



Entrepreneurial Social Capital Support on the Growth of Small Holder Rural Farmers: Augmenting Livelihoods in Honde Valley, Zimbabwe

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Abstract

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This research presents specific insights on entrepreneurial social capital support on the growth of rural small holder farmers to augment livelihoods in Zimbabwe. The smallholder farmers continue to employ every season of the year. The study sought to investigate the impact of entrepreneurial social capital support on small holder rural farmers' growth in Honde Valley, Zimbabwe. This was motivated by the need to fill-up the academic gap on the entrepreneurial social capital support on the growth of agrarian small holder rural farmers. In order to achieve the study objective, a cross-sectional survey was carried out using questionnaires and a purposive random sampling technique of 50 rural small holder farmers was considered reliable. The data was collected and analyzed using the statistical packages for social sciences software (SPSS). The findings were presented using both tabular and graphical presentations. Statistics in the study demonstrate that entrepreneurial social capital support augment Livelihoods in Zimbabwe and it's a means of raising small holder farmer working capital and contribute to their growth. The main reason for entrepreneurial social capital support was for expansion and growth of small holder farmer businesses. This method explains why most rural small holder farmers do not rely on formal borrowing. Finally the businesses that received social capital reported growth. The study recommended that government should set a policy to promote entrepreneurial social capital support systems. From research, it is clear that there exists a large unexploited method of social capital mobilization and its utilization is potential for the growth of agrarian Small Holder rural Farmers.

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1. Introduction

In Zimbabwe, the rural small holder farmers play a pivotal role on the overall economy of the country. The rural small holder farmers sector in Zimbabwe has faced several constrains to growth and development one being lack of finance dues to limited access to credit facilities [1, 2]. As such supporting social capital has come to rescue of rural small holder farmers in access to capital [3].

However, in social management sciences, entrepreneurial social capital support stimulates the development of rural small holder farmers by injecting resources, reducing borrowing costs, exchanging goods and services and small holder farmer techno innovation [4,5]. This means that entrepreneurial social capital support influence socio economic development.

In Zimbabwe, supporting entrepreneurial social capital support is being pioneered in communities through collaborating with families and friends [3]. The families aid the existence of entrepreneurial support social capital by support each other funds to inject in

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business and by encouraging borrowing from each other to support business growth [6]. Despite the growing interest in social capital, it is constrained, because of limited resources and lack of trust to provide a wide range of financial services through family based support programs, though they lack trust in support to each other. The focus on entrepreneurial support social capital is informal often for short term purposes. Smallholder rural farmers do not generally grow without entrepreneurial support social capital as would be expected [3,7,8]. Therefore it is important to investigate the contribution of entrepreneurial social capital support on augmenting livelihoods and enhance the growth and the performances of rural small holder farmers in Zimbabwe's informal sector [6,9]. This study through review of literature has opened up conversations around social opportunities through which smallholder rural farmers thrive in Zimbabwe [10]. Through the exploration of entrepreneurial social capital support, it has un-hatched new narratives to smallholder rural farmers success and corroborated other findings in the literature that entrepreneurial social capital support influences the success of the smallholder rural farmers at its foundational stages [5]. Hence, this study is just another attempt to contribute to the existing literature and the objective of the study seeks to analyze the entrepreneurial social capital support on the growth of rural small holder farmers in Honde Valley, Zimbabwe.

2. Literature Review

The main theory which is relevant for this study is the social capital theory. Theory of innovative profits seeking out opportunities for innovative value and generating activities which would transform the circular flow of income through innovation which aims at nurturing small holder farmer growth to augment livelihoods through exploiting entrepreneurial social capital support [11,12]. Schumpeter aims at generating some new process or product give entrepreneurs competitive advantage over business rivals [13, 14]. It is argued that small holder rural farmers' development is through infusing entrepreneurial social capital support strategies [3].

Arguably, the rural small holder farmers develop in response to massive social capital injection. Hence the rural small holder farmers are expected to grow through conscious social capital fund raising activities [3]. However, through improving social networks, the rural small holder farmers' activities are assumed to be supported by effective entrepreneurial social networking strategies seeking to improve the social capital and thus this advances their chances of growth [3,5,15]. Therefore entrepreneurs are motivated by social capital funding to succeed in getting things done [14]

2.1 Conceptual Framework



Figure 1. Conceptual Framework

The researcher conceptualized in the study relationship between growth of rural small holder farmers to augment livelihoods and entrepreneurial social capital support [6-8]. In this framework, the growth of rural small holder farmers was the dependent variable and it was indicated by increase in sales turn over, number of employees, entrepreneurial social capital support investment and profitability [12,14]. Thus concerning the independent variable, literature review included entrepreneurial support social capital in the conceptual frame work.

2.1 The Rural Small Holder Farmers in Zimbabwe

The definitions used to describe the rural small holder a farmer in Zimbabwe is based on employment size (include both paid and unpaid workers [7]. A small holder farmer is defined as having no more than 10 employees; a smallholder rural farmer with 11-50 employees; and a medium/large enterprise with more than 50 employees. Farm holdings are excluded from the definition of small holder rural farmers, except those farm-based enterprises that involve some sort of processing before marketing Clarke et al ;2016).For example, farmers who sell roasted maize is seen as a small holder rural farmer. Thus, the term small holder farmer employs few people. According to 2003 economic survey indicated rural small holder farmers sector increased from 4.2 million people in 2000 to 5.1 million persons in 2002 accounting 74.2% of total person engaged in employment [16]. The farmers contribute to the country's gross Domestic product. Small holder farmer are important for raising economic efficiency of a country, owing to their flexibility, low production. They are breeding ground for entrepreneurship and sustainable job creation to reduce poverty [13,14,17]. The growth of rural small holder farmers is part and parcel of a dynamic growth process in the corporate sector [8]. A number of measures have been used to identify and describe rural small holder farmers, there is no consensus on any one measure and it is customary to social capital and other several metrics, including the value of fixed assets of the enterprise, enterprise turnover and the number of employees [6].

2.2 Entrepreneurial Social capital Support

Entrepreneurial social capital support is understood and utilized by rural small holder farmers differently for different reasons which make this concept hard to comprehend [15]. It's different from other theories

since it integrates both physical and human capital and is beneficial for sharing information and resources across the small holder farming sector. Entrepreneurial social capital support is conducive to small holder farmer income growth; it is interesting to see that entrepreneurial social capital support stimulate small holder farming activities [3, 6]. The measurement of entrepreneurial social capital support is new in the sense that it is treated as a latent construct that is composed of different resource supporting dimensions [8]. In the case of entrepreneurial social capital support, it might be a good reputation and weak in family ties and might be affected by social control mechanisms which are important in combating lack of trust. In a similar way, in communities where ties are strong, people care for each other and lend each other many times. The empirical investigation shows that entrepreneurial social capital support is measured both in terms of income, and is associated to small holder farmer growth [14]. In addition, the entrepreneurial social capital support provided rural small holder farmers has impact on sale turn over, profitability, capital investment and number of employees hence growth of rural small holder farmers [7,12]. It is revealed that in society at large effort by entrepreneurs in enhancing their business development, social capital support has multiplier effect on livelihoods [14,18]. As such contribution of social capital to small holder rural farmers' includes capital social capital support. This also includes labor and mechanization supports [3]. Entrepreneurship profit making is the main motivation strategy and consumer satisfaction plays an important role in the growth of rural small holder farmers [6,13]. It offers a wider range of advantages seeking to grow rural small holder farmers without taking bank loan risk. Small holder rural farmers are therefore unlikely to grow significantly without bank loans. In addition, entrepreneurial social capital support debate on how it improves the growth of rural small holder farmers is continuing [5].

2.3 Augmenting Livelihoods

Although entrepreneurial social capital support does not entirely address poverty problems [17]. Literature considers the entrepreneurial social capital, as a traditional lending method which is a panacea to poverty reduction and promotes the standard of living and ultimately undergirds small holder rural farmer growth [3,7]. As such entrepreneurial social capital support provides funding to disproportionate number of smallholder rural farmers to fund their activities [15]. The study further shows that an increase in entrepreneurial social capital support improves livelihoods [5,18]. Furthermore, in agriculture-based economies, entrepreneurial social capital improves livelihoods and increases entrepreneurship opportunities [19]. The World Bank concluded that

small holder farmers respond differently to social capital since many of them lack finance management skills, particularly in the agrarian sector [2,20].

However, growth flexibility requires the agrarian sector to optimize social capital in their societies. The rapid and balanced growth of small holder farmers is essential to bring about equity in distribution of income and wealth as this quickly reduces poverty among the people in communities [19]. Meanwhile, poverty reduction is one of the small holder farmer responsibilities as outlined in the government poverty reduction program [17,20]. The contribution of small holder farmer to economic fundamentals nonetheless varies substantially and it can be concluded that lack of social capital remains excessive in poorly developing oriented countries [3,7]. The perception about social capital funding improves healthy living. As such, small holder farmers play a critical role of providing people with food and nutriment to create high standard of living, quality of life, and freedom from hunger and malnutrition [19, 21]. Development of communities is closely connected with social capital support and plays a crucial role in social, cultural and economic development although, and many authors are focused on the issue of augmenting livelihoods [1,18].

3. Methodology of Research

3.1 Research Design

The study adopted a descriptive survey that sought to examine the entrepreneurial social capital support on the growth of rural small holder farmers in Honde Valley; Zimbabwe [22]. The Descriptive survey was conducted in Honde Valley to explain the present status, situations, events and trends of support social capital on small holder farmer growth [6,23,24]. The focus of the study was on entrepreneurial social capital support on small holder rural farmers. Honde Valley was selected for study because it has a large representation of local social networking. Target population involved all rural small holder farmers in Honde Valley. The small holder farmer had the following characteristics selling farm produce, grow horticulture in fixed location. The target population refers to all the members of a real or hypothetical set of people, events or subjects to which research results are generalized [24]. Sampling units was Small Holder rural Farmers. Stratified sampling method was used to come up with the above population strata [23]. From the above target population of 1,104 rural small holder farmers above, the researcher picked a sample of 50 small holder rural farmers. This was sample was 25.8% of targeted population.

A sample is considered adequate if sample is greater than 30 and more than 10% of the population [24, 25]. For the purpose of the study it recognized that collection of primary data was essential in order to

achieve the objectives of the study. Two instruments of data collection were used together to gather information for the research. These were the questionnaire (structured and open ended) and oral interviews. The researcher administered the questionnaires personally to the respondent for the purpose of confidentiality. Data was collected using primary (field research) and secondary (library) sources. Consistencies of the test items were measured by the degree to which the test items attracted similar and related responses from the samples in the pilot testing exercise [22, 25].

3.2 Findings

3.2.1 Validity and Reliability of the Study

Validity determined whether the research items were correctly to avoid the misinterpretation when the instruments are finally administered to the samples in the main study. The reliability was measured so as to find out the degree to which the measuring items gave similar results over a number of repeated trials [22, 25]. A retest method was used to estimate the degree to which the same results could be obtained with a repeated measure of accuracy of the same concept in order to determine the reliability of the instrument.

The researcher administered 50 questionnaires which were returned having been duly filled. The respondents were given ample time frame to enable them to respond. The response rate was 100 percent rate which was within significant response rate for statistical analysis which established that a good responds rate is at a minimal value of 50 percent [24].

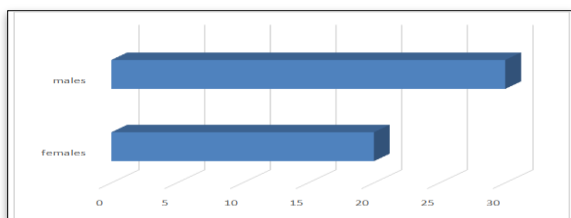


Figure 2. Demographic Characterization

The actual sample of 50 respondents was made up of 20 (40 percent) females and 30 (60 percent) Males. This suggests that the majority Honde Valley rural small holder farmers in farming related businesses are owned by both males and females [21]. Gender motivates social borrowing and competition seeking to stimulate the growth of rural small holder farmers in Honde Valley [4].

The study shows that 30 (60 percent) had no education, and 20 (40%) had formal education this indicate that the levels of formal education affect social capital trends to improve the performance and of rural small holder farmers especially in terms of

management, productivity and sustainable development of a small holder farmer [8,10].

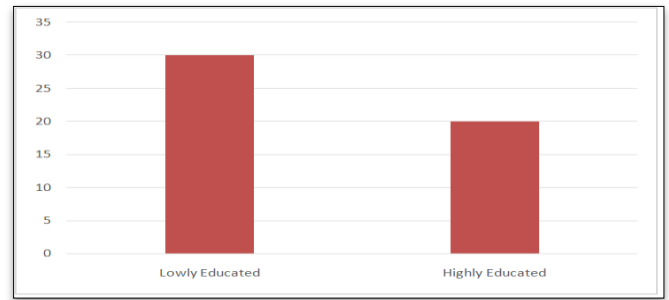


Figure 3: Level of Professional Skills

This indicates that, the exposure of a respondent to education deter them from social support borrowing [4]. But for those who had no education, tend to utilize social capital to boost their business activities. The findings revealed that majority of entrepreneurs are literate. Finally although entrepreneurs with higher level of education are more aware of the importance of social networking strategies such as human and financial but is highly utilized by lowly people in society to support their business growth [7, 13,14].



Figure 4. Social Capital Performance Measure on Rural Livelihoods

The small holder farmer social capital performance measurement criteria was measured by profit, income and stock and the head count in the number of employee, as such from the study findings [3,10]. The majority of respondents indicated that activities supported by social capital stimulate growth . The study shows that at start of business without entrepreneurial social capital support is weak as considered by weak levels of activity as witnessed by the intensity of support social capital leading to small holder farmer [5]. The study established that all rural small holder farmers had no meaningful entrepreneurial social capital support when they started their businesses [21].

From the analysis majority of rural small holder farmers strongly agree and appreciate the government role in promoting social capital among rural small holder farmers through availing counseling, management guidelines, and social capital clubs. computed results presented, show

that majority of respondent 17 percent had received business counseling , while 13 percent received management tips ,while 20 created were assisted to create social capital clubs[3].

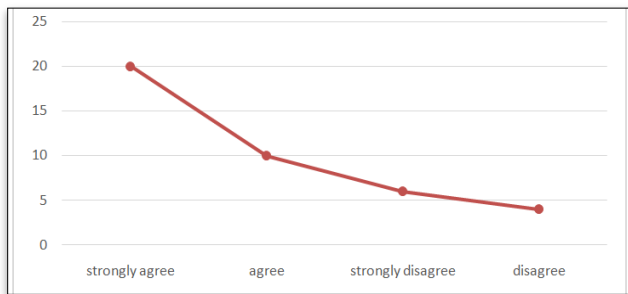


Figure 5. Extent of Government Entrepreneurial social capital support to Small Holder rural Farmers

4. Discussion

The study found out that without entrepreneurial social capital, businesses remain small [5]. Thus networking allows business to grow. This finding was congruent with those of other studies [3]. On demographic characterization on education status the study revealed that, majority (56.8 percent) of business in Zimbabwe are owned by unlearned entrepreneurs who are risk takers[9]. The study further established that the rural small holder farmers are being supported by government to promote social capital borrowing and clubs [7].

5. Conclusions

In light of findings it can be concluded that entrepreneurial social capital support on rural small holder farmers has potential to grow them. Indeed the businesses that were able to obtain social capital reported growth. Statistically, there seems enough to suggest that social capital make businesses to be successful. However, growth of rural small holder farmers is contributed by government support. The study established that social capital play a critical role on business growth. Typically, successful Rural small holder farmers are the ones with extensive social capital borrowing history Zimbabwe social capital among entrepreneurship is expanding and offers a great potential for helping stimulate the nation's declining economy, thus contributing towards poverty eradication ,this is true because various Rural small holder farmers are creating employment and improving livelihoods.

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