

HOW POLICIES AFFECT ECONOMIC GROWTH OF SMES- A ZIMBABWEAN SCRIPT 2016-2018

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ABSTRACT

The Research investigates how policies affect economic growth in Zimbabwe after the dollarization of the economy, using primary data obtained from the employees of companies operating in Zimbabwe as well as the Ministry of Industry, Commerce and Enterprise Development and Zimbabwe National Chamber of Commerce staff members. Data collected was presented quantitatively using tables and other quantitative presentations. A total sample size of 224 respondents purposively selected to give their honesty opinion on the topic under study. This study used the Logistics (Logit) model to quantify the impact on economic growth caused by Non-tariff barriers (NTBs) to trade in general, particularly the aforementioned SI 64 of 2016. The results of the study revealed that Anti-dumping laws and, intellectual property rights, import licenses and customs valuations are respectively 0.9 times and 0.7 times less likely to yield economic growth in the Zimbabwean context. The findings also suggested that positive improvements in export measures are more than 2 times more likely to ignite economic growth and development and more importantly, a positive trust in implementation of the the Statutory Instrument 64 of 2016 is approximately 1.13 times more likely to yield significant economic growth in general particularly in the Zimbabwean context. Those economic agents who understood the concept were very receptive and supportive. However, some who felt that their value chain had been interrupted perceived the Statutory Instrument to have done more harm than good since its inception in 2016. Proponents of a negative impact of SI 64 of 2016 on the Zimbabwean economy include; informal cross-border traders and most small to medium local companies (SMEs) who survived on imports for their business.