



Demographic profile of participants and the types of rural enterprises in Zululand District Municipality, KwaZulu Natal

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Abstract

Rural enterprises have an important role to play in rural development because of their potential in inter alia, providing employment, alleviating poverty and achieving food security. These enterprises include tourism related enterprises. The article forms part of the larger study which seeks to assess the contribution of rural enterprises on rural development and it supports the notion that tourism can indeed contribute to the stimulation of rural enterprises which can lead to enhanced rural development and poverty alleviation. This article however, only reports on the demographic data of the owners and managers of the rural enterprises and their types of enterprises in Zululand District Municipality. A snowball method was used, and twenty rural enterprises participated in the study. A mixed method approach which thus included qualitative and quantitative methods was used to collect data from the participants. Data was collected using a structured questionnaire in order to determine the demographic profiles of the participants and the types of enterprises they tended to own. The results revealed that gender had no influence in owning the rural enterprise. The majority of enterprise owners were above the age of 46 years. There were more married people in the sample who were the owners of enterprises. Most enterprise owners had at least secondary level education and were from large households. The participants had no other incomes except that which they obtained from their respective enterprises. There were more farming than non-farming enterprises. Participants opted the business they are doing because they simply need to survive and thus wanted to earn a living out of it. They started their rural enterprises with a meagre start-up capital of below R1000. In conclusion, in order to contribute significantly to rural development, rural enterprises must be supported by both government and the financial sector so that the problem of poverty can be mitigated effectively.

Key words: Rural enterprises, rural areas, rural development, sustainability, South Africa.

Introduction

In the developing countries many poor people live in the rural areas. South Africa is no exception to this. The rural areas in South Africa are characterised by poverty, unemployment, and inequality (Meyer, 2013). In South Africa, poverty is wide-spread, persistent and greater in rural areas. Furthermore, 72 percent of the poor live in rural areas (Neves and du Toit, 2013). Many households in rural areas depend on social grants or remittances for own



livelihood which cannot sustain the rural economy. As a result of separate development, South Africa was divided into areas occupied by white people which included urban areas and fertile commercial farming regions and areas occupied by blacks which included barren homelands (Ngomane, 2012). Those provinces which have larger areas which were former homelands are the poorest. The provinces include Eastern Cape, Limpopo and KwaZulu-Natal and these former homelands have 43 percent of the South African population (Neves and du Toit, 2013), making these former homelands densely populated. Another factor that exacerbates the situation in the rural areas is urbanisation.

Urbanisation led to the deterioration of the rural areas and there is a need for a turnaround strategy that will open economic and social opportunities for the rural communities. However, local economic development has been seen as a tool that can be used to address poverty and create jobs in rural areas (Meyer, 2013). Economic activities which include farming and non-farming are essential in the creation of jobs and in reducing poverty (Rantso, 2014 and Mersmann and Woodhill, 2016). However, the development of rural enterprises is hindered by a dire lack of finances, lack of entrepreneurial education and skills, poor leadership, a lack of marketing knowledge, inflexible regulations, poor availability of business resources, high taxes and a lack of access to essential markets (Lekhanya and Mason, 2014).

According to Rantso (2014), at the core of rural development is the reduction of poverty, joblessness, food insecurity and the improvement of the standard of living of the poor. In most developing countries the major rural development strategy was to improve and increase agriculture productivity. Meyer (2013) also states that as a result of being labour intensive, agriculture has a potential of creating more jobs and also play an important part in food security. The author continues by mentioning the labour intensive subsectors in agriculture which are sugar cane industry, citrus, cotton, apples, pears, and vegetables.

The characteristics of rural enterprises will also bring a better understanding of these enterprises. According to Henry and McEwee (2014) rural enterprises are those businesses that use the local rural community as their workforce, use rural services and provide rural communities with services while generating a flow of income to the same local rural environment. Rural entrepreneurship is defined on one hand as business activities that add value to resources of the rural areas involving human resources of these areas (Sima, 2008) and on the other hand as an activity of creating a new organisation that brings and creates a new product, services or markets or use new technology in a rural environment (Pato and Teixeira, 2016). The definition of rural entrepreneurship that is adopted by the current research among the two that has been mentioned above is the former one. In a South African context, entrepreneurial activities in rural areas do not have to be innovative in order for them to be regarded as rural entrepreneurship. According to Henry and McElwee (2014) the rural enterprises are located in the rural areas, they employ rural people and they contribute to gross-value adding. However, Mtisi and Muranda (2016) state that in rural enterprises there is poor delegation of responsibility, absence of records, learning is at the cost of the enterprise, and there is inadequate strategic planning. The above attributes are a result of lack of entrepreneurship, leadership and management skills. These attributes are mainly the cause of failure of rural enterprises in South Africa.

Nwaogwugwu and Matthews-Njoku (2015) state that the rural enterprises from which rural people derive their livelihood are divided into agricultural (farm) and non-agricultural (non-farm). However, the main livelihood activity of rural people is agriculture. The reason for this is that agriculture remains the main source of foundation of rural economy because rural people have access to land. Meyer (2013) also in agreement states that the dominating sector in rural areas is the agricultural sector because it is labour intensive and can create many job opportunities. This may solve food insecurity. Again, Nurmet, Lemsalu, and Poder (2012) reiterate that agricultural sector has a very crucial part it plays in rural economy and is associated with agriculture and forestry and fishing. The agricultural subsectors that the



National Planning Commission (2012) suggests in the National Development Plan are: large labour-intensive agriculture which includes citrus, table and dried grapes, subtropical fruits and vegetables; small-scale labour intensive agriculture. The researcher believes that these sectors have a potential of creating many job opportunities once they are stimulated. According to the Trade & Investment KwaZulu-Natal (undated) in KwaZulu-Natal, the agricultural sector is dominated by commercial farming of sugar cane, fruits, vegetables, animal production, stock farming, forestry, tunnel farming, flowers, nursery, and paper. Further, northern and western mountain edges of Northern KwaZulu-Natal is rich in medicinal plants which is an opportunity that can be explored by agriculturists, herbalists, exporters, and investors since natural herbal products are becoming popular globally.

Part of the growth of these rural enterprises is attributed to agricultural industrialisation. According to Lingohr-Wolf (2011) agricultural industrialisation has to do with the integration of agriculture with agricultural activities that take place after harvest such as agro-processing and marketing. Kanchan (2016) describes agro-based industries as those industries that utilise raw materials from agriculture and other basic input. These industries are categorised into food processing industries which include industries that preserve perishable products like barley, pulses, meat, fruits, and vegetables; non-food processing industries which include industries that process items like wool, cotton, rubber and leather. In China, the agro-processing industry is very successful in rural areas. According to Lingohr-Wolf (2011) the agro-processing and marketing enterprises called Dragon Heads Enterprise (DHEs) were promoted as a result of the agricultural industrialisation processes. The DHE the author studied in Sichuan province in China was focusing on the processing of sweet potatoes into instant noodles. Associated with the DHEs were other enterprises which specialise in transportation of starch extracted from sweet potatoes, wholesaling which included collection of sweet potatoes noodles and distributing it.

The Chinese experience shows that if agro-processing industry is promoted there are many enterprises connected to it that can be stimulated in the rural areas. According to Tersoo (2014) operations incorporated under agri-business include manufacturing and distribution of farm supplies, production operations on the farm and processing and distribution of products. This author continues to give three groups of agribusinesses dominating Nigeria which are farming input supply business, the producing farm firms, and food processing agribusiness. The farming input supply business includes all chemicals, machinery, veterinary services and credit suppliers and everything needed for the farm to operate effectively. The producing farm firms include farmers who are crop and livestock producers; food processing agribusiness; beverage manufacturers; producers of confectionary; processors and manufacturers of tobacco; processors of meat, wood, cotton, breakfast cereals, jams, wheat products, milk products, oils, soap, to mention a few. The last category is the food marketing and distribution agribusiness which include private food stores, wholesalers, retailers, and supermarkets. The National Planning Commission (2012) state that South Africa has a vertically integrated and highly centralised agro-processing sector for staple foods like maize, wheat, sugar, sunflower oil, tea, flour, peanut butter, cigarette, beer, fruit juices and canned products. This causes the black and new farmers to be excluded in this value chain. The commission suggests that since these large-processing initiatives cannot be ignored, they should be engaged so that they can cooperate in including these emerging black farmers. According to the Trade & Investment KwaZulu-Natal (undated) the sub-sectors of agro-processing dominating in KwaZulu-Natal include new fibres, new fuels, indigenous tea, vegetables, aquaculture, floriculture, and new fruits.

Non-farm enterprises according to Shedu and Sidique (2014) include all non-agricultural activities in the non-farm sector of the economy. These activities include trading, manufacturing, mining and all other form of human activities. Diana, Cornelia, Ioana, Ramona, Maria, Carmen and Ana (2013) give examples of non-farm rural enterprises from Romania which include woodworking traders like carpentry, joinery, wheelwright, wicker; pottery;



production of ceramic crafts and bricks, bulrush, and reed. Furthermore, some enterprises process food, wool, horticulture, agriculture. Others process sheep, goat products like wool by knitting and weaving to produce carpets, linen and embroidery. Again, other enterprises focus on maintenance of items used in woodwork workshops, like saws, tractors and harvesters used for agricultural purposes and carts used as local means of transport. These authors continue to state that the professions in the rural areas of Romania include mason, tailor, shoemakers, upholsterer and glazier. Nwaogwugwu and Matthew-Njoku (2015) also stated that non-agricultural activities dominating in Nigerian rural areas include petty trading and small-scale articles of trading which include candies, beverages and non-consumables. In the same vein Wadhera and Kareth (2012) also state that examples of rural enterprises in their area of study include different types of street vendors, self-employed carpenters, machine-shop operators, and seamstresses.

In a Ghanaian set up, the examples of activities in rural enterprises in Jaman North District stated by Anane, Cabbinah and Manu (2013) include dressmaking, hairdressing, food vending, and baking and sachet water production. The authors continue to state that the market is ready for these products because credit required as a start-up capital is low and the technology is simple. The non-farming activities that exist in South Africa besides agro-processing include mining, and marine subsistence fishing, small-scale and artisanal fishers and large-scale industrial fisheries. The National Planning Commission (2012) states that in South Africa, mining is a non-agricultural sector that is important for job creation. However, the secondary benefits of products related to mining still need to be investigated because there is little that is known about mine value chain. Further, in coastal regions of South Africa marine fishing, small-scale and artisanal fishers and few large industrial fisheries are common. The small-scale and artisanal fishers have low cost operations but fish high-value resources but it is the large industrial fisheries that use sophisticated equipment, who are targeted by the industrial fisheries.

According to Mtshali (2002) rural households in KwaZulu-Natal experience difficulties that prevent them from pursuing farming activities, as a result, they are involved in different non-agricultural activities to earn cash income. Further, there is a lack of data on livelihood security of rural households at district level in this province. This has been identified as a problem to implementation of agricultural and development policies. The researcher of the current study has also identified that there is lack of data and studies on the types of non-farm rural enterprises in KwaZulu-Natal. This research will try to fill this gap.

When comparing the rural enterprises in developed and developing countries there is a slight difference that can be detected. When looking at the non-farm rural enterprises in a developed European country and by comparing it to rural enterprises activities of developing countries like Ghana and Nigeria mentioned earlier, it can be concluded that those from developed countries require more sophisticated skills and machinery. Whereas those from developing countries require simple skills.

This article reports on the demographic data of participants and the types of rural enterprises in Zululand District Municipality in the province of KwaZulu Natal, South Africa. The study further explores the reasons for choosing these enterprises and also to determine the start-up capital.

Stimulation of rural enterprises through Tourism

Tourism can contribute to the stimulation of rural enterprise which can lead to rural development and poverty alleviation. According to Mthembu (2012) tourism plays an important role in alleviating poverty in rural areas especially if there is an economic involvement of local people. Furthermore, poverty can be alleviated through tourism activities because tourism has an inherent socio-economic advantage like the creation of employment. In agreement Nair, Munikrishnan, Rajaratnam and King (2015) state that tourists visit the rural



areas with destinations which have unique, cultural, natural and historical attributes where they are expecting to learn, be actively involved and enjoy. Furthermore, tourists, rural communities, businesses and government are stakeholders of tourism. Again, these authors state that tourism involves sustainability of social and economic development and environmental preservation.

The National Planning Commission (2012) asserts that the livelihood of people is enhanced by tourism but this benefit is determined by institutional support and the level of local community involvement. However, tourism is currently facing many challenges which cause the local communities in a tourism space not to enjoy the full benefits of tourism. This notion is supported by Saarinen and Lenao (2014) who state that currently and in most tourism spaces, tourism satisfies the need of international businesses and ignores the developmental needs of local people as most of the highly internationalised tourism destinations like the safari spaces in Northern Botswana are owned by foreign companies. Consequently, there is a problem of economic leakage. Furthermore, for tourism to contribute to the well-being of local communities tourism and improvement of livelihoods should be linked.

Another challenge stated by these authors is that it takes time for the economic benefits of tourism to reach local communities because the tourism industry is not ethically committed to use its business to alleviate poverty. Therefore, there should be an active participation of the community leading to them being equal partners in tourism supply chain. This can be achieved through the incorporation of the Integrated Rural Tourism (IRT) framework, which has an objective of integrating tourism as a new activity for localities in tourism planning, to all tourism activities (Saarinen and Lenao, 2014). Another thing that can stimulate rural enterprises through tourism is destination competitiveness.

Destination competitiveness is defined by Komppula (2014) as the ability for a tourist destination to not only pull tourists towards itself but to also satisfying them while providing better goods and services than other tourist spaces. These authors state that through destination competitiveness a tourist destination can provide local people with real income and lead to economic prosperity. Furthermore, an environment that favours entrepreneurship and the attraction of investors should be created by the public sector. In order to be competitive the entrepreneurs should adapt to the demands and expectations of their customers the tourists (Komppula, 2014).

Some evidence of the contribution of rural tourism to sustainable rural development is revealed in a study conducted by Kim and Jamal (2015) in Hongdong, Korea. In this study, it was revealed that tourism stimulated the economy of the region through the small-scale enterprises which are the livelihood of the rural community. The production of organic products and local food which are the main focus of these businesses increased. Again, the study showed that there was a promotion of the interrelatedness of rural tourism, nested agriculture, cultural and traditional farming methods and food. This led to cultural identity for local farmers and people. As a result of tourism in this region it enhanced the production of new products using traditional knowledge and cultural practices increased.

Methodology

The Zululand District Municipality is one of the ten district municipalities in KwaZulu Natal and the population is sparsely dispersed over 14 810 km². It operates in the northern part of the province. Approximately half the area is under the jurisdiction of traditional authorities while the remainder is divided between commercially-owned farms and conservation areas. The district is predominantly rural with commercial farmland interspersed by protected areas, towns, and dense to scattered rural settlements within traditional authority areas. The major towns and local municipalities forming part of the district are eDumbe, Abaqulusi, Nongoma,

Pongola, and Ulundi. The district serves a population of 964 005 people of whom 74.6 % reside in the rural areas, with the balance in the urban and/or peri-urban areas (ZDM IDP, 2016/2017). The district is characterized by high unemployment and poverty and, as such, the Zululand District Municipality has been identified as a Nodal Point. The municipality is isolated from the national economy mainly due to its location in relation to transport and distance from major centres. The traditional areas are poverty-stricken and depend upon the little economic output that is generated in the towns that are situated within the district (ZDM IDP, 2016/2017).

The study was conducted by means of a mixed method design. In this design, one data type is supportive and secondary while the other is dominant. According to this design different types of data need to be collected using different types of questions (de Vos, Strydom, Fouche and Deport, 2014). This means both qualitative (open-ended questions) and quantitative methods (close-ended questions) were used in order to increase the strength of the research but the qualitative method was dominant. These methods also helped to get a comprehensive knowledge around the topic of the study.



Figure 1: Zululand District Municipality Map

Source: <https://municipalities.co.za/map/125/zululand-district-municipality>



The target population was farming and non-farming rural enterprises from these five local municipalities. These enterprises were located and operating in the rural areas. The exact number of rural enterprises in ZDM is not known since there are many unregistered rural enterprises. According to Lekhanya and Mason (2014) it was estimated that in the KZN YouthBiz Database there are about 800 SMEs in KZN Province as a whole. According to the KZN Youth Business Directory, there are only 16 enterprises in Zululand District Municipality which are listed in this directory (NYD, undated).

It is not clear if these are rural or urban enterprises. The researcher, therefore, decided not to use this database because it is not reliable. Instead, the researcher asked help from the traditional leaders, members of the community and officials from the Department of Agriculture to identify farming and non-farming enterprises. The size of the sample of rural enterprises was not specified but depended on the occurrence of saturation.

Once the saturation point was reached in one local municipality within ZDM, the researcher continued to collect data in the next local municipality. According to Creswell (2015) in qualitative studies, the size of the sample is not specified but is determined by the occurrence of saturation in a study. Furthermore, saturation occurs when new data that is collected from new participants does not add to the codes or themes that have been developed. When this point has been reached the researcher stops collecting data. Snowball sampling methods were used to get participants.

A structured questionnaire was used to collect data from the participants. The questionnaire had both close-ended and open-ended questions. The questionnaire was written in English and then translated into Zulu using a professional translator. The researcher asked the participants questions from the questionnaire in Zulu, recorded the responses by writing them down on the provided space in the questionnaire paper. A voice recorder was also be used to record responses. The responses were recorded in Zulu and later translated into English during transcription.

A combined design was used in analysing data. All close-ended questions (quantitative data) were analysed using SPSS version 24 software and the open-ended questions (qualitative data) were analysed using content analysis. These two data processing methods were chosen in order to achieve efficiency in data analysis and one serves as a control for the other.

Results

The results are discussed in relation to demographic data of the participants and the types of the enterprise. The demographic data includes the gender, age of the business owner or leader, marital status, education level, household size and employment status.

The gender of the participants

This question was asked in order to find out about a relationship between gender and rural entrepreneurship.

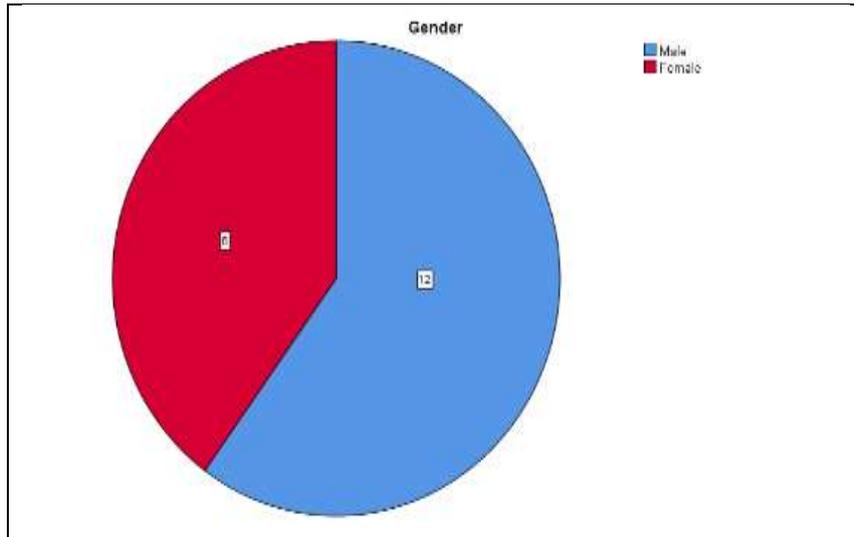


Figure 2: Gender Distribution

Out of 20 respondents, 60% were males. This means that in the sample the number of male rural enterprise owners was greater than female rural enterprise owners. Even though the percentage of males owning enterprises in this sample is high, the percentage of females owning enterprises is also equally every low at 40%. This means gender has no influence in owning enterprises. These results are in line with the results of the study conducted by Nagler and Naude (2014) in Sub-Saharan African which revealed that gender was not found to be a significant constraint to operate an enterprise, women were less likely to operate certain type of businesses.

Age distribution of the participants

This question was asked in order to find out if age has any influence in rural entrepreneurship.

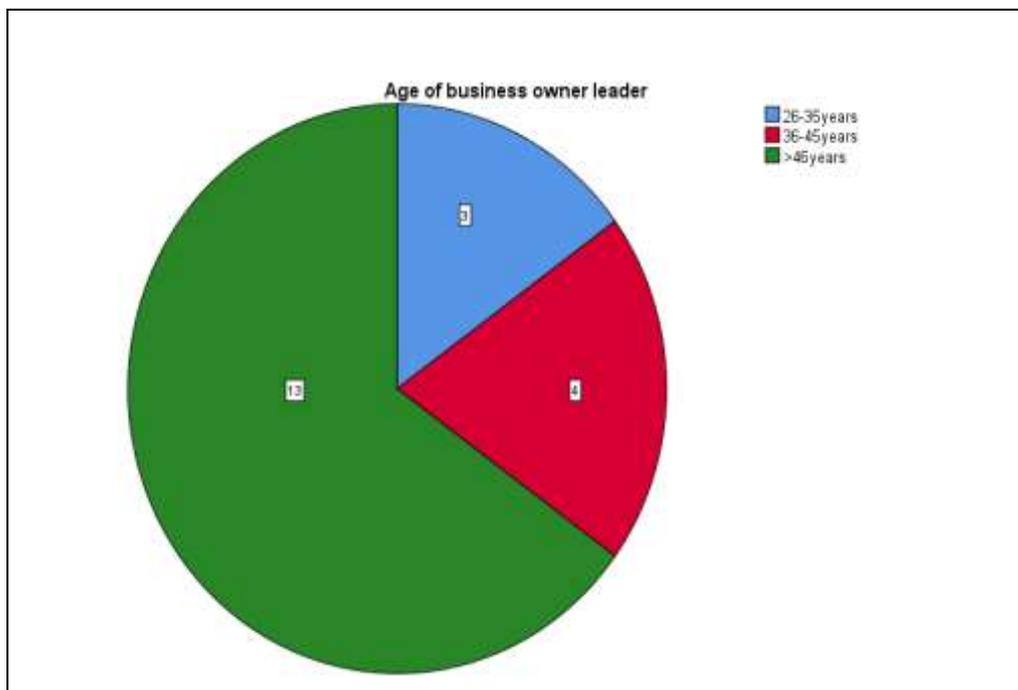


Figure 3: Age Distribution

Figure 3 indicates that out of a sample of 20 respondents 65% belong to the age group of 26 to 35 years and 15% belong to the age group which is over 46 years. The study conducted by Nagler and Naude (2014) in Sub-Saharan Africa revealed that the age of the household head is positively associated with a higher likelihood to operate an enterprise. While it was revealed in a study conducted by Urbano and Alvarez (2014) that older individuals are more likely to become entrepreneurs.

The marital status of the participants

This question was asked to ascertain the relationship between rural entrepreneurship and marital status, if any at all.

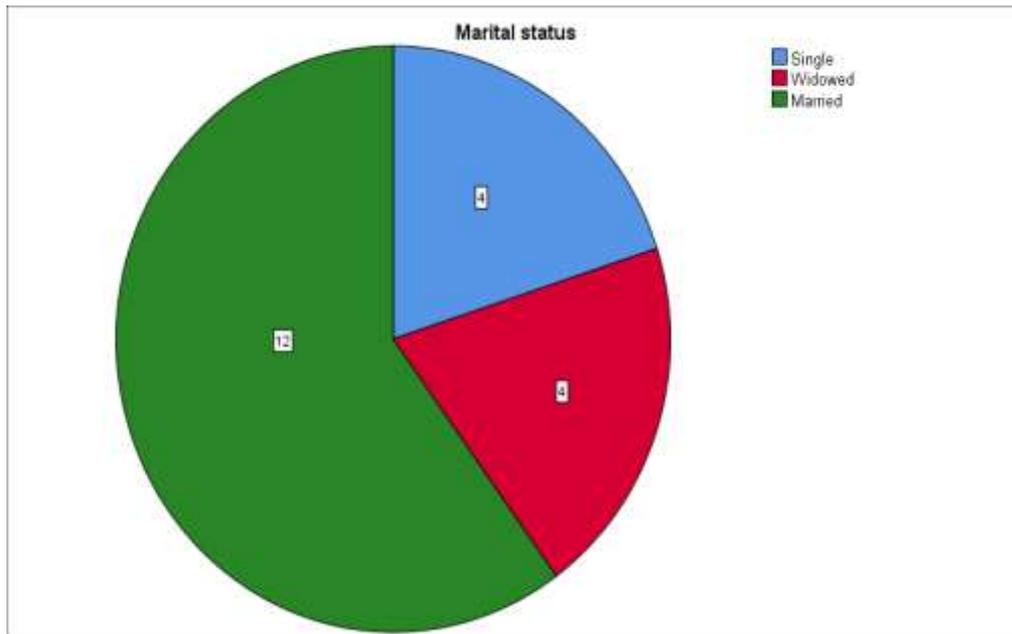


Figure 4: Marital Status Distribution

The results show that 60% is married (Figure 4). These results do not mean that there are more married rural enterprise owners in Zululand District Municipality. This means that there were more married participants in the sample. The knowledge of the marital status of the participants was needed to get a better understanding of the relationship that exists between rural entrepreneurship and marital status. The study conducted by Rey-Marti, Porcar, and Mas-Tur (2015) revealed that businesses of women who seek to combine their businesses with family commitment are less likely to achieve medium-term business survival.

Education level of the participants

This question was asked to find out the relationship that exists between the education level and rural entrepreneurship.

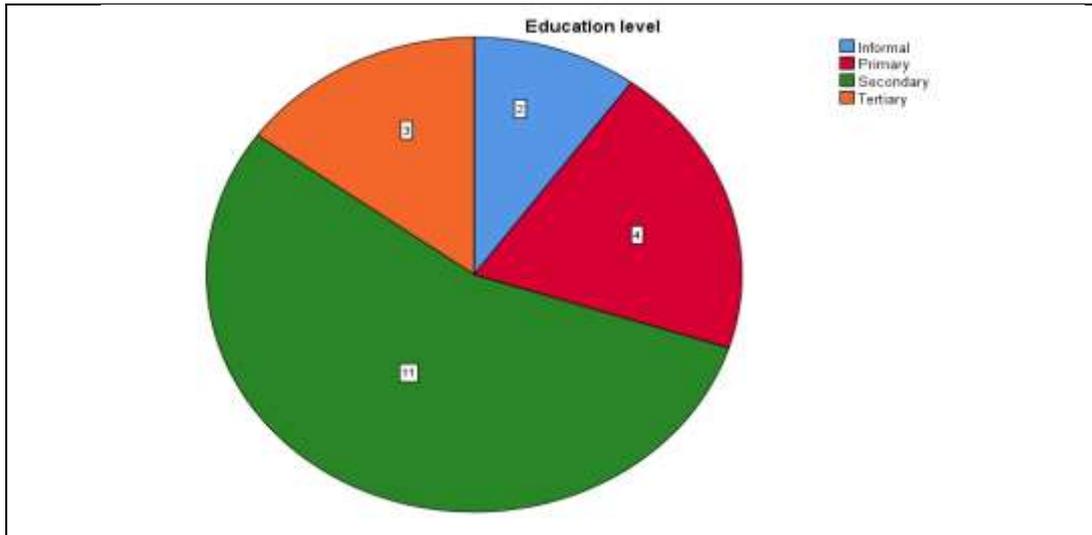


Figure 5: Education Level Distribution

Figure 5 indicates that 55% of the participants have a secondary level education while 10% never went to school. The level of education is important so as to check if it influences the success of the enterprise. According to Smit and Watkins (2012), studies about African enterprises show that education and training beyond primary school level contributes to the success of the Small and Medium-sized Enterprises. Furthermore, the reason for this is that educated entrepreneurs are able to adapt their enterprises to the ever-changing business environment.

The household size of the participants

This question was included to find out if there is any relationship between the size of the household and the type of enterprise.

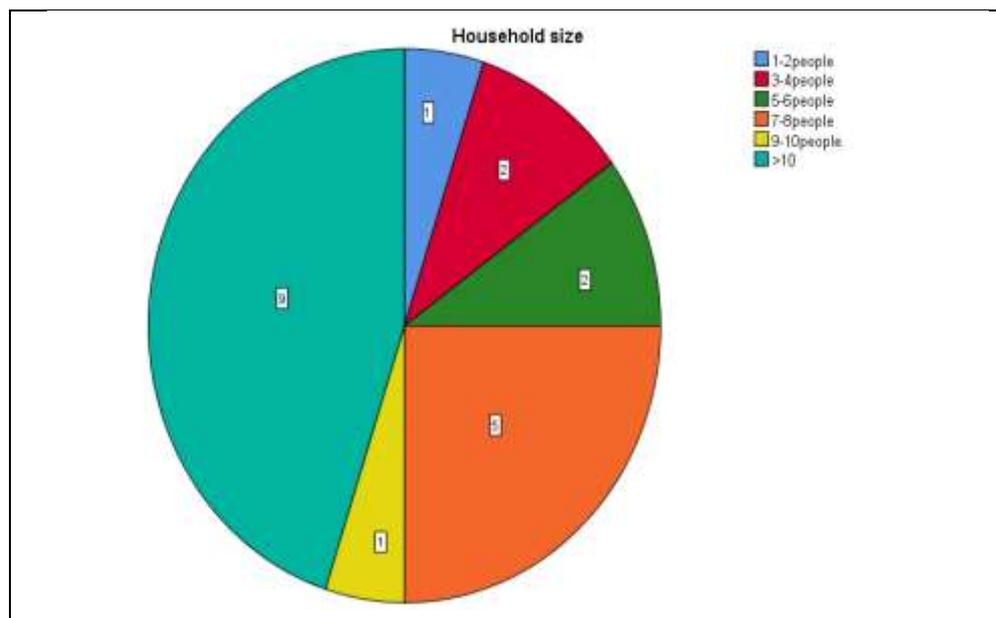


Figure 6: Household Size Distribution

Forty five percent of participants have more than 10 people and one participant has the household of 1 to 2 people (figure 6). The knowledge of the household size of participants was asked to check if there is any relationship between the type of the rural enterprises that the households choose and the size of the households. In their study Woltin, Zasada, Franke, Piorr, Raggi and Viaggi (2017) revealed that the diversification activities on-farm households are influenced by the family size.

Furthermore, these activities increase in young organic farm households with a young structure and large families while farm households which are traditional, older and smaller fail to generate sufficient synergy effects on-farm because of missing the required economic scale.

Employment status of the participants

This question was asked to find out about what type of relationship exists between occupation status and entrepreneurship.

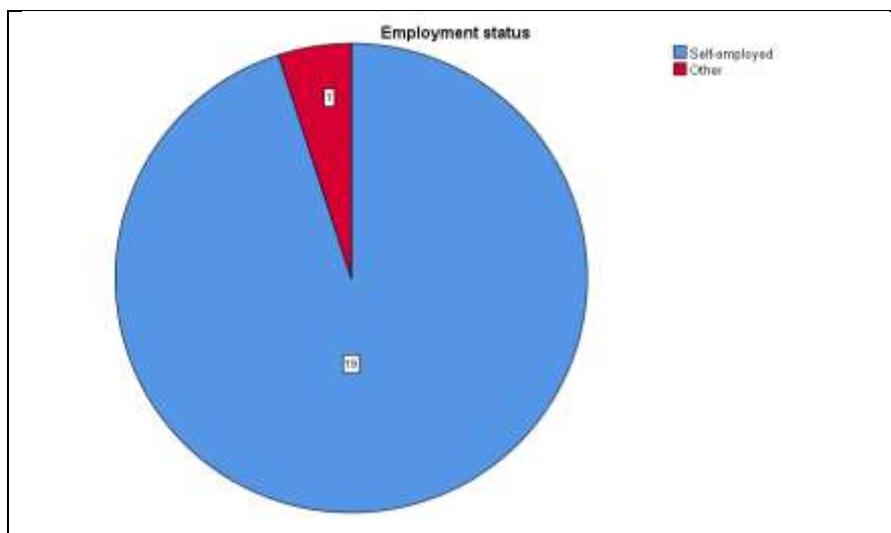


Figure 7: Employment Status Distribution

Figure 7 indicates that 95% of participants are self-employed and have no other employment. This means that most of the participants rely on the rural enterprises. The self-employed are the group of participants who have no other employment but rely on the rural enterprises. Five percent forms part of those who are both employed, and have rural enterprises. Williams and Horodnic (2015) state that out of the three billion of the world's working population two-thirds are employed in the informal sector and a large proportion of these are self-employed.

The knowledge of the occupation status of the participants is important in order to find out if the owners are involved in rural entrepreneurship to supplement their income or not. According to Mtisi and Muranda (2016) most of the rural enterprise operators view their businesses as a way of supplementing their incomes, therefore, they lack the business acumen and the right entrepreneurial attitudes.

The findings in this study are thus not in line with what the above authors stated. Most of the farmers and non-farm enterprises in the current study have no other source of employment. The income from the enterprise is the only income they have. Again, the results of this study are in line with the findings of the study conducted by Ndlovu (2013) in Zanyokwe irrigation scheme in Eastern Cape which revealed that the income from the project was the only income the farmers had.

The types of enterprises

This question was asked in order to find out about the types of farming and non-farm rural enterprises owned by the participants.

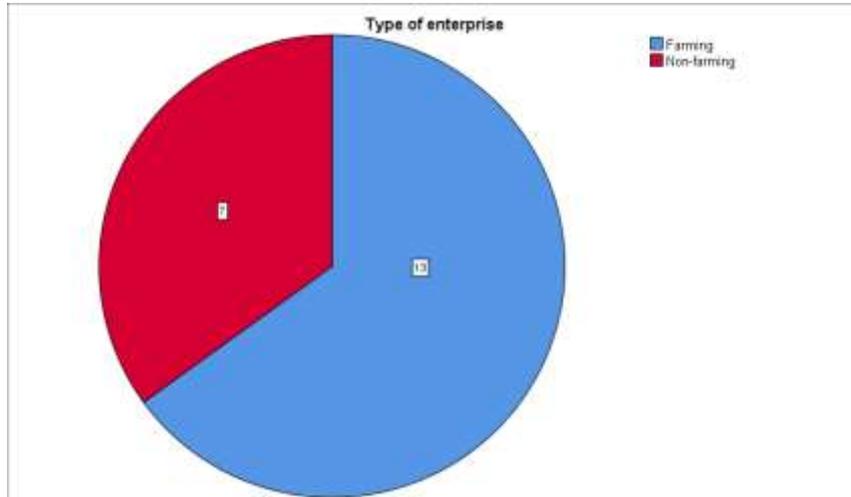


Figure 8: Types of Enterprise Distribution

Sixty five percent of the rural enterprises are involved in farming (figures 8). The farming enterprises include crop and livestock (figures 9 and 10). The rest are involved in non-farming activities include making of building blocks (figure 11), owning of tuck shops and taverns (figure 12), petty trading, one vehicle testing garage (figure 12), selling chicken feed, mobile fridge hiring This is what participant 1 had to say about what they farm in their farm.

“I plant and sell vegetables. Sometimes I also sell cattle. The types of vegetables I plant and sell include cabbage, tomatoes, onions, beetroot, avocado pears and mangoes”.

These results are in comparison with the study conducted by Nwaogwugwu and Matthews-Njoku (2015) in Southeast Nigeria, which revealed that the main livelihood activity of rural people is agriculture. Furthermore, the reason for this is that agriculture remains the main source of foundation of rural economy because rural people have access to land.



Figure 9: Crop farming enterprise



Figure 10: A livestock farming enterprise of selling goats.



Figure 11: A non-farming enterprise of making and selling building blocks



Figure 12: A non-farming enterprise of a small tuck-shop



Figure 13: A non-farming enterprise of a vehicle testing station

Distribution of participants according to the reason for choosing the type of business

The participants were asked why they selected a specific enterprise. This question was asked in order to ascertain what motivated the participants to choose the type of rural enterprise they are involved in.

Table 1: Reasons for choosing the type of business

General options	Participants	Percentage
To earn a living	8	40
Love this business	7	35
High demand for the business	2	10
Inheritance from a late husband	1	5
Help people build strong houses	1	5
Had no money to pursue education	1	5
Total	20	100

Table 1 indicates that 40% of participants are involved in rural enterprises to earn a living, five percent chose a business of creating blocks to help people build strong houses, another five percent chose the business because there was no money to further their studies and the last five percent inherited the business from the late husband. This is what participant 8 had to say about her/his choice of the type of business:

“There are no work opportunities so I decided to do something (small tuck shop) in order to feed my family”.

The results of this study are in line with the definition given by Alemu and Adesina (2017) who stated that rural non-farm are activities which are non-agricultural which aims at helping rural households to have an income through self-employment.

Distribution of participants according to the amount of start-up capital

This question was asked in order to find out about the cost of the start-up capital.

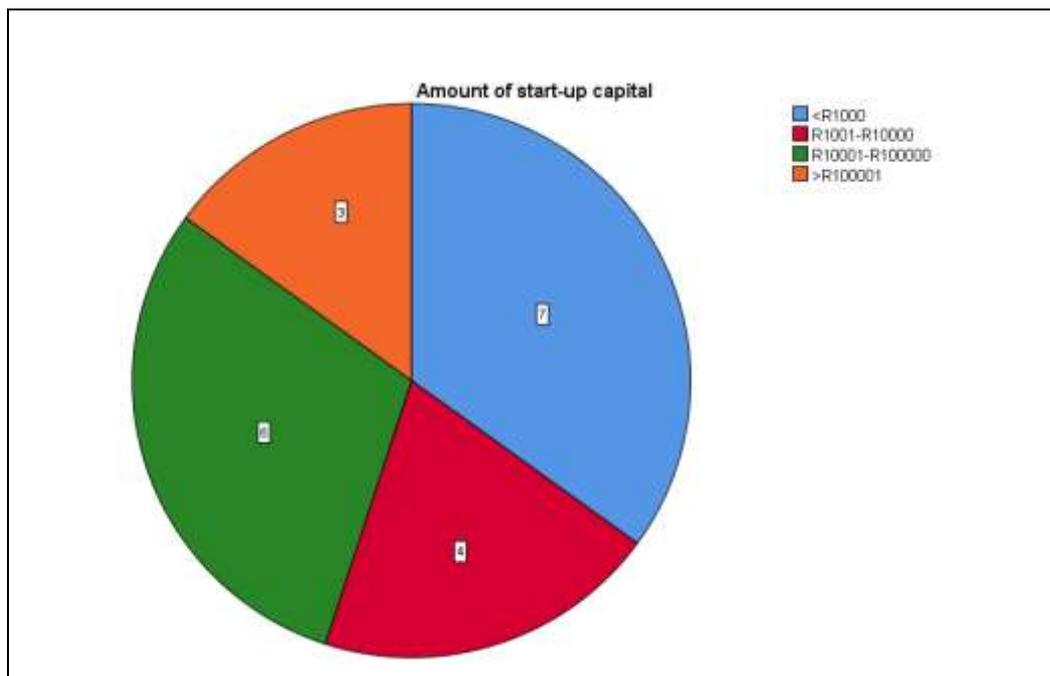




Figure 14: Amount of Start-up Capital

Figure 14 indicates that 35% of the participants started their rural enterprise with less than R1000 and 15% started at about R10000. Anane, Cabbinah, and Manu (2013) revealed that in Ghana, rural people choose businesses like hair dressing, food vending, baking and sachet water production because the market is ready for these products, the start-up capital is low and the technology required is simple. The findings in this study are in line with the findings of the study conducted by the authors mentioned above. The rural enterprise owners chose business with low start-up capital.

Conclusion

The purpose of this study was to contribute empirical knowledge on the demographic data of participants and their types of rural enterprises in Zululand District Municipality in the province of KwaZulu Natal, South Africa. The study revealed that gender had no influence in owning a rural enterprise. The majority of enterprise owners were above the age of 46 years. There were more married people in the sample who owned enterprises. Most enterprise owners had a secondary level education and were from large households. The participants had no other income except that which they acquired from the enterprise. Farming which included planting crops and tending livestock was more common in practice than the non-farming enterprises.

Participants chose the business they are involved in because they simply wanted to earn a living out of it. They started their rural enterprises with a start-up capital of below R1000. Finance was the major challenge among the enterprises. In the face of this and other lesser challenges, the effectiveness of the role of governmental institutions was considered to be unsatisfactory. The results of this research will be helpful in formulating policies that can promote rural entrepreneurship and also tourism enterprise development, because challenges facing rural enterprises have been exposed. There is a need for future research to focus more on reasons that lead to non-farm rural enterprises not to be as successful as farm enterprises in this district municipality. Results of such studies will give more insight on how to stimulate non-farm rural enterprises so that they can contribute significantly to rural development.

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