

# Agro-processing and community based tourism: Prospects and Opportunities for South African women entrepreneurs, the youth and SMMEs

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## Abstract

Agro-processing and community-based tourism are rising sub-sectors with much potential to create jobs, and generate income and profits for women, the youth and SMMEs. Based on a review of the extant literature, this article examines this potential in order to project possible pathways and trajectories of women, the youth and SMMEs in these potentially lucrative sub-sectors. It advocates for the use of alternative, user-friendly technologies, including ICT that are more efficient, highly productive, reduce costs, improve occupational health, and enhance product quality and diversity steeped in their innovativeness, creativity and entrepreneurship. The article also supports the formation of self-help groups as well as clusters given the opportunities they offer for cohesion and pooling of resources for market penetration. A framework/model for market penetration is posited that would enable individual entities/firms to cluster around available resources and identify their appropriate market segment which would reduce transaction costs and pool and harness the information the network provides. It also postulates that in order to succeed, such firms should also have sound knowledge of their Product, their Packaging, Pricing, Place (cluster), and Personalisation (of the product where necessary) based on the marketing mix.

**Keywords:** Agribusiness, Small, Medium and Micro Enterprises, innovation, tourism, creativity

## Introduction

Agriculture plays a very important role in the South African economy by virtue of its contribution to jobs and Gross Domestic Product (GDP). According to Stats SA (2015), real GDP (unadjusted at market prices) increased by 2.1% during the first quarter of 2015 (year-on-year), with Agriculture contributing 2% to nominal GDP, Mining 8%, Manufacturing 13%, Electricity 4%, Trade 15% and Finance 22%. This highlights this sector's importance, particularly agro-processing's contribution to economic growth, employment creation and poverty alleviation. On one hand, processing farm produce (fruits, vegetables and livestock), and forestry products as well as aquacultural products adds value and has the potential to create jobs, expand markets, generate income and improve livelihoods. It also generates revenue/profit for firms and income in the form of salaries and wages for employees. It can be argued that some agro-processing production processes are low cost in terms of capital outlay and use manual/machine-based operations; inputs are usually either available or can be sourced locally. Hence, agribusiness is an attractive avenue to ensure decent livelihoods for participants in this sub-sector.

On the other hand, tourism is equally important to the economy of South Africa. It contributed about 2,9% to the country's GDP in 2012 and 2013 (StatsSA 2015). According to StatsSA, tourism direct GDP in 2013 was recorded at R103,6. Total tourism spend in 2013 was R218,9 of which R124 billion (57%) was contributed by domestic tourists while the balance was by international tourists. This shows the growing importance of domestic tourism. In terms of actual tourist numbers, in 2013 about 14,3 million non-resident visitors came to South Africa against 12,1 million in 2011. In 2013, about 655 600 were employed in the sector constituting about 4,4% of all employed people in the country.

The agribusiness sector includes producers, processors, packaging firms, distribution firms and retailers. Large companies hold the lion's share of this sector in South Africa. For instance, 22 large scale millers produce about two-thirds of the total maize meal, with the rest produced by smaller, informal millers (Louw et al., 2010 cited in Ramabulana, 2011). 'The food retail sector comprised of Pick 'n Pay with an estimated 33 per cent market share, Shoprite/Checkers with 31 per cent, Spar with 13.5 per cent, Woolworths with 12.3 per cent and other small retailers controlling the remaining 10.2 per cent market share' (Ramabulana, 2011:106). 'The National Agricultural Marketing Council (NAMC, 2009 in Ramabulana, 2011:106) reported that prices of food items are higher in rural areas where food is sold in stand-alone supermarkets or spaza shops than in urban areas where food is sold mainly through supermarkets'. 'The reasons for the differences in food prices between the rural and urban shops include: (i) transport costs, which includes fuel and maintenance costs; (ii) low or no volume discounts for the rural outlets; (iii) stock losses due to spoilage, breakage, products exceeding their expiry dates and stock theft; and (iv) loading costs, which entail casual labour associated with loading at the wholesale markets' (Ramabulana, 2011: 106). As was the case in India, agro-processing can stimulate the growth of the food industry in rural areas (Prema & Krishnan, 2008). The growth in agribusiness has been stimulated by rapid urbanisation, rising per-capita income, changing lifestyles and food preferences, and improved literacy levels which lead to rising demand for processed foods (Prema & Krishnan, 2008). South African women and the youth could scaffold on this unfolding bandwagon to earn a living. However, in terms of small scale farmers' participation, 'the emergence of food safety concerns and quality standards presents another challenge' (Ramabulana, 2011: 106). 'Supermarkets often follow much more stringent quality requirements than informal markets in their food procurement and handling regimes, thus they are more attractive to consumers' (Ramabulana, 2011: 107).

In the case of Cyprus, Farmarki et al., (2015:188) argue that given the dire economic situation in the country, there was the need for economic growth anchored on 'large-scale tourism development'. This also illustrates the importance of tourism to economies. Incera et al., (2015) argue that tourism consumption is redistributive in many ways such as a source of employment for low-skilled people who typically come from poor households. These can venture into self-employment in the restaurant and accommodation sectors. It will also earn the government revenue in taxes from those who eventually formalise their businesses. Tourism can create jobs, has scope for local production of goods and services, it is a source of wages as it is a source of capital accumulation.

SMMEs also have a role to play in agribusiness and community based tourism. These entities have been identified 'as the engine of economic growth particularly in developing economies where most of the populace is employed in the informal sector' (Srinivas, 2013 cited in Asarea, Akuffobe, Quayea & Atta-Antwi, 2015:26). They play a significant role in job creation, reducing poverty, developing the rural areas, in industrial development and in developing both local and export markets (Asarea et al., 2015). SMMEs are important for the diffusion of innovation and entrepreneurship; for human development and for the distribution of goods and services (Agyapong, 2010 cited in Asarea et al., 2015).

The first section provided the introduction which is followed by the research methodology. This is followed by a review of the literature from a local, regional and global perspective with an emphasis on agro-processing for illustration. The next section sets out the pathways and trajectory which the authors believe are relevant for developing countries such as South Africa as avenues to tackle unemployment, particularly among women and the youth. A framework/model for market penetration by women, the youth and SMMEs is presented in this section. The last section concludes.

## Materials and Methods

This article is based on secondary data sourced from academic journal articles in the extant literature covering the broader scope of agro-processing and community-based tourism. The literature consulted spans different geographic regions and as such provided rich insights into how a country like South Africa can harness the potential in these growing industries in pursuit of an economic agenda to reduce poverty and unemployment using abundant and locally available resources. The diversity of sources enabled the identification of technical insights and innovations whose adoption by South African women and youth may lead to sustainable livelihoods. According to Babbie and Mouton (2012:647), secondary analysis is concerned with re-analysis of data for a different purpose by another researcher. For Welman, Kruger and Mitchell (2012:149), secondary data are 'data collected by individuals or agencies other than the researcher himself or herself'.

## Literature review

### Defining Agro-processing/Pathways to Agro-processing

'Agro processing is defined as set of techno-economic activities, applied to all the produces, originating from agricultural farm, livestock, aqua-cultural sources and forests for their conservation, handling and value-addition to make them usable as food, feed, fibre, fuel or industrial raw materials' (Kachru, (nd: 114). For Katia (2014: 56), agro-products are any produce from agriculture, horticulture, and floriculture, as well as from agro-forestry which have been processed (value adding) by cleaning, grading, packing and preserving them for sale in local markets and/or abroad.

There are two forms of processing. '**Primary processing:** This type of processing includes the simplest of processes such as washing, peeling, chopping, ageing, the milling of wheat for flour production and the processing of sugarcane'. '**Secondary processing:** This type of processing involves the conversion of primary processed products into more complex food products and includes procedures such as mixing, depositing, layering, extruding, drying, fortifying, fermentation, pasteurisation, clarification, heating, etc' (Agricultural Research Council (ARC), 2015: 34-35).

For example meat can be processed into various products which usually fall into three broad categories based on the size of the meat particles:

'**Whole meat products** – muscle tissue is still clearly recognisable and defined in the end-product (e.g., ham, bacon, pressed pork or beef - corned meat products, deboned ham, sweet cure bacon etc.). **Minced meat products** – the meat structure has undergone a degree of breaking up, for example in a mincer, and the meat is no longer in a fibre form, but in a particle form (e.g. salami, fresh sausage, meat balls and hamburger patties). **Emulsified meat products** – the muscle tissue has been so finely minced that it is not recognisable any more in a fibrous or particle form (e.g. Frankfurters, Viennas, polonies and meat loaves)' (ARC, 2015:34-35).

**‘Further processing options** – the products above are only a small sample of the many processing methods and products available to the meat processor. The processing of edible meat by-products can also be considered by the prospective processor and include products such as canned tongue, cooked tongue and pickled tongue etc’ (ARC, 2015:35). ‘The scope of the agro-processing industry encompasses all operations from the stage of harvest till the material reaches the end users in the desired form, packaging, quantity, quality and price’ (Kachru, n.d:114).

### ***Benefits of agro-processing***

Opportunities abound in the agro-processing sub-sector for both income and job creation. Danida notes that these include ‘value addition, minimizing post-harvest losses, promoting price stability and increasing demand for local agricultural produce’ (DANIDA, 2012 cited in Kuwornu, Bashiru & Dumayiri, 2014:191). Kindness & Gordon (2001 cited in Kuwornu, Bashiru & Dumayiri, 2014:191) contend that agro-processing creates jobs with low capital investment while making good use of local resources. It also creates vertical linkages when small farmers supply inputs to the value chain (Overseas Development Institute, 2005 in Kuwornu, Bashiru & Dumayiri, 2014:191).

Agro-processing can play a very important role in ensuring communities’ food security. White (2003 cited in Ramabulana, 2011: 102) defines food security as ‘access to nutritionally adequate and culturally acceptable food at affordable prices through non-emergency means all the time’. Food, agro-processing and forestry are second on the list of the priorities drawn up by the Competition Commission of South Africa (Competition Commission, 2009 in Ramabulana, 2011). Experiences from other developing countries such as India are helpful.

In India, agriculture continues to rely heavily on human labour and animal draught power (Singh, Singh & Kotwaliwale, 1999). In 1997, 92 million of the 207 million agricultural workers in India were women who had less access to training, funding, and modern technologies than their male counterparts (Singh et al., 1999). The use of traditional tools impaired their efficiency; modern technologies could increase productivity and employment opportunities and improve their economic status. Women are involved in both crop production and processing and play leading roles in animal husbandry, horticulture and aquaculture (Singh et al., 1999). ‘Agro-processing is now regarded as the sunrise sector of the Indian economy in view of its large potential for growth and likely socio economic impact specifically on employment and income generation’ (Kachru, n.d:114). While women are often involved in operations which are not mechanised or less mechanised, men are involved in work which is mechanised, usually heavier, considered prestigious and better paid (Singh et al., 1999). Women’s participation depends on crop, season, the type of operations and kind of enterprise, type of technology and the size of the holding; however, it essentially involves indigenous populations and scheduled (lower) castes.

According to Singh et al. (1999), during **crop production**, women’s field activities include sorting the seed, seed treatment, sowing, planting and transplanting, weeding, applying fertiliser, harvesting and threshing. In horticulture, their involvement includes raising nurseries, cutting, budding, trimming, grafting and harvesting fruits, flowers and vegetables including cleaning, sorting, grading, packaging and marketing the final product. With respect to plantation plants such as tea, coffee, cashew nuts, cocoa, rubber, coconut, black pepper and tree spices, their involvement spans nursery raising, planting weeding, plucking and harvesting. In animal and fish production, that is, rearing sheep, goats, cows, buffaloes and poultry, their roles include feeding, watering, cleaning, milking and marketing. With respect to fish, they catch, process, transport and market it. In sericulture their involvement transcends cultivation of castor and mulberry plants; rearing of silkworms and thread making

to include weaving (Singh et al., 1999). Table 1 shows the broad spectrum of traditional tools as well as possible effective and efficient low cost alternatives for illustration.

**Table 1: Traditional versus alternative tools**

Activity	Traditional tool	Alternative/appropriate technology/tools	Advantages of alternatives
Field preparation	Spade	Simple tools/ power packs for seed bed preparation	
Sowing and planting	Hand dropping, pushing seedling into mud	Improved multi-row drills/fertiliser application; rotary dibblers; jab planter; manual seed drill; seed-cum-fertiliser drill; animal and power operated seed-cum-fertiliser drill; 6 row rice planter; semi-automatic planters	Seed-cum-fertiliser drills save time and improve the placement of seed and fertiliser; manual jab planter/seeder makes holes, measures the seed and places it in hole and reduces drudgery; semi-automatic planters place the tuber into a hopper to a distributor which drops it into a furrow.
Weeding/hoeing	Spade	Manual weeder; wheel hoe; garden rake	Simple manual hoe weeder reduce time to 25-110 h/ha and operated in a standing position and this reduces drudgery
Irrigation	Flooding	Sprinkler and drip irrigation;	
Spraying	Hand sprayer without safety devices	Hand operated/foot operated sprayer with safety devices	
Harvesting	Sickle	Serrated sickle; self-propelled reaper of 1m size	Serrated sickles facilitate cutting and require less effort
Preparation of soil	Hand	Power operated hammer mills	
Watering	Buckets	Watering can; wheel barrow for bringing water	
Pruning/grafting	Knives/shears	Improved horticultural tools	
Seed treatment	Hand mixing of seed with chemicals	Manually operated seed treatment drums	

Source: Singh et al., (1999)

Singh et al. (1999) note that during **post-harvest operations**, women's involvement in the processing of cereals, pulses and oilseeds includes winnowing, cleaning drying, dehulling, shelling, milling, decorticating, expelling and parboiling. In processing and preserving fruits and vegetables, women are involved in drying, storing and marketing products such as fruit juices and pulp, jellies and jam, pickles, tomato products and so forth. In terms of the production of spices, they are involved in picking, grading, peeling, grinding, mixing and packaging especially in the production of garlic, chilli, ginger, turmeric and so forth. In the post-harvest phase of plantation crops, women pick, sort, split, shell, peel, dehusk and dry. In fish processing, women are involved in sorting, grading, salting, sun drying, and packaging for local and export markets. They are also involved in the utilisation of by-

products, residues and forestry produce such as the collection of grass and straw, extraction of fibres from jute, hemp and linseed to make mats, ropes, fans and baskets (Singh et al., 1999). Post-harvest losses can be incurred during storage, handling and milling/processing including losses at the consumer's end. It has been estimated that this could be reduced to less than 50% with the adoption of agro-processing technology (Kachru, n.d: 115). Table 2 below shows some available alternative tools to the traditional ones for post-harvest food processing for illustration.

**Table 2: Post-harvest/food processing Equipment for Women**

Operation	Traditional tool	Alternative/appropriate technology/tools	Advantages of alternatives
Cleaning /grading	Manual using cleaning basket/wire screens	Hand/pedal operated cleaners for grains/seeds; Power operated winnowers and cleaners; power operated apple/potato graders	Well graded, free of chaff, not broken, mature, without stones, not weather damaged kernels fetch better prices. Pedal or power operated winnowers, grain cleaners are available commercially with capacity to do 500-700 kg/h.
Drying	Sundrying; Drying in cribs	Solar dryers Oil fired batch dryers Power operated dryers Agri-waste fired dryers	While sun or shade drying are common and ideal in hot, dry conditions and cheap, weather conditions can adversely affect their utility. Continuous and semi-continuous and batch-in-bin dryers have been developed using solar heat, biomass (crop residue or wood chips) oil, gas, and electricity or in combination are available. There is a solar dryer for fish.
Storage	Local storage structures made of clay or straws	Metallic storage structures	Allows farmers to wait until prices re favourable (25-50% higher) and avoid losses. Cold storages are used for fruits and vegetables; for frozen foods, dairy products and fish and controlled atmosphere storages for apples.
Milling	Hand mortar and pestle Hand operated stone grinders	Pedal operated grain mill Power operated grain mill Wet grinder	Removes chaff and foreign matters
Shelling, de-husking and decortication	Manual Knife/spike for decortication for coconut	Manual and power operated de-hullers Decorticators.	Reduces the quantities to be handled, transported and stored. Shelled products command higher market prices. Use of waste products can be optimised. For groundnuts, castor soybeans and mango, there are power operated decorticators.
Peeling, pulping, slicing, polishing	Knives, spike	Manual and power operated peeler and slicer	Low cost technology available to produce juices, squashes, purees, jellies, jams, pickles, chutneys, resins and prunes. Low cost fruit washers and graders have been developed. To extend the shelf life of fruits, waxing; perforated plastic packaging and cold storage have been

			introduced.
Grinding of spices	Hand operated pounder	Power operated mills/pulverisers	
Cream separation from milk	Hand operated manual churns, methods	Power operated churns	Simple dairy equipment has been developed to produce cream, butter and butter oil including solar milk pasteurisers and Ultra High Temperature milk processing is now available.

Source: Adapted from Singh et al., (1999)

The benefits of the adoption of technology in agro-processing include 'refinement of traditional equipment and processes for production of different foods, feeds, fibres and fuel materials for better quality, higher capacity, energy efficiency, and reduced drudgery on workers; development of new products and processes for better nutrition, convenience and taste; enhancement of shelf life of the produce, safe storage/packaging and development of better performing materials; and better economic utilization of agricultural residues, by-products and recycling of wastes' (Kachru, n.d: 117). Table 3 below shows new equipment and products that have been developed in the agro-processing industry.

**Table 3: New equipment and products developed in agro-processing**

New equipment	New products
Cleaners, graders, driers, multi-purpose mills, maize dehuskers, shellers, groundnut decorticators, juice extractors, oil expellers, improved storage structures for cereals, pulses, oil seeds, onions, potatoes etc, low cost design of green houses	Soy milk, soy drink, parboiled rice, flaked rice, puffed rice, instant sweets, instant soft drinks, snack foods, egg powder, butter milk and sweets, dyes, resins, freeze dried green pepper, coconut milk, coconut cream,

Cotton is a natural textile fibre. Cotton seeds are used as feed and oil seed; cotton stalks are used as fuel, pulp and paper, particle boards, and microcrystalline cellulose (MCC); cotton hulls are used as particle boards; cotton willow dust can be used for bio-gas and cotton waste can be used for mushroom production.

The use of hand tools, for example, for plucking tea or peeling pine apples, is important in reducing the risk of musculoskeletal disorders among workers and to reduce drudgery, making for safer, more user-friendly, cost effective production, increasing productivity and obtaining optimal human performance (Bhattacharyya & Chakrabarti, 2012). According to Bhattacharyya & Chakrabarti (2012: 403), musculoskeletal disorder (MSD) is a significant occupational health problem in many industries including agro-processing and encompasses 'conditions where the worker experiences discomforts of neck, shoulder, low back, and elbow, hand, hip and knee, as well as multiple joints manifesting ache, tingle, swelling and pains' emanating from awkward movements, posture and repetitive bending.

### ***Agro-processing and community based tourism for diversification***

Ward et al. (2004 cited in Kuwornu, Bashiru & Dumayiri, 2014:192) argue that due to the seasonality of farming activities, households in developing countries should rely on different sources of income to sustain their livelihoods at different times of the year. Warren (2002 in Kuwornu, Bashiru & Dumayiri, 2014:192) observes that most rural households engage in agro-processing as 'a form of non-agricultural livelihood diversification strategy'. Alwang et

al.'s (2005 in Kuwornu, Bashiru & Dumayiri, 2014:192) study on livelihood and wellbeing in Central America found that 'households depending on agricultural activities are worse-off than those who diversify'. Such households can diversify into community based tourism using available resources. Their homes can be transformed into viable touristic facilities without any significant additional financial outlays. Those most likely to diversify include high income earners (Simtowe, 2010 in Kuwornu, Bashiru & Dumayiri, 2014:193), asset-rich households (Lay & Schuler, 2008 in Kuwornu, Bashiru & Dumayiri, 2014:193) and those who are highly educated (see Eneyew, 2012; Khatun & Roy, 2012 in Kuwornu, Bashiru & Dumayiri, 2014: 193). As such, Kuwornu, Bashiru & Dumayiri (2014:193) observe that many factors motivate livelihood diversification in different spaces (Kuwornu, Bashiru & Dumayiri, 2014:193).

### ***Challenges faced by SMMEs***

SMMEs face many challenges which include obsolete equipment, poor access to improved technologies, poor access to credit and information, limited skills, poor production capacity and poor marketing strategies as well as the inability to identify business opportunities (Urban and Naidoo, 2012 in Asarea et al., 2015) such as found in community based tourism. Asarea et al., (2015) found that female entrepreneurs in Ghana confronted additional difficulties relating to land tenure, a lack of skills and knowledge of business practices and transactions, risk aversion to transition to the next level (for example, from small to medium enterprise) and low levels of awareness of business laws and regulations .

Asarea et al., (2015) found that business opportunities for women and the youth in Ghana were primarily in the areas of palm oil processing, fish processing, shea butter processing, mushroom cultivation, bead making, and snail farming. The main constraints they faced were lack of credit due to a lack of collateral accompanied by the strict lending policies set by formal banks. The youth were most disadvantaged due to their lack of start-up capital to venture into any business (Asarea et al., 2015).

### ***Support strategies***

Strategies pursued by the Ministry of Food and Agriculture in Ghana include developing small to medium-scale enterprises, providing access to logistics and technical advice, strengthening private and public sector linkages for agro-processing, giving targeted tax relief to agro-processors and promoting agro-processing at the cottage/household level by providing access to machinery in order to improve product quality (MoFA, 2007 in Kuwornu, Bashiru & Dumayiri, 2014:192). Similar support could be provided by Ministries of Tourism and those directly dealing with SMMEs. Women and youth can be organised into self-help groups or clusters so that assistance to them is directed and focussed. 'A self-help group (SHG) is a small economically homogenous group of people having common goal of socio-economic development, for discussing their problems and resolving through appropriate participatory decision-making'. (Prema & Krishnan, 2008: 355). The concept of self-help groups was fashioned following the success of the Grameen Bank established by Professor Mohammed Yunus in Bangladesh in 1976 (Prema & Krishnan, 2008: 355). Women and the youth can be organised into self-help groups for self-sufficiency, empowerment and the furtherance of common group interests. Clusters could also be introduced for both agro-processing and community based tourism.

Burger et al., (2001) maintain that rural non-farm activities usually cluster geographically based on an economic subsector. This enables economies of scale in purchasing raw materials and machinery, and the sale of products as well as sharing labour. Clusters enable entities to share information relating to new designs, and the cost of technology, processes and products (Schmitz and Nadvi, 1999 in Burger et al., 2001). Clustering allows

for joint marketing; it benefits buyers who tend to sub-contract to firms which are clustered as transaction costs are reduced if products are purchased in one location (Burger et al., 2001). Clustering has allowed small farmers to share labour, diversify income, and share equipment and buildings, thereby reducing their costs and raising their incomes (Heinen & Weijland, 1998 in Burger et al., 2001). Clustering also allows the sharing of communal or community based assets for purposes of community based tourism. This includes the rivers, the mountains, the vegetation, the wild animals, the flora and fauna, the heritage and history. In Indonesia, a cluster consists of '20 or more firms producing a given product in a given village' (Burger et al., 2001) many of which are involved, for example, in the processing of soybean, tobacco, palm sugar, shrimp, fish, coffee and noodles even in one or two person operations in a household setting. Burger et al., (2001) observe that clustering is common in rural Java of Indonesia (which is densely populated) where many villages specialise in the manufacture of specific products.

While some clusters use local inputs and sell to the local market, for example, food preparation, others buy inputs from external markets, and process and sell products in local markets (Burger et al., 2001). Burger et al., (2001) observe that the propensity to cooperate (inter-firm) appears to be weak in clusters that target local markets due to competition for the same market. Some clusters target external markets, including urban areas and the export market in bamboo, ceramics and tiles. They cluster at the sources of the raw materials in order to reduce costs. Clustering also enables subcontracting and order sharing; individual producers may not be able to fulfil large orders for the external market and pooling their resources reduces risk. The quality of goods, especially for the export market, as well as profitability, is increased (Burger et al., 2001). Local crafts and artefacts including local attire can be produced for the export market in the tourism sector.

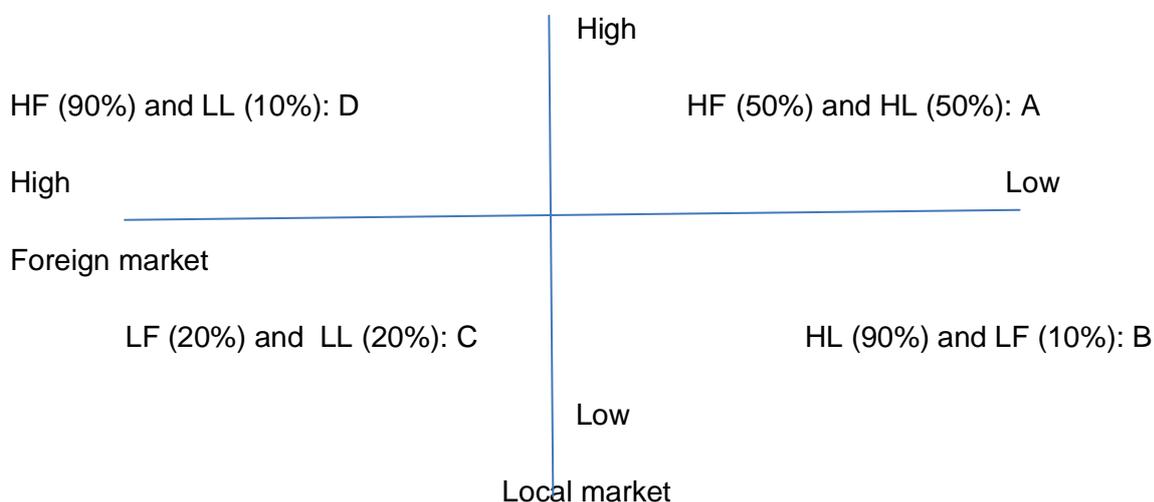
The training offered to women, the youth and SMMEs should encompass business and entrepreneurial training with a focus on innovation, risk-taking, identification of business opportunities, and creativity as well as the identification of and alignment with successful entrepreneurial role models (Asarea et al., 2015).

As such, 'The capacity to innovate and undertake specialised production and marketing systems are strongly linked to issues of successful education and skills training' (Asarea et al., 2015: 32). Eshetu and Zeleke (2008 in Asarea et al., 2015) found that the predictors of survival and growth in SMMES in Ethiopia included 'access to finance, managerial skills, level of education, level of technical skills and ability to convert profit back into investment.' Asarea et al., (2015) argue that the training offered to SMMES should be culturally-specific rather than one-size-fits-all. Furthermore women and the youth require support in the form of sizeable loans with flexible payment terms. Mutula and Brakel (2006 cited in Asarea et al. 2015) aver that there is need to propagate the use of ICT in order to improve business competitiveness and growth in global markets particularly in pursuit of e-commerce through, for example, interactive websites for SMMES. Ineffective marketing is a major drawback in the development of SMMES (Asarea et al., 2015). Ferreira et al. (2010 in Asarea et al., 2015) observe that successful SMMES in South Africa are those that produce quality products accompanied by effective marketing strategies.

### **Results: Towards a model/framework for market penetration by women, the youth and SMMEs**

In terms of market segmentation by cluster, entrepreneurs can follow the following four patterns with appropriate support. Each quadrant represents the thrust of each cluster. HL denotes High Local (Market concentration/intensity); HF denotes High Foreign; LF denotes Low Foreign; and LL means Low Local. Each quadrant will present its own advantages and

disadvantages in terms of market penetration that reflect the orientation of the cluster. Foreign orientated clusters represented by HF may have to pool their resources in terms of marketing and sharing business intelligence, quality, and pricing, including ICT adoption because of the sophistication of foreign (buyers) markets. Fig 1 below illustrates the market segments the clusters could pursue. The proportions given in Fig 1 are illustrative.



**Figure 1:** Model of market intensity/concentration

Quadrant A reflects a cluster with a high foreign market orientation and an equal local market orientation. Quadrant B shows a high local market concentration and a low foreign market orientation. Quadrant C reflects a low foreign as well as a low local market thrust. Quadrant D shows a high foreign market orientation and a low local market thrust. Whichever quadrant the clusters choose or belong to, it is imperative that they define their marketing mix in terms of the 10Ps or parts thereof, namely, *Product, Price, Place (cluster), Promotion, Physical evidence, People, Process, Packaging, Performance and Personalisation* (of the products). While some of the Ps may not be relevant to this discourse, clusters must identify those Ps which allow them to produce quality products and generate returns for re-investment. For the purpose of this article, the *Physical evidence* includes not only the clusters' workstations, but their outputs; the *People* mean the workers as well as buyers; while *Performance* in the marketing literature relates to employee performance; in this case, it includes the performance of the products; and *Personalisation* relates to how well they can personalise their products. The latter depends entirely on their innovativeness. The *Process* relates to how clusters produce their outputs in terms of efficiency and effectiveness. The model/framework postulates that individual entities/firms should cluster around available resources, identify the market segment which enables a reduction in transaction costs, and pool and harness the information the cluster provides in both agro-processing and community based tourism.

## Discussion

While agro-processing is critically important for ensuring the food security of communities, particularly in terms of culturally acceptable foods, community based tourism is important for diversification and income generation during the off-farm season. Different foods have ensured the survival of communities for millennia and the local cuisine and gastronomy can be a drawcard for international tourists. Both agro-processing and community based tourism are important as a livelihoods diversification strategy because of the seasonality of farming

activities. While women's participation in agro-processing has been portrayed in the extant literature as tedious, drudgery, time consuming, manual, using traditional tools, slow, and causing fatigue as well as causing permanent bodily harm, this might not be the case if appropriate technologies which are low cost, user friendly, ergonomic and efficient were to be adopted. It is of critical importance that women, the youth and SMMEs adopt new, user-friendly, modern, low cost technologies that will enable them to increase their productivity, efficiency, quality, precision, and new product development as well as to save time, enhance and improve their capacity and its utilisation and ultimately improve their economic status and standard of living. The use of improved technologies is also ergonomically prudent and reduces occupational hazards. The same applies in the community based tourism sub-sector, since it is a service industry, the adoption of cost technologies is equally appropriate at reasonable cost. Small items like business cards are important for small business owners because they are a necessity to have in the current business environment where universal networking is important.

In venturing into agro-processing and community based tourism, it is imperative for women, the youth and SMMEs to contemplate broadening their markets through innovation and entrepreneurship. They should ensure that they deliver quality products with good packaging while ensuring their visibility by using different media to advertise and promote their products, including websites. It is equally imperative that all cluster types adopt relevant technology. New product development through innovation will result in better products in keeping with modern tastes, as well as improved shelf lives and the efficient utilisation of by-products, leading to waste reduction. New market development requires exploring local and external markets in a globalised world. This would enable local products and handicrafts to penetrate foreign markets, earning much-needed foreign currency.

Self-help groups promote broader participation, economies of scale and pooling of labour as was the case in traditional societies. Costs are reduced through joint marketing initiatives and promotions, pooled transport arrangements and joint contracting arrangements. This will increase entities' returns on their investments, reduce risk and maximise profit for all types of SMMEs.

Support for women, the youth and SMMES should include the adoption of relevant technologies and improved access to business information and intelligence as well as credit and marketing information. Start-up capital should be made available to the youth because they lack the resources and experience to venture into business. In cases where agro-processing is land-based, there is need to open up opportunities for the youth and women to have access to arable land for farming and community based tourism. Concerted efforts by governments and other stakeholders should be exerted to support agro-processing at the local (individual and village) level given its benefits in terms of job creation and sustaining livelihoods in those levels. As such, mutually beneficial backward and forward linkages should be created in these sectors. The training offered should include business laws and regulations, occupational health and safety, hygiene, innovation, public relations, creativity, packaging, marketing, cost management, customer handling, risk management, book keeping and general management.

## **Conclusion**

This article examined the potential of the agro-processing industry and community based tourism to unlock the potential of women, the youth and SMMEs in their various formations such as self-help groups and clusters. These two sub-sectors offer numerous benefits including job creation, rural development and overall economic/community development. Besides the prospects of earning profit from these ventures, engagement in agro-processing and community based tourism is a vehicle to alleviate poverty and ensure that communities

are both food and income secure all season. The article also showed that these sub-sectors have significant potential for new product development as well as new market development. They are attractive because they are largely low tech and typically use locally available resources. It examined the ergonomics involved and suggested that the adoption of available cost effective technologies could ameliorate the plight of women in these industries and improve their livelihoods.

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