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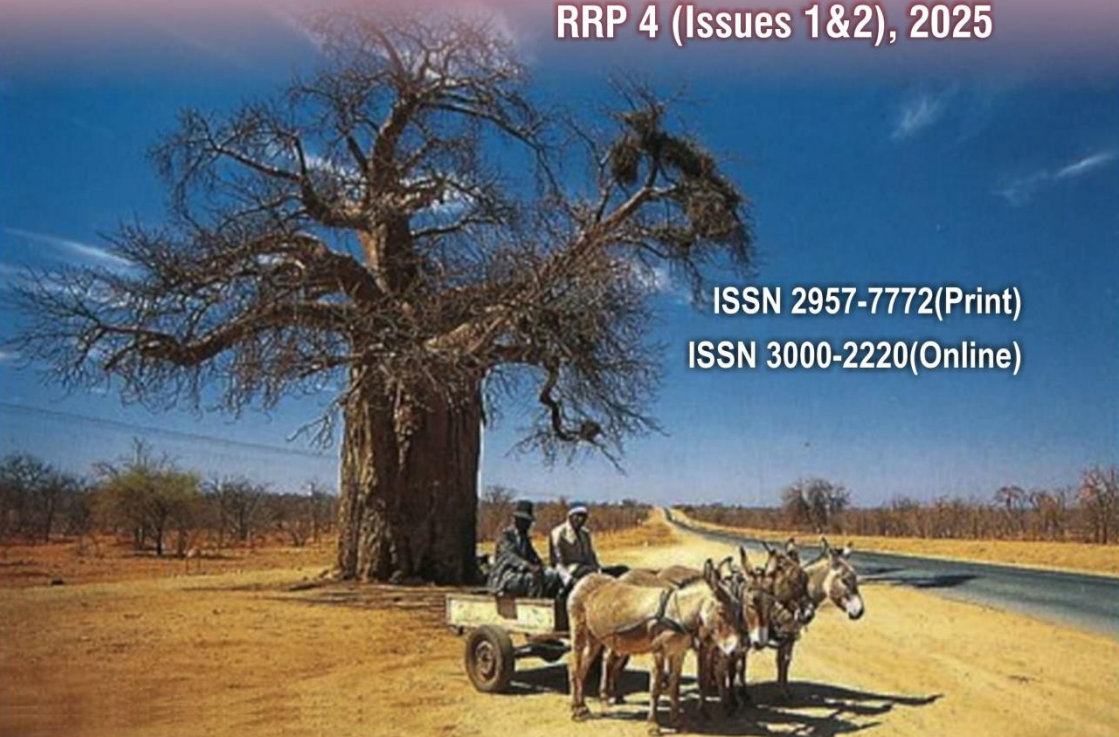
# REVIEW OF Rural Resilience Praxis

RRP 4 (Issues 1&2), 2025

ISSN 2957-7772(Print)
ISSN 3000-2220(Online)



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# *Rural Resilience Praxis*

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**ISSN 3000-2220 (Online)**

Published by the Zimbabwe Ezekiel Guti University Press
Stand No. 1901 Barrassie Rd,
Off Shamva Road
Box 350
Bindura, Zimbabwe



Typeset by Divine Graphics
Printed by Divine Graphics



## SUBSCRIPTION AND RATES
Zimbabwe Ezekiel Guti University Press Office
Stand No. 1901 Barrassie Rd,
Off Shamva Road
Box 350
Bindura, Zimbabwe
Telephone: ++263 8 677 006 136 | +263 779 279 912
E-mail: zegupress@admin.uz.ac.zw
http://www.zegu.ac.zw/press

# About the Journal

## JOURNAL PURPOSE

The purpose of the *Review of Rural Resilience Praxis is* to provide a forum for disaster risk mitigation, adaptation and preparedness.

## CONTRIBUTION AND READERSHIP

Sociologists, demographers, psychologists, development experts, planners, social workers, social engineers, economists, among others whose focus is that of rural resilience.

## JOURNAL SPECIFICATIONS

*Review of Rural Resilience Praxis*

ISSN 2957-7772(Print)
ISSN 3000-2220(Online)

## SCOPE AND FOCUS

As much as the urban territory is increasing by each day, the rural economy, especially in many developing countries, still retains a great proportion of the extractive and accommodation industry. Retaining some space as rural remains critical given the sectors role in providing ecosystem services to both wildlife and humanity. In this light, rural resilience as practice beckons for critical studies especially in the face of the ever-threatening extreme weather events and climate change that then impact on the livelihoods and lifestyles of the rural communities. Review of Rural Resilience Praxis (RRRP) comes in as a platform for critical engagement by scholars, practitioners and leaders as they seek to debate and proffer solutions of the rural sector and trying to champion the philosophy of the right to be rural. The issue of conviviality between the different constituencies of the sectors, compiled with the competing challenges of improving rural spaces while also making the conservation and preservation debates matter is the hallmark of this platform of criticality. The journal is produced bi-annually.

# Guidelines for Authors for the Review of Rural Resilience Praxis

Articles must be original contributions, not previously published and should not be under consideration for publishing elsewhere.

**Manuscript Submission:** Articles submitted to the *Review of Rural Resilience Praxis* are reviewed using the double-blind peer review system. The author's name(s) must not be included in the main text or running heads and footers.

**A total number of words:** 5000-7000 words and set in 12-point font size width with 1.5 line spacing.
**Language:** British/UK English
**Title:** must capture the gist and scope of the article
**Names of authors**: beginning with the first name and ending with the surname
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Italicise *et al.*, *ibid.,* words that are not English, not names of people or organisations, etc. When you use several authors confirming the same point, state the point and bracket them in one bracket and in ascending order of dates and alphabetically separated by semi-colon e.g. (Falkenmark, 1989, 1990; Reddy, 2002; Dagdeviren and Robertson, 2011; Jacobsen *et al.*, 2012).

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# Economic Base Analysis for Rural Districts in Zimbabwe: An Old Paradigm a New Question

TINASHE MAGANDE[1]

## Abstract

**The study emphasises the significance of economic base analysis in rural districts of Zimbabwe, highlighting the challenges faced by local authorities in providing essential services. Contrary to traditional approaches that prioritise urban development, economic base analysis advocates for a bottom-up approach, focusing on the inherent potential of rural areas. Central to this perspective is the promotion of rural industrialisation to foster economic growth and alleviate rural poverty. Despite its global relevance, economic base analysis has been underutilised in understanding rural economic development in Zimbabwe, with most projects relying on subjective opinions, rather than empirical analysis. To address this gap, the study employs a comprehensive desk review and literature review, utilising data analysis techniques such as textual analysis. Through case studies, the article illuminates the economic potential of rural areas and provides insights for policy-makers on strategies for rural industrialisation and economic development. By offering a detailed overview of the Economic Base Analysis Theory, historical development, methodological approaches and empirical findings, the study contributes to the discourse on rural development. The conclusion underscores the importance of leveraging economic base analysis to inform policy decisions, with a major recommendation advocating for increased focus on rural industrialisation as a viable option for policy-makers aiming to address rural economic challenges.**

***Keywords:*** *local government, rural industrialisation, economic growth, rural poverty, economic development, economy*

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## INTRODUCTION

Economic base analysis for rural districts in Zimbabwe is a timely subject given the situation in most rural areas where local authorities are struggling to provide even the most basic services to their populations (Muchadenyika, 2017). This is not unique to Zimbabwe; it is a situation that is prevalent in most developing countries (Zurbrugg, 2002; Laukkonen *et al.*, 2009). For rural development, arguments have been made supporting that rural areas should look up to urban areas for development. Such top-bottom approaches to rural development often lead to rural resettlement programmes which usually aim at reducing urban congestion and rural poverty (Lall and Selod, 2006). However, the Economic Base Analysis Theory propounds showcasing the need to identify and develop rural areas based on their endogenous potential. This provides a bottom-up approach to rural development that emphasises on rural industrialisation as a means of stimulating rural development (Ahmed, 2006).

The theory was first adopted by regional scientists in studying urban systems. It was developed with the sole idea of investigating the flow of economic power between urban areas and their respective hinterlands. Economic base analysis, however, has taken a new dimension. It is increasingly being used in the study of regional development and rural economics (Conway, 2022). This is manifested by the increasing number of studies in the field across the world including studies in Latin America, Asia and Southeast Asia. In Zimbabwe, economic base analysis has been applied in the studies which seek to assess the viability of proposed development projects and to understand the magnitude of economic influence that the projects may have on local economies (FAO, 1996; World Bank, 2016). Such studies have been done mostly for urban and peri-urban areas. Not much has been done in applying the theory to understand the economic development of rural districts. Most of rural development projects are based on subjective expert opinions without a clear understanding of the economic empowerment of the rural population (Mercandalli *et al.*, 2023; ZimVAC, 2011). It is from this background that the study seeks to bring to light the relevance and importance of economic base analysis in better understanding the economic structure of rural districts in Zimbabwe. The article will use case studies and the emphasis is on

interpreting the descriptive results of the economic base multipliers for the district.

The following sections of the article provide a detailed overview of the economic base theory, the historical development and critiques of the theory. The study also gets into an elaboration of the theory in the Zimbabwean context and its application as seen in the reviewed literature. The article also gives a detailed methodology in defining the study area, the sampling processes and in collecting the data. The results section covers the economic base multipliers and some of its implications for rural district economic development. The discussion of the results is in the context of the study area and other scholars who may have written on similar studies. A critique is given and the theory appraiseD. Lastly, conclusions and some policy recommendations that can seek to make rural industrialisation an attractive option for policy-makers interested in rural development are advanced.

## THE EVOLUTION AND CONTEMPORARY RELEVANCE OF ECONOMIC BASE ANALYSIS

The Keynesian revolution in 1936 marked the beginning of serious interest in aggregate economy analysis. This type of analysis evolved before the Second World War as new ideas and methods were generated and people started to learn more about the input-output analysis. The 1950s and 1960s were the golden age for the input-output analysis as large-scale computers began to play an important role in handling the number of calculations required. The advancement in input-output analysis further expanded the application of economic base analysis, moving from simple type I analysis to type II analysis and multipliers derivation. This mathematical economic base model was soon tested and improved in the 1960s, when Professor G.R. Stephenson at Humboldt University, Berlin, and Professor H.I. Shonfeld at the University of Pennsylvania, proposed a stepwise regression method, a technique in econometric analysis to derive base and non-base sectors.

It was not until the energy price shock in the 1970s that the input-output and economic base analysis started to lose its popularity, as the model failed to capture the change in location of industries and the regional economic issues.

Christopher Georges took a far-reaching look at the problems of economic base analysis, admitting that:

> …the reliance on single-valued coefficients makes it difficult to study how the relative importance of activities might change in the process of development and the likelihood that there are multiple contingent equilibria further complicates analysis" (Georges, 2007).

The research begins to shift from analysing the whole economy to the analysis of individual sectors and understanding regional and urban issues. This provides a possible explanation of why economic base analysis had given way to new economic growth theory and new economic geography over the years.

With recent development in economic base analysis, GIS and remote sensing technology have been gradually combined with the economic base model to conduct spatial analysis to provide more reliable results. Such developments are to minimise the deprivation of the poor that pushes only the few to wealth caused by economic base theory. The new methods and technologies, such as the application of cellular automata and social network analysis, have also helped to overcome some of the weaknesses in economic base analysis. Urban and regional planners have started to use the spatial economic base model to justify their proposals and with the ongoing development in technology and methods, the future of economic base analysis looks promising.

## CONCEPTUAL FRAMEWORK

The economic base of a community is crucial for planning and development strategies, particularly in rural areas where resources and opportunities may be limited (Wiggins and Proctor, 2001). Economic base analysis is a fundamental tool in regional economics, offering insights into the structure of local economies and informing decision-making processes.It is a method used by economists to determine how a change in a specific industry will impact the local economy. This article explores the relevance of economic base analysis in rural districts of Zimbabwe, shedding light on its significance and proposing new approaches to address the challenges faced by these communities. Economic base analysis is rooted in regional economics and seeks to understand the relationship between basic and non-basic economic activities within a region (Kačar *et al.*, 2016). Basic sectors comprise activities that generate income from outside the region, while non-basic sectors rely

primarily on local business conditions (Thulin, 2015) This distinction helps economists and planners assess the economic structure of a community and identify areas for growth and development. Robert Murray Haig introduced economic base analysis in 1928, laying the groundwork for subsequent research and applications in various regions worldwide. Despite its longevity, economic base analysis continues to evolve, incorporating new methodologies and adapting to changing economic landscapes.

The economic base of a community consists of activities that bring money into the region. These money-generating activities are known as the basic sector and play a crucial role in sustaining the local economy. Basic sector firms are those that rely on external factors for their business operations. These firms typically export goods or services, contributing to the inflow of money into the region (*ibid.*). Examples include manufacturing industries and resource-oriented firms. Non-basic sector firms depend largely on local business conditions and cater to local demand (*ibid.*). They provide goods and services within the region and contribute to local economic activity. Examples include retail stores, restaurants and service-oriented businesses. Over time, economic base analysis has undergone modifications and refinements to better suit the needs of diverse regions. While it has been widely used in developed regions, its application in rural development, particularly in developing countries like Zimbabwe, remains limited. Rural areas face unique challenges, including limited resources, employment opportunities and technological infrastructure (Correa and Pavez, 2016). Traditional rural development strategies often focus on agriculture-led economic growth. However, the effectiveness of these strategies depends on the integration of rural communities into agricultural activities. New approaches to economic base analysis are needed to tailor development strategies to the specific needs and potentialities of rural districts.

Economic base analysis plays a vital role in understanding and planning the economic development of rural districts in Zimbabwe. By examining the interplay between basic and non-basic sectors, policy-makers and planners can devise strategies that leverage local resources and opportunities. However, to address the challenges faced by rural communities effectively, new paradigms and methodologies in economic base analysis must be developed and

implemented. This article stimulates further research and discussion on this important topic, emphasising the need for innovative approaches to rural development in Zimbabwe and beyond.

## LITERATURE REVIEW

The Economic Base Theory observes how local economic activities can be categorised as either basic or non-basic, with the former serving as the driving force behind local economic growth (Sombart, 1928:399-423). It suggests that strengthening and expanding the basic sector is essential for enhancing the overall local economy, as it constitutes the "engine" driving economic development. This theory asserts that a diversified economy, with a focus on developing firms reliant on external markets, can better withstand economic downturns compared to economies dependent solely on local factors (Miszczak, 2021). Sombart (1928) emphasises the necessity for cities to import goods from external sources for dynamic development, with the economic base being formed by local inhabitants and activities facilitating necessary imports (cf. Miszczak, 2021). Despite criticisms regarding its narrow interpretation favouring basic activities over non-basic ones (Nesse, 2014:93-108), the Economic Base Theory is valued for its flexibility and alignment with real-world conditions (Dziewoński *et al.*, 1984). The theory emphasises the importance of regional multipliers, where new money injected into the economy leads to the creation of additional activities, particularly in diversified and integrated economies with access to distant supply regions (Polése, 1994:131). Overall, the Economic Base Model underscores the significance of both the initial influx of money from basic activities and the subsequent multiplier effects in fostering regional economic development.

### *HISTORY OF ECONOMIC BASE ANALYSIS IN ZIMBABWE*

During the colonial period, Zimbabwe experienced a dualistic economy, with the settler economy dominating the modern sector's outputs. However, in 1965, Ian Smith's government declared unilateral independence from Britain, isolating the colonial economy and prompting investigations into strategies for enhancing Zimbabwe's economic independence. Despite comprehensive studies by the World Bank in the early 1960s quantifying underdevelopment, the impact of these findings and economic base analysis models on development policies was limited as the government prioritised rapid

economic development with high public investment in infrastructure and manufacturing. It was not until after independence in 1980 that rural economic base studies gained formal attention in the late 1960s, who highlighted their importance in directing government planning for rural development (Clarke, 1975.).

It is further underscored the importance of rural economic base studies, criticising urban-based development models and advocating for rural-oriented strategies. Davies (1990) provides some theoretical examination highlights on the deficiencies in colonial-era approaches and empowered policy-makers and researchers in Zimbabwe. His foresight regarding the shift toward rural-oriented economic development in the 1990s emphasises the increasing relevance of rural economic base analysis as a planning tool for Zimbabwe's development (*ibid.*). These studies paved the way for a more inclusive and balanced approach to development planning in Zimbabwe, emphasising the significance of understanding and leveraging rural economic dynamics.

### *CHALLENGES IN APPLYING ECONOMIC BASE ANALYSIS IN ZIMBABWE*

Insufficient data collection poses a significant challenge to economic base analysis in Zimbabwe. Data relevant for economic analysis is often lacking due to limited awareness among stakeholders about the importance of data collection for such purposes. Anderson *et al.* (2017) underscore that sometimes government-held data is not readily available at individual level. Data such as censuses conducted by the Zimbabwe National Statistics Agency (Zimstat), formerly the Central Statistical Office, is not readily accessible and methodological data essential for assessing data readiness is rarely collected. Moreover, the absence of legislation mandating data release exacerbates the scarcity of data, hindering effective economic analysis and planning.

Another obstacle is the reliance on outdated data sources, perpetuating the use of historical statistics that no longer reflect current economic realities. The failure to conduct regular national censuses and update statistical databases has resulted in policy decisions based on obsolete figures, hindering Zimbabwe's ability to implement modern, evidence-based strategies for economic development (MICTPCS, 2016). Without embracing technological advancements and investing in data modernisation, Zimbabwe's economic

planning framework remains stagnant, impeding progress and innovation (*ibid.*).

The lack of infrastructure, particularly transportation networks, further hampers economic development in rural Zimbabwe (Kala, 2023). Limited access to roads and transportation services inhibits the movement of goods and people, constraining economic activities and access to essential services such as education and healthcare. Amukwelele (2013) argues that lack of road infrastructure places limit on potential for growth. Moreover, inadequate access to electricity and poor internet connectivity poses additional challenges to rural development (Kala, 2023). Insufficient energy infrastructure and unreliable internet services hinder economic productivity and connectivity, limiting opportunities for innovation and economic growth. Finally, inadequate healthcare facilities in rural areas exacerbate challenges in economic development (Sano and Mammen, 2022). Limited access to healthcare services impedes workforce productivity and well-being, hindering efforts to promote sustainable economic growth and human development.

### *CRITIQUE OF THE OLD PARADIGM*

The economic base analysis has been a cornerstone in regional economics, offering insights into the structure and dynamics of local economies. However, critiques of the old paradigm highlight significant limitations and the need for a re-evaluation of this approach, particularly in the context of rural development in countries like Zimbabwe. One critique revolves around the static nature of economic base analysis and its failure to adapt to the complexities of modern economic environments (Robinson, n.d). Often, studies using economic base concepts lack clarity regarding employment coefficients, development periods and empirical evidence supporting the underlying assumptions of the model (*ibid.*). This lack of transparency raises questions about the validity and applicability of economic base analysis, particularly in rapidly changing global contexts. Moreover, the traditional project-based approach to economic development, guided by the results of economic base analysis, may lead to misguided interventions. The assumption of a fixed pace and composition of economic activity overlooks the dynamic nature of economies, potentially resulting in backward rationalisation of emergent phenomena. Robinson (*ibid.*) argues that globalisation and the rise

of network industries have further challenged the relevance of economic base theory, advocating for a paradigm shift towards a focus on growth poles and dynamic economic drivers. In the context of rural development, the over-reliance on the agricultural sector represents a significant weakness of the old paradigm (Mhazo *et al.*, 2011). Research suggests that rural economies in developing countries are dynamic, yet economic base analysis often perpetuates the assumption of a static rural economy (*ibid*.). This static representation leads to the implementation of socio-economic development projects that primarily benefit urban areas, neglecting the potential for rural development (*ibid.*).

Furthermore, the dependency ratio model central to the old paradigm fails to capture the economic interdependence between urban and rural areas (Chikozho, 2010). This model, based on the net surplus concept, legitimises resource allocation to urban areas under the guise of promoting rural development, but overlooks the inherent potential for rural economic growth and perpetuates unequal development patterns (*ibid.*). In response to these critiques, scholars like Mhazo *et al.* (2011) advocate for a new paradigm of economic base analysis that acknowledges the dynamism of rural economies and embraces new questions and solutions. This call for a paradigm shift underscores the need for innovative approaches to rural development planning and underscores the importance of re-evaluating traditional economic base concepts in the Zimbabwean context.

***INCORPORATING THE INFORMAL ECONOMY.***

The traditional economic base models have typically overlooked the informal economy that encompasses unregulated economic activities often conducted by the poorest members of society. Despite its significant contribution to employment and livelihoods (Dube, 2021; Thwala *et al.*, 2023), the informal economy has been largely ignored in economic analyses, leading to partial and potentially ineffective policy recommendations (World Bank, 2000). Recent studies have highlighted the importance of incorporating the informal economy into economic base analysis to provide a more comprehensive understanding of economic dynamics, particularly in low-income and less-developed countries where informal activities predominate. Recognising the limitations of focusing solely on the formal economy, researchers have

proposed methodologies for integrating informal economic activities into economic base models (McLain, 2008; Aryeetey, 2015). By utilising data from integrated household surveys and calibrating economic base statistics, these methodologies aim to capture the true economic landscape and inform more nuanced policy decisions. However, challenges such as data reliability and measurement difficulties pose significant obstacles to incorporating the informal economy effectively.

Incorporating the informal economy into economic base analysis has profound implications for policy formulation and development strategies. By accounting for informal economic activities, policy-makers can design more inclusive and effective interventions that address the needs of marginalised populations. Moreover, understanding the interplay between formal and informal sectors can provide insights into the evolution of local and regional economies over time, guiding efforts to promote sustainable economic development and reduce poverty. Overall, integrating the informal economy into economic base analysis represents a critical advancement in understanding economic realities and informing evidence-based policy-making. By embracing this approach, researchers and policy-makers can develop more accurate and responsive strategies to foster economic growth and social inclusion, particularly in regions where informal activities play a significant role in livelihoods and economic resilience.

Political instability is a significant socio-political factor affecting economic base analysis in Zimbabwe. Years of political turmoil and governance challenges have created an environment of uncertainty, deterring investment and economic growth. Maraswa *et al.* (2020) highlight that the political turmoil in Zimbabwe negatively impacted on economic growth, hence the need for political players to encourage political stability to spur growth. Persistent political unrest disrupts economic activities, leading to volatility in markets and hindering long-term planning efforts. Additionally, corruption and mismanagement within government institutions exacerbate economic challenges in Zimbabwe. Muzurura (2017) postulates that corruption increases the cost of doing business which is transferred to the consumer through high prices. Rampant corruption erodes trust in public institutions, undermines institutions, destroys lives and diverts resources away from

productive sectors (Venter, 2016). The prevalence of corrupt practices distorts market mechanisms, stifles innovation and impedes sustainable development efforts.

Unfavourable government policies pose another obstacle to economic base analysis in Zimbabwe. Inconsistent regulatory frameworks, arbitrary decision-making and restrictive measures deter investment and entrepreneurship, stifling economic diversification and growth. Policy uncertainty hampers long-term planning and undermines confidence in the business environment. High levels of poverty and inequality exacerbate socio-political challenges in Zimbabwe. Persistent poverty and income disparities limit access to education, healthcare and economic opportunities, perpetuating cycles of deprivation and social exclusion. Addressing poverty and inequality is essential for fostering inclusive growth and sustainable development.

***RELEVANCE OF ECONOMIC BASE ANALYSIS IN RURAL DISTRICTS***

In the Zimbabwean context, at independence in 1980, economic policies were aimed at transferring economic powers from the settler to the indigenous population. This led to the implementation of what was termed "development based on the potential of the area" (Government of Zimbabwe, 1994). The then policy-makers believed that a rural area's potential for economic development lies in its own resource base. Therefore, rural development should be based on fully exploiting the potential of the rural area itself. However, the last two decades has witnessed a fundamental departure from this paradigm within the country's economic literature. There has been growing interest in what is termed in academic and policy discourses " sustainable and integrated economic development strategies for rural areas".

Matarira (1994) and the Government of Zimbabwe (1994) highlight that most rural areas in Zimbabwe have witnessed sustained socio-economic decline characterised by worsening poverty levels and ailing infrastructure amidst an exodus of productive manpower. This has led to a change in policy-making, especially in the Ministry of Public Service, Labour and Social Welfare with the introduction of what is termed as the "rural urban integration policy". Zivanai (2007) argues that economic base analysis is critical in informing this new rural development trajectory within the Zimbabwean context. This is

because the focus of economic base study is to examine the economic structure of a given area, and how and to what extent current economic activities are intertwined with external forces or the outside world.

The study of the economic base for a rural area identifies the types of produce or services the citizenry sell to "outsiders" and the kind of things the community buys from "outsiders". So. the economic Base Theory was the first and remains the most comprehensive theory of relationships that dictates how a community's economy functions. From a policy perspective, one will therefore, need to identify ways or specific projects that can encourage rural development and investment by making the outside world buy more products or services from the rural community and making the rural community buy less from the outside world, thus keeping more money internal. For this reason, the Economic Base Theory has, in the recent years, attracted many scholars interested in rural development and land use planning.

## STUDY DESIGN AND METHODOLOGY

The study employs a secondary research approach, predominantly desktop research, to investigate the economic base analysis in rural districts in Zimbabwe. Secondary research involves the review and analysis of existing literature, documents and datasets relevant to the research topic. The primary method of data collection involves a comprehensive review of literature from various sources, including books, journal articles and government policy documents related to economic base analysis initiatives. Both developing and developed countries were considered to provide a comprehensive understanding of global trends and best practices in economic base analysis. Search engines such as Google Scholar and Libgen were utilised to access relevant academic articles and documents.

Data collected through a literature review were analysed using thematic analysis to identify recurring themes and patterns relevant to the research objectives. Thematic analysis facilitated the organisation and interpretation of diverse sources of information, enabling the study to derive insights into the feasibility of economic base analysis. Moreover, content analysis was employed to analyse data extracted from policy documents, providing a deeper understanding of the regulatory frameworks and governmental

initiatives related to industrial development. In addition to the literature review, the study adopts a case study approach to examine specific instances of economic development in Zimbabwe. Case studies provided valuable insights into practical experiences and real-world implementations, complementing the theoretical perspectives derived from the literature review.

## FINDINGS

During the colonial period, Zimbabwe's economy was characterised by a dualistic structure, with the settler economy dominating modern sector outputs. The post-colonial period saw efforts to enhance economic independence, leading to investigations into strategies for economic development. However, it was not until after independence in 1980 that rural economic base studies gained formal attention. Pioneered by Dr. Herbert W. Dzingirai in the late 1960s and further advocated by Davies (1990), these studies highlight the importance of understanding rural economic dynamics for government planning. This shift toward rural-oriented economic development paved the way for a more inclusive approach to development planning, emphasising the significance of rural economic base analysis. Despite the recognition of its importance, economic base analysis faces several challenges in Zimbabwe. Insufficient data collection, reliance on outdated data sources and inadequate infrastructure, particularly in transportation and energy, hinder effective economic analysis and planning. Additionally, limited access to healthcare facilities further impedes economic development in rural areas.

Critiques of the traditional economic base analysis paradigm highlight its static nature and failure to adapt to modern economic complexities. The over-reliance on outdated methodologies and the neglect of the informal economy poses significant limitations. Moreover, the dependency ratio model fails to capture the economic interdependence between urban and rural areas, perpetuating unequal development patterns. Recent studies advocate for incorporating the informal economy into economic base analysis to provide a more comprehensive understanding of economic dynamics. However, challenges such as data reliability and measurement difficulties need to be addressed to effectively integrate informal economic activities into economic base models. Doing so could lead to more inclusive and effective policy

interventions, particularly in regions where informal activities play a significant role.

Political instability, corruption and unfavourable government policies present significant socio-political challenges to economic base analysis in Zimbabwe. These factors create an environment of uncertainty, deter investment and hinder long-term planning efforts, impeding sustainable economic development. In the Zimbabwean context, there has been a shift toward sustainable and integrated economic development strategies for rural areas. Economic base analysis is seen as critical in informing this new rural development trajectory by examining the economic structure of rural areas and identifying ways to encourage rural development and investment. As such, the Economic Base Theory remains a fundamental framework for understanding and promoting rural economic development and land use planning in Zimbabwe.

## CASE STUDIES

### *CASE 1: MUTOKO RURAL DISTRICT*

Mining activities have historically played a significant role in shaping the economic landscape of Zimbabwe, particularly in rural districts like Mutoko. The emergence of modern mining in the early 20th century, marked by the exploration of gold mines facilitated by the British South Africa Company (BSAC), laid the foundation for subsequent mining endeavours in the country (Viewing, 1984). While traditional mining practices for minerals such as iron and gold date back to the 15th century, contemporary mining activities, notably the extraction of black granite, have gained prominence in Mutoko District due to increasing demand, particularly in the construction industry (*ibid.*). This case study seeks to analyse the economic dynamics of Mutoko District, focusing on the distinction between basic and non-basic economic activities and their implications for rural development.

Black granite quarrying has emerged as a pivotal economic activity in Mutoko District, significantly impacting its socio-economic landscape. The establishment and expansion of quarrying operations have not only transformed Mutoko into a key mining area, but have also generated

employment opportunities, thereby diversifying the economic base of the district (Chazireni, 2003). The major activities involved in black granite quarrying, including sampling, excavation, stone quality assessment and transportation, have created avenues for off-farm employment, particularly for unskilled labourers (Chigonda, 2010). However, the concentration of skilled jobs in urban centres like Harare, coupled with the lack of value addition and processing facilities in Mutoko, has limited the full economic potential of the quarrying activities (*ibid*.).

Despite the growing prominence of mining, agriculture remains the backbone of Mutoko's rural economy, providing sustenance for most of its inhabitants (Musasa, 2023). Market gardening has emerged as a crucial source of income for many female farmers, contributing to poverty reduction and livelihood diversification (*ibid*.). However, the perishable nature of market garden produce and limited marketing avenues pose challenges for smallholder farmers, necessitating the need for improved value chains and market access. While black granite quarrying has brought economic opportunities, it has also led to various social and environmental costs. Excavation and blasting activities have resulted in the depletion of aquifers, displacement of rural households and labour shortages in agriculture (Kativhu and Oskarsson, 2021). Moreover, the unequal distribution of benefits from mining activities has exacerbated socio-economic inequalities, triggering community activism and advocacy for fairer resource governance (*ibid*.).

The economic dynamics of Mutoko District reflect the interplay between mining activities and traditional livelihoods. While black granite quarrying has spurred economic growth and employment, its sustainability hinges on addressing the associated social and environmental challenges. Policy-makers can devise strategies to promote inclusive and sustainable development in rural districts like Mutoko by understanding the distinction between basic and non-basic economic activities. Efforts to enhance value addition, strengthen agricultural value chains and ensure equitable resource distribution are crucial for fostering resilient and prosperous rural economies amidst evolving mining landscapes.

### *CASE 2: MUREWA RURAL DISTRICT*

Murewa District, located in the Mashonaland East province of Zimbabwe, comprises 30 wards and is characterised by its favourable agro-ecological conditions, receiving adequate rainfall conducive for agricultural production (Pasipanodya and Mwenye, 2020). The district's proximity to Harare, coupled with its accessibility to major road networks, has facilitated the marketing of agricultural produce and influenced its economic activities (*ibid*.). This case study examines the economic dynamics of Murewa District, focusing on the interplay between basic and non-basic economic activities and their implications for rural development.

Agriculture serves as the backbone of Murewa's rural economy, with a significant portion of households engaged in farming activities (ZimVac, 2011). The district's favourable climatic conditions support the cultivation of both field and horticultural crops, contributing to food security and livelihoods (*ibid*.). Market gardening, however, faces challenges due to climate variability, resulting in water shortages for irrigation, thereby affecting household income. Murewa Growth Point hosts a variety of small-scale industrial activities, including grain milling, welding, carpentry and brick moulding (Chinyamakobvu *et al.*, 2018). The Grain Marketing Board (GMB) serves as a key institution for maize collection and distribution of agricultural inputs, supporting local maize farmers (*ibid*.). However, challenges such as lack of capital, inadequate infrastructure and erratic power supply hinder the growth and development of industries at the growth point.

Economic sanctions have negatively impacted the development of industries at Murewa Growth Point, resulting in a lack of employment opportunities and triggering rural-urban migration (Manyanhire *et al.*, 2009). The absence of locally sourced resources, coupled with a lack of capital and information, contributes to stagnation in economic growth (*ibid*.). Power cuts exacerbate challenges faced by businesses, hindering their operations and impeding development. Murewa District's healthcare services are organised around rural health centres and the referral Murewa Hospital, providing essential medical care to the population (Craig, 2014). Despite the presence of healthcare facilities and social welfare services, the quality of healthcare is perceived to be poor, raising concerns about access to adequate medical treatment (*ibid*.).

Murewa District exhibits a diverse economic landscape characterised by agricultural activities and small-scale industries. While agriculture sustains livelihoods for many households, challenges such as climate variability and water scarcity impact productivity. Industrial activities at Murewa Growth Point face obstacles such as economic sanctions, lack of capital and infrastructure deficiencies, hindering their growth and development. Addressing these challenges through targeted interventions and policy support is essential for promoting sustainable rural development and improving livelihoods in Murewa District.

## DISCUSSION

One key finding from the study is that economic base analysis is significantly underutilised in understanding rural economic development in Zimbabwe, a point that aligns with observations made by Mercandalli *et al.* (2023), who note the reliance on subjective expert opinions in rural development projects, rather than data-driven insights. The research highlights that most projects in Zimbabwe lack a clear understanding of the economic empowerment of the rural population. This gap exists despite the theory's increasing global application in regional development and rural economics, as highlighted by Conway (2022), who note the rise in economic base analysis studies across Latin America, Asia and Southeast Asia. This underutilisation is particularly problematic given the struggles faced by local authorities in rural areas to provide basic services, a situation noted by Muchadenyika (2017) and common in many developing countries, as pointed out by Zurbrugg (2002) and Laukkonen *et al.* (2009). The study emphasises the need to shift away from top-down approaches which view rural areas as dependent on urban centres, an approach criticised by Lall and Selod (2006), toward a bottom-up approach that recognises and develops the endogenous potential of rural areas, aligning with Ahmed's (2006) emphasis on rural industrialisation as a means of stimulating rural development.

The historical context reveals that while economic base analysis gained traction globally, its application in Zimbabwe faced limitations, particularly during the colonial era. Comprehensive studies by the World Bank in the early 1960s, which quantified underdevelopment, had a limited impact on development policies as the government prioritised rapid economic

development through high public investment in infrastructure and manufacturing. It was not until after independence in 1980 that rural economic base studies received formal attention, with pioneers in the late 1960s, recognising their importance in guiding government planning for rural development (Clarke, 1975). Davies (1990) further underscores the importance of rural economic base studies, criticising urban-based development models and advocating for rural-oriented strategies. His theoretical examination highlights deficiencies in colonial-era approaches and empowers policy-makers and researchers in Zimbabwe. Foresight regarding the shift toward rural-oriented economic development in the 1990s emphasises the increasing relevance of rural economic base analysis as a planning tool for Zimbabwe's development, aligning with the broader global trend of recognising the importance of regional and rural economics (Conway, 2022).

Data collection challenges represent a significant impediment to effective economic base analysis in Zimbabwe. Insufficient data, stemming from limited awareness among stakeholders regarding its importance, hinders the implementation of data-driven strategies. Anderson *et al.* (2017) observe that government-held data is not always readily available at the individual level. Moreover, methodological data essential for assessing data readiness is rarely collected and the absence of legislation mandating data release exacerbates the scarcity of data, hindering effective economic analysis and planning. This issue is compounded by the broader historical context, where the focus on rapid economic development often overshadows the need for detailed economic analysis at the local level. This lack of comprehensive data contrasts with the data-rich environments in developed regions, where economic base analysis has been widely used (Kačar *et al.*, 2016;Thulin, 2015), underscoring the need for targeted efforts to improve data collection and accessibility in Zimbabwe to facilitate more effective rural development strategies.

The potential of economic base analysis to inform rural industrialisation strategies emerges as a critical finding. The study underscores that by examining the interplay between basic and non-basic sectors, policy-makers and planners can devise strategies that leverage local resources and opportunities, aligning with Sombart's (1928) assertion that strengthening and expanding the basic sector is essential for enhancing the overall local

economy. However, to address the challenges faced by rural communities effectively, new paradigms and methodologies in economic base analysis must be developed and implemented. The Economic Base Theory emphasises the importance of regional multipliers, where new money injected into the economy leads to the creation of additional activities, particularly in diversified and integrated economies with access to distant supply regions (Polése, 1994). This requires a shift away from traditional rural development strategies that focus primarily on agriculture-led economic growth, as highlighted by Correa and Pavez (2016), toward more diversified approaches which consider the specific needs and potentialities of rural districts and foster sustainable economic development.

## CONCLUSIONS AND RECOMMENDATIONS

Economic base analysis is still a useful paradigm for comprehending and advancing Zimbabwe's rural economic growth. The use of economic base analysis faces many constraints, including data availability, infrastructure deficiencies and socio-political barriers, despite its historical relevance and potential benefits. The necessity to re-evaluate traditional economic base models to consider the informal sector and adjust to the system of the modern economy is highlighted by critiques of the previous paradigm. It is impossible to exaggerate the importance of economic basis analysis in shaping rural development initiatives, nevertheless. Policy-makers can create targeted interventions to promote economic growth, enhance infrastructure and lessen poverty by understanding the economic structure of rural areas and their inherent potential. To realise the full potential, it is imperative to address the issues this study has uncovered. To ensure that economic basis analysis is effective in promoting sustainable rural development in Zimbabwe, it is imperative that the issues raised by the study are resolved. The study advocates for the following recommendations:

- **Enhance Data Collection and Management.** Invest in improving data collection mechanisms, including regular national censuses and modernisation of statistical databases. Strengthen collaboration between government agencies, research institutions and international partners to ensure data reliability and accessibility.
- **Invest in Infrastructure Development.** Prioritise investment in rural infrastructure, particularly transportation networks, energy

infrastructure and healthcare facilities. Improve access to roads, electricity and healthcare services to facilitate economic activities and improve living standards in rural areas.

- **Promote Inclusive Economic Policies.** Implement policies that promote inclusive economic growth and reduce inequality. Prioritise interventions that benefit marginalised populations, including women, youth and informal sector workers, to ensure equitable access to economic opportunities and resources.
- **Foster Public-Private Partnerships.** Encourage collaboration between the public and private sectors to leverage resources and expertise for rural development initiatives. Facilitate the participation of local communities and businesses in decision-making processes to ensure the sustainability of development projects.
- **Support Entrepreneurship and Innovation.** Create an enabling environment for entrepreneurship and innovation by reducing bureaucratic barriers, providing access to finance and technical assistance and fostering a culture of creativity and risk-taking. Support the growth of small and medium-sized enterprises (SMEs) as drivers of economic diversification and job creation in rural areas.
- **Promote Sustainable Land Use Planning.** Implement land use policies that balance agricultural production with conservation efforts to ensure the long-term sustainability of rural economies. Support agroecological practices, land tenure reforms and community-based natural resource management initiatives to enhance resilience and mitigate environmental degradation.

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