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The contribution of technology-driven social enterprises to the livelihoods of informal female traders: a case of Ecocash in Harare, Zimbabwe

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2019
https://hdl.handle.net/10539/29383

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ABSTRACT

The livelihoods of most informal female traders in Zimbabwe experience limited growth and financial exclusion which results in high levels of poverty among these women. In addition to these challenges, the contributions of technology-driven social enterprises like EcoCash to the socio-economic development of informal female traders receive little attention from Government of Zimbabwe. The purpose of this study was, therefore, to investigate the contribution of EcoCash, a technology-driven money facility, to enhance the livelihoods of informal female traders within the city of Harare in Zimbabwe. A qualitative approach and an exploratory case study design was adopted. The study population comprised informal female traders in Harare and key informants from the management of EcoCash, ZCIEA and VISET. All participants and key informants were purposively sampled. Fifteen informal female traders were sampled for in-depth interviews, eight more for a focus group discussion and three key informants for in-depth interviews. Research instruments for the informal female traders included a semi-structured interview guide and a focus group discussion guide. A separate semi-structured interview guide was used for key informants. The method of data collection involved face to face in-depth interviews with informal female traders and key informants and a focus group discussion with the additional informal female traders. Findings were analysed thematically. The study found that EcoCash services include: receiving, sending and saving money, making payments and cash withdrawals. EcoCash transforms the livelihoods of informal female traders by building their capacity to trade in a cash-strapped economy, strengthening security of their income, improving their capacity to save, multiplying their livelihood strategies, enhancing their capacity to receive external support and boosting convenience in their activities. EcoCash-related challenges faced by informal female traders include high transaction costs, poor network coverage and low digital literacy. Improving EcoCash will involve stabilising transaction costs, enhancing access to digital infrastructure, establishing a more accessible micro-loan facility and training service users on digital and financial literacy. The study concluded that EcoCash services promote financial inclusion among informal female traders. In addition, EcoCash contributes to the improvement of informal female traders' livelihood assets and strategies to a greater extent although the change in livelihood outcomes is still limited. This contribution might be enhanced through a combination of multi-level interventions based on Pro-poor Public Private Partnerships which can boost sustainability of women's livelihoods against the backdrop of a multifaceted vulnerability context.

Key Words: technology-driven social enterprise, informal economy, livelihoods, financial inclusion, EcoCash, Zimbabwe, Harare, social development, women's economic empowerment