Abstract: This study investigated rural challenges and opportunities affecting the development of rural entrepreneurship. Local leadership and youth groups from a cluster of sixteen villages participated in this survey. The respondents presented similar views on the challenges and opportunities impacting the development of rural entrepreneurship to include: lack of skills, funding, not enough consultation by project sponsors (government and Non Governmental Organization) and market access. Opportunities included skills transfer, horticulture, retailing, wood and metal fabrication and value addition.

Key words: Rural. Entrepreneurship, opportunities, skills

I. INTRODUCTION

This research focuses on rural entrepreneurship in an economic environment where formal industry has virtually collapsed. Van Stel, Carree & Thurik, (2005) notes that starting with the earliest economic thinkers like Adam Smith and Joseph Schumpeter, the development of societies is largely driven by entrepreneurship leading to economic growth. In the context of Zimbabwe, it is particularly relevant in the context of Zimbabwe where the economy has suffered a huge contraction in the formal manufacturing sector has resulted into a sharp rise in unemployment with figures of up to 94%. (CZI, 2010) As a result this led to the evolution of the informal sector which is defined as “that segment of the labour market that has absorbed significant numbers of jobseekers, mostly in self-employment, and to workers in very small production units” (Chidoko et al 2011:26)

However, the informal sector as described in the various works of research is mainly found in the urban areas even in the developed countries like Denmark, Germany, Norway and Sweden. (Schneider, 2006) An important departure point in which to address entrepreneurship at grassroots level is to consider the fact that the developing regions like Zimbabwe, the vast majority of the country’s population lives in the rural areas. Below are the comparative statistics for Zimbabwe based on the latest census conducted in 2012.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4,871,253</td>
<td>10,174,849</td>
<td>32.40%</td>
<td>6,114,541</td>
<td>10,174,849</td>
<td>32.60%</td>
</tr>
</tbody>
</table>

Source: Geohive.com Cross-referenced with the Zimbabwe Statistics Office for Zimbabwe census 2012.

From a Zimbabwean perspective, these statistics make it imperative to pursue a rural entrepreneurship agenda for many compelling and practical reasons. At a global level, the United Nations Industrial Development Organisation (UNIDO) notes that:

A staggering 75 per cent of the world’s poor live in rural areas. And yet, resources and policies continue to be biased in favour of urban development. An imbalance in development is the consequence, with detrimental effects on both rural and urban people. (www.unido.org)

They also go on to make a linkage between rural poverty and entrepreneurship noting. UNIDO asserts that it is essential to mobilize “the potential productivity of rural people” in order to eradicate poverty and also “to achieve the resilient economic growth that will pull people above the poverty line.” (www.unido.org) whatever investment is made into the rural entrepreneurship produces very high returns based on the sheer numbers of beneficiaries, even when accounting for natural attrition. Secondly due to the high levels of literacy it is easy to quickly formulate and implement a properly structured entrepreneurship programme.

However it is important to emphasize that when dealing with entrepreneurship it is an effort that requires attention to business development. In order to Appreciative Inquiry (AI) is a method for studying and changing social systems (groups, organizations, communities) that advocates collective inquiry into the best of what is in order to imagine what could be, followed by collective design of a desired future state that is compelling and thus, does not require the use of incentives, coercion or persuasion for planned change to occur. (Kessler, 2013:1)

This reinforced by Bushem (2011) who emphasises the collaborative character of the dialogue and process of making choices which result in the mutual achievement of consent. This also augurs with the writing of Robert Chambers which stresses participatory development which captures the reality of the recipients of exogenous development intervention. (Chambers)

The majority of the people in the rural areas live at subsistence level and are traditionally not prone to level of entrepreneurship which can be conspicuous enough to the same levels as entrepreneurship is in the urban informal sector. However it is a necessary condition for them to generate and accumulate a sufficient amount of capital to exceed their subsistence levels of consumption. (Lee and Phan, 2008)

II. LITERATURE REVIEW

The following literature review seeks to open the various issues of related interest that have been researched on by other scholars around the different themes in the current study. It is not an exhaustive catalogue of the two factors, but rather a
benchmark with which to relate the study findings to. The review is organised according to the research questions although the weight may not be exactly balanced for each research question.

There are numerous opportunities and challenges that have been cited by researchers for rural entrepreneurs. The following section provides a brief overview of the different opportunities and then the challenges. From the perspective of FDI, when Multi National Corporations enter into the country, they frequently fail to have a full understanding of the local customers. This implies that it is difficult to engage in productive synergies. Thus it is important to have a set of local entrepreneurs. (Lee and Phan, 2008) The Zimbabwean government has been very supportive of the people in the rural areas. They have received land and inputs from the government through the land reform and indigenisation processes. This creates a huge opportunity for the people in the rural areas who wish to venture into business. This is supported by Li and Matlay (2006) who argue that local empowerment an important motivating factor that promotes entrepreneurship at a local level in the rural areas. The unique rural locations offer unique business opportunities as well. (Getz and Carlsen, 2000)

While the section above concentrated on the opportunities available for rural entrepreneurs, this section focuses on the various challenges they often face. It is acknowledged in development practice that when systems of production are dependent on exogenous institutional interventions is an unsustainable model in the long run. (Lee and Phan, 2008) Kapoor (2002:1) notes that “the personal behaviour of elites overshadow, or sometimes ignore, questions of legitimacy, justice, power and the politics of gender and difference.” Siemens (2012:165) notes that the decline in rural populations through rural-urban migrations affects rural entrepreneurship negatively. However, Dabson (2003) and Labrianidis (2004) among others note that this challenge has in fact encouraged the rural people to become entrepreneurial. They still however face challenges of telecommunications, transportation networks, social services and other standard business infrastructure, the owners themselves are often lacking in the necessary skills and capabilities required for business start-up and operations Lyons (2002).

Lee and Phan (2008:2) note that an opportunity exists for rural entrepreneurs when governments inject capital in underdeveloped sections of the economy and country “at a rate exceeding consumption and second” In light of the infrastructural and capacity challenges cited by Alsos, Ljunggren & Pettersen (2003) note that it is important for policy makers in government to be cognizant of the heterogeneity among the rural entrepreneurs. This prevents a scenario where they create one size fits all interventions, thereby reducing the development impact. Bhaskaran (2004) found out when rural entrepreneurs create strong relations with the different government agencies they make progress especially with the benefit of a supportive national culture for entrepreneurship. Governments have to strive to give entrepreneurship much prominence in the formulation an implementation of rural policy. (Drabenstott, Novack & Abraham (2003) Siemens (2012) suggest that government should conduct different types of workshops and mentoring arrangements with in conjunction with private sector businesses and tertiary educational institutions.

In the rural areas NGOs typically build the trust of aid recipients by staying for long periods of time at the grassroots in the villages. (Bertauz and Crable 2007) This is an important determinant of the success of their programmes. NGOs also make significant contributions to enterprise development in the rural areas by introducing technology at the grassroots. (Justus, 2004)

III. Methodology

The researchers used qualitative data analysis and collected data using the Key Informant Interview (KII). The KII was deemed appropriate because it is typically appropriate for situations where “there is a need to understand motivation, behaviour, and perspectives …” and when a key objective is “to generate recommendation.” (USAID, 1996:2)

This survey study involved interviewing local a councillor in charge of six villages located in Uzumba District. The Councillor who has been at helm of ward leadership for 15 years was selected because of his fast experience in the ward activities. A youth leader with nearly 30 years of experience was also selected to provide an insight into the requirements of youth who have been at the focus of rural entrepreneurship.
A group of youth were interviewed individually on their views on the subject of rural entrepreneurship in particular how it benefited those including challenges and opportunities. The research was done in unstructured given the local sensitiveness of the subject matter given that it would touch on policy issues. Thus the research had to be very candid in the execution of this study. The below listed questions were asked to the selected participants:

1. What are some of the rural entrepreneurship opportunities and challenges?
2. What support do you receive or need from government?
3. Do think government is doing enough to promote rural entrepreneurship?
4. What skills do you need in order to become successful entrepreneurship?
5. What are your views on NGO supported projects?
6. Are you aware of any pro-rural entrepreneurship policies?

Study Findings

The researcher collected from the respondents who had a long exposure to the patterns of rural entrepreneurship so much effort was made to capture the various themes such that “informants themselves seem to tell their own stories.” As a result, the data excerpts were treated as fact. (Wolcott1994:10) In order to retain coherence, the responses are organized according to the research questions that guided the research. However it is worth noting that there are some responses which could be relevant across sections and as such may be presented in more than one category but with the requisite variation in emphasis.

Sample description

The respondents were chosen purposively on the basis of on their knowledge of rural entrepreneurship based on their experience and role in the community. The councillor and youth leader had many years of experience in dealing with both project sponsors and liaising with local communities. There was no particular criteria used to choose youth participate whose age ranged from 21 to 45 years. The atmosphere was quite tense at the time of collecting data due to various political reforms which had left people suspicious and on high alert.

Presentation of Results

The results are presented in such a manner that for each of the areas in the research questions, the responses of the Councillor and the Youth Chairman are presented first and then the responses of the youths are presented in sequence.

The first section was concerned about the various opportunities and challenges that are associated with rural entrepreneurship. The Councillor and Youth Chairman noted that the opportunities that were available for rural entrepreneurship opportunities included prospects in agriculture mainly focussing on horticulture, livestock breeding, retailing and manufacturing/fabrication of furniture, building and metal work. The youths identified opportunities in the areas of horticulture, metal and wood fabrication. They argued that people had to travel as far as Harare to purchase items that could be manufactured locally by youth groups. Regarding the challenges, the youths lamented the lack of working capital to purchase skills and knowhow to be able to produce needed items.

The second section was focused on the various types of support they received and needed from the government, as well as their opinions on the levels of support provided by the government. The Councillor and Youth Chairman felt that government support should include funding availability, skills training, market access was deemed as key support from government. They emphasized that the challenge of market access needed to be addressed urgency because farmers were incurring high losses because markets are too far travelling as far as 150km to the nearest bulk market (Mbare Musika). Most of the produce will rot given the distances and lack of refrigerated storage and lack of technology to preserve the food. They were
of the view that the government needs to do more in developing rural entrepreneurship especially in the areas highlighted in question two (skills training, market access, value addition and micro finance. The youth felt that government must do more in promoting rural entrepreneurship by addressing three above listed aspects funding, access to markets and funding.

The third section sought to inquire the types of skills needed by rural entrepreneurs in order to become successful. From the perspective of the Councillor and Youth Chairman felt that basic business running skills were deemed necessary to successful development of rural entrepreneurship. Such skills included basis organizational skills, book keeping, and continuous mentorship business programs. AREX, NGOs and funding organization must develop relevant programs focusing on rural population taking in consideration skills levels and education levels. The youth groups in most cases had some basic secondary education with metal and wood work knowledge. There was no business mentorship that would impact skills. The youth indicated that they need business skills and artisanal skills in order to become successful rural entrepreneurs. The youth highlighted the need for the impartation of basic business running skills, hands on project skills (metal work, building and wood work) including hands on mentoring. The setting up of vocational training instructions and close motoring was deemed key to stimulating rural business acumen.

The fourth section sought to determine the views of the respondents regarding NGO supported projects. The Councillor and Youth Chairman presented mixed feelings on NGO funded project highlighting that most these had failed because of a top down approach. An example given was a live stock project that was supposed to benefit local population never took off after the NGO had invested into equipment in the form of refrigerated truck which was lying idle for the past two years, horticulture collection project also not in use and broken down bore holes meant for horticulture. NGO funded project needed to take a long term view that empowers users with management skills.

The youth felt that NGO projects were not sustainable given that such projects did not satisfy local agenda or needs. This resulted in high failure rate of projects because of lack of ownership. The top down approach was counterproductive in many ways. Hence it was highlighted that they needed to be more consultation before any project was implanted or initiated. Need for post commissioning management plan

The fifth and final section probed the respondents on their awareness of any pro-rural entrepreneurship policies. The Councillor and Youth Chairman were only aware of the existence of the indigenization policy but not clear on how it could directly benefit them. Clear pro entrepreneurship policies were deemed critical to the success of the rural business programs. Policies that gave more prominence to the development of local markets, training and provision of micro- finance. The youth were not aware of any pro-rural entrepreneurship policies except for the broad indigenization policy. The needed policies that would address their real needs that were different from city youth dwellers who were benefiting from financing programs through the banks. The rural populace did not have the skills and expertise to put together business plans and in certain instances raise required security or even have bank accounts that required certain documents in order to open.

IV. Conclusion

Rural entrepreneurship presents many opportunities that if addressed can stimulate economic growth thus improve rural populace standard of living and curb rural urban migration. A deliberate government policies aimed at solving some of the problems highlighted in this research could have far reaching socio-economic benefits. The study findings highlighted challenges impacting rural entrepreneurship to include lack of funding, market access, lack of skills, and lack of consultation, poor infrastructure, top down communication and imposition of projects on communities as major challenges impacting the smooth development of rural entrepreneurship. Opportunities identified include horticulture, wood and metal fabrication, skills development and business mentorship programs.
V. RECOMMENDATIONS

It is recommended that government or project sponsors undertake comprehensive consultation with communities so as to get buy-in and at the same time empower the beneficiaries with a long term view that ensures sustainability of the projects. Pro-urban entrepreneurship must be priority for government because the current policy framework tends to favour the urban populace. Whilst the rural populace lack bankability it is prudent that government or project sponsors come up with micro finance/project packages that meet the needs of the rural entrepreneur. Further pro policies that aim to address the plethora of challenges highlighted in this study will go a long way in stimulating rural business growth. The impartation of skills such as organizational skills, book keeping, and continuous mentorship business programs are key to developing a robust and sustainable rural entrepreneurial ecosystem.

References

21. USAID, (1996), Conducting Key Informant Interviews, USAID Center for Development Information and Evaluation, Performance Monitoring and Evaluation, Number 2