

**THE BATTLE FOR SURVIVAL AND KEEP THE BUSINESS AFLOAT IN  
INFORMAL TRADING IN MUTARE, ZIMBABWE**

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**Abstract**

*The study is an analysis of the cash flow management by informal traders at Mutare Flea Market in the unstable economy of Zimbabwe. The role played by informal business activities in the economic development of a country has been noted in nearly all the counties of the world. The quantitative approach dictated the research activities where a sample size of 82 was randomly selected in line with the probability sampling framework. Their views and perceptions were descriptively analysed and presented in form of frequency percentage tables and graphs. The study noted that the mobile money transfers, dodging the remittances of tax and other obligations, exploiting local resources for trading and diversification of trading products as strategies used by informal traders for survival. The researcher recommends that cash flow management can be successfully managed by the establishment of low interest loans for business loans to informal traders, capitalizing on local resources for products and trading essentials, creation of bank accounts that charge as you earn or low charging accounts, education on financial literacy through workshops and networking and the rotating of savings and credit associations.*

**Key words:** battle, informal trading, business, afloat,

**1.0 INTRODUCTION**

Kitchen and Tate (2013) further The informal traders are often challenged by several impediments towards cash flow management in states with an unstable economy. According to

Kitchen and Tate (2013), informal businesses experience challenges just like any form and type of business; the problems in informal trading are just more extreme as the informal economy is excluded in the more organised formal economy.

propounded that transportation is another challenge facing informal traders in various states in terms of transportation of products from home to areas of operations. The challenges further extend to a point where one is restricted on what to bring in some modes of transport. For instance, in Zimbabwe people are asked to pay transport fares while there are rampant cash shortages and the informal traders are trading using mobile money (Donaldson & Marais, 2012). In some instances, the transport challenges can cause the informal traders to sleep in the streets or build illegal squatter settlements near trading sites for convenience, which gets them into trouble with authorities as the land they move onto is not zoned for settlements Willemse (2014). Against this background, it suffices to state that informal trading faces several challenges such as transportation difficulties in ferrying products from home to areas of trading.

Furthermore, the repressive policies or laws by the urban authorities challenge the cash flow management by informal traders now and then (Donaldson & Marais, 2012). Most of the spaces which traders occupy are considered illegal since the spaces have not been set aside for trade. The space is allocated by the urban authority and allocation and eviction of occupants is at the discretion of the urban authority. In this regard, the informal traders often lose their goods and products in the eviction processes (Kitchen & Tate, 2013). This therefore compromises the cash flow management by informal traders as they are forced to unceremoniously adjust their low and hard-earned income in cases of disturbances.

More so, the informal traders' greatest challenge facing informal traders is their site of operation and rights to trading space (Donaldson & Marais, 2012). The informal traders are often relegated to periphery areas with few customers with disadvantages in areas of security, transport, and municipal services. Toerien and Marais (2012) established that the authorities in most cities in Africa harass and beat street vendors and confiscate their goods. Therefore, it suffices to state that informal traders' cash flow management is challenged by the lack of operating space and trading rights.

Solutions to address this evolve around formation of registered co-operatives, reduction of Human Development Report (2016) taxes when transacting and introducing interests on banked money. According to the, co-operatives have been used by both colonial and post-colonial governments as instruments for the delivery of development interventions such as fair price distribution, procurement operations and price support operations. Further to this, in India, the co-operative system has been the Primary Agricultural Credit Society which provides loans and other services.

The Australian Competition Consumer Commission (2017) cites that the Commission of the Australian Tax Office manages and shapes the tax and super systems that support and fund services. It thus provides an environment that will allow small business to grow. According to Katre (2016), organisations must consider keeping the bulk of their funds in higher paying accounts and then transfer them to interest bearing accounts. Adu and Eshun (2018) argues that small enterprises' funding can obtain their funding from equity which includes personal savings, family equity and retained earnings. Debit financing as well includes short- and long-term financing from friends, relatives and negotiated bank and micro-financing.

Zimbabwe dropped its own currency and adopted the multi-currency system during early 2009 due to the hyperinflationary environment that characterised the economy then (Mangundya, 2016). The major currencies that came into use were the US Dollar and the South African Rand. However, towards the end of the year 2015, the currencies that were in the multi-currency basket started to vanish from circulation culminating in the shortage of cash in the financial system. According to Mabenge and Kasiyamhuru (2016), Zimbabwe has been struck by cash shortages that have seriously affected the social and economic wellbeing of the citizens. These authorities assert that the shortage of cash in Zimbabwe is revealed by queues at some banks and automated teller machines (ATMs). The effects of the cash shortages have been greatly felt because Zimbabwe is predominantly a cash economy where the use of plastic money, mobile money and the Real Time Gross Settlement (RTGs) is minimal (Mangundya, 2016). The introduction of Bond Notes has not even assisted to ameliorate the problem as these notes have also vanished from the market. However, it is important to note that hordes of cash both Foreign Currency and Bond Notes are now being traded at exorbitant prices on the black market.

It is imperative to note that business as well as society in sub-Saharan Africa have a very strong cash-based heritage and cash is considered the default means for carrying out small scale transactions (Bangens and Soderberg, 2014). In view of that culture, it means that liquidity and cash-flow management are major bottlenecks for the operations of informal entrepreneurs in sub-Saharan Africa. Therefore, the arrival of mobile money transfers is viewed as a potential tool for promoting smooth financial transactions within the informal sector (Mangundya 2016).

However, it is important to note that the majority of the owners of small businesses in the region have access to mobile phones but little is yet known of the scope, direction and impact of mobile money transfers on their business operations (Bangens and Soderberg, 2014). This entails that informal traders still lack the appreciation as to the impact of mobile money transfers on the growth and efficient operations of their businesses. According to Donovan (2013), the basic level of mobile money encompasses the provision of financial services through a mobile device (cell phone) and includes a range of services such as making payments, insurance products and banking. It is important to note that even though mobile phones are key to all these transactions, mobile money is more than just technology. According to Donovan (2013), this system requires cash in-cash out infrastructure which is usually accomplished through a network of 'cash merchants' or agents who are also paid a small commission for turning cash into electronic value and vice versa.

According to Onyuma et al. (2015), the financial market transactions are slowly changing to cashless basis as opposed to being cash based. The advent of electronic money transactions has brought changes in the manner informal entrepreneurs conduct their business transactions. The use of these electronic platforms makes the transactions of informal entrepreneurs with their customers and suppliers very fast and easy (Kothari. 2014). This reveals that despite the culture of cash-based transactions that is inherent with informal traders, the use of electronic payment methods makes it easy for informal traders to conduct their business even during liquidity crises. This study therefore seeks to establish how informal traders at Mutare Flea market are conducting their business in the face of cash shortages currently prevailing in Zimbabwe.

## **2.0 Materials and Methods**

The descriptive research design attests the elements of a research topic that are to be addressed by the collected data. Creswell (2014:113) posited that descriptive research design leaves the research out of control of the variables as the addressing is left to the collected data to address. By and large, descriptive research design serves a tri-purpose of explaining, describing and validating the research results in an empirical manner. In this study, the analysis of the cash flow management by informal traders at Mutare Flea Market in an unstable economy. Singh (2015) holds that quantitative research approach draws from the positivist philosophy and basically employs the use of statistics in the interpretation of research data whilst qualitative research is informed by the phenomenological school of thought that promotes the use of narratives and other non-numerical means in interpreting research data. According to Kothari (2014) quantitative research involves the generation of data in quantitative form which is then put to rigorous quantitative analysis in a very formal and rigid way. Accordingly, the study adopts a quantitative research approach to regulate the activities of the study.

### **Qualitative Research Approach**

Creswell (2014) posits that qualitative research is basically about the subjective assessment of attitudes, opinions and behaviours. The proposed study will employ the qualitative approach. This approach allows the study to concentrate on a small homogenous group of subjects and this improves the quality of research results. Saunders and Lewis (2012) argued that qualitative research approach is the manner by which denotations of a research phenomenon can be deduced from the opinions of the elements characterising it. Creswell (2009) propounded that qualitative research is rather a purposive utilisation of describing, interpreting and presentation of data in a normative manner.

According to Greener (2013) a population is any precisely defined body of people or objects under consideration for research purposes. The target population for this study will be composed of 250 informal traders who have stalls at Mutare Flea Market. These are the relevant people who provided data on how informal traders are conducting business in an unstable economic environment prevailing in Zimbabwe.

Kumar (2005) identifies probability and non-probability sampling as the two methods of sampling that exist in research. Probability sampling according to this authority is whereby each subject in the population is given an equal chance of being selected into the sample. In contrast, non-probability sampling is a sampling technique where the odds of any member being selected cannot be calculated. Kothari (2014) asserts that there are a number of sampling techniques which fall under probability sampling and these include simple random sampling, stratified sampling, systematic sampling and quota sampling among others. The study adopts the probability sampling framework which was executed using random sampling technique.

According to De Soto, H. (1989), simple random sampling allows each member an equal opportunity to be chosen in the sample. The study employed the simple random sampling technique for it allows a specific number of respondents to comprise the chosen sample. The study randomly selected the 100 informal traders at Mutare Flea Market since they all understand the cash flow management due to their being in the same environment. The questionnaires were collected 2 days after time of administering. The questionnaires were all filled in a folder and stored in a safe place. The data collection process was fully completed over a period of two weeks. Once all the data were collected, they were captured on an excel spreadsheet and later on exported to Statistical Package for Social Sciences (SPSS) which is statistical tool used to generate tables and analyse data.

The researcher carried out a pilot study with 10 subjects drawn from the study population but who did not form part of the study sample. The subjects selected to take part in the pilot study were those not selected into the sample but with the same characteristics with those in the sample. In other words, they were selected from the same population. The pilot study aimed to test several issues which include, the time taken to answer a question, the clarity of questions on the list of questions on the questionnaires, questions which are not correctly answered and the reasons for that. This enabled the researcher to revise the questions before the guide was used on the respondents. Amendments were done to areas identified during pretesting and this ensured validity and reliability of the research instrument. The findings of the study are that, from the 10 randomly selected respondents, those who were involved in face to face interviews answered instantly rather than those who were issued with questionnaires. Moreover, some

respondents were unwilling to respond to questions stating that they were busy and they do not understand the purpose of the study.

### **3.0 Results and Discussion**

#### **Gender of the Respondents**

The study captured the gender patterns of the respondents. The thrust was to create a gender balanced argument in addressing the research problem.

*Table 1: Gender of the Respondents*

<b>Gender</b>	<b>Number</b>	<b>Percentage</b>
Male	36	43.9%
Female	46	56.1%
<b>Total</b>	<b>82</b>	<b>100%</b>

#### **Source: Primary Data**

43.9% of the respondents were males and 51.6% of the respondents were females. It implies that the respondents were dominated by females.

Table 1 presents the gender patterns of the respondents who participated in the study. The variance between male and female representation is not that significant but rather shows women as patient enough to endure trading at a Flea Market while husbands are exploring other avenues or procuring produces for trading. Therefore, it suffices to state that informal trading is an endeavour partaken by both sexes at Mutare Flea Market.

The gender of the respondents can also be illustrated by the graph below:

**Table 2: Gender of the Respondents**

Gender	Frequency
Male	35
Female	45

**Source: Primary data**

There were 45 females and 35 males.

Table 2 corresponds with Table 4.1 in depicting high female representation in informal trading at Mutare Flea Market. The statistics shows the informal trading through flea markets as mainly partaken by females.

**Years of Trading**

The study recorded the years of trading the respondents have in the informal trading business.

**Table 3: Years of Trading**

Years of Trading	Number	Percentage
0-5 years	27	32.9 %
6-10 years	31	37.8 %
11-15 years	15	18.3 %
Above 15 years	9	10.8 %
<b>Total</b>	<b>82</b>	<b>100 %</b>

**Source: Primary Data**



Table 3 summarises the statistics of the respondents on their years of trading informally at Mutare Flea Market. The 6-10 years group dominated the respondents with 37.8 % representation, 0-5 years with 32.9 %, 11-15 years with 18.3 % and above 15 years with 10.8 %.

The dominant group have been in the informal trading long enough to understand the cash flow management hence accurate details were procured.

### **Highest Level of Education**

The study captured the highest level of education of the respondents. The academic qualifications were segmented into ordinary level, advanced level, diploma level and honours degrees. The table below summarises the findings.

**Table 4: Highest Level of Education**

<b>Qualifications</b>	<b>Number</b>	<b>Percentage</b>
Ordinary Level	38	46.3%
Advanced Level	22	26.8%
Diploma Level	13	15.9%
Honours Degrees	9	11%
<b>Total</b>	<b>82</b>	<b>100%</b>

### **Source: Primary Data**

Table 4 presents the responses gained on the highest level of education attained by the respondents. The majority of the respondents ended in ordinary level with 46.3 %, followed by advanced level with 26.8 %, followed by diploma level with 15.9 % and the honours degrees with 11 % representation. In Zimbabwe, ordinary level is enough for an individual to understand a research instrument hence it suffices to state that accurate details were procured.

## **Cash Flow Management Challenges Faced By Informal Traders At The Mutare Flea Market**

The study ascertained the cash flow management challenges faced by informal traders at the Mutare Flea Market. The country of Zimbabwe is plunged in a harsh economic situation where money shortages are the order of the day Noko, (2011). In this regard, it sufficed to capture the challenges that are ravaging informal trading in terms of cash flow management. The research instrument covered insertions that sought to arrest the views and perceptions of the respondents on that particular subject. The assertions are deliberated as per below:

The research instrument asserted that informal traders are challenged by lack of site of operation and rights to trading space. This affects their business in terms of cash flow as they are sometimes moved or harassed off the area they are operating at.

**Table 5: Site of operation and rights to trading space**

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	29	35.3%
Agree	32	39%
Neutral	4	4.9%
Disagree	12	14.6%
Strongly Disagree	5	6.1%
<b>Total</b>	<b>82</b>	<b>100%</b>

### **Source: Primary Data**

According to Table 5, the 35.3 % majority strongly agreed with the assertion whilst 39 % agreed by general terms. In the same note, 4.9 % remained neutral, 14.6 % disagreed while 6.1 % strongly disagreed with the assertion. The statistics show a combined 74.3 % who consented

to the assertion that the site of operation and rights to trading space constitute some of the significant challenges faced by informal traders at Mutare flea market in the unstable economy of Zimbabwe. This confirms Donaldson and Marias (2013) who posit that informal traders face challenges in respect of site of operation and rights to trading space. This was supported by Toerin and Marias (2012) who established that authorities in most cities in Africa harass and beat street vendors

***Transport their goods from their homes and markets***

The study asserted that transportation of goods from homes and markets is another challenge faced by informal traders operating at Mutare flea market. The responses gained are summarised in Table 6 below:

***Table 6: Transport their goods from their homes and markets***

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	26	31.7%
Agree	32	39%
Neutral	6	7.3%
Disagree	11	13.4%
Strongly Disagree	7	8.5%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

39% agree, while the smallest portion of 7.3% are neutral.

The table above summarised the responses gained from the respondents where the majority agreed with the assertion in general or stronger terms. In this regard, 31.7 % strongly agreed, 39 % generally agreed, 7.3 % remained neutral, 13.4 % disagreed and 8.5 % strongly disagreed

with the assertion. The statistical distribution shows that the majority of the respondents are challenged when it comes to transporting their products to and fro. This affects their cash flow management as transport systems in Zimbabwe demands cash payment at the midst of cash shortages prevailing in Zimbabwe. The distribution supports Kitchen and Tate (2013) who posits that informal traders face challenges in terms of transportation from home to their areas of operation as supported by Donaldson and Marais (2012) who observed that people are asked to pay cash for transport fares whilst informal traders use mobile money transfer during trading.

***Negative trade policy processes***

The research instrument asserted the negative trade policy processes as challenging the informal trading business at Mutare Flea Market.

***Table 7: Negative trade policy processes***

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	27	32.9%
Agree	30	36.6%
Neutral	6	7.3%
Disagree	13	15.9%
Strongly Disagree	5	6.1%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

The table presents a 32.9 % majority strongly agreeing whilst 36.6 % generally agreed with the assertion. Table 7 depicts the statistical representation of the respondents towards negative trade policy processes as a challenge faced by informal traders at Mutare. However, 7.3 % remained neutral, 15.9 % generally disagreed and 6.1 % strongly refuted the assertion. By and

large, the statistics make a strong point on the assertion that the informal traders at Mutare flea market are challenged on the cash flow management by negative policy processes. It therefore supports Ogalo (2013) who posits that they under declare quantities, weight and value of goods in order to pay lower custom duties. This satisfies Chirisa (2013) who argues that they falsify the description of products so that they are treated as products subject to none or low tariffs.

***Lack of capital or survival funds***

The study asserted that lack of capital or survival funds is another challenge faced by informal traders at Mutare flea Market.

**Table 8: Lack of capital or survival funds**

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	22	26.8%
Agree	30	36.6%
Neutral	12	14.6%
Disagree	10	12.2%
Strongly Disagree	8	8.6%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

Table 8 presents the summarised views of the respondents towards the lack of capital or survival funds as a challenge towards cash flow management. The table indicates a 26.8 % majority as strongly agreeing with the claim, 36.6 % generally agreeing, 14.6 % remaining neutral, 12.2 % disagreeing and 8.6 % strongly disagreeing with the claim. This statistical distribution affirms the claim that informal traders at Mutare are challenged on the cash flow management by lack of capital or business survival funds. Therefore, it holds water to say the

lack of capital sources of funding for business due to its informality or the harsh economic situation is plunging the informal traders into cash flow management chaos.

The study pointed out the seasonal changes as another challenge facing the informal traders at Mutare Flea Market in Zimbabwe.

**Table 9: Seasonal changes**

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	21	25.6%
Agree	27	32.9%
Neutral	19	23.2%
Disagree	10	12.2%
Strongly Disagree	5	6.1%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

Table 9 presents the summarised views of the respondents towards the challenges faced by informal traders at Mutare Flea market. The table shows a 25.6 % majority strongly agreeing with the assertion, 32.9 % generally agreeing, 23.2 % remaining neutral, 12.2 % disagreeing and 6.1 % strongly disagreeing with the assertion. The statistics indicate that the majority of the respondents affirm the assertion that seasonal changes affect their cash flow management. In this regard, the seasonal changes can even affect the entire business on operations, products procurement and even the products traded. Therefore, one may argue that seasonal changes are a stronger challenge facing the informal traders at Mutare Flea market. McCrohan et al. (2014) viewed agriculture as a means of a business activity that informal sector can venture into. By nature, it is seasonal.

### **Key Successful Strategies Used To Manage Cash Flow Management**

The study addressed the fourth objective on the key strategies that can be adopted for managing the cash flow management. The fundamental underpinning is that Zimbabwe is experiencing a serious economic backlog where money shortages are rampant. In this regard, informal traders as victims of the situation are as well succumbing hence the need to ascertain for strategies to mitigate such or for traders to survive the situation. The research instrument covered the assertions discussed below:

The research instrument asserted that the cash flow management situation for informal traders can be alleviated by low interest loans for business.

**Table 10: Low interest loans**

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	18	22%
Agree	33	40.2%
Neutral	9	11%
Disagree	15	18.3%
Strongly Disagree	7	8.5%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

Table 10 depicts the 22 % majority strongly agreeing with the assertion that low interest loans can be a panacea for informal trader's cash management situation, 40.2 % generally agreed with the claim. However, 11 % remained neutral, 18.3 % disagreed with the claim while 8.5 % strongly disagreed with the claim.

The statistics shows that the majority of the respondents affirm the assertion as a panacea or as bearing significance in mitigating the cash flow management situation faced by informal traders at Mutare flea Market.

***Capitalising on existing resources***

The study asserted that the informal traders must capitalise on existing resources as a measure against the on-going cash flow management in the unstable economy of Zimbabwe.

**Table 11: Capitalising on existing resources**

Scales	Number	Percentage
Strongly Agree	19	23.2%
Agree	30	36.6%
Neutral	12	14.6%
Disagree	16	19.5%
Strongly Disagree	5	6.1%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

According to Table 11, 23.2 % majority generally agreed with the assertion while 36.6 % generally agreed with the assertion that capitalising on existing resources in the form of planting own agriculture products for trading and some essentials may assist in surviving the cash flow management challenges. However, 14.6 % remained neutral, 19.5 % disagreed with the assertion while 6.1 % strongly disagreed with the assertion Therefore, the statistics affirms that the capitalisation on existing resources helps avoiding procurement payments hence a panacea in the current cash flow management situation faced by informal traders.



***Creating bank accounts with low charges***

The research instrument asserted that provision of bank accounts with low charges can assist informal traders to successfully manage cash flow management.

**Table 12: Creating bank accounts with low charges**

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	20	24.3%
Agree	32	39%
Neutral	8	9.6%
Disagree	16	19.5%
Strongly Disagree	6	7.3%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

Table 12 presents a 24.3 % majority as strongly agreeing with the assertion whilst 39 % generally agreed that the creation of bank accounts with low charges can assist informal traders to successfully manage cash flow management. The creation of bank accounts may be structured in charges as you earn to suit the low-income businesses by informal traders. However, 9.6 % remained neutral, 19.5 % disagreed while 7.3 % strongly disagreed with the assertion. The finding supports Katre (2016) who posits that small business must consider keeping their money in high paying accounts and then transfer them to interest bearing accounts. Nevertheless, the statistics makes a strong case towards the assertion that creation of bank accounts with low charges can assist informal traders to successfully manage cash flow management.

The study asserted that education on financial literacy can assist the informal traders on surviving the cash flow management situation prevailing in the unstable economy of Zimbabwe.

**Table 13: Education on financial literacy**

<b>Scales</b>	<b>Number</b>	<b>Percentage</b>
Strongly Agree	21	25.6%
Agree	32	39%
Neutral	8	9.6%
Disagree	14	17.1%
Strongly Disagree	7	8.5%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

Table 13 summarised the findings from the respondents towards the establishment of workshops for education on financial literacy of the informal traders. The table posited the 25.6% majority as strongly agreeing with the assertion, 39 % generally agreeing, 9.6 % remaining neutral, 17.1 % disagreeing with the claim and 8.5 % strongly disagreeing with the claim. The statistical distribution shows a combined 64.6 % majority as affirming the claim by way of general agreement or stronger terms. Therefore, education of financial literacy of the informal traders by way of workshops or networking can assist informal traders to successfully manage cash flow management.

The study asserted the rotating savings as among the key strategies for informal traders to successfully manage the cash flow management in the unstable economy of Zimbabwe.

**Table 14: Rotating Savings and Credit Associations**

Scales	Number	Percentage
Strongly Agree	23	28%
Agree	31	37.8%
Neutral	7	8.5%
Disagree	14	17.1%
Strongly Disagree	7	8.5%
<b>Total</b>	<b>82</b>	<b>100%</b>

**Source: Primary Data**

According to Table 14, the 28 % strongly agreed with the assertion, 37.8 % generally agreed, 8.5 % remained neutral, 17.1 % disagreed whilst 8.5 % strongly refuted the claim. The underlying assumption is that rotating savings as a group guarantees financial management and boasting of business. The statistics rather shows that the assertion is a viable option for informal traders at Mutare flea market to successfully manage the cash flow management in the unstable economy. Therefore, it suffices to state that informal traders must assemble groups for savings rotations as a way of mitigating cash shortages, surviving the unstable economy and as well to manage cash flow management.

**Table 15: Solutions to Cashflow management challenges being faced by informal traders Strategies**

Recommended strategy	Number of respondents	Percentage
Formation of registered cooperatives	23	28.05%
Reduction of taxes when transacting	27	32.9%
Introducing interests on banked money	32	39%

**Source: Primary data**

From the 82 randomly selected respondents, 39% agreed with the introduction of interests if they deposit their money into banks, 32.9% backed the reduction of taxes while 28.05% backed formation of Cooperatives. From the strategies proposed on how to encourage informal traders at Mutare Flea market to inject money into the formal sector, the majority backed the idea of introducing interest on deposits. They stated that they are being discouraged from depositing their money into banks because there are a lot of charges involved with keeping their money at banks. In support to this notion, Mangundya (2016) posits that, if interests are introduced into the banking sector, more people will be lured to deposit money into the banks thereby ameliorating the cash crunch. The respondents suggested that it's a better option to keep money at home than deposit in into a bank where its value will be eroded by bank charges. 33.75% were of the idea that, if taxes are reduced on transactions or totally scratched, this would encourage them to inject money into the formal sector. They bemoaned the introduction of the 2% tax by the government as a contributing factor towards them failing to inject money into the formal sector. They stated that it's a better alternative to keep cash which do not have any taxes when transacting instead of other methods such as mobile money transfers and mobile banking or use of point of Sale machines. The lowest number of respondents backed the idea of formation of cooperatives which will be registered formally and operate formally. However, other respondents stated that cooperatives will mislead them due to lack of corporate governance and high levels of corruption.

#### **4.0 Conclusions**

Furthermore, the primary study addressed the third objective on the cash flow management challenges faced by informal traders at Mutare flea market. The challenges acquired consist of site of operation and rights to trading space, transportation of products to trading places and homes, negative trade policy processes, lack of capital or survival funding and the seasonal changes. The challenges affect the business or the management of cash flow as the informal sector on its own is marred with uncertainties.

The fourth objective on the key strategies that can be adopted to mitigate the cash flow management by informal traders at Mutare flea market was also addressed in the primary study. The study established that there must be low interest loans for business loans to informal traders, capitalizing on local resources for products and trading essentials, creation of bank accounts that charge as you earn or low charging accounts, education on financial literacy through workshops and networking and the rotating of savings and credit associations. These strategies will assist the informal traders to manage the cash flow management successfully in an unstable economy.

### **5.0 recommendations**

The study recommends that more awareness is necessary on the importance of informal sector. The sector is becoming known for creating employment opportunities. In this regard, the municipality must ensure support and belief about the potentials of informal sector in order to gain support from major stakeholders in both the public and private sector.

The study recommends that the informal sector must be made a focal point of the local economic development strategy, with the emphasis of such a strategy having to be on either job creation or the growth of informal businesses. The same strategy assists in the circulation of funds and cash flow management in the local area.

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