

VIEWPOINT: PROMOTING ENTREPRENEURSHIP IN AGRICULTURE IN THE EASTERN CAPE

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Selected cases in developing entrepreneurship in small-scale subsistence and commercial agriculture in the Eastern Cape are examined, including the provision of marketing facilities, the training programme of the Africa Cooperative Action Trust (ACAT) in Ciskei, government sponsored irrigation projects and the farmer support programme. An attempt is made to draw general conclusions about the necessary ingredients for successful entrepreneurship and the formulation of proposals for further promoting entrepreneurship in agriculture in South Africa.

1. Introduction

Most contemporary writers are in agreement that the entrepreneur is the most important individual in the process of economic development (Van Daalen, 1989). Cannon (1991) identified the entrepreneur as a person who performs a crucial role by accepting risks associated with innovation and development that others avoid. An important attribute of an entrepreneur is high achievement motivation which is closely related to entrepreneurial success (Nicholson, 1989). In addition the entrepreneur must have the ability to look beyond the obvious, be self-reliant, creative and innovative as well as possessing the determination to complete projects.

In a study of Amatola Basin households in Ciskei, 17 per cent were found to be 'seriously' engaged in farming (Eckert, 1993). This is not a strict measure of entrepreneurship but may give some indication of the expected proportion.

Jagoe (1986) stated that it is an internationally accepted rule of thumb that only between five and 10 per cent of any population are either latent or active entrepreneurs. He felt therefore that in Ciskei with a rural population of approximately 600 000 it would be safe to assume that the level of entrepreneurship amongst adults could be as high as 14 000 to 20 000. In the agricultural economy of Ciskei it would not be unreasonable to assume that there are potentially between 5 000 and 10 000 active or latent entrepreneurs. Using the same argument for Transkei, with its larger rural population, the number of potential entrepreneurs must be even greater.

The objective of this paper is to investigate the promotion of entrepreneurship among small-scale farmers in Region D. A number of programmes have been implemented in the past aimed at increasing the level of production by small-scale farmers but with limited success.

This review will first investigate the characteristics of entrepreneurship among small-scale farmers in general, followed by a look at entrepreneurship in small-scale commercial agriculture and subsistence agriculture respectively. Efforts at promoting entrepreneurship among small-scale farmers in the Eastern Cape will then be discussed and finally some lessons will be drawn from the preceding discussion.

2. Characteristics of entrepreneurship among small-scale farmers

Van Rooyen *et al* (1987) note that farmers in rural developing economies can generally be divided into commercial farmers who can at present compete on an equal footing in the markets and the subsistence and emerging farmers who cannot. Bembridge (1987:18) identified four categories of households in the rural areas in terms of economic differences, resources, personal characteristics, values, concerns and interests. The four basic categories are as follows:

- (i) Resource-poor households without any land rights or large stock, comprising about 562 000 (31%) rural households in Southern Africa.
- (ii) Small-scale land holders with subsistence and below subsistence production levels. They do not usually sell any crops or livestock and comprise about 1.03 million (56%) rural households.
- (iii) Progressive small-scale land holders, comprising about 238 000 (13%) rural households, who adopt some modern technology and who sell some produce and/or livestock.
- (iv) Market-oriented commercial farmers who are making a living out of farming, comprising about 3 100 (0.2%) rural households.

Jagoe (1986) made the point that all efforts must be aimed at developing or stimulating people because it is only the entrepreneur, operating within an environment of free enterprise, who can maximise the utilisation of the available agricultural resources. Therefore the agricultural sector needs to:

- (i) Identify the entrepreneur;
- (ii) Understand who the entrepreneur is and what his/her needs, strengths and weaknesses are; and
- (iii) Develop an environment in which the entrepreneur can operate.

A study of farmers in Gazankulu identified various characteristics which were evident among successful farmers (Nicholson, 1989). These farmers exhibited a number of the characteristics of commercial behaviour and were considered more likely to be innovators or early adopters. It was considered that the findings of the