# AFRICA UNIVERSITY

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# RURAL ENTREPRENEURSHIP IN ZIMBABWE: CHALLENGES AND OPPORTUNITIES IN RURAL CHEGUTU

BY

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A DISSERTATION/THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF EXECUTIVE MASTER IN BUSINESS ADMINISTRATION IN THE COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES



#### Abstract

According to Zimbabwe 2022 population and housing Census report, 61.4 % of the Zimbabwe population reside in the rural areas. This disproportion shows how important rural areas are for Zimbabwe's future development. Entrepreneurship has become important in rural development however rural entrepreneurship in Chegutu, Zimbabwe, faces a complex interplay of challenges and opportunities that significantly impact its development. Previous research has left contextual gaps that are important for effective policy and strategy formulation. This research aims to determine the lived experiences of rural entrepreneurs in Chegutu, identifying the entrepreneurial opportunities available to them and the challenges that they experience so as to improve strategy and policy. The Resource Based View (RBV) and the Place-based theory guided and informed the research in identifying the key opportunities and unveiling the challenges that they encounter in the course of business. In order to gain a deep understanding of the experiences the mixed methods approach was used with three different wards to identify the challenges and opportunities available to rural entrepreneurs. The researcher administered 69 questionnaires and 11 interviews to entrepreneurs with at least two years' experience to collect data. The data was presented and analysed through descriptive statistic and thematic approach. Results show that the region's entrepreneurs encounter barriers such as inadequate funding, lack of skills, and insufficient infrastructure, which hinder their ability to establish and grow businesses. However, there are also notable opportunities, particularly in sectors like horticulture, mining and grocery shops, which can be leveraged for economic growth by villagers in Chegutu rural district. This was attributed to the availability of huge farms, minerals and manpower. Despite the challenges, the potential for rural entrepreneurship in Chegutu remains significant, particularly if stakeholders can address the barriers effectively. However, without substantial systemic changes, the growth of rural entrepreneurship may remain stunted, limiting overall economic development in the region.

**Key words**: Rural Entrepreneurship, Resources, Innovation, Development

# **Declaration**

I declare that this dissertation is my original work except where sources have been cited and acknowledged. The work has never been submitted, nor will it ever be submitted to another university for the award of a degree.

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My friends. You were the best cheerleaders.

# **Dedication**

I dedicate this thesis to my grandmother Mavis Samambwa who always reminded me that the sky is the limit and that I can achieve absolutely anything.

# List of Acronyms and Abbreviations

GDP Gross Domestic Product

Mash-west Mashonaland West

PBA Place Based Approach

RBV Resource Based View

RBT Resource Based Theory

RDC Rural District Council

SDG Sustainable Development Goals

# **Definition of Key terms**

Entrepreneur The entrepreneur is the individual (or team) that identifies the

opportunity, gathers the necessary resources, creates and is

ultimately responsible for the performance of the organization

Entrepreneurship Entrepreneurship is the pursuit of a discontinuous opportunity

involving the creation of an organization (or sub-organization)

with the expectation of value creation to the participants.

Rural Area a geographic region located outside of cities and towns,

characterized by open spaces, farmland, and a lower population

density compared to urban areas

Sample A sample is a finite part of a statistical population whose

properties are studied to gain information about the whole

population

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# **CHAPTER 1 INTRODUCTION**

#### 1.1 Introduction

Zimbabwe, once called the bread basket of Africa, is a country with vast fertile land and lots of opportunities for trade that are yet to be fully exploited. Over 60 % of the Zimbabwean population dwells in the rural areas and are plagued with poverty and underdevelopment and fostering entrepreneurial activities can hugely contribute to development and reduction of poverty. Rural entrepreneurship can be considered as one of the solutions to reduce poverty, migration and develop employment in rural environments (Ansari, 2013). According to Kew (2017) entrepreneurship is considered to be an important mechanism for economic development through job creation, innovation and its welfare effect. Additionally, Keyser & Adewumi (2020) further alluded that commenting on the significance of rural entrepreneurship is pivotal to the uncovering of economic development of a country. The Chegutu district, located in the Mashonaland West province, presents a captivating case study for examining the dynamics of rural entrepreneurship in Zimbabwe and this study will add to the knowledge of how rural entrepreneurship can be used as a strategy for rural development.

While numerous Global, National and Regional level initiatives have been put in place to guide, promote and measure entrepreneurial activity as a strategy for development, In Zimbabwe the body of knowledge is still scarce on how to deal with the unique nature of rural entrepreneurship specifically. The concept of rural entrepreneurship, in simple terms, implies the categorisation of all rural-inclined entrepreneurship with a focus on small business ventures, such as carpentry, tourism and other artisans (Ngugi, McOrege & Muiru, 2013). The success rate of businesses in the rural areas has been

declining over the years and therefore it has become urgent and crucial to pin down causes and effects. With limited knowledge it has been difficult to put in place appropriate strategies that promote rural entrepreneurship in Zimbabwe. This study aims to breakdown what rural entrepreneurship means in the context of Zimbabwe while identifying the wide array of unique opportunities and challenges in order to come up with solutions that will lead these businesses in a better path to success.

This paper presents a review of the literature on rural entrepreneurship, and argues that rural entrepreneurship is a distinct area of entrepreneurship research and practice, with alternative opportunities for local development that do not necessarily follow the mainstream literature (Fortunato, 2014). Particularly, understanding rural entrepreneurship through the contextual lens is supported with its large number of youths who depend on rural enterprise (Adewumi and Keyser, 2020). The researcher recognizes that there is a gap in understanding the specific socio-economic dynamics and entrepreneurial characteristics unique to rural areas like Chegutu, particularly how local challenges and opportunities differ from urban contexts in Zimbabwe's broader entrepreneurial landscape.

The research aim was to determine the lived experiences of rural entrepreneurs in Chegutu, identifying the entrepreneurial opportunities available to them and the challenges that they experienced before start of business, while they conducted business and those that caused businesses to stagger or stop.

# 1.2 Background to the study

Rural entrepreneurship is a concept adopted from the original entrepreneurship and consequently the definition has evolved over time as more research has been conducted

to pin down the main characteristics and patterns. Gaddefors & Anderson (2019) highlighted that the concept of rural entrepreneurship has been contentious and mirrors the problem in defining entrepreneurship itself. Rural Entrepreneurship can be defined as entrepreneurship rising at village level which can take place in a variety of fields of venture such as business, industry, agriculture and acts as a powerful reason for economic development (Ajmeri 2012 in Majan et al). The focus in on leveraging local resources and skills to create economic opportunities and address rural poverty by generating jobs and improving livelihoods.

The success of rural entrepreneurship activities is dependent on understanding the unique contexts and the factors that give rise to the motivation to take part in the activities. Several studies agree that in-migrants make a excessively positive contribution in the conception of new ventures in rural economies. Kalantaridis & Bika, (2006) submit that in-migrant entrepreneurs emerge as a key instrument in enhancing the integration of rural economies in the national and global markets. The study by Huang et al (2022) revealed that urban employment obstacles, policy support, and infrastructure were positively connected with returning residents carrying out rural e-commerce entrepreneurship while tart-up costs were negatively correlated with rural e-commerce entrepreneurship by returning residents. Munkejord (2017) identified four modes of entry to entrepreneurship, namely entrepreneurship as a way out of unemployment; entrepreneurship as a means to avoid underemployment, entrepreneurship as a means to live in a region of perceived attraction; and entrepreneurship as a preferred choice for women in satisfactory wage labour. In addition, the paper reveals the importance of family support and of spatial embeddedness among immigrant entrepreneurs living in a rural context (Munkejord, 2017).

A very small percentage of the rural dwellers take part in entrepreneurial activity and as a result, the families are plagued with extreme poverty with very little hope to improve their livelihoods. One of the results of these situations is child labour and early child marriages. It is therefore pivotal to find ways to encourage entrepreneurial mindsets and activity. There is a need for programs designed specifically to exploit the potential of entrepreneurs in rural areas and reduce the barriers to innovation and technology entrepreneurship (Fanjul et al, 2023). Munoz and Kimmit (2019) established that Entrepreneurship in rural areas normally emerges out of necessity and/or as an extension of the current commercial activity or occupation; as a result, wanting to "do something else", "overcome circumstances" or in reaction to (nonconformity with) current terms of trade imposed by larger buyers. This research seeks to explore avenues in with entrepreneurship can be encouraged and fostered in Zimbabwe through practical recommendations that address experienced challenges.

Rural entrepreneurship has often been termed the backbone of rural community development, however entrepreneurial activity in the rural areas is plagued with challenges that hinder its growth and development. Religious, socioeconomic and structural forces play a significant role in suppressing social capital, limiting cultural capital and stifling entrepreneurial spirit in rural areas, explaining the low level of entrepreneurship in these areas (Muhammad et al, 2017). The study carried out by Mashapure et al (2022) established that women entrepreneurs face various challenges such as lack of collateral security to access funding; lack of market information and occurrence of disasters in the localities. Aguilar (2021) expressed that the scant literature on innovation and entrepreneurialism in rural contexts means that policymakers and prospective entrepreneurs have less information on best practices

for rural projects. The current solutions to the extreme poverty that lays in the rural areas remain inadequate and there for it is imperative to continue to probe until we get it right.

Entrepreneurial activity also harbors social benefits apart from the widely known economic benefits. Munoz & Kimmit (2019) submit that being able to use limited resources and ameliorate circumstances in rural areas is a sign of skillfulness and achievement, which enables legitimacy. The "few" that pursue these businesses have short lived success and the businesses tumble down within 2 years. Many existing businesses are shedding jobs and even ceasing operations and without the creation of jobs through new business formation, rural employment would be steadily declining (Deller, Kures and Conroy, 2019). If left unchecked this problem will expand and as a nation, we will lose out on the economic and social benefits that could come from pursuing meaningful entrepreneurial activities in these rural areas and in the same instance cause a disaster in the capital cities.

The aim of this paper was to encourage efficient utilization of available resources. It has been noted that villagers choose to migrate to the bigger cities to look for "greener pastures" while they overlook the wealth of resources that is readily available to them. This migration causes over population in the capital city Harare leading to array of problems that include congested roads leading to accidents, limited job opportunities leading to unprecedented illegal activities, congested sew systems.

#### 1.3 Statement of the Problem

Rural Zimbabwe continues to be plagued with poverty and underdevelopment. Ninetyone (91) percent of Zimbabwe's extremely poor households are in rural areas, with the majority depending directly or indirectly on rain-fed agriculture (Ministry of Finance, 2016). The last census states that Mashonaland West province has a total population of 1501656 with 1124713 (75%) being in the rural areas and 376943 (25%) being in the urban areas (Report, n.d.). Rural areas continued to register very high levels of household income poverty of 73 percent in 2001 and 76 percent in 2011/12, compared to urban areas with 33.8 percent and 38.2 percent, respectively (Development, 2016).

Even after a bumper harvest, 1.1 million people in the rural areas still experience food insecurity (Odero, 2018). Notably over the years infrastructure in the rural areas has deteriorated which has seriously affected productive sectors of the economy as well as the level and quality of basic services (Odero, 2018). Significantly about 77.2% of People Living with Disability (PLWD) live in the rural areas. Moreover the Ministry of Finance (2016) stipulates that rural to urban migration (a result of extreme rural poverty) causes a decline in agricultural production and productivity. A major challenge is reasonable access to medical services in rural areas, particularly for the poor, demanding the transformation of the primary healthcare system. The Ministry of Finance (2016) proposed entrepreneurship as a strategy to economically empower the previously disadvantaged Zimbabweans by increasing, mainly through economic expansions, their participation in the economy so as to create wealth and eradicate poverty.

The rural areas still have inadequate infrastructure like schools, clinics and shops to cater for the livelihoods of the inhabitants of the areas. Children in Chegutu rural have to walk long distances in order to access education and ill individuals (eg from snake bites) often have to travel to Harare in order to access medical facilities. The

Government and other authorities have put in place measures to try and foster entrepreneurship as a strategy for rural development. Although a few individuals in the Chegutu Rural have endeavored in some entrepreneurial activities, up to date the projects have not reached the desired level of self-sustenance and there is fear that the projects may close down leaving the area at a huge loss.

With limited data this paper examines the recent developments of rural entrepreneurship in Zimbabwe. The last Zimbabwe census (2017) reported a population of 16.53 million individuals, with 67.7 % of them residing in the rural areas. Despite most of Zimbabwean citizens being based in the rural areas, there is still notable low development of infrastructure to support the livelihoods of these people. As a result of poverty levels in rural Zimbabwe, most young people migrate to the urban areas in search of better conditions. The rural to urban migration results in overpopulation (eg Harare), hiking urban land value, shortage of employment opportunities, poor civic amenities and many other disadvantages.

# 1.4 Research Objectives

- 1. To determine the effects of rural entrepreneurship in Chegutu
- 2. To identify the key challenges faced by rural entrepreneurs in Chegutu
- 3. To identify the entrepreneurial opportunities in Chegutu
- 4. To recommend solutions to the challenges identified

#### 1.5 Research Questions

- 1. What are the effects of rural entrepreneurship in Chegutu?
- 2. What are the key challenges faced by rural entrepreneurs in Chegutu?
- 3. What are the available entrepreneurial opportunities in Chegutu Rural?

4. What are the possible solutions that will adequately address the challenges identified?

# 1.6 Hypothesis

H1: Participating in entrepreneurial activities will improve the livelihoods of Chegutu Rural locals

Ho: Participating in entrepreneurial activities will have no effect on Chegutu Rural locals.

# 1.7 Significance of the study

Eckhardt and Shane (2003) stated that there is limited knowledge of the opinion of entrepreneurs, business opportunities, the people that pursue them, the skills used for organizing and exploiting opportunities and the most favourable environmental conditions for these activities. Moreover, studies are carried out at different levels; individual, firm, sector and geographical space. There is no basic theory for carrying out this type of study, resulting in approximations based on casuistry, anecdotes or fragmented reasoning (Eckhardt and Shane, 2003: 12). Therefor this study aimed at producing knowledge on how to address failed entrepreneurial activities, as well as further knowledge on the mechanisms communities are applying to improve their livelihoods. It is also focused on producing knowledge on how design entrepreneurial innovations can support community building activities.

The issue of entrepreneurship is important since it is part of the Millennium Development Goals to alleviate poverty and also part of the national policies. The black box of entrepreneurial function is yet to be opened (Fiet, 2001). Thus, another purpose of this study is to evaluate the potential of Design based entrepreneurship as a tool for promoting rural community development in Zimbabwe. Taking into

consideration that providing the community members with free food and agricultural inputs cannot be enough to foster development in the rural areas, design entrepreneurship therefor becomes the key to unlocking abundant potential for growth in the marginalized areas of the country, giving them the capacity to be financially independent, create employment and attain self-sustenance.

# 1.8 Delimitations of the study

Delimitations allow the researcher to slim down the research to make it more practical and applicable to the topic. Dimitrios & Antigoni (2019) purport that delimitations are the definitions that the researcher decides to set as the boundaries or limits of their work so that the study's aims and objectives do not become impossible to achieve.

- The geographical scope of the research was limited to Chegutu rural wards 21,
   and 28. This allowed the researcher to use limited resources to get a deeper analysis of the of the specific challenges and opportunities in the context.
- This study was a cross sectional study. The study was conducted in a single point in time to capture the lived experience of rural entrepreneurs in rural Chegutu in that time.
- 3. The research was centered on that had at least 2 years on entrepreneurship. This allowed the researcher to collect data from entrepreneurs with more experience and knowledge.
- 4. Based on the resource based theoretical framework the study focused on how the rural entrepreneurs harnessed local resources to create value.

# 1.9 Limitations of the study

Limitations of any particular study concern potential weaknesses that are usually out of the researcher's control, and are closely associated with the chosen research design, statistical model constraints, funding constraints, or other factors (Dimitrios & Antigoni, 2019).

- The case study presented geographical limitations. Rural contexts vary significantly in terms of resources, infrastructure culture and economic condition therefore findings may not me generalizable.
- 2. The population presented a limitation to the study
- 3. The researcher had limited resources and presented and that presented a limit.

  Time and Budget: Limited time and budget may have constrained the scope of your study, the size of your sample, or the depth of your data collection. The wards under study are far from each other and therefor the researcher had to travel long distances to reach the entrepreneurs as few of them had access to a reliable network to speak with over the phone. Some of the entrepreneurs were also reluctant to participate in the research.
- 4. The research was also limited by researcher bias.

# 1.10 Chapter Summary

This chapter provided an introduction to rural entrepreneurship in Zimbabwe and the role it plays in development. The chapter presented the background to entrepreneurship in Zimbabwe and its progress thus far. The statement of the problem, aim of the research and the specific objectives of study were also stated. The next chapter reviews the scholarly literature on which the study was based including the theoretical framework which guided the study.

#### **CHAPTER 2 REVIEW OF RELATED LITERATURE**

#### 2.1 Introduction

The aim of this chapter is to review the related literature on rural entrepreneurship as a strategy for development while also capturing the dynamic discussions around the topic in question. The chapter begins by defining the term entrepreneurship and the various theories at play before delving into the theories and concepts that have thus far risen.

#### 2.2 Theoretical Framework

For study to gain structure and credibility it has to be underpinned by a theoretical framework or conceptual framework. Varpio et al (2020) defined theoretical framework as a logically developed and connected set of concepts and premises developed from one or more theories that a researcher creates to scaffold a study. As a type of a manuscript, a theoretical framework synthesizes existing theories and related concepts and empirical research, to develop a foundation for new theory development (Rocco & Plakhotnik, 2009). This study was guided by the Economic Theory of Entrepreneurship by Mark Casson, The Place based theory and the framework of the factors affecting rural enterprise.

#### 2.2.1 Economic Theory of Entrepreneurship.

It would be futile to study entrepreneurial activity without understanding the entrepreneur. The economic theory of entrepreneurship states that the entrepreneurial behaviour to found a firm is triggered by the individuals' endowments, their social network, and the evaluation of the economic situation and that the firm's survivability is determined by its founders' endowments and its competitiveness (Grebel, 2003). The

economic theory of entrepreneurship emphasises the importance of good judgement in economic success elaborating that entrepreneurs are people who specialise in the application of judgement to decisions which leads to timely innovation and profitable arbitrage eliminating waste that can be cause mis allocation of resources (Casson & Buckley, 2010). Entrepreneurs require a combination of creativity, strategic thinking, and effective intellectual property management.

Entrepreneurship outlines the unique characteristics of the entrepreneur that lead to business success and hence economic growth. In the context of the economic theory entrepreneurship is defined as a process of value creation and appropriation led by entrepreneurs in an uncertain environment (Mishra and Zachary 2014). Casson (2005) purported that the entrepreneur's comparative advantage in processing and synthesizing information, allows them to make informed judgments and create innovative solutions, in essence identifying and capitalize on opportunities that others miss.

The economic theory draws on the premise that the main outcome of entrepreneurship is economic value. Entrepreneurial innovation can lead to profits, and the way these rents are appropriated influences the firm's boundaries (Casson, 2002). Entrepreneurs don't just fill existing market needs, they actively create new markets. In their study Van Praag & Nensloot (2007) purport that entrepreneurship engenders relatively much employment creation, productivity growth and produce and commercialize high-quality innovations.

Central to entrepreneurial activity is the skill to identify available and unique resources to crease new business. Casson (2005) propounded that entrepreneurs who can effectively coordinate resources, both within and outside the firm, are more likely to succeed. This also involves building strong relationships with suppliers, customers, and other stakeholders. Business relationships and firm aggregations are the main categories of entrepreneurial business networks, which help small and medium-sized enterprises to become more dynamic, innovative and competitive (Abbas et al, 2019). Casson (2005) highlights that high information costs make legal enforcement difficult, so trust built on moral values is crucial. A successful market economy will blend moral consensus with diverse practical judgments.

In summary the entrepreneur's skills are closely linked to the core competencies of the firm. This theoretical framework places the entrepreneur at the heart of the firm, emphasizing their role in identifying opportunities, synthesizing information, coordinating resources, and driving innovation within a supportive ethical and economic environment (Casson, 2005).

# 2.2.2 Place Based Theory

The place-based theory in entrepreneurship is premised on the notion that the cultural community traits of places may influence the prevailing entrepreneurial culture of these places (Huggins & Thompson, 2012). The close alignment of entrepreneurial endeavors to the values, interests and visions of those who live and work in a place, region or community, puts them in a better position to contribute positively to the social and economic welfare of those places (Hudson, 2001; Korsgaard et al., 2015 in Larty, 2021).

Observance of social rules, social cohesion and embracement of work and education, on the other hand, are positively associated with stronger, more enterprising business cultures, suggesting that a cohesive community increases the entrepreneurial confidence of individuals (Huggins & Thompson, 2012). It is concluded that community cultural characteristics such as social cohesion represent a potential strength which policymakers can potentially enhance as an economic development tool to stimulate entrepreneurship (Huggins & Thompson, 2012).

The place-based approach explains how rural areas, despite certain disadvantages, are experiencing growth in employment creation due to the abundance of resources available indicating potential opportunities for new ventures (Lang et al., 2013). The development in a rural area is affected by its internal resources which can be measured by initial stocks of nature capital, physical capital, economic capital, human capital, social capital and symbolic capital (Sorensen, 2018).

Understanding how local inhabitants perceive and navigate their economies is crucial. This includes acknowledging their unique knowledge and experiences that can inform entrepreneurial activities and help identify local opportunities (Willet, 2023). Rural areas often face specific challenges such as out-migration, aging populations, lower educational attainment, lower average labor productivity, and limited public services which can hinder entrepreneurial activity (Lang et al., 2013).

#### 2.2.3 Resource Based View Theory

Rural entrepreneurship is premised on the effective utilisation of local resources to create value and therefor the Resource Based View (RBV) Theory was an integral part

of this paper in order to guide the researcher in identifying the opportunities and the challenges in the area (Utami & Alamanos, 2023). The RBV was mainly motioned by Jay Barney and Penrose and became dominant in the field of strategic management and strategic planning. Essentially the RBV theory explains the importance of VRIN/O resources and characteristics for achieving the sustainable competitive advantage (Mailani, 2024).

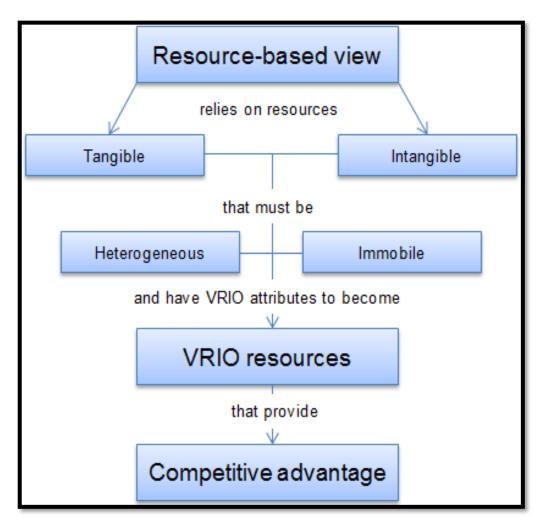


Figure 2. 1: Resource Based View Framework

A major premise of the resource-based theory is that competitive advantage is a function of the resources and capabilities of the firm (Lu et al. 2010). Capabilities refer to a firm's competence to make use of resources and processes and combine them with other processes and intangible resources such as knowledge (Lu et al. 2010).

#### Resources

Company resources can be grouped into three categories, namely physical capital resources, human capital resources and organisational capital resources (Barney, 1991). Physical capital resources refer to company equipment, plant, its access to raw materials, geographical location and they include the physical technology utilised by a company. Human capital resources encompass experience, intelligence, training, judgment, relationships, and insights from employees, such as managers and workers in a company. Finally, organisational capital resources refer to a company's formal structure, the company's formal and informal system, which comprises planning, managing, and coordinating systems. Organisational resources also relate to informal relations amongst divisions within a company and the relationships between a company and its business environments (Utami & Alamanos, 2023).

# Tangible and Intangible

Categorisation of company resources on RBT can also build upon two groups of tangible and intangible assets (Barney, 1991)

# Heterogenous and immobile

One of the cornerstones of RBV/T is the heterogeneity of resources and capabilities in a population of firms, which differentiate the competitive advantage of each firm. The heterogeneity of resources assumes that a firm that possesses unique resources in a specific situation can potentially be more skilled to perform particular activities and create competitive advantage. Additionally, the assumption of resource immobility is that complexities of trading resources across firms may create persistence in differences in resources (Utami & Alamanos, 2023).

#### VRIO resources

the framework of RBT includes four conditions to assess whether a resource has the potential to become and generate a sustainable competitive advantage. The four conditions are (1) value, (2) being rare, (3) immobility and (4) sustainability (Barney, 1991). The four terms, known as the VRIS framework, are the characteristics that a firm must have as the strategic planning reference and hold the prospect of sustained competitive advantage. First, the resource must be valuable, which refers to a condition that exploits the opportunities and/or threats in a firm's environment. For example, a company may have a secret formula to produce a specific product that only this company has. Second, the resource must be rare, in the sense that it is rare or unique among the firm's current and potential competition. For instance, a company may have the capability of a worldwide distribution network. Third, the resource must be imperfectly imitable: the valuable and scarce resources owned by a firm cannot be easily obtained by other firms who do not possess these resources. An example of an imperfectly imitable condition is a globally recognised product or company brand, which has no equivalent capability or resource that could be used by others. The fourth and final condition is that the resources cannot be strategically duplicated or substituted, that they are neither rare nor valuable or imperfectly imitable by other firms. An example of the non-substitutable condition is the portfolio of popular trademarks that are legally protected, making it a non-sustainable resource (Utami & Alamanos, 2023)

#### Competitive Advantage

The resource-based logic suggests that if valuable resources (i.e. resources that are costly and difficult to imitate) are possessed by few firms, those firms that are able to

control these resources potentially to generate sustained competitive advantage (Barney, 1991). In a broader spectrum RBT perspective suggests that firms can achieve competitive advantage not only by utilising critical assets, but also by building new potential capabilities via learning, skill acquisition and the accumulation of tangible and intangible assets over time (Utami & Alamanos, 2023).

The resource-based view suggests that processes that exploit intangible firm resources are more likely to be a source of competitive advantage than processes that exploit tangible firm resources (Barney 1991). Firm discovers opportunities, acquire, develop, and combine desirable resources and knowledge by deploying its external environment scanning and internal development capabilities (Shum & Lin, 2010).

# 2.3 Relevance of Theoretical framework to the study

The Economic Theory gave the researcher an understanding of the qualities of the entrepreneur that needed to be harnessed for success. The place-based theory gave recognition to the unique feature of the rural context that affect business. While the factors of entrepreneurship gave a breakdown of the elements that affect business and guidance to the recommendations.

Entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of resources for the venture. By focusing on resources, from opportunity recognition to the ability to organize these resources into a firm and then to the creation of heterogeneous outputs through the firm that are superior to the market, we help identify issues that begin to address the distinctive domain of entrepreneurship (Alvarez & Busenitz, 2001).

An understanding of how entrepreneurial actions, the creation and combining of resources that create new heterogeneous resources, can inform RBT by suggesting alternative uses of resources that have not been previously discovered leading to heterogeneous firm resources. For the purposes of this study the RBV formed the basis for future study and development of further theory.

Rural areas often possess unique resources such as natural landscapes, traditional skills, local knowledge, and cultural heritage (Korsgaard et al., 2015; Utami et al., 2023). Entrepreneurs can capitalize on these resources to create distinctive products or services that are difficult for competitors to replicate. The RBT pointed the researcher to the right direction in terms of identifying the resources available in the Chegutu rural area.

The resource-based view is a managerial framework used to determine the strategic resources a firm can exploit to achieve a sustainable competitive advantage (Ahuja & Chan, 2020). The theory also assisted the researcher in identifying resource gaps in the SMEs currently operating in the Chegutu rural region.

# 2.4 Entrepreneurship

# 2.4.1 Definition of Entrepreneurship

There is a considerable amount of literature as the definition of entrepreneurship has developed over the years. Gatner (1990) defined Entrepreneurship as the process of starting new businesses which includes buying an existing business and involves the creation of wealth and new economic enterprises. Mishra & Zachary (2016) breakdown the entrepreneurship into two stages. "In the first stage of venture

formulation, the entrepreneur driven by a desire for entrepreneurial reward (i.e., entrepreneurial intention) leverages the entrepreneurial resources at hand to sense an external opportunity (cue stimulus) and effectuate the entrepreneurial competence that is sufficient to move to the second stage. In the second stage of venture monetization, the entrepreneur may acquire external resources such as venture capital or strategic alliance to effect growth. Entrepreneurship is production of wealth-goods and services and promotion of social welfare (Mehmood et al, 2019). Essentially entrepreneurship is a vehicle of many desirable outcomes.

A lot of the SMEs in Zimbabwe are driven by necessity-based entrepreneurship. Another variation of entrepreneurship has emerged- that of individuals who seek entrepreneurship due to a paucity of other options to earn a living predominantly in low-income countries (Sahasranamam & Sud, 2016). The study by Amoros et all (2019) showed that state fragility has a positive effect on necessity-based entrepreneurial efforts while hindering opportunity-based efforts. Some of the push factors for this type of entrepreneurship are few employment opportunities, health conditions, economic hardships and limited career opportunities. Necessity entrepreneurs are more likely than other entrepreneurs to pursue a cost leadership strategy, and less likely to pursue a differentiation strategy (Block et al, 2015)

# 2.5 Rural entrepreneurship and Rural development

Guinjoan, Badia, & Tulla (2016) proposed a new definition of rural development to be the economical, social and cultural improvement with respect to the environment while producing a positive impact of the quality of life of local residents and integration of the rural territory with the broader society. In simpler terms rural development

generally refers to the course of improving the quality of life and economic security of people living in relatively isolated and sparsely populated areas. Rural development has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry. It is about reduction of poverty, increasing productivity, providing basic services like health, education, drinking water, sanitation, extending infrastructure, attempt to reverse distorted land distribution and ownership and host of other aspects redressing inequality, exploitation and deprivation in any conceivable sense (Chapter IV).

Wortman (1990) defines Rural entrepreneurship as 'the creation of a new organisation that introduces a new product, serves or creates a new market, or utilises a new technology in a rural environment' (Wortman 1990, p. 330). According to Cull et al (2009) Micro entrepreneurship shows potential for poverty reduction in the rural areas of Africa. The promotion of rural entrepreneurship is seen as the strategic intervention with the prospect to boost agricultural production, increase occupational diversification of the rural population and foster employment oriented out migration (Alsos et al, 2011). Fink M et al (2013) also asserted that in rural and structurally disadvantaged areas, SMEs are the main economic drivers and are therefore the focal interest of regional development. By providing a favourable environment for SMEs in rural areas, communal policy can contribute significantly towards strengthening the region's economic importance and, thus, towards improving the employment situation as well as local wealth.

Entrepreneurship is an essential tool for development. Tambunan T (2009) postulates that SMEs are of overwhelming importance as they account for, on average per country, for more than 95% of all firms in all sectors. Holcombe (2021) expressed that

when it comes to the subject of economic growth there are two schools of thought one being that when markets grow entrepreneurship would lead to innovation, which would lead to increased division of labour and increased productivity and the other notion stating that economic output is a function of inputs of labour, land and capital.

Rural entrepreneurship development is one of the strategies for encouraging the acceleration of rural development by focusing on the exploration of local resources to solve existing problems. In order to meet food, fuel, firewood and fibre requirement of ever-increasing population, it is essential to develop a system through which most of these needs of the people are met from the resources available within the village ecosystem as far as possible, without disturbing its environmental and ecological balance (Chapter IV). The connection between entrepreneurship and economic growth is that the previously unnoticed profit opportunities must come from somewhere other entrepreneurs (Leff, 1978). The role of rural entrepreneurship is crucial in creating new economic activities that can help to reduce unemployment and poverty, especially in rural areas Dhewanto et al (2020). Entrepreneurial ideas also come when an entrepreneur sees that the ideas developed by the earlier entrepreneurs can be combined to produce a new process or output.

In a bid to fight poverty and work together toward development, rural communities have adopted the cooperatives strategy. Many businesses have been bread through cooperatives. Mhembwe & Dube (2017) suggest that with the adoption of cooperatives, people in the rural communities managed to generate employment, boost food production, empower the marginalised, especially women, and promote social cohesion and integration, thereby improving their livelihoods and reducing poverty.

According to the United States Embassy (USE), in Zimbabwe promoting entrepreneurship is a key component of the strategy for meeting the Mission Goal of promoting economic prosperity in Zimbabwe. Furthermore, the USE pointed that 60% of job growth today is attributed to start ups. Yet 70% of Start Ups fail in which means that the 30% that are succeeding are creating 60% of all job growth. Due to the potential of the Small to Medium Enterprises to provide additional income and employment, the number of entrepreneurs in Zimbabwe has increased. The increasing number of SMEs may be explained by the very high rate of unemployment.

The macroeconomic challenges experienced in Zimbabwe over the years, have changed the structure of the economy from formal to predominantly informal. The Informal Sector as commonly known has grown in leaps and bounds over recent years following the decline in performance of formal industry. This sector in Zimbabwe contributed an average of 61% towards the country's Gross Domestic Products over 1991 to 2019, making it one of largest in the region.

Now more than ever Small to Medium Enterprises (SMEs) play an integral part in economies. Xuan et al (2019) purport that SMEs help build a flexible industrial production system, with close links, exploiting and mobilizing all potentials of localities, creating a healthier competitive market and injecting positive spillover effects on the economy. As such it is crucial for special attention to be paid in SME patterns and trends so that they perform better and henceforth the economy improves. In agreement Engidaw (2021) outlined that Micro and small enterprises play a significant role in job creation, source of wealth for owners, and source of income for the government. There is now a wide-ranging recognition of the influence of micro and small enterprises on economic development; recently, the role of MSE in

economic growth and employment creation has occupied most of the discussions among government, policymakers, academicians, researchers, and economists in both developed and emerging countries.

In cognisance of the crucial role that SMEs play in the economy it is therefore important to study the trends and factors that affect their performance and then come up with frameworks that ensure sustainability and resilience. Studies indicate that a significant majority (around 85%) of SMEs in Zimbabwe fail within a short period, often within the first few years of operation. Engidaw (2021) resolves that to improve the effectiveness of SME, SME leaders need to focus on promoting a number of positive factors and improving those that have negative impacts or currently have no impact on SME profits.

## 2.6 Rural entrepreneurship

#### 2.6.1 Drivers of Rural entrepreneurship

Rural households operate enterprises due to both push and pull factors and tend to do so predominantly in easy-to-enter activities, such as sales and trade, rather than in activities that require higher starting costs, such as transport services, or educational investment, such as professional services (Nagler & Naude, 2017). In addition to these specific drivers mentioned in Todeschini et al. (2017), more general drivers of entrepreneurship, such as the identification of opportunities, the desire for autonomy, and the pursuit of innovation, also play a significant role in the industry's move towards sustainability.

Cooperative and empowerment programs serve as effective drivers of rural entrepreneurship. The study by Demedeme & Opoku (2022) found that the various

inputs and strategies used in the Rural Enterprise Programme to empower women included education and training that equipped beneficiary with literacy skills to enhance their entrepreneurial roles and labour market and result showed that the programme produced intermediate and long-term outcomes increasing the nominal income of the participants, indicating improvement in the well-being of the rural women.

Attitude and education are key drivers of entrepreneurial endeavors. Based on the theory of planned behavior Malebana & Swanepoel (2015) posit that individuals' beliefs about the positive outcomes of starting a business, which lead to favorable evaluations, are crucial in developing a positive attitude towards entrepreneurship underscoring the importance of promoting positive views regarding entrepreneurship in order to foster stronger entrepreneurial intentions. People want to earn a living and be successful, but they also want to positively influence societal and environmental issues (Vuorio, Puumalainen & Fellnhofer, 2018)

The study by Malebana & Swanepoel (2015) also indicated that exposure to entrepreneurship education contributed positively to students' interest in starting their own businesses implying that education can enhance students' attitudes towards entrepreneurship, thereby influencing their intention.

As trends change the demand for new innovative products and services is increasing consequently pointing the need for aggressive entrepreneurial activity. Growing consumer concern about sustainability, ethical production, and environmental impact is pushing for alternatives to enteprises (Todeschini et al., 2017). This includes interest in green products, DIY movements, and prioritizing experiences over ownership.

Education is a key driver of Entrepreneurship. Mashapure et al (2022) highlighted that there is compelling need for availing market information; adequate knowledge and skills; supportive government schemes; need for community involvement and participation to support women entrepreneurial activities.

Microfinance is a double-edged sword. Studies by Aftab & Naveed (2018) and Khursheed (2022) strengthen the notion that microfinance institutions play a significant and positive role in entrepreneurship development through improving their income streams, women empowerment, building social capital and improved quality of life. Contrary to this common view Banerjee & Jackson, (2016) submit that microfinance led to higher levels of debt among already impoverished communities. It offers an alternative perspective by focusing on the experiences of the recipients of microfinance, particularly those living in extreme poverty (Banerjee & Jackson, 2016). To address this there is need to for further research on the strategies that can be applied by the recipients of these loans so that they bring about positive change.

#### 2.7 Challenges of Rural Entrepreneurship

Findings from Keyser and Adewumi's (2020) research in Nigeria revealed that poor road networks, social unrest, low financial support, corruption and market size are challenges to rural entrepreneurship, while employment creation, reduced migration and poverty alleviation are benefits. Zimbabwe, a country in Southern Africa, has a significant rural population and faces various challenges in fostering rural entrepreneurship. This research paper aims to analyze the current challenges and opportunities for rural entrepreneurship in the Chegutu district of Zimbabwe. (Mandongwe & Jaravaza, 2020). There is need to analyse the specific challenges that

rural entrepreneurs are facing in the course for business in order to formulate sustainable solutions.

The second industrial revolution saw the electrification of business and an increase in production. A study by Atiase et al (2018) highlighted that access to electricity was positively and significantly correlated with better entrepreneurial environments in Africa. Electricity facilitates that use of machinery for production thereby improving quality and quantity of products. Unfortunately, even in a seemingly ideal setting, where there is high population density and extensive grid coverage, electrification rates for rural households and businesses remain very low (Lee et al, 2016). There is therefore need to make rural electrification a priority in rural planning.

The digital divide that exists between urban and rural areas has a negative impact on the performance of rural enterprise. Bowen & Morris (2019) indicated that broadband is a key enabling technology therefore connectivity is significant, not only in communication, but also in the ability for businesses to innovate and grow. Whilst the digital economy offers home based micro-businesses in rural areas many advantages, stubborn social, economic and territorial digital divides continue to create challenges for this sector of the rural economy (Phillip & Williams, 2018). The rest of the world is moving towards industrial revolution 4 and 5 and so it is important to bridge this gap so that rural businesses do not become obsolete in the fast-moving world.

As the world is moving towards the 5th Industrial revolution, rural areas continue to lag behind because of under developed infrastructure. This creates further digital divide and disadvantage to the rural dwellers. Salemink, Strijker & Bosworth, 2017 revealed "that there are persistent and growing differences in data infrastructure quality between urban and rural areas. Furthermore, the hampered diffusion of

technologies, and the lower average levels of education and skills in rural areas have a negative impact on adoption and use. Generic policies in this field neglect specific local needs. The paradox is that rural communities are most in need of improved digital connectivity to compensate for their remoteness, but they are least connected and included."

The most prevalent challenge that rural entrepreneurs face is lack of funding. In their study, Bencheva et al (2017) found out that lack of adequate financing for new enterprise was common however acute in the rural contexts ie lack of resources for starting a business or expanding. Most of the rural businesses survive on a hand to mouth basis. Rural enterprises exit the market primarily due to a lack of profitability or finance, and due to idiosyncratic shocks (Nagler & Naude, 2017).

There is a positive correlation between good governance and entrepreneurial quality. Ataise et al (2018) propound that in countries with democratic governance, entrepreneurs are able to fully exploit opportunities without restriction leading to enterprise growth and, ultimately, entrepreneurial development. The lack thereof or existence of weak policies make it difficult to start and run enterprises. Bencheva et al, (2017) submit that the lack of systematic and deliberate policy at the national level i.e. the lack of legislation poses as a barrier for rural entrepreneurship. Essentially remote areas need a lot of hand holding and government intervention for them to break ground and venture into entrepreneurship.

The operation of enterprises requires a set of skillsets that include strategy formulation, financial management and quality assurance, which rural folk often do not have. Rural populations often lack the necessary business and management skills which aligns with

the broader understanding of entrepreneurship, where skills-based training is crucial (Demedeme & Opoku, 2022). The poor development of academic institution is of no assistance in this regard. Bencheva et al (2017) also highlight that lack of managerial and marketing experience were key barriers to rural social entrepreneurship.

There is a huge disparity of infrastructure between rural and urban areas. Poor infrastructure creates significant hurdles for rural businesses (Bencheva et al., 2017). Challenges may include failure to produce good quality products that will be competitive in the market and thereby also affecting the profitability of rural enterprise as buyers purchase with less money. A result of poor infrastructure are disparities in broadband access which underlines the need for better infrastructure and policies to promote digital equality (Bowen & Morris, 2019).

## 2.8 Opportunities of Rural Entrepreneurship

The deployment of a project-specific broadband service (Rural PAWS) to households in a remote rural community provided a unique research opportunity to examine the personal and business-related digital behaviour and Internet experiences of households at the micro-level (Phillip & Williams, 2018).

Labor productivity differs widely: rural and female-headed enterprises, those located further away from population centers, and businesses that operate intermittently have lower levels of labor productivity compared to urban and male-owned enterprises, or enterprises that operate throughout the year (Nagler & Naude, 2017).

The digital inequalities they experienced were not due to Internet non-use, they were disadvantaged because their digital connectivity could not support sufficiently the online activities they wished to undertake (Phillip & Williams, 2018). There are also

persistent and growing differences in data infrastructure quality between urban and rural areas (Salemink, Strijker & Bosworth, 2017)

#### 2.9 Policy in Zimbabwe

The Zimbabwe Government and other leaders have for long been looking for ways to reduce rural to urban migration by putting in place policies, promoting rural entrepreneurship and other like endeavours. One of the core principles formulated in the ZNIDP is Rural industrialization which is in line with the devolution agenda. The policy states that Government will promote industrialization through provision of incentives and targeted financing, policy support and business development services for the establishment of micro, small, medium and large-scale manufacturing industries in rural areas in line with available local resources. There shall be a deliberate thrust to develop factories in every district under the one district one factory concept. This will enhance the empowerment of marginalized rural communities.

According to the Zimbabwe National Industrial Development Policy (ZNIDP) 2019-2025 Zimbabwe recognizes the important role played by the small and medium enterprises. In that regard, efforts will be made to support infant industries and nurture them. Government will promote linkages between SMEs and large-scale entrepreneurs in the manufacturing, extractive and distribution sectors to facilitate entrepreneurship and maximize opportunities for SMEs to grow. In turn, large scale entrepreneurs will experience benefits from the linkages between both parties. Under this pillar, the major activities will be to:

- Enforce procurement legislation that seeks to promote SMEs;
- Facilitate supplier-development programmes by linking SMEs with Large Scale Entrepreneurs;

- Facilitate linkages between all anchor industries and SME clusters; and
- Establish a legal framework that ensures mutually beneficial relationships between SMEs and Large-Scale Entrepreneurs that are characterized by fair business ethics.

For the ZNIDP to capture effective contribution of MSMEs, efforts will be made to ensure that industrialization programmes and projects provide for the effective participation of MSMEs. Focus will be made on addressing industrialization constraints being faced by MSMEs. Government has recognized the need to focus on the MSMEs sector for positive and sustainable socio-economic development. MSMEs have higher potential and flexibility to invest in any location and make meaningful contribution to employment creation, economic development, poverty reduction and improving the welfare of women, youth as well as other disadvantaged groups. Fostering entrepreneurship is a key component of the Industrial Development Policy in line with the MSMEs Policy.

The ZNIDP (2019-2023) recognizes that the majority of the populace in Zimbabwe is domiciled in the rural areas. In that regard, the policy prioritizes the need to empower and improve standards of living for people in these economically backward areas. Government will promote industrialization through provision of incentives and targeted financing, policy support and business development services for the establishment of micro, small, medium and large-scale manufacturing industries in rural areas in line with available local resources. There shall be a deliberate thrust to develop factories in every district under the one district one factory concept. This will enhance the empowerment of marginalized rural communities

In addressing the challenges facing rural economic growth and development, policies have often centered on exogenously bolstering perceived asset deficits by attracting investment from metropolitan areas. (Deller, Kures and Conroy, 2019)

## 2.10 Global Entrepreneurship Monitor

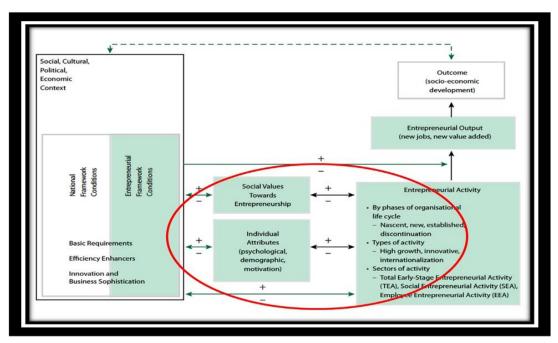


Figure 2. 2: Global Entrepreneurship Monitor

It is important to recognise the GEM in entrepreneurship research in order to gain a worldwide understanding of the concept across the globe. The Global Entrepreneurship Monitor (GEM) initiative was launched to study entrepreneurship. GEM collects and analyses data to deepen the understanding of entrepreneurial activities and their link with countries' economic performances, to assess the evidence on links between entrepreneurship and growth, and to provide information needed to support policy actions. Data are collected on an annual basis and harmonised to enable international comparisons. Herrington (2014) articulates that GEM necessitated the design of "an explicit model of the relevant variables and their role in the causal processes affecting economic growth" (Reynolds et al., 2005).

The GEM framework relies on two main ideas:

- 1. Entrepreneurship is better described as a cycle" \from conception of entrepreneurial opportunities to its maturity or, alternatively to its demise " (GEM Global, 2018, p. 21).
- 2. Entrepreneurial activities are shaped by the interactions of individuals with socio-cultural, economic and political context.

The GEM's dataset collects observations on traits, attitudes and activities directly related to entrepreneurship. From these data, one can compute basic indicators of entrepreneurial activities, such as Total Early-stage Entrepreneurial Activity (TEA), the Social Entrepreneurial Activity (SEA) and the Employee Entrepreneurial Activity (EEA), which are available at the country level.

The GEM framework views these indicators as resulting from the interaction between traits and characteristics of entrepreneurs and the overall "environment". In turn, entrepreneurial outcomes affect firm and job creation, innovativeness, and ultimately economic growth. Such outcomes and effects can be quantified by resorting to data from social statistics or other surveys. See Figure for a depiction of the GEM framework.

The GEM framework describes the environmental context using two sets of measures at the national level. The national framework conditions describe the social, cultural, political and economic contexts that impacts the advancement of societies as a whole. To describe the national framework the GEM adopt the World Economic Forum (World Economic Forum, 2017)'s twelve pillars of competitiveness. These are

institutions, infrastructure, macro-economic stability, health and primary education, higher education and training, goods markets efficiency, labour market efficiency, financial markets development, technological readiness, market size, business sophistication and innovation.

The entrepreneurial framework conditions capture mainly policy and intangible and tangible capital endowments more directly related to entrepreneurship. This set of conditions include access to finance, entrepreneurship policies and programs, entrepreneurship education, research and development transfer, commercial and legal infrastructure, internal market dynamics and entry regulations, physical infrastructure, cultural and social norms.

### 2.11 Factors in Rural Entrepreneurship

Social factors

Social factors are those related with the existence of social capital and social performance standards that support entrepreneurial initiatives. These factors include social values, training, economic freedom degree, and institutional quality (Castano et al, 2015). As a social construct culture is hugely engraved in the daily lives of rural folk, affecting how they live and do business. The social embeddedness perspective emphasizes that, in embedded contexts, the ability to garner entrepreneurial ideas and the resources to develop them, is shaped by implicit norms and social mores (Thorntorn, 2011). Willet (2023) postulated that rural areas are seen as complex adaptive systems or assemblages where various elements (social, cultural, economic) interact and acknowledging these interactions can help entrepreneurs identify synergies and innovative pathways for development. Therefore, a suitable social

climate stimulates entrepreneurial activity, enhancing economic growth and job creation (Castano et al, 2015).

#### Environmental factors

Assessing the environment leads to identification of opportunities and the challenges that can affect business. A study by Sanchez & Bannikova (2018) indicated that there are several environmental factors that can influence the likelihood of an individual to start and continue business and results showed that the inflation and education increase the creation of new firms, but taxes and procedures speed such as the registration of a property decrease it. Other elements of the environment that affect rural entrepreneurial activity include to Climate, Natural resources and their quality, pollution and waste, environmental regulations and sustainability. Less favourable conditions include a lack of funding sources, labour market conditions, and social norms Guerrero (2021).

#### Economic factors

The ultimate goal of entrepreneurial activity is to attain economic value and therefore it is crucial to observe the economic influence that affect success of business. Any initiative boosting economic activity and helping to establish a stable macroeconomic environment stimulates entrepreneurship (Castano et al, 2015).

## 2.12 Factors in Business performance

In the context of today's fiercely competitive market, in order to survive and grow, SMEs needs to be proactive and actively seek ways to increase profits in a reasonable manner. To do so, the SMEs owner first needs to have a basic awareness of the factors

that affect his SME's performance (Xuan et al, 2019). The key factors influencing business performance include: financial performance (profitability, revenue), operational efficiency, marketing strategy, leadership quality, employee engagement, customer satisfaction, innovation, market conditions, regulatory environment, technology adoption, and organizational culture.

**Social Relationships**. Social relationships will influence customers choice to get service or a product from a certain business or not.

Legal environment. Laws and regulation govern how individuals perform task and thus a big driver of business performance. New tax laws that promote or demote business operation will generally have a huge impact on the performance of businesses. Recent Zimbabwe policies encourage SMEs to take part in various economic activities. The City of Harare in 2017, established a Small to Medium Enterprises Committee to specifically deal with issues affecting the informal business sector. The Council of 2018-2023, identified operational performance challenges experienced by the sector as well as the Policy gaps in regulating and transforming the Sector from Informal to Small to Medium Enterprises businesses in Harare. Council, through the SMEs Committee made a decision to put in place the Small to Medium Enterprises Policy aimed at closing legal framework gaps that regulate the operations of the sector as well as promoting a sustainable enabling environment (City of Harare, 2023).

**Marketing**. Marketing and brand image have a huge impact on how customers will perceive and eventually react to a business's value proposition and therefore cascading to business performance.

**Technological capacity**. A business's ability to embrace technological advancement will affect performances. With the industrial evolutions currently in place the business that are slow to take up technology will lose competitive advantage in the business environment and that lag in performance.

**Academic level of owners**. Business owners with a higher academic level are associated with making better business decisions.

Managerial factor. Managerial ability in the context of micro and small enterprises indicates the capacity of owners or operators to produce sound enterprise plans, function-trendy bookkeeping, auditing, and record-keeping duties, introducing gorgeous applied sciences and expertise, dedication in terms of empowering employees, investing in skills-associated training opportunities for employees, capacity in resolving commercial enterprise related disputes amicably, etc. (A Engidaw, 2021)

**Entrepreneurial factors**. Entrepreneur's personality (owner's and/or managers) is a specific internal business environmental factor. All research has proven it has a considerable impact on the existence and operation of businesses, especially SMEs (A Engidaw, 2021)

Infrastructure and monetary environment, technological environment, and factors related to entrepreneurial commitment have a clear significant relationship with performances of SMEs. Primarily, based on the signal of the slope coefficients,

researchers found that infrastructure and finance had positive impacts on the overall performance of MSEs, while the rest has negative roles (A Engidaw, 2021)

## 2.13 Chapter Summary

The literature review summarised the scholarly articles that this research was founded on. It highlighted the theoretical framework that guided the study and put into perspective the information that has been put forward by other researchers. The following chapter will elaborate the methodology of this study.

#### **CHAPTER 3 METHODOLOGY**

#### 3.1 Introduction

This chapter outlines the research design, the research methodology, the population under study, the sampling procedure, and the methods that were used to collect data. Ethical considerations pertaining to the research are also discussed. It therefore covers the process of steps used to collect and analyze data that was used to answer the research questions. This was an important part in establishing and confirming facts as well as reaffirming the results of previous work. This went along with the assertion by Kothari (2004: 8) that research methodology is a way to systematically solve the research problem also understood as a science of studying how research is done scientifically. This helped in the construction of work that was systematic and made both conceptually and practically connected.



Figure 3. 1: Elements of Research methodology

#### 3.2 The Research Design:

Strategy is imperative when conducting research. The research design is a plan that provides the underlying structure to integrate all elements of a study so that the results are credible, free from bias, and maximally generalizable (Dannels, 2018). It provides specific direction for procedures in research by determining how the participants are selected, what variables are included and how they are manipulated, how data are collected and analyzed, and how extraneous variability is controlled so that the overall research problem can be addressed (Cresswell, 2014: Dannels, 2018).

#### 3.2.1 Mixed methods approach

This research was guided by the mixed methods approach which is the integration of qualitative and quantitative approaches. The core assumption of this inquiry is that the combination of the qualitative and quantitative approaches will give a more complete understanding of the research problem (Cresswell, 2003). Mixed methods research encourages researchers to use multiple approaches to collecting and analysing data within a single study, recognising the limitations of using a single method (Migiro & Magangi, 2011). The researcher used quantitative methods to identify the challenges that the local entrepreneurs were facing then as well as to determine the opportunities that were presented by the vast resources that were available in the vicinity. Furthermore, the researcher used qualitative methods to gain a deeper understanding of the challenges identified as well as to gain insight on how entrepreneurial activity benefited the community.

This study drew wisdom from the existing theories from previous research to develop knowledge for further research and theory fomulation. Quantitatively the researcher was able to confirm the factors that affected entrepreneurship while qualitatively capturing their experiences through the life story accounts provided by interviewing entrepreneurs. The use of mixed methods makes it possible to overcome the limitations of quantitative and qualitative methodologies, allowing the researcher to get rich information that could not be obtained using each method alone. (Almeida, 2018). While testing theory the researcher was also able to form a base for new theory.

The study took the pragmatic worldview whereby instead of focusing on methods researchers emphasize the research problem and use all approaches available to understand the problem (Cresswell, 2003). Giaccobi (2005) also purports that pragmatism emphasizes the practical problems experienced by people, the research questions posited, and the consequences of inquiry. The pragmatic researcher is sensitive to the social, historical, and political context from which inquiry begins and considers morality, ethics, and issues of social justice to be important throughout the research process (Giaccobbi, 2005). The pragmatism philosophy essentially places less importance on the methods and more importance on the problem and therefor the researcher uses all approaches to understand the problem (Creswell, 2003).

Rather than restricting the opportunities for research by only utilising either qualitative or quantitative methods, a mixed methods approach provides researchers with a greater scope to investigate issues using both words and numbers, to the benefit of educational establishments and society as a whole (Almaki, 2016). The research employed a

deductive approach. In the deductive reasoning the researcher starts out with a general theory then narrows it down into a hypothesis that can be tested. The observations then allow the researcher to refute or confirm the original theory. The inductive reasoning is where the researcher observes specific phenomena and arrives at general conclusions.

#### 3.2.2 Case Study

This paper is a report on a case study that was conducted in the Chegutu Rural. The case study design was used because it enabled the researcher to explore the key characteristic meaning and implications of the case. A case study is defined as an empirical inquiry that investigates a contemporary phenomenon (the 'case') in depth and within its real-world context (Yin, 2014). Creswel (2008) pointed out that the selection of a research design is also based on the nature of the research problem or issue being addressed, the researchers' personal experiences, and the audiences for the study. In this study the current researcher had the opportunity to be part of a development project that took part in the area under study and therefor grew more interest and had a better understanding of the area. The case study is also accredited to providing context to other data (such as outcome data), offering a more complete picture of what happened and why (Neale, Thapa, & Boyce, 2006).

#### 3.3 Population and Sampling

The study covered entrepreneurs in Chegutu rural, adhering to the definition of entrepreneurs. Chegutu rural comprises of 29 wards with a population of 178 911 according to census in 2022.

#### 3.3.1 Population of the study

One of the major steps in conducting academic research is definition of the population (Ngulube 2005: 46). The population of this study was drawn from the villagers residing at Chegutu rural. The target population comprised of entrepreneurs with at least two years of business experience. These groups of respondents were in a better position to provide relevant data relating to the study because of their age, location, their knowledge and experience. Neuman (2000: 201) in Coetzer (2012) defined population as a well-defined group from which a sample can be drawn and which is specified in very concrete terms. It is the entire group of individuals or entire set of units for which the research is interested in generalizing the conclusions.

## 3.3.2 Sampling and study sample

Due to reasons including inadequate resources as time and money, the researcher could not examine the whole population. Therefore, a sampling method was applied to focus on a more manageable number of people. According to Fridah (2002:1) sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population in essence to draw conclusion of the population. The researcher used both probability and nonprobability sampling methods.

Probability sampling approaches provide every individual in the population with a chance (not equal to zero) of being included in the sample (Levy and Lemeshow 2013). This is often achieved by using an accurate sampling frame, which is a list of individuals in the population. Adrian & Thornhill (2019) suggests that probability sampling is appropriate for quantitative research where one needs to make inferences

from the sample about a population to answer the research question(s) and to meet objectives.

The sampling frame for any probability sample is a complete list of all the cases in the target population from which the sample will be drawn. The sampling frame concerned with this study will comprise of the 29 wards that make up Chegutu rural. The researcher will use convenience and purposive sampling to select the wards to focus on and then use simple random sampling to choose the specific individuals to interview (Adrian Thornhill, 2016).

Through purposive sampling the researcher chose a sample based on the knowledge of how much information the respondents could contribute to the study thus ensuring she gets as much relevant information in the limited space of time and other resources. Purposive sampling is the non-random selection of a sample on the basis of the researcher's knowledge of the population, its elements, and the nature of research aims (Babbie, 1990: 97).

Chegutu rural is geographically dispersed with geographical clusters therefor the researcher employed cluster sampling then simple random sampling within the clusters. Cluster sampling requires dividing the population into different heterogeneous groups, with each group's characteristics similar to those of the population (Sarstedt, 2019). Simple random sampling (sometimes called just random sampling) involves you selecting the sample at random from the sampling frame using either a computer or random number tables (Sarstedt, 2019).

#### 3.4 Data collection tools and techniques

The researcher will use various data collection tools and techniques in order to get as much information as possible to answer the research question. Chaleunvong (2013) expressed that data-collection techniques allow researcher to systematically collect information about the objects of study (people, objects, phenomena) and about the settings in which they occur further pointing out that collection of data has to be systematic so that research questions may be answered as best as possible. To gather data for this research semi-structured interviews, questionnaire and documents will be used.

### 3.5 Data collection procedure

#### 3.5.1 Interviews

The researcher used structured interviews for data collection to get as much useful information as possible on the subject under study. Kvale (1996:14) viewed interviews as "..., an interchange of views between two or more people on a topic of mutual interest, sees the centrality of human interaction for knowledge production, and emphasizes the social situatedness of research data." According to Denscombe (2003) a structured interview is a tightly controlled interview whereby the researcher has a predetermined list of questions, to which the respondent is invited to offer limited option responses. It is one in which the researcher asks the same questions of numerous individuals or individuals representing numerous organizations in a precise manner, offering each interviewee the same set of possible responses. The phenomenon of rural entrepreneurship is still fairly new, particularly for developing countries like Zimbabwe, provided by the little literature on the subject therefor the researcher deemed interviews an appropriate to use interviews in order to collect as much

descriptive data as possible on the matter as a basis for literature and support for future study.

#### Developing the interview guide

The research will conduct structured interviews therefor there will be need to have a detailed interview guide in order to control the direction of the interview and maintain consistency in the way that the interviews will be administered. This will make it easier for the researcher to generalize the findings of the study. An interview guide can be defined as a document that guides and directs an interview process (David, 2013). With the background of reviewed literature and research objectives the researcher will construct an interview guide that will facilitate the answering of the research questions. The interview guide will provide clarity and directions for issues that included the following:

- i) Which questions need more clarity or attached explanations
- ii) Who to ask which questions
- iii) How many questions to ask

#### 3.5.2 Questionnaire

For the purpose of this research a questionnaire includes all methods of data collection in which each person is asked to respond to the same set of questions in a predetermined order (De Vaus 2014).

## 3.6 Data Presentation and Analysis

With the data gathered from the different types of instrument an analysis facilitates the testing of the proposed hypothesis. Lacey & Luff (2007:6) note that research

techniques generate a mass of data that needs to be summarized, described and analyzed and whose characteristics may be described and explored by drawing graphs and charts, doing cross tabulations and calculating means and standard deviations. The analysis of the data will constitute seeking patterns and relationships within the whole body of collected data in this derive meaningful information that can be used to draw conclusions and seek solutions.

#### 3.7 Ethical consideration

It is important for research to be ethics so that it is acceptable. According to Hasan et al (2021) ethics in research define guidelines for conducting professional research and regulates researchers to ensure that they follow a strict code of ethics when conducting research. The basic purpose of defining ethical code of conduct is simply a commitment to honesty and morally force a researcher to have respect for the dignity and privacy of those people who are the subjects of research (Govil, 2013).

Informed consent is the process where a participant is informed about all aspects of the trial, which are important for the participant to make a decision and after studying all aspects of the trial the participant voluntarily confirms his or her willingness to participate in a particular study (Nijhawan et al, 2013). Before collecting data the participants were informed of the purpose of carrying out the research and any potential risks that were associated.

Confidentiality is in essence ensuring that no one other than the researcher knows who participated in the study (Kaiser, 2012). It is the agreement to limit access to subject's

information (Ethicist (2015). The researcher made sure that there was no connection between the data provided and the individual who provided the data. The respondent's anonymity was also maintained in the research.

## 3. 8 Summary

The chapter gave an account of how the research was carried out, outlining the different methods used to gather and analyse data. It started with the rationale for selecting the case study and applying the mixed methods approach to validate data. I went on to give an account of how the sample was drawn through non probability methods and then lastly how the data was presented and analysed.

### CHAPTER 4 DATA PRESENTATION, ANALYSIS & INTERPRETATION

#### 4.1 Introduction

This chapter provides a presentation of the results generated from the data collected through the use of questionnaires and interviews. The chapter focused on exploring entrepreneurship as a strategy for rural development in Zimbabwe. The results were sought to address the available entrepreneurial opportunities; the challenges that the local entrepreneurs have faced in the course of their businesses, the effect of participating in entrepreneurial activities to the livelihoods of individuals in the area; and the way in which entrepreneurial activities be encouraged and fostered. The research findings were presented below.

#### 4.2 Data Presentation & Analysis

#### 4.2.1 Questionnaire Response Rates

The researcher distributed 69 questionnaires to villagers who had at least 2 years of experience in business. In addition, 11 entrepreneurs were interviewed in bid to gather more information regarding the debt collection strategies used by entrepreneurs. Thus, the total sample size was considered to be 69. Table 4.1 shows the response rate from the survey.

Table 4. 1 Response rate of target population

Targeted Population	Research Instrument(s)	Sample Size	Respondents Achieved	Response Rate (%)
Villagers	Questionnaires	69	69	100%
Entrepreneurs	Interview	11	11	100%

**Source: Primary Data** 

The study collected data from 69 villagers through the use of questionnaires. All questionnaires were considered appropriate after a rigorous analysis of the quality of responses provided. The response rate therefore became 100%. On the other hand, the response rate for interviews was also 100%. The response rate acquired was enough for this study to be carried out. The reliability for obtained data was tested using Cronbach test and the results were presented below. Cronbach's alpha was used for testing reliability of data. The results from the reliability test were presented in Table 4.2 below.

Table 4. 2 Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.977	.986	22

**Source: Primary data** 

The results tabulated above shows Cronbach Alpha in the excellent range of  $\alpha \geq 0.9$  implying that the data used in this study was strongly reliable. The reliability of data provides a clear reflection that the data found was fit for analyzing the phenomenon and therefore produce reliable results.

#### 4.3 Discussion & Interpretation

## **4.3.1 Demographic Information**

The study indicated that 65.2% of the villagers who participated in this survey were male and 34.8% were female as shown below.

Table 4. 3 Gender of respondents

		Frequency	Percent		Cumulative Percent
Valid	Male	45	62.5	65.2	65.2
	Female	24	33.3	34.8	100.0
	Total	69	95.8	100.0	
Missing	System	3	4.2		
Total		72	100.0		

**Source: Primary Data** 

The analysis of the level of literacy of the villagers was important in order to determine the level of thinking capacity of the participants in regards to the exploration of the entrepreneurship as a strategy for rural development in Zimbabwe. The results indicated that most the participants were degree holders as indicated by 44.3% under tertiary education. However, 31.4% and 24.3% were ordinary level and advanced level certificate holders as shown below.

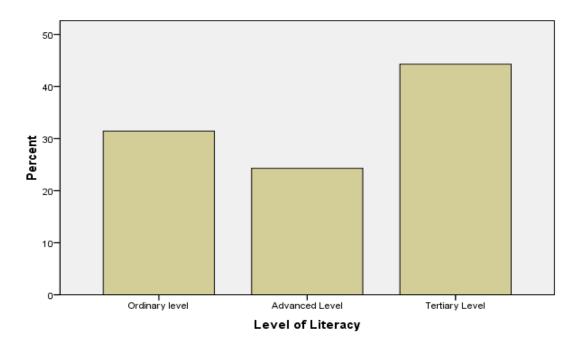


Figure 4. 1: Level of Literacy

**Source: Primary Data** 

Experience in business was also considered imperative determining the knowledge concerning entrepreneurship as a strategy for rural development in Zimbabwe. The research findings indicated that the majority of the participants who constituted 39.1% had 11 to 15 years of experience in their businesses. In addition, 24.6% had 16 to 20 years, 23.2% had 6 to 10 years and 13% had less than 5 years of experience. However, all participants were selected based on having a minimum of 2 years of experience. Figure 4.2 shows the information detailed above.



Figure 4. 2: Number of years in Business

Source: Primary data

#### 4.3.2 The available entrepreneurial opportunities in Chegutu Rural

The participants had indicated that villagers have engaged in various entrepreneurial activities. Table 4.4 shows the available entrepreneurial activities in Chegutu rural district.

Table 4. 4 Descriptive statistics – Available entrepreneurial opportunities in Chegutu Rural

Activities	N	Mean	Std. Deviation
Farming Crops	69	2.0000	1.11144
Gardening	69	3.2464	1.59416
Brewing Beer	69	4.1014	1.29643
Mining	69	3.0145	1.71921
Groceries and Clothing	69	3.9565	1.40832
Sewing	69	4.1449	1.14115
Building	69	3.9420	1.13609
Valid N (listwise)	69		

**Sources: Primary Data** 

The study findings indicated that most villagers have engaged in farming activities as shown by a mean of 2 and a standard deviation of 1.1. This was confirmed by 53.6% of the participants who indicated to participate in farming activities. In addition, the findings had indicated that gardening had a mean of 3.24 with a standard deviation of 1.59. This shows that very few entrepreneurs were participated in gardening at commercial level. This was indicated by 5.8% and 4.3% who strongly agree and agree that they commercialized gardening. However, 29% and 10.1% have disagreed to be in gardening activities. More so, only 20.3% and 56.5% had have disagreed and strongly disagreed that they brewed beer for sell. This was indicated by a mean of 4.10 and a standard deviation of 1.29 which shows the dispassion of the responses from this variable.

The study further indicated that half of the villagers have agreed to participate in mining activities as an entrepreneurial activity in Chegutu. This was indicated by a mean of 3 and a standard deviation of 1.7. Groceries and clothing, sewing and building had a mean of 3.95, 4.1 and 3.94 with standard deviations of 1.4, 1.14 and 1.13 respectively. The results show that most of the villagers we not participative in the aforementioned activities.

To further more understanding on this subject, the researcher conducted interviews concerning the entrepreneurial activities found in Chegutu. An entrepreneur at Chegutu shopping centre was approached and shared as follows:

"Chegutu has got a lot of business people and potential entrepreneurs. A lot of people are farming, however, the young aged boys have ventured into mining. This place is rich in minerals from here in Chegutu up to Kwekwe. So mining is also another business being done in this area.

Another entrepreneur also shared: "Personally I do gardening and it's very profitable because I supply shops at Chegutu and the rest of the community. However, some have got small grocery shops which offers different kinds of groceries for both kids and old people.

# 4.3.3 Challenges that the local entrepreneurs have faced in the course of their business.

The study further looked at the challenges being faced by the entrepreneurial villagers in carrying out their business. Table 4.5 shows the research findings from this analysis. The findings indicated that there was no equity in accessing hospital services in rural

districts. This was indicated by a mean of 1.68 with a standard deviation of 0.65. The research findings were consistent with the findings by the Ministry of Finance (2016) which stipulates that a major challenge in rural areas is equitable access to hospital

Table 4. 5 Descriptive statistics – Challenges faced by local entrepreneurs in their course of business.

Activities	N	Mean	Std. Deviation
Equitable access to hospital services in rural districts	69	1.6812	.65288
Inadequate infrastructure like schools, clinics and shops	69	1.7391	.74067
Lack of capital to start business	69	1.4348	.49936
Inadequate rains	69	2.0435	.73634
Lack of knowledge and skills in business management	69	1.9130	.61211
Valid N (listwise)	69		

**Source: Primary Data** 

services in rural districts, especially for the poor, necessitating the rebuilding of the primary care system. Inadequate infrastructure like schools, clinics and shops. This was indicated by a mean of 1.74 and a standard deviation of 0.74. Lack of capital for business was also sighted as another challenge in rural areas. This was confirmed by a mean of 1.74 and a standard deviation of 0.5 which shows that most of the villagers had no capital to resume their businesses. More so, lack of knowledge and skills in business management was also indicated as a challenge being faced by the rural entrepreneurs. Inadequate rains were also noticed as another challenge particularly by farmers as indicated by a mean of 2.04 with a standard deviation of 0.61.

In addition, the study interviewed entrepreneurs to determine the challenges faced in trade by entrepreneurs. One of the interviewees narrated:

"The main challenge faced by entrepreneurs in Chegutu is capital. For you to start a business you need capital but no one can afford to lend you money. I once visited the bank for a loan but unfortunately they wanted collateral security and a guarantor which became a barrier for to access the funds. We appeal to the government to assist entrepreneurs in Chegutu.

Another participant added: "Here in Chegutu we have a crisis for infrastructure. The roads that goes to the rural side of Chegutu are so bad, thus, customers and suppliers of some goods are finding it difficult to connect with the rural entrepreneurs. The other challenge is lack of clinics and water. That's why gardening business is not that viable in this area because there is no water to irrigate vegetables and other related crops."

## 4.3.4 The effect of participating in entrepreneurial activities to the livelihoods of individuals

The study also looked into the effect of entrepreneurship on the livelihoods of the people in Chegutu rural district as shown in table 4.6 below.

Table 4. 6 Descriptive statistics - Effect of participating in entrepreneurial activities to the livelihoods of individuals

	N	Mean	Std. Dev
Entrepreneurship boosts agricultural production	69	1.7971	.40510
Fosters employment oriented out migration	69	1.0000	.00000
SMEs in rural areas are the focal interest of regional development.	69	2.0580	1.22335
Entrepreneurship reduces poverty in rural areas.	69	1.0000	.00000
Valid N (listwise)	69		

**Source: Primary Data** 

The research findings indicated that entrepreneurship boosts agricultural production. This was confirmed by a mean of 1.80 and a standard deviation of 0.41. In addition, the study showed that entrepreneurship fosters employment orientation. This was confirmed by a mean of 1 and a standard deviation of zero indicating that all the participants have strongly agreed to this effect. As projects increase in the village, the villagers were able to employ workers who could assist in those various projects leading to increased employment in the community. More so, the study indicated that through entrepreneurship, SMEs in rural areas became the focal interest of regional development. More so, entrepreneurship reduces poverty in rural. This was confirmed by 100% of the participants. The findings were consistent with Alsos et al., (2011) and Fink et al., (2013) who found that the promotion of rural entrepreneurship is seen as the strategic intervention with the prospect to boost agricultural production, increase occupational diversification of the rural population and foster employment oriented out migration

and also asserted that in rural and structurally disadvantaged areas, SMEs are the main economic drivers and are therefore the focal interest of regional development.

The researcher proceeded to conduct interviews concerning the effect of entrepreneurship on the livelihoods of individuals in Chegutu.

One of the participants shared: "Entrepreneurship is the heart of the day to day living in our community. Even those who are not in entrepreneurship are accessing goods and services from entrepreneurs in the area. It improves the general living standards of the community."

Furthermore, another participant added: "There are a lot of benefits that we are getting from the business in Chegutu. Employment creation is created mostly by farmers. They employ people during the period of weeding and harvesting. Poverty has been reduced through entrepreneurship, it's very easy to access whatever you want from our local business people."

These findings were in line with Cull et al (2009) who indicated that micro entrepreneurship shows potential for poverty reduction in the rural areas of Africa.

# 4.3.5 How can entrepreneurial activities be encouraged and fostered in Chegutu Rural district.

The study also sought for solutions in encouraging and fostering entrepreneurship in Chegutu district. The research findings were shown in table 4.7 below.

Table 4. 7 Descriptive statistics - How entrepreneurial activities can be encouraged and fostered in Chegutu Rural district.

	N	Mean	Std. Dev
Education and training about entrepreneurship	69	2.0000	.68599
Encouraging research and development about entrepreneurship in rural areas.	69	1.7826	.72497
Building conducive infrastructure in rural areas	69	1.7971	.69831
Providing access to funds for business startups in rural areas.	69	1.0000	.00000
Provision of markets for buying and selling of goods and services by the government.	69	1.8261	.72673
Valid N (listwise)	69		

**Source: Primary Data** 

The research findings in Table 4.7 shows that the participants have agreed to the notion that villagers in Chegutu needs to be educated and trained about entrepreneurship. This was confirmed by a mean of 2 and a standard deviation of 0.69. In addition, the study advocated for encouraging research and development concerning entrepreneurship in rural arears. This would enable the villagers to make informed decisions in carrying out their businesses. The findings to this effect were indicated by a mean of 1.78 and a standard deviation of 1.72. The participants also supported the notion of building conducive infrastructure in rural areas and the provision of funds to startup businesses. This entails the construction of good roads to ensure that the market is reachable for buyers and suppliers. This was supported by the participants who constituted a mean of 1.79 and 1 with standard deviations of 0.69 and 0. A mean of 1 shows that 100% of the participants have agreed to this effect. The participants also supported with a mean

of 1.83 and a standard deviation of 0.73 the view to provide markets for buying and selling of goods and services by the government. This can encourage other villagers to venture into other businesses as they visit the market.

The researcher sought to determine the solutions to the entrepreneurs in the area. One of the business people who owns a shop and a grinding mill responded: "The government should provide us with infrastructure that allows businesses to operate in a conducive environment particularly our roads and clean water. We need boreholes for irrigation purposes.'

In the same manner, a local entrepreneur also supported the business man:

"We also need funding to support our business startups and revamp the businesses that were negatively affected by Covid-19. Also, if it's possible for the government to provide us with education and training in some projects that we lack knowledge about. This will enable the community to be professional in doing their business and know the proper inputs to be used."

The research findings were in line with the findings obtained through the use of questionnaires from the villagers and also the literature as shown in the questionnaire response presentation and analysis.

### 4.4 Conclusion

This chapter was focused on exploring entrepreneurship as a strategy for rural development in Zimbabwe. As such, the chapter addressed the available entrepreneurial opportunities; the challenges that the local entrepreneurs have faced in the course of their businesses, the effect of participating in entrepreneurial activities to the livelihoods of

individuals in the area; and the way in which entrepreneurial activities be encouraged and fostered. The following chapter provides the conclusions and recommendations to the study.

## **CHAPTER 5 SUMMARY, CONCLUSIONS & RECOMMENDATIONS**

## **5.1 Introduction**

This chapter provides a presentation in regards to the entrepreneurial activities in Chegutu rural district. The chapter was focused on the available entrepreneurial opportunities; the challenges that the local entrepreneurs have faced in the course of their businesses, the effect of participating in entrepreneurial activities to the livelihoods of individuals in the area; and the way in which entrepreneurial activities be encouraged and fostered. As such, this chapter sought to proffer a summary of research findings, conclusions and recommendations to the study.

## 5.2 Summary of the Research Findings

This section provides a summary of research findings as presented in the preceding chapter. The chapter initially sought to determine the available entrepreneurial opportunities in Chegutu rural district. The research findings had indicated that farming and mining were the most business practiced in Chegutu. However, other business were not limited to gardening, grocery and cloth selling and building. The study proceeded to ascertain the challenges that the local entrepreneurs have faced in the course of their businesses. The research findings had revealed that lack of capital and lack of infrastructure were the main challenges faced by entrepreneurs in Chegutu. Other challenges found were inadequate rains and lack of knowledge and skills in business management. The study further looked into the effects of participating in entrepreneurial activities to the livelihoods of individuals in the area. The research findings had indicated that entrepreneurship increases employment in the area, boosts agricultural production and it reduces poverty. In addition, the findings indicated that entrepreneurship is the focal interest for regional development. The study further looked into the way in which entrepreneurial activities be encouraged and fostered.

The research findings had shown that entrepreneurs in Chegutu were in need of funding access from the government. The findings also indicated the need for research and development on entrepreneurial activities in the rural area, building of conducive infrastructure; and the provision of markets for buying and selling of goods and services by the government. The study drew the following conclusions from the aforementioned research findings.

## **5.3 Conclusions**

This section provides the conclusions based on the research findings presented above.

As such the following conclusions were drawn from the exploration of the entrepreneurial activities in Chegutu rural district.

## 5.3.1 The available entrepreneurial opportunities in Chegutu rural district

The study concluded that farming, mining and grocery shops were the main opportunities that could be conducted by villagers in Chegutu rural district. This was attributed to the larger percentage of the participants who agreed to this notion based on their daily experiences. The conclusions were consistent with Cull et al (2009) who concluded that farming is one of the best businesses in remote areas.

# 5.3.2 The challenges that the local entrepreneurs have faced in the course of their businesses

The study further concluded that access to funds for capital and lack of infrastructural development in the area was the main challenges. In addition, the study concluded that the rural area of Chegutu lacks education and training in regard to entrepreneurship. This was indicated in interviews from which the participants have confirmed the need

for such services to be provided to the rural community. The study also concluded that the rural district has poor and few clinics that calls for an attention of the government. More so, the study concluded that there was lack of equity in accessing public facilities such as clinics. The conclusions made in this study were consistent with the conclusions made by the Ministry of Finance (2016) which concluded that a major challenge in rural areas is equitable access to hospital services in rural districts.

# 5.3.3 The effect of participating in entrepreneurial activities to the livelihoods of individuals in the area

Based on the research findings, the study concluded that entrepreneurship activities in Chegutu have increased access to employment for the rural community. This was attributing to most of the participants in this study who indicated about this effect in both interviews and questionnaires. More so, the study concluded that the entrepreneurship activities have reduced poverty in Chegutu. In addition, it stood as a rural development focal point as many of the rural individuals were improving their living standards through entrepreneurship activities. The study further concluded that agricultural production in the area was boosted through entrepreneurship. Hence, entrepreneurship has a significant positive effect to the livelihoods of the people in Chegutu rural district. The conclusions were in line with Alsos et al., (2011) and Fink et al., (2013) who concluded that the promotion of rural entrepreneurship is the strategic intervention with the prospect to boost agricultural production, increase occupational diversification of the rural population and foster employment oriented out migration and also asserted that in rural and structurally disadvantaged areas, SMEs are the main economic drivers and are therefore the focal interest of regional development.

## 5.3.4 The way in which entrepreneurial activities can be encouraged and fostered.

The study concluded that the entrepreneurship were seeking for government to provide avenues for financial assistance to the Chegutu rural district. This had emanated from funding being the main problem rose from this study. In addition, the study concluded that there was need for training and education of the rural community in regards to entrepreneurship. In addition, the study concluded that the rural area was in need of research and development in order to make informed decisions based on research. The need for conducive infrastructure was also concluded to be a paramount issue within the study.

## **5.4 Implications**

The government and other support institutions should design and implement targeted support programs to address the specific challenges faced by rural entrepreneurs in Chegutu. These programs should include access to finance, entrepreneurial training, and market linkages. This is particularly important for women entrepreneurs, who often face additional barriers due to societal structures and limited access to resources (Mashapure et al., 2023).

Providing targeted support to entrepreneurs can help them overcome the barriers they face and contribute to sustainable rural livelihoods. This includes access to credit, training, and mentorship programs tailored to their specific needs. Entrepreneurs in Chegutu should focus on identifying and leveraging the unique resources available in the region, such as agricultural products, natural resources, and cultural heritage.

Encouraging collaboration and networking among rural entrepreneurs can help them share knowledge, access resources, and overcome challenges.

The study highlights the need for further research on the factors that influence the success and sustainability of rural entrepreneurship in Zimbabwe. Future studies could explore the role of social capital, innovation, and technology adoption in driving rural economic development.

By addressing the challenges and leveraging the opportunities identified in this study, policymakers, practitioners, and entrepreneurs can work together to foster sustainable rural entrepreneurship in Chegutu and contribute to the overall economic development of Zimbabwe.

### 5.5 Recommendations

Based on the research findings and conclusions, the study made suggestions in order to assist the Chegutu rural district and the government. In this regard, the study recommended that government should provide a body which focus on rural entrepreneurship and development. This board would work specifically for the rural community whilst working hand in glove with other rural development departments to ensure that entrepreneurship is embraced at grass roots level going upwards.

The study also recommended that the government should hold seminars in rural areas around Zimbabwe to identify talents and educate entrepreneurs and potential

entrepreneurs on how to conduct a viable business and also idealize some different form of b businesses that can be carried out in rural areas.

## 5.6 Suggestions for Further Research

The study suggested that future studies can explore the framework for funding of rural entrepreneurs in Zimbabwe. This topic was born out of the notion that out of the challenges found in this study through the use of both questionnaires and interviews, access to funding was the major challenge. Therefore, the need to design a framework that can be used by financial institutions to provide access to funding for the rural entrepreneurs.

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**APPENDICES** 

APPENDIX 1: INFORMED CONSENT

Dear Sir/Madam

My name is Vanessa Ruvarashe Samambgwa, a final year EMBA student from Africa

University (AU). I am carrying out a study titled "RURAL ENTREPRENEURSHIP

IN ZIMBABWE: OPPORTUNITIES AND CHALLENGES IN CHEGUTU

RURAL". I am kindly asking you to participate in this study by filling in the

questionnaire. Before you decide to participate in this study, it is important that you

understand why the research is being done and what it will involve. Kindly read the

following information carefully. Please ask the researcher if there is anything that is

not clear or if you need more information.

The purpose of this study is to identify and understand the opportunities and challenges

faced by rural entrepreneurs in Chegutu, Zimbabwe. Participants will complete

questionnaires regarding their entrepreneurial experiences.

There is potential to experience discomfort discussing personal business challenges

with the fear of adverse consequences. However, the researcher guarantees

confidentiality and additionally your responses to this questionnaire will be

anonymous. Please do not write any identifying information on your questionnaire.

By participating in this research, you will be contributing to a better understanding of

rural entrepreneurship, which may inform policy and support initiatives. If you have

questions at any time about this study, or you experience adverse effects as the result

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of participating in this study, you may contact the researcher whose contact information is provided at the bottom of the last page.

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

## **CONSENT**

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's	signature	Date
Researcher's	signature	Date

Vanessa Ruvarashe Samambgwa, 10 Friend Close Cranbourne, Harare,

+263774618673, samambgwav@africau.edu

## APPENDIX 2: RESEARCH QUESTIONNAIRE

SECTION A			
DEMOGRAPHIC IN	FORMATION		
Instruction			
Please tick or fill in the	e spaces provided.		
1. Indicate your gende	r		
FEMALE			
MALE			
3. Indicate your level of	of literacy		
Primary level	Te	rtiary Level	
Ordinary level	C	other (specify)	
Advanced Level			
4. Indicate if you have	e your own business or not		
5. Indicate the type or	nature of business that you	are doing	
6. For how long have y	ou been doing your own	ousiness?	
5 years and below	16	-20 years	
6-10 years	Al	ove 20 years	
11-15 years			
			<u> </u>

## **SECTION B**

## ENTREPRENEURSHIP OPPORTUNITIES IN THE AREA

7. Indicate the entrepreneurship opportunities in your area. Strongly Agree 1) Agree 2) neutral 3) Disagree 4) Strongly Disagree 5)

Opportunities	1	2	3	4	5
Farming crops					
Gardening					
Beer Brewing					
Mining					
Selling groceries and clothes					
Sewing					
Building					
School					

8. List any other entrepreneurship opportunities in your area.	

## CHALLENGES FACED BY ENTREPRENEURS IN THE AREA

9) Indicate the challenges being faced by entrepreneurs in your area. Strongly Agree1) Agree 2) neutral 3) Disagree 4) Strongly Disagree 5)

Challenges	1	2	3	4	5
Equitable access to hospital services in rural districts					
Inadequate infrastructure like schools, clinics and shops					
Lack of capital to start business					
Inadequate rains					

Lack of knowledge and skills i management	in business						
10. List any other entrepreneurship challenges in your area							
						<u> </u>	
ENTREPRENEURIAL ACT		D THE	IMPRO	VEMENT	OF TH	E	
		1 d £	41	. :	9 Ti ala	:	
11.) Does entrepreneurship import the box below	rove the fiven	noods of	the people	e in your a	rea? HCK	ın	
Yes NO							
12) Indicate if entrepreneurship in rural areas. Strongly Agree 1		-	_				
Effect	1	2	3	4	5		
1.) Entrepreneurship boosts agricultural production	1	2	3	4	5		
1.) Entrepreneurship boosts	1	2	3	4	5		
<ol> <li>Entrepreneurship boosts agricultural production</li> <li>Increase occupational diversification of the rural</li> </ol>	1	2	3	4	5		
<ol> <li>Entrepreneurship boosts agricultural production</li> <li>Increase occupational diversification of the rural population</li> <li>Fosters employment</li> </ol>		2	3	4	5		
<ol> <li>Entrepreneurship boosts agricultural production</li> <li>Increase occupational diversification of the rural population</li> <li>Fosters employment oriented out migration</li> <li>SMEs in rural areas are the focal interest of regional</li> </ol>		2	3	4	5		

## WAYS IN WHICH ENTREPRENEURSHIP ACTIVITIES CAN BE ENCOURAGED AND FOSTERED IN THE AREA

**14.** Indicate ways in which entrepreneurship activities can be encouraged and fostered in your area. Strongly Agree 1) Agree 2) neutral 3) Disagree 4) Strongly Disagree 5)

Strategies	1	2	3	4	5
1.) Education and training about entrepreneurship					
2.) Encouraging research and development about entrepreneurship in rural areas.					
3) Building conducive infrastructure in rural areas					
4.) Providing access to funds for business startups in rural areas.					
5. Provision of markets for buying and selling of goods and services by the government.					

15. List any other ways in which entrepreneurship	activities	can be	encouraged	and
fostered in your area.				

THANK YOU FOR PARTICIPATING IN THIS RESEARCH.

## **APPENDIX 3: CONSENT AND INTERVIEW GUIDE**

## Dear Sir/Madam

My name is Vanessa Ruvarashe Samambgwa, a final year EMBA student from Africa University (AU). I am carrying out a study titled "RURAL ENTREPRENEURSHIP IN ZIMBABWE: OPPORTUNITIES AND CHALLENGES IN CHEGUTU RURAL". I am kindly asking you to participate in this study by taking part in the interview.. Before you decide to participate in this study, it is important that you understand why the research is being done and what it will involve. Kindly read the following information carefully. Please ask the researcher if there is anything that is not clear or if you need more information.

The purpose of this study is to identify and understand the opportunities and challenges faced by rural entrepreneurs in Chegutu, Zimbabwe. Participants will answer questions by interviewer regarding their entrepreneurial experiences.

There is potential to experience discomfort discussing personal business challenges with the fear of adverse consequences. However, the researcher guarantees confidentiality and additionally your responses to this interview will be anonymous.

By participating in this research, you will be contributing to a better understanding of rural entrepreneurship, which may inform policy and support initiatives. If you have questions at any time about this study, or you experience adverse effects as the result of participating in this study, you may contact the researcher whose contact information is provided at the bottom of the last page.

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

## **CONSENT**

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participa	nt's signatur	e				Date	
Research	er's signature				D	ate	_
Vanessa	Ruvarashe	Samambgwa,	10	Friend	Close	Cranbourne,	Harare,
+2637746	618673, sama	mbgwav@africa	au.edi	11			

## **INTERVIEW GUIDE**

What	business	es h	ave yo	ou been	running?

How has your business been?

What have been the benefits of running your business?

What have been the challenges encountered in the course of business?

What opportunities have you identified in your area?

THANK YOU FOR PARTICIPATING

## **APPENDIX 3: AUREC APPROVAL**



### AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE (AUREC)

P.O. Box 1320 Mutare, Zimbabwe, Off Nyanga Road, Old Mutare-Tel (+263-20) 60075/60026/61611 Fax: (+263-20) 61785 website: www.africau.edu

Ref: AU2187/21

22 September, 2021

VANESSA RUVARASHE SAMAMBGWA C/O CBPLG Africa University Box 1320 Mutare

#### RE: ENTREPRENEURSHIP AS A STRATEGY FOR RURAL DEVELOPMENT IN ZIMBABWE: OPPORTUNITIES AND CHALLENGES

Thank you for the above titled proposal that you submitted to the Africa University Research Ethics Committee for review. Please be advised that AUREC has reviewed and approved your application to conduct the above research.

The approval is based on the following.

- a) Research proposal
- b) Data collection instruments
- c) Informed consent guide
- APPROVAL NUMBER
- AUREC AU2187/21
- This number should be used on all correspondences, consent forms, and appropriate documents.
- AUREC MEETING DATE
- September 22, 2021 APPROVAL DATE EXPIRATION DATE September 22, 2022
- TYPE OF MEETING Expedited
  - After the expiration date this research may only continue upon renewal. For purposes of renewal, a progress report on a standard AUREC form should be submitted a month before expiration date.
- SERIOUS ADVERSE EVENTS All serious problems having to do with subject safety must be reported to AUREC within 3 working days on standard AUREC form.
- MODIFICATIONS Prior AUREC approval is required before implementing any changes in the proposal (including changes in the consent documents)
- TERMINATION OF STUDY Upon termination of the study a report has to be submitted to AUREC.

RESEARCH ETHICS COMMITTEE (ALIREC) Yours Faithfully

Minza MARY CHINZOU - A/AUREC ADMINISTRATORFOR CHAIRPERSON, AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE