

## SMALL SCALE RURAL INDUSTRIALISATION

Appropriate Technology Associates (ATA) is a Zimbabwean, owner-operated, company. It imports small scale equipment from India and China and distributes it in the rural areas. They have grown significantly since inception in 1997 when they imported one container of hammer mills and oil presses from India. They are now importing more than seven containers a year and have a network of agents in the rural areas.

They began operations to take advantage of the gap in servicing the growing demand for agricultural processing equipment to small farmers. When agricultural markets were controlled and government subsidies were paid only to large companies, there was very little opportunity for small-scale rural industrialisation. However deregulation encouraged local processing and significantly expanded the market for local rural processing and distributing. The decline of the large-scale agricultural sector is expected to significantly increase the demand for small-scale technology to service increasing production by smallholders.

The owner commented on his success and what he feels needs to be done for the future:

*"My success is directly related to my strong value system and religious beliefs and to my vision that small is beautiful. My mission is to service my clients and improve their well-being, while developing the company. I am in business to make a profit but my success is due to providing value for money to my clients and a good working relationship with them and with my employees. My agents operate on a commission basis but I provide them with consistent support.*

*Small farmers and entrepreneurs need more information on the appropriate technology available. This involves the need to explore what these options are by seeing what is working in other developing countries, and then making equipment and information accessible. We have found that the equipment from Asia, particularly China and India, is very competitive but are exploring other sources."*

The owner strongly feels that the future of Zimbabwe depends on establishing a good value system, providing better information and encouraging free trade. He would like to see Southern Africa as one trading block with a reduction in tariffs on equipment for small-scale farmers and entrepreneurs. *"While I am able to access foreign currency, in the way that all are doing in Zimbabwe, the high transaction costs involved reduce efficiency and encourage an amoral culture. As the situation deteriorates it may mean moving the company to operate from another country in the region. I think that the best way the government can assist with rural development is to encourage small businesses by allowing free trade and providing access to foreign currency. The high duties on small-scale agricultural and processing equipment reduce opportunities for growth. We need to spread the word that small producers can be highly productive. The only way forward with such high unemployment is to encourage informal, small businesses which keep the money circulating in their local economies."*