

Cultural elements for small agribusiness entrepreneurship in rural contexts

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Keywords

Agrobusiness, Enterprising, norms, unemployment, remote areas

Abstract

With high unemployment rates in South Africa, research into agribusiness entrepreneurship has become relevant. Despite their job creation dimension, agribusinesses are essential for realizing food security in both rural and urban contexts. The study aimed to explore the question: How do cultural elements affect small agribusiness entrepreneurship in rural areas? This question was prudent owing to the restrictions to open business that arose from the Covid-19 induced lockdowns and restricted movements. A rural context was the basis for the study taking note that in most rural areas in Africa, agricultural activity forms the backbone of socioeconomic life. The study followed the qualitative research approach based on the case study design of a selected rural community. The actual data collection method was based on two focus group discussions of the cultural elements that affect agribusiness entrepreneurship among members of the rural community. The findings show that culture is a strong deterrent of success agribusiness entrepreneurship in rural areas. Evidence collected pointed that the history of a community, family backgrounds as well as the external environment influences its culture which then affects agribusiness entrepreneurship in rural environments. These shape the beliefs, values, behaviour and values of a community. The apartheid era instilled psychological inhibitions such as the rejection of self-identities and the belief that self-employment is not possible among Blacks. It emerged that families influence the orientations of respondents especially through tales, stories and shared totems. The study shows that the external environment and its factors such as globalisation, technology and economic development also influence values, beliefs and agribusiness entrepreneurship behaviour.

Introduction

The Global Entrepreneurship Monitor [GEM] (2020) reveals that entrepreneurship takes place in a cultural context which tends to shape the attitudes, perceptions, beliefs, and behaviour of individuals. This study focused on cultural elements for entrepreneurship with specific reference to agribusinesses in rural contexts. In rural areas, therefore, agri activities are culturally rooted, and the values, beliefs and norms of a rural community are a critical determinant of the success of any form of agribusiness. These considerations are important given that in most African countries, a larger population lives in rural areas. As such, it appears natural to accelerate development initiatives in rural areas to ensure economic inclusiveness. Focus on the agribusiness entrepreneurial opportunity has risen owing to the realisation that agri activities are essential and are increasing across the globe. With high employment (Bowmaker-Falconer & Herrington, 2020) and a high failure rate of small business enterprises (Bruwer & van den Berg, 2017; Lose, 2021), especially among the African black majority of the 59.62 million people in South Africa, it has become essential to consider sustainable forms of entrepreneurship. Additionally, consideration of the variables affecting entrepreneurship especially among the black rural majority has become essential. As reported in Statistics South Africa (2020), 48.2 million (82%) people in South Africa are black Africans, while nine million (5.2%) are Coloureds, 4.7 million (8%) are Whites and 1.5 million (3%) are Indians or Asians. Considering that the rural black population is significantly large and tends to live under impoverished environments (Mugobo & Ukpere, 2011), this study aimed to determine the cultural elements that impact agribusiness entrepreneurship in the rural contexts. The rationale for the study is based on the need to increase

understanding of the inhibiting factors for agri-entrepreneurship in rural areas where agricultural activities dominate economic life.

Literature review

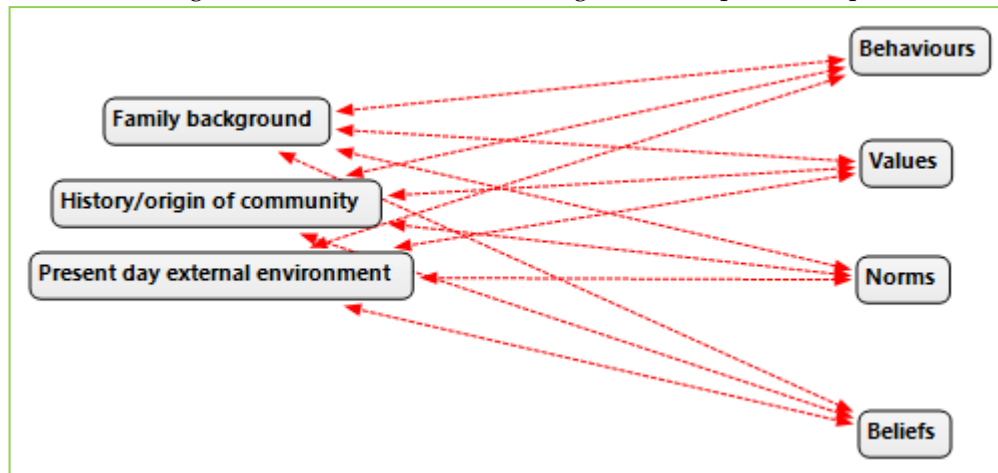
The essential role of culture in influencing economic activities in any societies cannot be overemphasized. While primitive societies were hunters and gatherers, the change from stone age to early iron age saw the development and growth of agricultural activities, increased specialisation and the beginning of accumulation of surplus. However, industrialisation, which began in Europe later spread to African countries and other parts of the world resulting in increased focus on industrial output. In fact, development was then measured in respect of the strength of industrial output. Despite this shift, agricultural activity was always considered as a supplier of the raw materials and essentialities that industry requires. At the beginning of the century, there was increased recognition of the prime role of agro activities with development within the framework of sustainable development goals to foster a world with reduced levels of poverty and hunger. The food security concern is a global problem as noted in the Combined study by the Food and Agricultural and Organisation (FAO), International Fund for Agricultural Development (IFAD), United Nations Children's Fund (UNICEF), World Food Programme (WFP) and the World Health Organisation [WHO] (2018), which found that world hunger is increasing. Despite these economic observations in respect of agribusiness, there is also increasing interest in agribusinesses, centered on the observation that agribusiness and agri-entrepreneurship can represent an important dimension for increasing economic activity in rural areas, reducing unemployment and boosting economic development. The success of these activities has been shaped by the cultural disposition of societies to some extent. This entails the beliefs, norms and values of a society. In some ways, culture can be regarded as supportive while in other ways it can be an impediment.

Agribusiness entrepreneurship in rural areas remains an important component of national development in many African countries including in South Africa. As commented on in Mugobo and Ukpere (2011), there is a missed opportunity in the rural areas of most African countries. The rural areas have a large market base as well as an unexploited or poorly exploited business opportunity especially with regard to toagro-economic activities. Evidence from studies suggests that rural entrepreneurship assists in the livelihood and welfare of the rural population. Based on its original interpretation, entrepreneurship involves the exploitation of an opportunity through an undertaking (Mugobo & Ukpere, 2011). Ngorora and Mago (2016) point out that rural entrepreneurship refers to entrepreneurial activities in rural areas and they present an opportunity for rural development and poverty alleviation.

Cultural elements of agribusiness entrepreneurship in rural areas have been considered to be essential determinants of agro enterprise formation. The value that has been attached to entrepreneurship across the world has created significant need for relevant studies to unlock its potential. Entrepreneurship has become a broad field of interest across the globe as it leads to economic development as well as offers a solution to socio-economic inequalities (Omoruyi, Olamide, Gomolemo & Donath, 2017; Bowmaker-Falconer & Herrington, 2020). In particular, numerous African governments are concerned about development in rural areas and are starting to increasingly consider economic activities for rural areas. Rural areas are, however, culturally rich and the influence of culture on entrepreneurship in general and agribusiness is worth considering (Lose & Kwahene, 2021). In observing the essence of rural entrepreneurship, Fishes and Oyelana (2019) note that rural entrepreneurs face significant challenges that include infrastructure, remoteness, financial limitations and general educational limitations for effective entrepreneurial activity. While research on the strength of cultural factors in influencing agri-entrepreneurship in South Africa is limited, studies such as those of Mugobo and Ukpere (2011) as well as Ngorora and Mago (2018) have pointed to the strength of cultural factors in influencing entrepreneurial success in rural environments. In the literature, both positive and negative cultural elements for agribusiness entrepreneurship in rural areas are evident. Ngorora and Mago (2018) found that family and community culture can provide initial experiences, support and confidence for emerging entrepreneurs. The study of cultural influences in rural entrepreneurship has led to the emergence of studies in relation to family, collective, and community entrepreneurship. Culture is the silent social order in communities and organisations that tend to shape behaviour, attitudes and other manifest actions of members of an organisation (Groysberg, Lee, Price&

Cheng, 2018). As provided in Porcu, del Barrio-García, Alcántara-Pilar and Crespo-Almendros (2017), culture relates to the collective mental programming of individuals who belong to a particular community, and this distinguishes members of one group from another. Cultural factors that influence rural entrepreneurship include values for competition, individualism, investment, patience as well as perseverance (Pawlak, 2012). These factors are capable of either stimulating or inhibiting entrepreneurial behaviour. Following the arguments from the literature, Figure 1 provides a conceptual framework that guided the study whereby background of families, community history and the present-day external environment affects the cultural elements of values, beliefs and behaviours and norms of individuals. This in turn affects entrepreneurial activities.

Figure 1: Culture elements affecting rural entrepreneurship.



The specific aim for which the study was formulated was to address the question: The study aimed to explore the question: How do cultural elements affect small agribusiness entrepreneurship in rural areas.

Method

The study was based on the research question: What are the cultural elements that affect agribusiness entrepreneurship in the rural community? To explore this question, the study followed the qualitative research tradition which is highly contextual and relies on interacting with key respondents to establish the truth of a phenomenon of interest (Christensen, Johnson & Turner, 2015). Among the various research designs associated with qualitative research, the case study design was deemed appropriate for the study as it allows for in-depth analysis and the collection of rich, context-based studies (Creswell & Creswell, 2018). The study adopted a case study design of a rural agribusiness community to achieve its objectives. While most rural areas in South Africa are engaged in some form of agro activity, a case study from one of the municipalities in the Eastern Cape province was selected based on convenience in terms of nearness and accessibility. Historically, the selected agribusiness community was a black racial reserve area during the apartheid government era. The community is approximately 1600 square kilometers in area. The community is on undulating fertile land which is well drained with rivers and dams available as sources of water for agriculture. It is located in the upper section of a valley, receives fairly adequate rainfall and has good temperatures for agro activities.

The Northern and upper areas of the community are made up of Xhosa-speaking black South Africans who make up about 95 per cent of the population while the lower areas of the community are composed of white English-speaking farmers who make up 1 percent of the community and Coloureds who make up 5 percent of the community. Agribusiness activities done in the farming community include citrus farming for exports, small scale crop and livestock production as well as vegetable gardening. The study focused on the black Xhosa speakers given that they formed a larger part of the community. Agribusiness activities among the farmers were based on the production of surplus vegetables, crop and livestock products sold locally within the community as well as in the nearby urban towns. Several farmers even supplied their products to big cities such as Cape Town and Johannesburg as well as to some international destinations.

The farmers are organised and have governing structures for managing the affairs of the community and to represent their interest to the local Municipality. The community management is structured in the form of a committee led by a Chairperson, Secretary, community welfare officer, community development officer, external relations and engagement officer, committee members and other specialised officers. The community comprises fifteen (15) members who oversee the welfare and realisation of good agribusiness practices in the community. Cultural elements for rural entrepreneurship from the literature were used to prepare an interview schedule which was set to confirm or disapprove the cultural elements for rural entrepreneurship from the literature. The cultural elements as depicted in Figure 1 formed the basis for structuring the interview guide for the focus group interviews. Furthermore, the focus group interviews were set to expand on the findings from the literature that could fit into the conceptual framework that emerged from the literature analysis.

Two focus group interviews were held with ten (10) members of the community management committee. The snowball technique was used in setting up the focus group. This was done by first giving the interview schedule to the chairman of the committee and setting up the first interview in order to establish the basics of the study. After this the committee chairman was asked to provide names of the members of the committee who possessed adequate experience and knowledge on the cultural influences of agribusiness entrepreneurship in the community. As such, the sampling technique adopted to establish focus group respondents. The Chairman then tasked his Deputy to distribute the interview schedule to the identified possible focus group members.

Ten members of the potential focus group respondents indicated their interest and eagerness to participate in the study. As observed in Lambert and Loisel (2008), focus group discussions are based on questioning, discussing and commenting on each other's experiences of a phenomenon so as to understand it better and arrive at a valid conclusion. Researchers who engage in focus group discussions decipher important insights about a phenomenon of enquiry as the participants share their knowledge, perceptions and experiences of a phenomenon (Onwuegbuzie, Dickson, Leech & Zoran, 2009). The purpose of the focus group interviews and discussions held in this particular inquiry was to explore and establish their agreeableness of the cultural factors developed in the literature study and indicated in the interview schedule and to expand and provide more details. In Mansell, Bennett, Northway, Mead and Moseley (2004), it is mentioned that power and authority differences of members of a focus group do not affect discussions; junior members and subordinates can be appointed moderators. Following this, the Chairman was asked to ensure that all members were free to contribute, and two junior members were requested to be the moderators of the focus group discussion. To ensure free and appropriate exchanges of views and experiences, the members of the focus group set up a code of conduct and procedure for the discussions which was adopted and implemented during the discussions. Following the discussion procedure that was set up, two focus group discussions were held at the community hall. In the first focus group, half of the interview items were discussed, and they were then completed in the second sitting.

RESULTS

The study found from the focus group discussions, important cultural themes and elements that are critical in improving small agribusiness enterprises in the rural community. Relevant data were collected during the discussions and an analysis sheet used to record and summarise the data. Data were captured and summarised in an analysis sheet shown below. In the analysis sheet the following coding was used: SA = Strongly agree, A = Agree, NS = Not sure, D = Disagree, SD = Strongly disagree.

Table 1. Extract of the focus group interview responses analysis sheet

Cultural elements of agribusiness entrepreneurship	SA	A	NS	D	SD	Comment
The history of the community impacts on its agribusiness entrepreneurship culture	x					All ten members of the focus group supported this. In summing up the discussion, the moderator curtailed the discussion with the statement "apartheid really affected whatever we do now, we were segregated, traumatised and made to value white-collar employment from the Whites. It also put us on the margins of development, leaving us poor and with no resources. In addition,

Cultural elements of agribusiness entrepreneurship	SA	A	NS	D	SD	Comment
						our values, beliefs and norms were changed during apartheid. Up to now most of us still lack confidence, resources, the right education and we still rely on inheriting family businesses. We lack the creativity and innovativeness and the belief in yourself to succeed as entrepreneurs."
The family history impacts on agribusiness entrepreneurship culture in this community.		x				Two members supported each other in indicating that "in the African culture, families have certain economic activities that are unique to them, the skills of which they pass to new members of the family. Agribusiness skills are passed from one family member to another. However, families who do not have it in their families cannot do it. In addition, the family history is the source of the personality traits such as independence, risk taking, sociableness and competitiveness which aid in agribusiness entrepreneurship."

Discussion

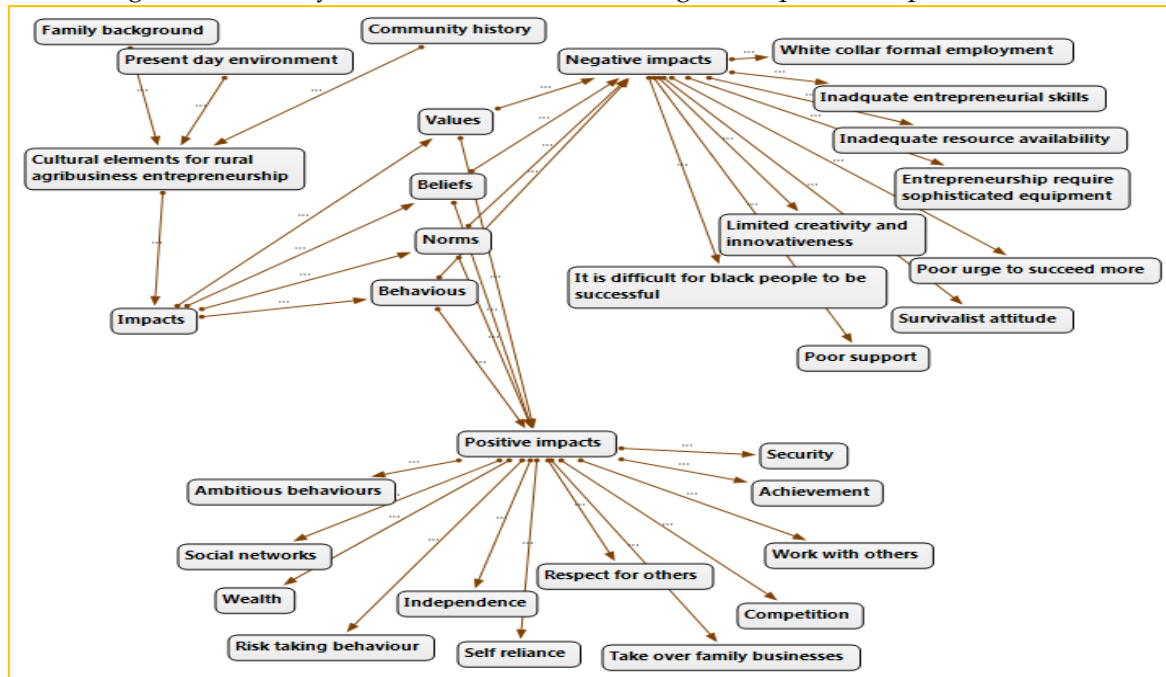
The evidence gathered in this study provides that there are cultural factors that have both positive and negative impacts on agribusiness entrepreneurship in rural areas. It was also established in this study that the cultural elements are shaped by family background and lifestyle, community history as well as external environmental influences. Family backgrounds, community history and the external environment shape the values, norms, beliefs and behaviours of existing and potential agribusiness entrepreneurs. A key community history factor that was repeatedly mentioned in the focus group discussions was the pre-1994 apartheid era which marginalised and segregated races. The black community was put on the periphery of economic development and was affected both psychologically and socially, the effects of which seem to still prevent meaningful entrepreneurial thrust among them. It was notably established that apartheid denigrated Blacks leaving them lacking the confidence in their efficacy as economic players. Members of the community doubted their capacity to start and run businesses, leaving them as job seekers only who cannot self-employ.

Sentiments provided by participants also pointed to some positive impacts of the agribusiness entrepreneurial culture that can be realised from cultural elements as influenced by community history, family backgrounds as well as the external environment. While the apartheid history could have merely left a dark side to agribusiness entrepreneurship opportunities as well as desires, it has also cultivated a value for independence and resilient behaviour among members of the community. The participants indicated that apartheid taught them to be strong, which cultivates traits that agribusiness entrepreneurship requires. Family histories also tend to be the basis for individual values and beliefs which if well adhered to can lead to successful agribusiness entrepreneurship. Some members of the focus group pointed to the essential role played by totems and African surnames in shaping the values, beliefs, norms and behaviours in rural communities. Participants submitted that totems and African surnames can propel agribusiness entrepreneurship by shaping admirable actions for potential and existing entrepreneurs. Another key element provided in this study was that of rural folklore, stories and fairy tales, which are shared by members of the rural community, and that tend to instil the same sense of ambition, value for ambition and social relationships which can be important in shaping agri-entrepreneurial activities.

It was further established in the study that the challenges being faced in the business environment seem to drive members of the community into entrepreneurship. For instance, globalisation has led to the fusion of cultures thereby neutralising some negative cultural forces as people become more and more exposed to other cultures and end up neglecting some of the limitations of their own culture in adopting new values, beliefs, norms and behaviours. The high unemployment rate in South Africa has also driven several community members into agribusiness entrepreneurship as they fail to find employment in conventional companies. The Covid-19 pandemic was also mentioned as an external factor that has negatively and positively impacted on agribusiness entrepreneurship. In the positive sense, Covid-19 has created new behaviours especially in relation to the lockdown. Community members have increasingly

become home-based and have realised the value of home-based agribusiness entrepreneurial ventures in the rural areas. These results support the works on entrepreneurial culture that are found in the literature. In particular, the study has affirmed Davidset *al.*'s (2021) findings that cultural elements have a significant impact on influencing entrepreneurship in many rural provinces of South Africa. A summary of the results of this study is provided in Figure 2. The figure summarises the findings of this study, which were previously discussed.

Figure 2: Summary of the cultural elements for agri-entrepreneurship in a rural context



Source: Author's conceptualisation

Conclusions

The study aimed to explore the cultural elements for agribusiness entrepreneurship in a rural context in South Africa. The data collected in the study has provided evidence that cultural variables have both positive and negative impacts to agri-entrepreneurial activities in the rural context. It was found that the cultural basis for rural agribusiness entrepreneurship is shaped by community history, family background as well as external influences. The study also found that cultural elements within the rural community were epitomised by a history of trauma and psychological scars from the apartheid era. These negatively affected their confidence in economic participation and eroded their traditional values, beliefs and behaviour. Principally, the members of the community were groomed to value white-collar formal employment because of the apartheid history. However, they also gained independence, resilience and social ties, which essentially have been necessary in developing their present-day agribusiness entrepreneurial activities. Family backgrounds were also found to contribute to the development of appropriate personality traits, values, beliefs and behaviour for agro entrepreneurship. Families were found to be creating opportunities by offering start-up resources and psychological preparedness as family history, totems and folklore helped shape member identities. In addition, the external environment, including unemployment, globalisation and technological growth has also been found to aid agri-entrepreneurship.

Recommendations

Based on the findings of the study, communities are recommended to increase their cultural awareness and realise the positive and negative impacts of their cultures on entrepreneurial activities among community members. Where possible, community leaders and family members are encouraged to carry out cultural awareness campaigns that inform their communities of the positives and negatives of their cultures in promoting entrepreneurship and economic development. Lastly, potential entrepreneurs are advised to

capitalise on the positive dimensions of their cultures to exploit agribusiness entrepreneurial opportunities while avoiding cultural pitfalls that impact on successful agribusiness entrepreneurship.

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