholarship, to design and undertake research, write-up and publish research findings, influence policy makers (UNDP, 1998; UNESCO, 2006, Virgin and Bhagavan, 2004; DfID, 2012). In some programmes/projects individuals need to join training opportunities to upgrade their skills as a way of producing high quality products that withstand ever-changing consumer preferences. Individual capacity building is not only necessary for members already in the business, but also cardinal to newly emerging entrepreneurs who require minimum skills to kick-start a business (Morgan and Qualman, 1996).

Organisational Capacity Building- this relates to development of the capacity of research departments in universities, think tanks and so on, to fund, manage and sustain them. Research work is taken to be very critical towards reshaping our society (SIDA, 2001; OECD, 1997). In both developing and developed world, research institutions provide conclusions and recommendations to policy makers who come up with informed decisions to articulate societal issues. In light of this, capacitating such organisations with the necessary resources becomes a pre-requisite for sustainable socio-economic development.

*Institutional Capacity Building-*According to Morgan and Qualman (1996), institutional capacity building entails changing, overtime the rules of the game and addressing the incentive structures, the political and the regulatory context and resource base in which the business is undertaken. In this context, capacity building focuses on strengthening the institution as a whole to operate successfully against its competing rivalries. As an institution there is need to constantly scan the environment for any changes that might undermine its competitive advantage. Capacity building strategies in this case include, but not limited to, financial resources, friendly legal frameworks, human capital, marketing opportunities, buying support from the government (DfID, 2012; OECD, 1997; Morgan and Qualman, 1996). It must be noted that capacity building is a dynamic process that is often part of a broader developmental or a change process. Subsequently, it is hard to consider the steps that will be considered in future. Despite this challenge, ensuing is a few guidelines underpinning successful efforts at Capacity Building according to DfID (2012:3).

Capacity building should be viewed as a process. It is not a ‘bolt on’ extra, nor is there a simple tool kit to make it happen. Effective capacity building is the result of the interplay between individual, organisational network and institutional factors. It is difficult to plan in advance which steps will need to be taken or which dynamics will evolve, but planning is nevertheless essential to develop a shared vision and strategy. It can be pursued and facilitated by a process of action learning and continuous adaptation of interventions in the light of experience

The Nexus between Business Incubation and Capacity Building

There are so many definitions regarding the concept of business incubation; with different interpretations across literature. NBIA (2008) defines it as an economic development tool designed to accelerate growth and success of entrepreneurial company through an array of business support resources and services by nurturing the development of entrepreneurial companies, helping them survive and grow during start up period, when they are most vulnerable. Stefanovic et al. (2008)

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regard it as a dynamic process of business enterprise development. The concept put in simple terms, entails maintenance of controlled conditions that are useful for the growth and development of start-up companies by providing them with supportive environment. In some instances, business incubation offers management assistance, mentoring access to finance flexible and low-cost leases, office services and subsequently promotion of development of new and qualified SMEs (New Millennium Project, 2005). It is also taken to provide qualifying new start-up business with a set of facilitation, physical space, shared services, business and legal advice, and financial inputs to facilitate their creation and assist them until graduation when they have the capacity to survive in the outside competitive environment; thus improving their chances of success (UN Millennium Project, 2005). Business incubation, as a tool for entrepreneurial development emerged in America and later on spread to other countries world over. According to Bubou and Okrigwe (2011), business incubation has its genesis in 1959 when Joseph Mansuso is said to have officially opened The Batavia Industrial Centre (the first US Business Incubator in Batavia). The concept did not catch on with many communities up until 1970s when most countries (developed and developing) borrowed the concept to sponsor their SMEs and newly emerging entrepreneurial companies.

Mohsen (2010: 1) notes that, “the process of incubation provides entrepreneurs with an enabling environment at the start-up stage of enterprise development, to help reduce the cost of launching the enterprise, increase the confidence and capacity of the entrepreneur, and link the entrepreneur to the resources required to start and scale a competitive enterprise”. Those enterprises and entrepreneurs receiving assistance will remain in the incubation until an agreed upon milestone is reached. The minimum targeted level or milestone can be measured in terms of business returns and the amount of revenue generated. This will definitely, mark the capability of each enterprise to stand-alone. At that time, the service providers that is those managing the incubators will be satisfied that the growth of the assisted enterprises would be sustainable.

The goal of establishing business incubation is to help create and grow young businesses at their formative stages by providing them with necessary support and financial and technical services. They are often a good path to capital from angel investors, state governments, economic-development coalitions and other investors. Incubators vary in their strategies. Some are located in an actual physical space meant to foster networking among entrepreneurs and their coaches whilst others operate on a virtual basis. Incubators sometimes call themselves accelerators instead, often when they are geared toward jumpstarting businesses that are more developed.

Incubators provide numerous benefits to owners of start-up businesses. Their office and manufacturing space is offered at below-market rates, and their staff supplies, advice and much-needed expertise in developing business and marketing plans as well as helping to fund fledgling businesses. Companies typically spend an average of two years in a business incubator, during which time they often share telephone, secretarial office, and production equipment expenses with other start-up companies, in an effort to reduce everyone's overhead and operational costs (www.entrepreneur.com). Consequently, the survival rate of new enterprises is increased.

THE COMPELLING NEED FOR ADOPTING BUSINESS INCUBATION AS YOUTH CAPACITY BUILDING STRATEGY IN ZIMBABWE

The indigenisation and economic empowerment policy was viewed and interpreted with mixed feelings across literature. Proponents for this initiative regard it as a door-opener by the government towards fulfilling the promises of the protracted liberation struggle. Such a move by government is regarded as a necessary ingredient for total economic emancipation for Zimbabweans. The policy's main thrust is to economically empower the previously disadvantaged Zimbabweans. This is evidenced through forceful reversal of colonial imbalances in wealth ownership and control that negatively undermined the black majority from being masters of their destiny. Notwithstanding this greater achievement, a closer analysis of this programme points to numerous challenges most beneficiaries continue to face, and subsequently compromising their capacity to participate to the maximum level. This justifies the need to adopt business incubation as a method of equipping new entrepreneurs with business skills. Incubator graduates create jobs, revitalise neighbourhoods and commercialise new technology. This strengthens local, regional and even international economies.

The indigenisation and economic empowerment policy coincided with imposed illegal sanctions partially responsible for the economic woes experienced in Zimbabwe for the past decade. As such,

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kick starting a business has been a daunting task largely due to financial constraints. The majority of youths find it harder to raise seed-capital to jump-start their businesses. This research recommends that the concept of business incubation can bear more fruits under the auspices of the indigenisation policy if the programme receives funding from the treasury. By establishing incubation centres, the national treasury will allocate supporting funds to new enterprises that have shown a clear potential for growth and expansion. As such the maximum threshold given to youth for instance may be revised upwards to a minimum of say 20 000 from the current 5000. This will give the youths to venture into viable businesses that in turn can act as a source of employment for other job-seeking Zimbabweans.

It is becoming evident from this programme that a mere transfer of ownership of business cannot guarantee black empowerment for sustainable socio-economic development. Instead, there is need to capacitate beneficiaries of the programme to do their businesses with minimum challenges. The concept of business incubation that has received widespread recognition in both the developed and developing world is seen as an avenue to fill this lacuna for youths to participation in the indigenisation and economic empowerment drive in Zimbabwe. This concept is taken to be part of capacity building strategies in order to equip newly emerging entrepreneurs with necessary requirements.

Business incubation has also proved to be instrumental towards the promotion of industrial growth in both developed and developing countries. Bubou and Okrigwe (2011: 145) argue that “SMEs are expected to lead to the development of new opportunities and can be relied upon as engines for industrialisation”. Therefore, the adoption of business incubation in Zimbabwe will improve the viability of SMEs thereby enhancing their capacity to contribute to the industrial growth of the economy. The industrial capacity utilisation in Zimbabwe has been very low and the situation is improving at a snail’s pace. Currently, the Southern African country’s industrial utilisation stands at an official level of about 45 per cent. If successfully adopted, business incubation has the capacity to lay a firm ground for rapid industrial growth. Bubou and Okrigwe (2011: 145), further posit that, “technological business incubation could have been the miracle for emerging economies such as India, China, Japan, Korea, Brazil and other developing countries such as Malaysia, Singapore, Indonesia and even developed economies of the world such as the USA.” Low industrial capacity has forced Zimbabwe to rely more on imports even for basic products that require simple technology for their manufacturing such as toys, toilet paper and many plastic products.

The establishment of business incubation centres in Zimbabwe can be a positive move to complement the ongoing indigenisation policy in Zimbabwe. Firstly, the majority of youth in Zimbabwe lack adequate physical space to do their businesses. Those in the manufacturing sector require abundant space that enables them to manufacture and display their finished products. Even if the space is available, they cannot meet the exorbitant rental charges and therefore establishing such incubation centres will help them to grow until graduation as the government will meet the cost through subsidies. Hamauswa et al. (2012) posit that amongst the services offered by incubators is shared infrastructure (thus reducing start-up costs), such as office space, meeting rooms, telecommunications, reliable electricity and in some environments, security services. In this regard during the start-up phases, the incubator client companies can obtain flexible space and lease that are vital to overcome the business tides that might negatively affect their viability. In this case, the researchers visited Glen View 7 where a substantial number of youth are into carpentry and ‘Siya-So’ or ‘Magaba’ area in Mbare, Harare where all sorts of manufacturing is done ranging from timber and rubber products to welding. Almost all high-density suburbs in Harare are known for housing backyard small home industries with enterprises venturing into a wide variety of activities such as manufacturing building materials, walling and fencing products as well as household goods such as bedroom suits among others. A perceptible order or disorder in all these areas is that almost all enterprises are operating in squalid conditions that lack adequate ventilation and lighting. In fact very few operating spaces can meet the city of Harare’s health standards. Against, this background, there are vast “white elephants” in industrial areas around Harare such as Graniteside and Msasa some of the youth in these squalid conditions can operate from.

Networking is one of the key services that incubators provide to the beneficiaries of the programme. Hamauswa et al. (2012) view it as a mentoring process by experienced business professionals, knowledge sharing with like-minded entrepreneur and links to business relationships and opportunities. Business incubation centres will complement networking opportunities for youths that

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often result from agricultural show and other exhibitions, which of course is not sustainable. In Zimbabwe, these centres will create partnerships that are made up of multiple stakeholders that include banks, donors, charity organisations, educational and technical institutions, private companies such as those in mining and manufacturing industries. Strengthening of these partnerships will be critical through a win-win situation, where for instance technical institutions can provide space for incubation will be provide by technical institutions, while banks and private companies providing soft loans.

In Zimbabwe, youths can benefit from the establishment of these incubators in the form of connections and networking with various educational and technical institutions. Further, the government can also avail land for the purposes of promoting incubation process. This paper strongly recommends the government to convert areas such as ‘Siya-So’ in Mbare and others in high-density suburbs in the capital city such as Glen-View into incubation centres for youths in Harare. These centres will be equipped with training and development facilities to youths who need skills related to technical and business matters. Those youths in agribusiness can also benefit equally from business incubators through training, technical assistance, connecting them to market opportunities as well as Research and Development institutions

It is worth noting that services offered by business incubators are often multi-varied for the benefit of incubates depending on the nature of the economic system of the concerned country or region. Business incubators also offer services that are in line with the type of business in question and the needs of the entrepreneurs concerned (Mohsen, 2010: 1). In Zimbabwe, youths, women, new farmers and a wide number of SMEs have received significant funding from the government banks and other development partners. The beneficiaries of such funds particularly the farmers continue to require start-up capital. In this regard, business incubation as a concept becomes relevant to fund infant enterprises especially on key cash crops such as tobacco, sugar-cane and soya beans so that economic hurdles during the infant stage are reduced or eliminated. These services are important in that most individuals venturing into new businesses lack experience especially as business managers (Hamauswa et al. 2012). Most of them are not quite familiar with their business environment, thus requiring adequate orientations. In Zimbabwe, very few companies are aware of business opportunities available throughout the country and regional economic blocs to which Zimbabwe is a signatory. Therefore, business incubation will connect new entrepreneurs to potential markets

More importantly, youth beneficiaries from the on-going empowerment drive in Zimbabwe need business advisory services to assist their entrepreneurship with management issues. These services are critical for the survival of new enterprises include business planning, financial management, marketing and regulatory compliance on formal matters such as applications for registration and licensing. Provision of such services on consultancy *basis*, as is the case in Zimbabwe, is too expensive for small business enterprises. Therefore, the concept of business incubation becomes a panacea in promoting new enterprises where services will be relatively cheaper if provided by the government. Incubates will also be taught on the basic marketing skills, and on how they can benefit from business opportunities available beyond Zimbabwean borders. Registering a company in Zimbabwe is still a very taxing process to the extent that a majority of entrepreneurs choose to operate informally. If more enterprises are in the informal sector, the flow of revenue to the government through the form of tax will remain compressed. Thus, besides the importance of incubation to new enterprises, the government is also set to benefit from increased revenue (Hamauswa et al.2012).

Evidence shows that Zimbabwe is awash with individuals and SMEs who have a noticeable spirit of innovation. Khalil and Olafsen (2010: 1), note that, business incubation is important in that it promotes innovation. They noted that, “innovation in particular triggers a virtuous development circle that unleashes human ingenuity to develop and deliver products and services that are needed by the population and increase enterprise competitiveness.” For an entrepreneurship spirit to grow, the need for a favourable environment is quite germane. For Khalil and Olafsen (2010: 1) environment more often than not discourages entrepreneurs from bringing inventions to the market regardless of their source. The current business environment is not promoting the spirit of innovation to the extent that indigenous technologies and initiatives are not given the opportunity to grow and develop. In areas such as production, technical engineering, farming, mining and tourism the innovative capacity is discernible (Hamauswa et al, 2012). To turn this capacity into beneficial realities, the government needs to promote a culture of entrepreneurship especially among the youths; and this can be done

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through adoption of business incubation. Khalil and Olafsen (2010: 1) further observe that, business incubation also creates sustainable incomes and tax revenues that can be reinvested for social and economic gains. As indicated earlier, the formation of incubators will inadvertently, force the new enterprises to operate on formal basis opening doors for the government to come in for tax collection.

Adoption of business incubation in Zimbabwe may also go a long way in creating employment opportunities. Currently, unemployment level in Zimbabwe is above 80 per cent (Robertson, 2013). Thus, adoption of business incubation by the government will come up with stern measures geared towards strengthening the empowerment policy, hence opening doors for more employment opportunities. According to the US Department of Commerce and Economic Development Administration (EDA) 2009, “incubators provide communities with significantly more jobs (as much as 20 times) at a far less cost than do any other public works infrastructure projects-including roads, and bridges, industrial parks, commercial buildings and sewer and water projects”). Khalil and Olafsen, (2010) note that, “in Brazil where business incubation has a long history, ANPROTEC, its business incubator association, estimates that over the last 20 years Brazilian incubators have graduated 1, 500 enterprises and generated about 33 000 jobs”.

Admitting the current fiscal challenges the government is still facing, there is need for alternative sources of finance to make the business incubation a success story in Zimbabwe. This is can de dome through Public-Private Partnerships (PPPs). The private sector in Zimbabwe can play a very important role toward the funding of business incubation process. In other countries such as Brazil, the private sector has played a very important role in supporting business incubators and incubated enterprises. Lalkaka and Shaffer (1999:9) note that, “a remarkable feature in Brazil is the active involvement of the private sector in the establishment of incubators.” In fact, the private sector is among the largest sponsors. For instance, the Federation of Industries for the State of Sao Paulo (FIESP) reportedly operates a dozen business incubators as its contribution to entrepreneurial venture development in the state. The question is therefore how then can the private sector contribute in Zimbabwe toward the promotion of business incubation? Lalkaka and Shaffer (1999:11) note that, “the private sector participates when its sees that the programme will lead to greater business opportunity and promote spin-offs.”

LESSONS FROM OTHER COUNTRIES

Nigeria

The Yenagoa Technology Incubation Centre (TIC)

Emerging from the central government, Yenagoa TIC was a brainchild of the Federal Technology Incubation Programme (TIP) in Nigeria, through the Federal Ministry of Science and Technology (FMST). It is among the 25 technology Incubation Centres established in the country that took-off in 1993. The policy thrust of the Technology Incubation Programme is to pursue the commercialisation of technology and technological innovation using technology incubation as a tool in order to enhance the attainment of technological, industrial, social and economic competitiveness of the country and improve the quality of life of its citizens. Technology Incubators in Nigeria aim mainly to build bridges between academia and industry promote innovation in small and medium enterprises and encourage investment in technology-based start-up firms (Cooper, 2006).

For Nigeria, Yenagoa TIC was believed to greatly reduce graduate unemployment especially graduates of science and engineering disciplines as this makes significant contribution to jobs and wealth creation. Youths would be admitted as apprentices/support to the budding entrepreneurs to enable them acquire different sets of skill and eventually take-over form their trainers after graduation within three years. This will create multiplier effects in employment generation and wealth creation for youth population (Bubou and Okrigwe, 2011)

Thailand

(Strengthening the business incubation initiative for economic development)

It is a joint Thai-German project of the Thai National Science and technology development Agency (NSTDA) and the German Capacity Building international (INweNT). The project receives financial back-up from the infoDev incubator initiative (World Bank). The major purpose is to brace the business incubation system in Thailand through capacity building and networking activities; and then

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in a next step; to strengthen the anchor function of Thailand in the Mekong Region and the Philippines by fostering collaboration, especially with other business incubators. Currently EXPERLAN is duly commissioned as project consultant, providing technical assistance, and currently supporting a status assessment of the Thai business incubators (Franz, Barbara and Joachim, 2010).

Mauritius (ICT Incubation Initiative)

Zimbabwe can also draw lessons from Mauritius whose incubation initiative is bearing fruits especially in the ICT sector. This success story has been largely due to a partnership with donor community for funding the project. United Nations Development Programme (UNDP) with EXPERPLAN contracted as international consultant funds the project. It covers an in-depth review of the ICT sector in Mauritius. A review of administrative procedures for start-up business in the ICT sector, legislative constraints and incentives was made and, opportunities for clustering in Mauritius were investigated, the potential for further business incubators was analysed (InfoDev, 2007). Based on these works, an established ICT business incubator has received its first Business Strategic Plan and a Capacity Building has been tailored to the needs of the centre management and the start-ups. Under strong involvement of stakeholders from the ICT sector and the business community, and by liaising with national counterparts, the project was realised to see how the business incubator can contribute to the national ICT vision and ambition (Ibid: 2007).

India

The Technological Incubation and Development of Entrepreneurs (TIDE)

In India, the Department of Information Technology (DIT), launched Technological Incubation and Development of Entrepreneurs (TIDE) scheme in 2008. This was mainly designed to among other objectives, setting up and strengthening Technology incubation Centres in Institutions of higher learning, nurturing Technology Entrepreneurship Development for commercial exploitation of technologies developed by them, promoting product oriented Research and Development, encouraging development of indigenous products and packages and bridging the gap between R&D and Commercialisation (www.kiitincubator.in).

Various steps taken to promote Technology Incubation include policy measures, creating appropriate frameworks, infrastructure support, entrepreneurial training among others. The Incubation Centres provide networks with Angel investors and Venture Capitalist who provide mentoring and financial support to the start-ups (Ibid). The centres also enables the tenant companies to gradually mature over a period of 2-3 years and then shift to a commercial place for transacting actual business. The faculty is keenly involved in starting activity, thus ensuring interaction between education and industry and alignment of education with market requirement.

The TIDE provides operating space to the selected companies, nurture them and mobilise technical, mentoring, managerial, financial, administrative, legal and other supports as required by them. The operating space is said to be provided on rent for a period of up to two years (extendable by one year). It also provides financial assistance in the form of soft loans of up to Rs. 25 lakhs over two-three years period (subject to satisfactory performance) (www.bits-pilani.ac.in).

Agribusiness Incubation

The Agri-Business Incubation (ABI) programme was launched in 2003 in India as an initiative for Semi-Arid Tropics in partnership with India Department of Science and Technology (Sharma et al, 2010) Business Incubators are gaining a foothold in India with a recent survey pointing to remarkable shift of their numbers from 10 in 2000 to 30 in 2009. Of the 495 ventures that graduated from the business incubators in India, 387 remained in Business. More than 10.000 jobs were created through these ventures. These Incubators have stakeholders in government agencies, financial institutions, and venture capital operations (Sharma et al, 2010).

Agribusiness incubators can take the form of comprehensive occupational schools, offering rural producers and workers sufficient knowledge, experience, infrastructure and means to become agribusiness entrepreneurs. This endogenous movement is believed to have far-reaching effects, promoting the overall modernisation of primary productions, industrialisation, and marketing and development of rural areas Agri-Business Incubator in India is the only incubator with an inclusive, market-oriented development plan that seeks to improve farmers livelihoods through business

incubation which is manifested in seed ventures, bio-fuel ventures, innovative ventures, farm ventures and Agri-biotech ventures (Ibid: 2010)

CONCLUSION

This study reveals that business incubation concept has promoted industrial growth in many countries across the country. In countries such as USA, India, China and Nigeria the adoption of the concept assisted SMEs to ward off the tides associated with starting or launching new enterprises. Through this concept, SMEs in these countries managed to grow thereby creating opportunities for employment creation and promotion of innovation. These same benefits can be accrued in Zimbabwe if business incubation concept is adopted as tool for capacity building. This study advances the argument that capacity building among the beneficiaries of the economic empowerment programme in Zimbabwe could be the missing link toward ensuring sustainability and growth among SMEs especially those of the youth. The study therefore, recommends that the government should consider seriously the adoption of business incubation with the aiming of capacitating SMEs. This concept can help to formalise the informal sector, which has been bourgeoning since the turn of the millennium without contributing to the national fiscus. As such home areas such as Siya-So in Mbare and Glen View need to be turned into incubation centres where entrepreneurs are trained through government support services. For this to be successful, the government need to work in conjunction with technical and educational institutions, banks, non-governmental organisations and the entire private sector.

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