

## Rural Entrepreneurship in African Countries: A Synthesis of Related Literature

Rosemond Boohene<sup>1</sup> & Daniel Agyapong<sup>2</sup>

### Abstract

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The paper focuses on rural entrepreneurship and its implication for the practice of entrepreneurship as an area of study and practice in Africa. The paper surveys the entrepreneurship literature using the case study approach. The authors in their synthesis of the related literature found out that the field of rural entrepreneurship is an emerging theme in African economic development. In addition, most that exist have varying themes, focus, epistemological view and different units of analysis. The paper concludes that such diversity may have contributed to the lack of success in the rural development policies implemented by most governments in Africa and the inability of most governments to focus and develop rural entrepreneurship. Thus, it is recommended that researchers should, in the future, identify common themes that will help proffer solutions for the development of entrepreneurial enterprises in rural Africa.

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**Keywords:** Rural Entrepreneurship, Developing Countries, Africa

### 1.0 Introduction

The critical role of entrepreneurship in the development of a country has long been established. The seminal work of Joseph Schumpeter published in 1934 viewed entrepreneurship as the primary engine of national prosperity through innovations and inventions (see Pato & Teixeira, 2013, Lordkipandidze et al, 2005). The ideology of entrepreneurship being a prescription for the growth of an economy has also been suggested for local or rural communities in a country (Nagler & Naude, 2014). However, developing economies, including those of Sub-Saharan Africa (SSA) face challenges such as high rural-urban migration (Hove, Ngwerume & Muchemwa, 2013, Tacoli, McGranahan & Satterthwaite, 2014); undeveloped infrastructure in rural areas (Tacoli et al, 2014); low income level and poverty due to low agricultural productivity and price paid by intermediaries (Hove et al, 2013). Meanwhile, rural Africa hosts natural resources such as the arable land, gold, bauxite, oil and other minerals (FAO, 2013), yet, poor and undeveloped. Consequently, the relatively high concentration of social services, potential employment opportunities, and appeal of city life (Hove et al, 2013) attracts people to move into the cities causing urban congestion, corruption, unemployment and poverty (Musemwa, 2010; Obeng-Odoom, 2011). The resultant effect is the shift from agriculture and agro-business (with relatively comparative cost advantage) to the very high competitive service industry in the urban centres. Indeed, the problems in the rural areas, including post-harvest losses and lack of value addition could be attributed to the neglect in the literature of study on rural entrepreneurship, the lack of focus and direction of such researches and also the wholesale application of recommendations of similar researches in Western countries to the African context. As noted earlier, entrepreneurship, particularly rural entrepreneurship has been touted as one of the tools that can be employed to lift countries in Africa from the doldrums (Nagler & Naude, 2014). Despite this, the focus of entrepreneurship research has been general, or, on urban activities.

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<sup>1</sup> Associate Professor of Entrepreneurship, University of Cape Coast, Ghana.

<sup>2</sup> Daniel Agyapong, Senior Lecturer in Finance and Entrepreneurships, University of Cape Coast, Ghana.

Moreover, most of the research works on rural entrepreneurship focused on the farm-based entrepreneurs and those entrepreneurs who provided services to the local economy, although the rural entrepreneurship sector's contribution to household income is relatively increasing in rural Africa (Rijkers & Costa, 2012). The paper, therefore, aims at taking stock of what were done in the area of rural entrepreneurship in Africa, highlighting on the focus, theoretical models, and methodological consideration, including the unit of analysis. This is to provide a direction to areas where there is a dearth of research. This will serve as a guide for future researchers plodding into the area of rural entrepreneurship studies in emerging economies in general, and Africa in particular.

Analysis of this nature requires that the researcher situates the review within a methodological framework. To evaluate the progress of the growing rural entrepreneurship research literature and whether the researches converge or diverge since Shane and Venkataraman (2000, 2001) studies on entrepreneurship, this synthesis of literature on rural entrepreneurship adopted the case study design. This type of design permits the examination and acceptance of complex issues. It is considered a vigorous research method, especially when a complete, in-depth enquiry is required (Zainal, 2007). To this end, the various research studies of the concept was analyzed based on these research dimensions; focus, theoretical framework and methodological considerations. These enabled the researchers to decipher the recurring themes and then synthesize them to form the crust of this review.

The rest of the paper is divided into sections. The second section looks at the research focus, followed by the theoretical models in the third section. Section four emphasizes the methodological consideration, whilst the fifth section draws implications and makes recommendations for future research.

## **2.0 Research Focus**

In the past, entrepreneurship has been described as an elusive concept in that it is hard to work into a formal analysis. This was because data are difficult to obtain, theory underdeveloped, and findings the same as those available in other areas of business (Shane & Venkataraman, 2000). Similarly, a survey of the rural entrepreneurship literature in Africa suggests limited research works relative to other aspects of the discipline and activity. Furthermore, the few articles on rural entrepreneurship derived their definitions for entrepreneurship from research on urban studies. These descriptions for rural entrepreneurship included concepts like "risk taking," "successfully undertaking a business venture," "innovation," and "drive, capabilities and organizational skills" (Shuffstall, 2012). Likewise, most of the research emphasised different research questions, unit of analysis, time horizon and research context. These differences are mirrored in the various ways researchers have explained the concept of rural entrepreneurship. Naude (2011) sees rural entrepreneurship as the creation of a business enterprise and working for one's own account. Kumar (2016) on the other hand, defines rural entrepreneurship as carrying out entrepreneurial activities by establishing industrial and business units in the rural sector of the economy.

Hence, to Kumar, rural entrepreneurship is synonymous with industrialization in the rural areas. In the words of Hoy (1983), quoted by Stathopoulou, Psaltopoulos and Skuras (2014:412), "a rural entrepreneur is someone who is independent, risk-taking, achievement-oriented, self-confident, optimistic, hardworking and innovative" stressing more on the creation of fresh employments in rural areas through generating new ventures." Similarly, Wotman (1990) quoted by Stathopoulou, Psaltopoulos and Skuras (2014:412) defined rural entrepreneurship as "the creation of a brand new organization that introduces a fresh product, serves or creates a new market, or utilizes a new technology in a rural environment." Shetty et al.'s (2015) definition of rural entrepreneurship, however, encapsulates all the definitions propounded by the various writers and researchers. They described it as "entrepreneurship emerging at village level and takes place in a variety of fields of endeavour such as business, industry, agriculture, and acts as a dominant factor for economic development." Thus, the definition synthesizes the opportunity, resources, the entrepreneur and the context within which the entrepreneurial action takes place.

The challenge, however, with these definitions are their inability to consider different country contexts, resources, farm and non-farm entrepreneurship (agribusiness, services, trade and retail, tourism, rural industrialization, construction, and mining), government, individual capabilities of entrepreneurs, household characteristics, institutional factors and the lack of comparative and longitudinal data in the field.

Furthermore, the research work had distinct perspectives. For example, Nina Tellegen's working paper titled, "*Rural Employment in Sub-Saharan Africa*" in 1993, provided a bibliography of 301 references on distinctive aspects of rural employment in Africa. An analysis of the references revealed that such studies had focused on rural employment generation, rural enterprise's development, and women and youth employment. Moreover, the existing literature on the subject has focused on barriers (Boateng, Bampoe & Boateng, 2014); challenges (Gorora & Mago, 2013); environment (Katongole, Mulira & Ahebwa, 2014); community-level activities (Linna, 2010) of rural entrepreneurship. Further, the work of Eckert (1999), one of the early works in the area focused on the cultural dynamics of socio-cultural systems and how it frames entrepreneurial activities. In sum, the intensity of the rural entrepreneurship study has been on the environment such as the risk, social and cultural issues influencing such entrepreneurship activities. In terms of the geographic location, the research from Africa is concentrated in East Africa (mainly Kenya and Uganda) and from South Africa. In West Africa, there are few studies from Nigeria and Ghana. However, evidence of rural entrepreneurship from the Francophone countries was very limited in the region. This creates a research gap. Two fundamental issues emerge from the analysis of the previous studies. First is the concentration of entrepreneurship research and literature on general and urban entrepreneurship with less emphasis on rural entrepreneurship. Secondly, there is limited work on this subject in most parts of Africa except for countries in Eastern Africa. This third issue is a question of why the concentration and interest in urban in contrast to rural entrepreneurship. This should form part of the direction for future research in rural entrepreneurship. Other aspects for research focus will be to investigate into the reason for more entrepreneurial activities within the Anglophone bloc compared to that of the Francophone bloc. The next section examines the theoretical models that underpinned the various research activities on rural entrepreneurship.

### **3.0 Theoretical/Conceptual Framework**

A critical examination of the literature on rural entrepreneurship in Africa indicates that their theoretical underpinnings were borrowed from the extant psychological theories, resource-based view, economic theories and the social capital theory.

#### **3.1 Psychological theories**

Several researches showed that the entrepreneur's psychological characteristics have an influence on organisational outcomes (Boohene, 2007). Borrowing from the sociological and psychological literature, researchers believe that the entrepreneurs goals, attitudinal behaviour, motivational style, emotional and interpersonal qualities are all determinants of an organisation's survival (Nonis & Swift, 2001 and Boohene, 2007). Moreover, Nonis and Swift (2001) opined that personal values, personality types, attitudes and motivation are the most commonly studied psychological constructs in entrepreneurship.

The social adaptation theory argues that values are the most abstract of the various social cognitions that function to assist a person's adaptation to the environment (Nonis & Swift, 2001). According to Peppas (2004), people are characterized by their predominant value systems, and those expectations, motivation, and behaviours are better understood and predicted through the study of one's values. As Roccas et al., (2002) submit, values, as cognitive exemplifications of motivations in the form of goals, are necessary to goal-directed acts. They conclude that values are better predictors of entrepreneurial behaviour over which individuals have cognitive control or choice. McClelland (1965, 1976; 1986) on the other hand, submits three key individual needs, including the needs for achievement (N-Ach), affiliation (N-Affil) and power (N-Pow). The N-Ach leads to the achievement of things originally difficult to master or overcoming challenges to reach high standards people set in life. This theory is important in describing entrepreneurs from different societies (locally, nationally and internationally).

It can be inferred from the theory that there is more urban compared to rural entrepreneurship because of high N-Ach in city centres compared with rural areas in Africa. Similar situation can also be said for countries. That is, a country with people with N-Ach will be more entrepreneurial than those with relatively lesser N-Ach. In their study of entrepreneurial intentions of students, Malebana and Swanepoel (2015) found that students had the intention to start a business in the future. They attributed this to the fact that respondents were aware of the reality of unemployment, and this made entrepreneurship their only viable career option. Hence, they had high levels of entrepreneurial intention.

Koop, De Reu and Frese (1999) discovered that entrepreneurial orientation of African micro enterprise owners was highly related to success. Their finding suggests owner/manager's personal initiative may be the psychological characteristic behind their entrepreneurial orientation (see also Frese & Fay, 1997). Krauss, Frese, Friedrich, and Unger (2005) examined the relationship of the psychological construct entrepreneurial orientation with business success in southern African business owners. They discovered a significant relationship between entrepreneurial orientation components (personal initiative, achievement, and risk-taking orientation) as well as overall entrepreneurial orientation and business performance. Moreover, Katongole et al (2014) found differences between rural youth entrepreneurship in different countries with respect to gender, level of education, marital status and household headship.

### **3.1 Resource based-view**

The resource-based theory insists on the relevance of resources, both tangible, and intangible to a business's competitiveness (Aragon-Sanchez & Sanchez-Marin, 2005). A firm may be viewed as a collection of physical, financial, human and organisational resources, which shape its strengths and weaknesses (Caldeira & Ward, 2003). Thus, a firm's resources offer a superior competitive advantage if they cannot be easily copied, are rare, require an extended learning process, or result from a particular corporate culture likely to be unique to the enterprise (Caldeira & Ward, 2003). Wernerfelt (1984:172) defined a resource as 'anything thought of as a strength or weakness of a given firm'. Resources comprise stocks of knowledge, tangible assets, human resource, and other factors that a firm owns and controls, and, which enable it to produce efficient and/or effective market offerings (O'Regan & Ghobadian, 2004). More formally, a firm's resources are those current and noncurrent assets that are tied semi-permanently to the firm (Borch, Huse, & Senneseth, 1999). Included are intangible resources such as innovation, idea generation, human resources, quality of product or service, as well as tangible resources, which cover equipment and location (Rangone, 1999). Several researchers have tried to develop various resource categorisation schemes for small firms (Edelman, Brush & Manolova, 2005). These groupings comprise physical and financial assets, as well as intangibles such as brand names, in-house knowledge, technology, employment of skilled personnel, trade contacts, and efficient procedures (Tvorik & McGiven, 1997). In other words, resources can be divided into human and social capital, along with financial, physical, technological and reputation capital (Hadjimanolis 2000; Sirmon & Hitt, 2003).

Edelman, Brush and Manolova (2002) described human capital as assets that represent the acquired knowledge and capabilities of a person, and allow for unique and novel actions, which focus on people's attributes and behaviour. Human capital also encompasses innovation, knowledge and management expertise all of which improve customer loyalty (Aragon-Sanchez & Sanchez-Marin, 2005). Social capital, involves relationships between individuals and between organisations. It influences inter-unit and inter-firm resource exchange, the creation of intellectual capital, inter-firm learning, supplier interactions, product innovation and entrepreneurship (Sirmon & Hitt, 2003). Financial capital covers access to funds, including personal sources, retained earnings, debt, equity, and patent capital (Hadjimanolis, 2000). A firm's physical and technological resources are the more valuable tangible and durable assets, which enable it to gain competitive advantage based on superior geographical location and increased efficiency. In the general entrepreneurship literature, a number of limitations have been found to militate against the success of such businesses. In their study, Boateng et al (2014) found that youths perceive the lack of capital, skill, support, market opportunities and risk as the main obstacles to entrepreneurial intention in rural communities.

In the view of Namatovu et al (2012), inaccessible government services, underdeveloped infrastructure, insecurity and lack of skills are some of the barriers to rural entrepreneurship. These challenges inhibit the successful operation of rural entrepreneurship in the local communities. As Idam (2014) opined, the set of problems related to economic, social and political factors creates hostile environment inimical to the progress of entrepreneurial businesses and other small businesses. Ngorora and Mago (2013) found inadequate finance, minor markets, absence of networking, distant markets, lack of electricity; undeveloped transport system, inadequate equipment, corruption and absence of marketing initiatives hindered rural entrepreneurship. Indeed, Linna (2010) found that a community-based entrepreneurship depends largely on capital investment, which could be generated through local mobilization of resources or partnership with different agencies.

### 3.3 Economic theories

The 20<sup>th</sup> century has seen entrepreneurship becoming the focus of mainstream economics theorists and as a result, almost all the branches of economic theory have had something to say about the entrepreneur figure and his respective importance for some economic phenomenon (Rocha, 2012). The development of entrepreneurship study within Economics was, actually, strongly deepened by the different roles that were ascribed to the entrepreneur figure over the time by several economists and analysts. Cantillon acknowledged that inconsistencies between demand and supply in a market create opportunities for buying cheaply and selling at a higher price and that this sort of arbitrage would bring equilibrium to a competitive market. People who took advantage of these unrealized profit opportunities were called entrepreneurs. Schumpeter contributed to the understanding of entrepreneurship with his book "Theory of Economic Development" (1911, 1934). He unveiled his concept of the entrepreneur against the background of economic development, supporting that development is a dynamic process that involves the distressing of the economic status quo, hence, ascribing to the entrepreneur the duty for disturbing that equilibrium.

Knight (1921) also stressed the distinction between risk and uncertainty, and these helped to explain the fact that entrepreneurship is mainly characterized by action under true uncertainty, though being potentially innovative and important to economic development (Schumpeter, 1911). Baumol (1988) on the other hand, argued that the entrepreneur is at the apex of the hierarchy within an organization, and hence, he determines the behaviour of the firm and bears the responsibility for its survival. Entrepreneurs are therefore, competent managers, exercising their entrepreneurial talents through skillful arrangements of productive factors and so form an integral part of a firm's operation (Foss & Klein, 2004). Hayek (1967) continued the Austrian tradition by emphasizing that entrepreneurs have the capabilities of discovery and action, recognize the existence of information asymmetry which they could exploit. Drucker (1974) viewed the entrepreneur as someone who has the capacity to foresee the market trends and make a timely response. Likewise, Kirner (1999) indicated that entrepreneurs identify opportunities and exploit them accordingly.

In their study of non-farm entrepreneurs in rural Africa, Heglar and Naude (2014) revealed that one of the most important push entrepreneurial factor is the high degrees of risk in African agriculture and hence, risk-averse farm households are keen on diversifying their income in anticipation that a crop may fail or in the aftermath of a shock. Rosenbusch, Brinckmann and Bausch (2011) identified that adoption of innovativeness have generally been stronger for financial measures such as return on sales, returns on assets and profitability for entrepreneurial firms. Ngugi, McOrege and Muiru (2013) found a linear relationship between innovativeness and firm growth in their study on the influence of innovativeness on the growth using small and medium-sized trading, manufacturing and service enterprises in Kenya.

### 3.4 Social capital theories

The concept of social capital has been attributed to the early work of Bourdieu (1983) and has been embraced by sociologists, entrepreneurs and organizational theorists (Spence, Schmidpeter, & Habisch, 2003). Bourdieu's theoretical treatment of social capital has been acknowledged by social capital critics such as Fine (2001).

Fine lamented on the difficulty associated with this rational economic theory. Furthermore, his definition of social capital has attracted close to twenty different definitions of the construct (Adler & Kwon, 2002). Thus, the main differences between the definitions depend on whether it is analyzed within individual organizations (the internal perspective) or between them (the external perspective). Even though there are current efforts to operationalize and empirically examine the exchange process of embedded actions (Uzzi, 1999), the junk of the empirical study has focused on instrumental utilization of individual relations and networks by organisations and individual actors (Portes, 1998).

Previous studies (Bourdieu, 1986, Burt, 1997a, Coleman, 1988) document that social capital (or the networks of relationships and assets located in these networks) significantly and positively influence business performance (Baker, 1990), product innovation (Tsai & Ghoshal, 1998), and industry-wide network formation (Walker, Kogut & Shan, 1997). The volume of resources controlled by people is dependent on the overall position of the person or the group. Social capital heterogeneity of entrepreneurs is the unequal endowment of entrepreneurs with social resources in terms of network range (Burt, 1983b), relations and contact resources (Lai, Lin & Leung, 1998). Social capital heterogeneity of entrepreneurs leads to varieties of firm growth performance because social relations favour purchase and sale decisions of entrepreneurs. Sociologists suggest structural embeddedness (the structure of the overall network of relations), relational embeddedness (the extent to which economic actions are affected by the quality of actors' personal relations (Granovetter, 1990)), and cognitive embeddedness (the degree to which an individual shares common code and systems of meaning with a community or collective (Nahapiet & Ghoshal, 1998)), as the three dimensions of individual's social capital.

The fourth dimension of social capital is expressed as resource embeddedness - the degree to which network ties contain valuable instrumental resources (Lai, et al, 1998, Lin & Dumin, 1986, Marsden & Hurlbert, 1988). The resource embeddedness has been referred as the material quality of ties (Uzzi, 1996), and it is a function of attributes and characteristics of individual alters, such as high-status contact versus low status contact (Ibarra, 1993). In this study, the focus is upon structural, relational and resource embeddedness of entrepreneurs' social capital.

Ozgen and Minsky (2007) concluded rural entrepreneurship is a multidimensional strategy that involves education, training, support networks and building strong infrastructure to assist rural entrepreneurs in identifying opportunities and develop new business. The maximum innovations are in the field of agriculture, energy and technology (Mansi & Sharma, 2013). Studies such as Mugobo and Ukpere (2012) supported such views when they opined rural entrepreneurs have various opportunities, including increasing government commitment to land reform, rural development, support from small business development institutions, the creation of networks and partnerships with other rural and urban entrepreneurs. Meanwhile, Malebana and Swanepoel (2015) suggest that the planned behaviour theory could be a valuable tool for measuring entrepreneurial intentions as part of a comprehensive entrepreneurship development programme for rural areas. As an economic benefit, Nagler and Naude (2014) found that the growth and survival of rural entrepreneurship can provide a part of the growing number of non-farm jobs that will be needed in Africa's rural areas. Kihonge (2014) indicated entrepreneurial activities are the medium through which the distribution of goods and services in rural areas are channelled.

The review of literature revealed a focus on the rural entrepreneurial environment and activities, including the challenges and prospects. There was less focus on the rural entrepreneur and which people engage in rural entrepreneurial activities. Proctor (2014) discussed the emerging policy implication for economic diversification in rural sub-Saharan Africa. The study concludes and suggests harmonization of rural and urban development policies within a territorial or regional development framework. This is to strengthen the market and service linkages between rural and urban areas. It has thus been suggested that for the sake of macroeconomic development and growth, it is imperative that attention be given to rural areas country-wide in development of entrepreneurship and small business programmes (Agbenyegah, 2013).

Most of the studies reviewed, including Boateng et al (2014), Ngorora and Mago (2013), Katongole et al (2014), Linna (2010) and Eckert (1999), did not show any theoretical underpinnings. The survey of previous studies revealed a theoretical gap in terms of the reasons for rural entrepreneurship in Africa. Therefore, an area of interest is theory building in rural entrepreneurship. In general, this activity has been explained as spatial context through resource use (Korsgaard, Muller & Tanvig, 2015). It emphasises on the integration of community resources that brings about value creation for the local community. Nonetheless, previous studies provide the foundation for developing the theoretical underpinning for rural entrepreneurship in Africa. For instance, Nagler and Naude (2014) emphasized on opportunity recognition; whilst Mugobo and Ukpere (2012) in their study attempted to relate rural entrepreneurship to economic development and poverty alleviation, although no clear theoretical foundation was established for looking at such a relationship. Agbenyegah (2013) proposed an integrated framework to improve rural entrepreneurship. He cited a number of entrepreneurship theories in his study on the challenges facing rural entrepreneurship. However, he did not relate these theories to the issue of rural entrepreneurship. Others, including Idam (2014), Kihonge (2014), Linna (2010) and Namatovu et al (2012) did not show any theoretical foundation of rural entrepreneurship from their respective positions on the subject. Nonetheless, from the conceptual perspective, these previous studies tend to suggest that the issue of rural entrepreneurship is founded on the need for the development of rural economies and poverty alleviation (Boateng, 2012). There is also the issue of innovation in resource utilization in the local community to generate employment and income for the local economy (Ngorora & Mago, 2012).

#### **4.0 Research Epistemology**

Researchers are influenced by the epistemological position they hold, which affects the way they examine issues and the methodologies they adopt to tackle those issues (Laughlin, 1995). This is because the fundamental assumptions of each position have important implications for the way in which one attempts to investigate and obtain 'knowledge' about the social world. Thus, distinct underlying assumptions are likely to incline researchers towards distinctive methodologies (Crotty, 1998). In their guidelines on research choices, McNeill and Chapman (2005) take the position that there are no perfect solutions to any research approach, only a series of compromises. Because there are various research choices, the researcher must justify the approach chosen since each technique is associated with distinctive means of collecting and analysing data and specific advantages and disadvantages (Amaratunga et al. 2002, Yin 1994). Laughlin (1995) provided three key benchmarks for choosing a research methodology. These are the researcher's pre-existing theories about the problem at hand, the levels of and theoretical nature of the methods, and finally, the levels of critique of the status quo and the need for change.

The exploratory research design has been the main design used in prior studies (see Boateng, 2011; Namatovu, 2012 and Idam, 2014). Earlier studies reveal both the positivist and interpretive research epistemology. Whereas the positivist approach lends itself to objective analysis and supports the use of quantitative techniques, the interpretive supports qualitative research techniques (Scott & Usher, 1996 and Saunders et al, 2009). However, there is still a problem in research into entrepreneurship in Africa due to the informal, unorganized and unregistered nature of such businesses in the region. The difficulties in data collection often compel researchers in the area to employ conceptual and exploratory approaches in their investigation. Collecting data on entrepreneurial businesses in developing countries is hampered by poor records keeping, illiteracy and fear of divulging information to taxes officials. Furthermore, prior studies have used thematic approach and to larger extent descriptive statistics to analyse qualitative data (see Sparks & Barnett, 2010; Ngorora & Mago, 2013). Nonetheless, previous studies on rural entrepreneurship such as Nagler and Naudé (2014) employed quantitative techniques. They conducted an empirical study into comparative non-farm entrepreneurship in rural Africa, using the World Bank's unique LSMSISA dataset for six countries over the period 2005 to 2012. Malebana and Swanepoel (2015) employed quantitative technique to investigate the entrepreneurial intentions of students from the rural provinces of South Africa. Similar technique was employed in Namatovu et al, (2012).

They used questionnaire and survey technique to investigate into rural youth entrepreneurship in East Africa. Owoo and Naudé (2014) tested for the presence and significance of spatial autocorrelation on rural entrepreneurship in Africa using data from the 2011 Ethiopian Rural Socioeconomic Survey and the 2010/11 Nigeria General Household Survey. In Agbenyegah (2013), a quantitative process and exploratory factor analysis were employed to identify the challenges that limit rural entrepreneurship. Ngorora and Mago (2013) employed quantitative research methodology using a survey research design to establish the perceptions of 53 rural entrepreneurs in South Africa. Appendix 1 provides some of the empirical studies on rural entrepreneurship in developing economies, including Africa.

## 5.0 Summary and Conclusions

A review of the previous literature shows limited work on rural entrepreneurship in the region. This starts with the theoretical antecedents and the theorists who are mainly from the developed economies. The studies have focused on the barriers and the environment of community-level entrepreneurship activities. Despite the limited nature of previous works, they provide an insight into the thinking of rural entrepreneurship in the region. Among the significant issues raised in these studies are the presences of rural business opportunities, especially in the agricultural sector and the possibility of receiving support from small business development institutions. However, the studies document underdeveloped rural infrastructure, inaccessible government services, and lack of access to market, inadequate financial support and hostile economic, social and political environment as some of the barriers to rural entrepreneurship.

The possibility of starting and operating a business depends on one's capabilities, household features and institutional dynamics. This lack of empirical knowledge of the arrangements and bases of rural entrepreneurship in Africa may be a causative factor in the limited success of rural development policies and structural change in Africa, and of the fact that rural entrepreneurship does not feature in most poverty alleviation or entrepreneurship promotion strategies.

Furthermore, there is the presence of entrepreneurial activities in many rural African communities. In spite of this, existing literature is geographically unbalanced. Prior studies are concentrated in the eastern and southern parts, with very little works from the west and the north. Moreover, literature comes mainly from Anglophone countries with very finite studies from Francophone countries. There was less focus on the rural entrepreneur relative to the rural entrepreneurial activities. Additionally, most of the previous studies reviewed on rural entrepreneurship did not explain the theoretical foundation. Studies have employed a qualitative and quantitative research method.

## 6.0 Implications and Recommendations for Future Research

The review of previous studies has implications for future research on rural entrepreneurship in Africa. As indicated earlier, the available literature showed extensive works on entrepreneurship in general, but limited studies on rural entrepreneurship. The implication for future study is grouped under *theory, methods* and *practice*.

**Theory**–Future research in the area should look at building a theoretical foundation for explaining the rural entrepreneurship phenomena within African context. As observed, the theoretical antecedent was mainly from the developed economies.

**Methods**– There is the need to collect and build a database of rural enterprises and entrepreneurs to help in the easy implementation of policies and strategies to improve upon their activities.

**Practice** – The studies concentrated predominantly in Kenya, Uganda, Nigeria and South Africa and Ghana. Future studies could extend to other regions in Africa. This is because the phenomenon and practice of rural entrepreneurship area common activity in Africa. National statistics offices must begin to collect and update the database on the rural entrepreneurial businesses in the region.

These limitations may have contributed to the lack of success in the rural development policies implemented by most governments in Africa and the inability of most governments to focus and develop rural entrepreneurship (Fox & Sohnesen, 2013).

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## Appendix 1

Author(S)	Title of Book/ Article	Objective/Purpose Of The Paper	Method	Findings And Conclusion
Osunde (2014)	Entrepreneurs and Entrepreneurship in Developing Countries: The Nigerian Experience	Examine the importance of entrepreneurship	Mixed method	Entrepreneurship creates jobs and add value to economic growth. But entrepreneurs still face doldrums of challenges as they innovate and grow.
Boateng et al, (2014)	Barriers to Youthful Entrepreneurship in Rural Areas of Ghana	Examine the barriers to youth entrepreneurship in rural areas of Ghana.	Mixed method	The youth perceive lack of capital, skill, support, market opportunities as some obstacles to entrepreneurship.
Ozgen and Minsky (2007)	Opportunity Recognition in Rural Entrepreneurship in Developing Countries	Promote rural entrepreneurship development in poverty alleviation in developing countries.	Mixed method	Strengthening rural entrepreneurial system will speed up the establishment of self-sustained rural communities and sustainable livelihood in poor regions.
Namatovu et al, (2012)	Rural Youth Entrepreneurs in East Africa: A view from Uganda and Kenya	Explore the entrepreneurship initiatives that marginalized groups (women, rural youth and the disabled) are engaged in.	Mixed method	The youth in both countries were motivated by opportunity to start their enterprises. Challenges they face include inaccessible government services, insecurity, underdeveloped infrastructure, lack of skills training.
Egwu, (2014)	Entrepreneurship Development in Nigeria: A Review	Assess the factors affecting government efforts at entrepreneurship development.	Mixed method	Problems related to economy, social and political factors have created a hostile environment inimical to the development of entrepreneurial firms and other small businesses.
Kushalakshi and Raghurama (2012)	Rural Entrepreneurship: A Catalyst for Rural Development	To analyse the performance of rural industries.	Qualitative method	Rural entrepreneurship can be a solution poverty reduction, migration, economic disparity, unemployment and rural development.
Katongole et al (2014)	Comparative Assessment of Rural Youth Entrepreneurs in Uganda and Kenya	Examine the entrepreneurial environment in which Ugandan and Kenyan RYE operate.	mixed approach	There are differences among Rural Youth Enterprises in both countries in the demographic aspects of gender, level of education, marital status and household headship.
Linna (2010)	Community-level Entrepreneurial Activities: Case study from Rural Kenya	Analyze community-level entrepreneurial activities that have been created.	market-based approach	A community-based entrepreneurship depend ideally on the investment generated through local mobilization of resources or partnership with different agencies.
Kiiru (2007)	Microfinance (MFIs), Entrepreneurship and Rural Development: Empirical Evidence from Makueni District, Kenya.	Examine the circumstances under which MFIs create jobs, and increase incomes in the rural areas	Quantitative approach	There is need to understand the contextual poverty situation. This is because joint liability borrowing does not attract the wealthier of society, and it may not benefit the vulnerable.
Kihonge (2014)	Role of SMEs in Small Towns in Rural-Urban continuum: The Case of Sagana and Karatina in Mt. Kenya Region, Kenya	Generate information and document the role of SMEs in small towns in rural-urban linkages, rural and regional development.	Qualitative method	SMEs in small towns are involved in the distribution of products to their rural region. The town rural flow was found to be over two times more than town-rural to the forward flow from rural areas.
Paul and Sharma (2013)	Entrepreneurship as a Tool for Rural Development	To study the usability of the innovations and impact of the innovations in life style of rural people	Mixed method	The result shows that maximum innovations are in field of agriculture, rural energy and technology based.
Wube (2010)	Factors Affecting Performance of Women Entrepreneurs in MSEs (The Case Of Dessie Town)	To assess the factors that affect the performance of women entrepreneurs in MSEs	Descriptive survey research design	Entrepreneurship trainings is not given to women entrepreneurs in the town; or even though it is given, it may focus on theoretical concepts than deep-rooted practical trainings.