

# Sustainability of Rural Entrepreneurship as a Livelihood Strategy in Zaka District, Zimbabwe

Gerald Guta<sup>1</sup>, George Vhudzi and Bernard Chazovachii

*ABSTRACT: Rural entrepreneurship emerged as a panacea to persistent hunger and starvation that hindered community development in Zaka. This was exacerbated by the economic downturn, in 1999- 2008 period which affected Zimbabwe due to the political stalemate that led to hyper-inflationary environment, income deficit and rampant unemployment. A mixed method approach comprising questionnaire survey, interviews, focus group discussion and observation were conducted to 100 randomly selected entrepreneurs to assess the sustainability of rural entrepreneurship as a rural livelihood strategy in the district. Analyzes was done using Tesch interactive model of data analysis aided by descriptive statistics. Findings revealed that more of necessity –driven entrepreneurial activities were more prevalent than opportunity –driven ones. Despite the fact that the majority were preoccupied with these activities, sustainability is a function of social capital maintenance, economic capital, environmental and institutional alignment among entrepreneurs. The human, social, financial, natural and physical could not manage to influence or allow them to access resilient and sustainable livelihood strategies that would give positive livelihood outcomes that bring intra and inter-generational equity. Therefore, need is there to establish financial, social, technical, economic and institutional linkages with the already establish organizations for the sustainability of entrepreneurship in rural Zaka.*

**Keywords: efficacy, rural entrepreneurship, sustainability, livelihoods sustainability**

## Introduction

In most Sub-Saharan African countries, poverty is a chief source of countryside entrepreneurship. 'In Zimbabwe, rural entrepreneurship dates back to the colonial era. For instance, from 1890 to 1894 the Shona rapidly expanded their acreages and diversified into growing maize as a staple diet for sale to the mines' (Wild, 1992). Rural entrepreneurship in Zimbabwe was exacerbated by the economic and political

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<sup>1</sup> i. Gerald Guta: Lecturer at Great Zimbabwe University Department of Rural and Urban Development Box 1235 Masvingo; gerald.guta@gmail.com

ii. George Vhudzi: Rural Development Student at Great Zimbabwe University Box 1235 Masvingo:georgevhudzi@gmail.com.

ii. Bernard Chazovachii: Lecturer at Great Zimbabwe University Department of Rural and Urban Development Box 1235 Masvingo; bchazovachii@gmail.com

instability of the colonial period. Wild (1992) stated that when the Zimbabwean economy was hit by the great depression between 1930 and 1935 the number of self-employed Africans increased remarkably. This drove many African labourers out of jobs into self-employment and at the same time increased demand for cheap goods. Many people turned to rural small businesses as an endeavor to meet their day to day needs. With the positive reports in China and Bangladesh, not much has been revealed in Zimbabwean rural areas, especially after the 1999 economic downturn and the inception of indigenization and empowerment policy which necessitated entrepreneurship since the majority of the people in Zimbabwe are unemployed. Although entrepreneurship brought good to people's livelihoods in countries like China, Bangladesh, the idea of sustainability of the livelihood strategies brought by entrepreneurship has not theorized in Zimbabwe and Zaka district not an exception. It is on this premise that this study sought to assess the sustainability of rural entrepreneurship as a rural livelihood.

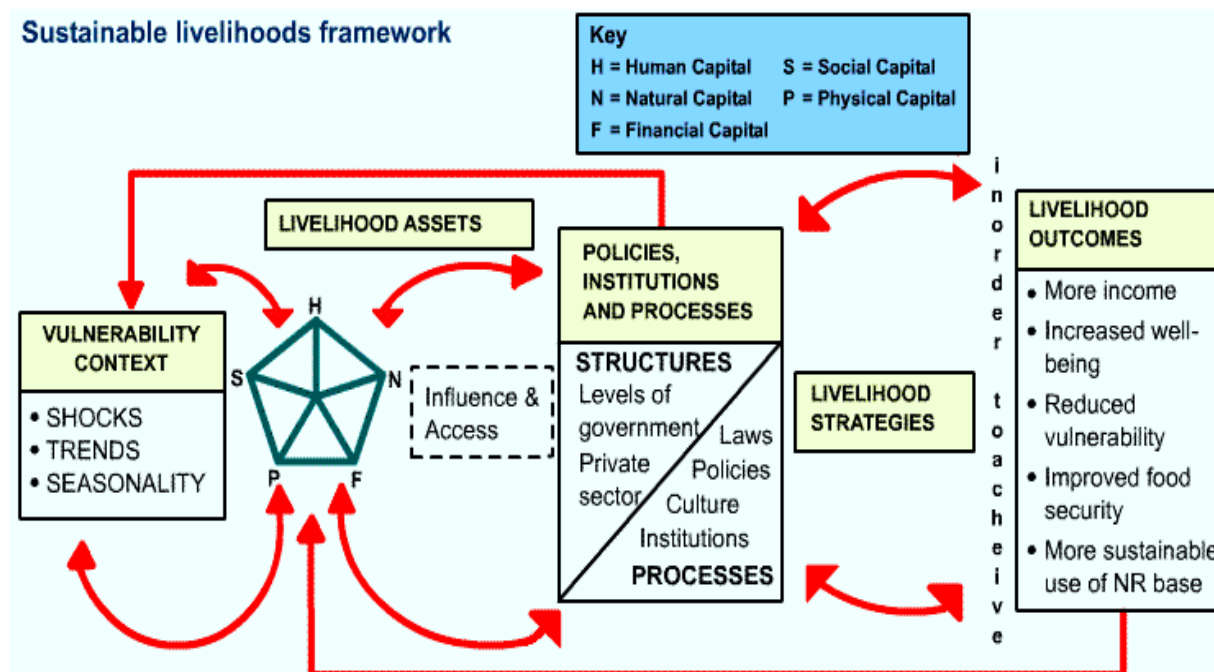
### **Conceptualization of entrepreneurship and sustainability**

Barringer and Duane Ireland (2013) revealed that the word entrepreneur derives from the French words, "*entre*" which means "between" and "*prendre*" which means "to take". It is originally used to describe people who, "take on the risk" between buyers and sellers. Vyakarnam (1990) defined entrepreneur as someone who, if given a set of opportunities, could win through, irrespective of constraints and hazards surrounding him/her. The latest 2010 Global Entrepreneurship Monitor (GEM) covering 59 countries defined an entrepreneur as someone who started a new business during the year or who ran a business that was less than three and half years old and was still economically viable (Bohoney, 2011). Rural Poverty Report (2001) revealed that a staggering 75% of the world's poor are living in rural areas. The majority will remain so, for several decades since resources and policies continue to be biased in favour of urban development (IFAD, Rural Poverty Report 2001, IFAD, 2002). This has numerous negative impacts on rural livelihoods now and in the future. It further stressed the need to develop poverty reduction strategies and policies with emphasis in rural areas. Rural entrepreneurship development has been promoted as a vital and effective component of livelihood development, productivity and growth (Ozgen and Minsky, 2007). Rural entrepreneurship occurs in economically depressed areas with inadequate infrastructure, economic stagnation, low educational levels, unskilled workers and a culture not supportive of entrepreneurship (Kulawczuk, 1998). The Global Entrepreneurship Monitor (GEM) indicated that, in countries where there are low levels of Gross Domestic Product (GDP) there are high levels of necessity-driven entrepreneurial activities. In those nations of higher income, it is individuals with higher human and social capital that are attracted to entrepreneurship because of perceived opportunities for wealth creation (Kingombe, Bateman and Willen le Velde, 2010). In more economically developed countries (MEDCs) like the United Kingdom, the rural entrepreneurship among farmers in Cambridgeshire made a substantial contribution to enterprise and employment (Carter, 1998). In China, Township, and Village Enterprises (TVEs) played a critical role in its development. Due to rural entrepreneurship, China's economy has grown at a steady rate leading to a dramatic improvement in living standards. This growth

has fuelled unprecedented poverty reduction: the share of the poor declined from 65% in 1978 to 7% in 2007. More than 400 million people have been extricated from the jaws of wrenching poverty (Chitambara, 2011). In agrarian and largely subsistence economy of Bangladesh, rural entrepreneurship plays a crucial role to supply nutritious food and to generate income and employment. It improved standards of living and reduced gender disparity (Kabir et al., 2012:265-266).

“Sustainability as defined in Agenda 21 has four dimensions: the social, economic, environmental and institutional one, reflected in the four categories of indicators chosen by the Conference on Sustainable Development” (Spangenburg, 2002:8). Whereas the environmental dimension is the “sum of all biogeological processes and their elements (environmental capital from economists’ point of view)”, the social dimension (social plus human) is difficult to define. Individual human beings, their skills, dedication, experiences and the resulting behaviour are its focus, with the borderline to institutions (as an achievement of human interactions, confusingly called “social capital”) not always easy to draw. Institutions are understood as including not only organizations, but the system of rules governing the interaction of members of a society as well. This kind of societal interaction and the social norms behind are necessary preconditions for economic activities, which they shape ([www.circularecology.com](http://www.circularecology.com), 2015.06.12). Apart from that, the economic dimension (physical capital) has been identified as one of the society’s subsystem, that enables the institutional, social and environment to propel. Separating these four dimensions may distort the real world integration. Only a balanced economic, social, environmental and institutional aspect can achieve true sustainability ([www.circularecology.com](http://www.circularecology.com) 2016.06.12). To maintain and enhance sustainability, the focus must be on economic, social and environmental subsystem. A sustainable way of mutually reinforcing the four capitals must be made to avoid deadlocks. Therefore, entrepreneurs should have these capitals for them to have the ability to continue a defined behavior indefinitely.

This study employed the sustainable livelihood approach in Figure 1 which entails that a livelihood should be able to recover from “stress and shocks” and at the same time “maintain and enhance” “capabilities and assets” into the future. A central element in this “resilience” to stress and shocks is the diversification of elements that comprise “livelihood.” (Morse, McNamara and Acholo, 2009). Entrepreneurship has been found to be a livelihood that would transform depressed communities. Communities that have undergone stress due to persistent drought, unemployment and political instability need a diversified approach to broaden the opportunities and potentials of the depressed.



**Figure 1: The DFID's Sustainable Livelihood Framework.**

Source: Knutsson, (2006:90)

In an attempt to make a living, people use a variety of resources such as social networks, capital knowledge and markets to produce food and marketable commodities to raise their incomes, (Herbinck and Bourdillon in Chazovachii et al., 2012). When linking it to rural entrepreneurship, entrepreneur represent individuals who assemble resources, labour, materials and other forms of assets to productive use for value added motives at the same time, to propose valuable changes and innovative ideas in order to earn a living (Baker and Nelson, 2005). Entrepreneurs use untapped or underused resources to create a new service or product, trying out solutions to counteract or subvert the limitations of the local environment, improving through best-fit approaches and learning by trial and error (Di Domenico et al., 2010). The extent of the people to access these resources is strongly influenced by their vulnerability context which includes trends (for example; economic, political and technological), seasonality (for example; prices, production, seasonal changes and employment opportunities) and shocks (for example; natural disasters, epidemics and civil strife). Considering the depression Zimbabwe has gone through since 1999 due political stalemate and unfavorable climate changes, entrepreneurship was broadly taken as an economic opportunity in averting the risks and uncertainties the country is facing. Development is thus about removing obstacles from what a person can do in life, for example; illiteracy, ill health, lack of access to income and employment opportunities, lack of civil and political freedoms (Zimbabwe Human Development Report, 2003). The sustenance of livelihoods could, therefore, make a significant contribution in poverty alleviation whilst protecting environmental resources, (Dovie et al., 2001). Notwithstanding, when such resources are not available and or when they are undermined and or

underutilized people tend to go under stress and shocks, (Chazovachii et al., 2012) leading to environmental damage and then poverty.

In spite of its existence as an economic enhancement process for years, entrepreneurship is regarded as an outstanding concept in developing countries that involves the process of shifting ideas into commercial opportunities for value creation (Melicher, 2009). The extent, to which entrepreneurs have access to partnerships, is also the more likely they are to discover opportunities in rural areas in developing countries (Ozgen and Minsky, 2007). Antoncic and Hisrick, (2003) stated that entrepreneurship has gained enormous global recognition as very significant towards economic growth through a sustained competitive nature with positive financial gains. Entrepreneurship encourages coordination of resources and exploitation of opportunities (Morris, Kuratko and Covin, 2008).

Fostering entrepreneurship is a significant factor in energizing the rural community (Petrin and Gannon, 1997) in impoverished rural regions because the strategy creates wealth and employment. It has a profound impact on the quality of livelihoods of rural populations (FAO Corporate Document Repository in Ozgen and Minsky, 2007). It has, therefore, received immense global recognition across the developed and developing nations because of its influence on economic growth and sustenance (Le and Nguyen, 2009: 286). According to Markley and Low, (2012) rural entrepreneurship can create employment opportunities, contributing additional income and benefits for the local residents, along with the allied multiplier impacts.

Strengthening rural entrepreneurship system will speed up the establishment of self sustained rural communities, increase sources of income, support development of infrastructure, build capacity, revitalize the rural community and make a significant impact in alleviating poverty (Ozgen and Minsky, 2007). However, despite the positives aforementioned by various scholars, the issue of sustainability of the entrepreneurial projects has not yet gained prominence, judging from the dearth of literature of the subject.

## **Materials and Methods**

### *Description of the Study Area*

The study was undertaken in Zaka District, Ward 19. The District is a small holder farming area which lies in the central part of Masvingo Province of Zimbabwe. It is in natural region IV. "Masvingo province is located in the south-eastern part of Zimbabwe and it is made up of seven districts of which Zaka is the chosen study area. The province lie in agro-ecological regions 3, 4 and 5 where average of 650 – 800 mm, 450 – 600 mm and below 450 mm respectively of annual rainfall is expected"( Simba et al., 2012:218). Subsistence farming is the main economic activity. Its soils are generally poor. The area is densely populated. It comprised of 48 villages with one thousand households. A sample of 10% of the total population was selected using stratified random sampling. This sample size consists of rural

entrepreneurs and the beneficiaries of the program. One hundred individuals were selected. Among the selected entrepreneurs, 65 were males and 35 were females.

#### *Data Collection Techniques*

A mixed method approach was used in this study. Quantitatively, the questionnaire were administered to entrepreneurs and consumers of the products to factor out the rural entrepreneurial activities carried out in the ward and the assets bought since inception into their businesses and social, economic, financial and institutional sustainability of their enterprises. Qualitatively, interviews, observation, focus group discussions were done. The interviews were directed to the Department of Agriculture Technical and Extension Services (AGRITEX), Small Enterprise Development Cooperation (SEDCO) and Ministry of Youth Indigenization and Empowerment who always interact with rural entrepreneurs. These key informants were considered useful in soliciting the resources used by entrepreneurs, goods produced and their use to the community, challenges faced by entrepreneurs, stresses and shocks encountered and countered, social, economic, financial and institutional sustainability of the enterprises. Descriptive statistics and Tesch's interactive model of data analysis were used in the presentation and analysis of findings.

### **Results and Discussions**

#### *Entrepreneurial Activities*

Nine entrepreneurial activities that operate and each have a corresponding number of entrepreneurs practicing it. Therefore, the larger the number of respondents, the more common or attractive the activity is. The reverse is also true. This again revealed affordability of the resources used in doing the activity. It also explains the level of viability of the project as one beer brewing entrepreneur said;

"Traditional beer brewing, gardening, blacksmithing raw materials are locally available and it does not need much labour and time to reap the fruits"

This was echoed in focus group discussions held by key informants that projects with resources locally available are oversubscribed as shown by the percentage of respondents in Table 1, hence more competition. The viability of such projects is compromised by a number of participants in the system.

Sustainability of entrepreneurial activities is rated on the bases of their ability to maintain social, environmental, economic and institutional sustainability brought about by Spangenburg (2001). Failure by an entrepreneur to integrate the four forms of capital would result in a tragic end.

**Table 1: Entrepreneurial Activities and the percentage of entrepreneur in the category in Ward 19, Zaka**

CATEGORY	ENTREPRENEURIAL ACTIVITY	NUMBER OF RESPONDENTS (%)
1.RETAILING	-cross boarder trading	5
	-vending	6
2.FARMING/ ARICULTURE-BASED	-gardening(horticultural crops)	20
	-broiler production	18
3.MANUFACTURING	-carpentry	4
	-welding	2
	-blacksmithing	15
	-sewing	15
	-beer brewing	15

Source: Author's analysis of research data, (2016)

### *Sustainability of Entrepreneurship in Zaka*

#### *Economic Sustainability*

From entrepreneurial activities identified in the district, entrepreneurs are experiencing challenges in maintaining economic capital. Notable challenges from the interview held are financial and market shortages. Not even one is capable of keeping capital intact. Instead of devolving on consuming value added interest, entrepreneurs are devolving on consuming capital itself which tragic. One retailer said

*“The socioeconomic challenges are beyond our reach thus why we cannot sustain on entrepreneurship projects”*

This concurs with the FGD done with key informants that agriculture produce and manufacturing done in this district alone cannot be resilient to the economic challenges that the country is undergoing. This alone explains a lot about economic sustainability of the three categories, retailing, agricultural based entrepreneurship and manufacturing sector.

#### *Producer-retail price discrepancies in dollars*

The relationship between average gardener prices and the retail prices charged by the intermediaries determines viability and sustainability of entrepreneurship. From Table 2, it is evident that the intermediaries doubled and trebled the proceeds of the ordinary farmer to the extent of compromising the success of the resource-poor horticulturalist in entrepreneurship. Tomatoes, leaf vegetables, beans and wheat prices proved beyond doubt the extent to which a subsistence market gardener is manipulated by the intermediaries. However, the eighty percent of subsistence market gardeners revealed that they did not have access to urban and lucrative markets the intermediaries had. They were resource constrained,

especially regarding input supplies and financial capital needed for their operations. This limited the competitive potential of the subsistence market gardener to sustain the production levels of their plots. Poor accessibility to market hampered the sustainability of the subsistence market gardener because of their remoteness.

**Table 2 Producer-retail price discrepancies**

<b>Produce from gardens</b>	<b>Community garden gate prices (us\$/ Kg)</b>	<b>Retail prices at Jerera Zaka market in (us\$/ Kg)</b>
<b>Maize</b>	0.25	0.35
<b>Wheat</b>	0.45	0.80
<b>Leaf Vegetables</b>	0,10	0.50
<b>Tomatoes</b>	1.80	3.60
<b>Beans</b>	1.60	4.00

This resulted in farmers devoting to other categories of entrepreneurship that were already oversubscribed by others. This level of desperation actually revealed the level of vulnerability entrepreneurs are in Zaka district ward 9.

#### *Social Sustainability*

Retailers, farmers and manufacturers needed to maintain social capital door social sustainability. Findings revealed that entrepreneurs were more into profiting making and accumulating their assets and wealth as their mission than investing in social capital that create basic frameworks for society. Interviews revealed that there was no orientation on the significance of social capital in business. Cooperative efforts were noted among cross-borders traders, venders but market gardeners had no backward and forward links to sustain their business. They had no reliable input suppliers and markets for their continuity. They had no uniform prices. It was 'each man for himself and God for us all' attitude.

On manufacturers and farmers, there was no connectedness between members of the group in entrepreneurship, no reciprocal attitude, patience, commonly accepted standards of honesty and ethical values in their practices. Some had moved away from designated stands to mobile trading. This ended up increasing transaction costs due to lack of trust among member in the same business, increased cost of working together as a team due to lack of cooperation. There were no shared values since entrepreneurship was at its infant stage. For those in designated stands, violence was the order of the day, thereby compromising sustainability of vending, carpentry, welding as entrepreneurial activities



### *Environmental Sustainability*

This implies natural capital is maintained both as a provider of inputs and as a sink for wastes. Production rate of wooden materials was limited by limited harvests from Zaka forests. Production of cooking stoves, doors, hoes and other wooden materials was limited by the fragile environment in agro-ecological region 4 that do not have enough woodland for the sustainable productions of wood resources. On agriculture-based resources, community gardens were compromised by the middlemen who was benefiting at their expense. Farmers had better boreholes and dams sunk by NGOs and government, but when it comes to trading, environmental sustainability was compromised by economic sustainability. Welding, blacksmithing was dotted everywhere due to rural electrification. However, the inexperience of welders and blacksmith affected human health. They had no protective clothes for human welfare. The affection of human capital would impact negatively on economic and environmental capital too thereby compromising sustainability.

### *Institutional Sustainability*

Institutions are rules and regulations governing the operation of entrepreneurs. Failure to maintain rules and regulations, failure to organize themselves as a team affect sustainability of their projects. Findings revealed that social dissonance was the order of the day due to lack of formal rules and regulations guiding how cross border traders, vendors, gardeners, carpenters, welders should operate. Administrator of retail stand, the local council, manufacturing stands was not monitoring the operations of the system. The local council and the ministry representative of youth indigenization, and empowerment have no enforcement agencies to address any misunderstanding amongst entrepreneurs. This again compromised institutional sustainability of entrepreneurship in Zaka district.

### **Conclusion**

Therefore, this article managed to identify entrepreneurship activities categorically classified into three, retailing, agriculture-based and manufacturing. Despite the fact that the majority were preoccupied with these activities, their sustainability is greatly compromised. These activities could have managed to transform rural dwellers from their vulnerability context, but their human, social, financial, natural and physical could not manage to influence or allow them to access resilient and sustainable livelihood strategies that would give them positive livelihood outcomes that would bring intra and inter-generational equity. One could note that entrepreneurial activities in Zaka district are more necessity-driven than opportunity driven. This means, the entrepreneurs are still entrenched. They are still far from celebrating economic sovereignty with is a time bomb for developing countries like Zimbabwe.

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