

Resource-based view of barriers and drivers to the survival of Small and Medium-sized Enterprises (SMEs) in rural areas of Centane in the Eastern Cape, South Africa

BY

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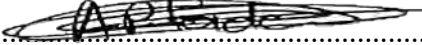
**A research report submitted in partial fulfilment of the requirements for the degree of
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DECLARATION ON AUTHENTICITY

I, A.P. Dumani student number 18D8665, hereby declare that the contents of this research is entirely my own. I am fully aware of the Rhodes Business School's policy on plagiarism, and I have taken every precaution to comply with the regulations.

Date: 13 February 2025 2025 Signature: 

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Abstract

This research study set out to analyse the barriers and drivers of small business survival in rural areas of Centane. Small and Medium sized Enterprises (SME's) are considered a crucial element in achieving economic growth as well as job creation. These businesses play a pivotal role in the improvement of rural economy and livelihood and their existence is intricately linked to the survival of the local communities. Hence, the study seeks to analyse the barriers experienced by rural SME's, resources and interventions required to be successful, was conducted in Centane, a rural town situated in Mnquma Local Municipality, Amathole District Municipality, Eastern Cape Province, The Resource based theory framework was employed to better understand the selected case study.

A semi-structured questionnaire was developed in English then translated into isiXhosa the local vernacular to ease the information flow and ensures the respondent confidence during the face-to-face interview. The interviews were randomly conducted to fourteen (14) key informants (SME's). The data was analysed using thematic analysis.

Results indicated that the inadequate infrastructure, lack of skills and training as well as funding and support from the government are the key barriers experienced by the SME's. Furthermore, results showed that critical skills such as business, records, financial management as well as marketing are required to ensure the sustainability of the SME's in this area. Through the integration of Resource-Based-Framework, the study revealed the significance, and the availability of both the tangible and intangible resources in shaping the competitive-edge, survival and the sustainability of SME's in Centane. The involvement of local government and other related development agencies is recommended to actively participate and play a more active role in ensuring the development, survival, sustainability and success of the SME's in this area. Their intervention should be through facilitation of trainings and skills development initiatives with special focus on financial, marketing and business-related skills.

Key words: Barriers, Drivers, SME's, Tangible and intangible resources

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CHAPTER 1:

INTRODUCTION AND SCOPE

1.Introduction

Small and Medium-sized Enterprises (SME's) play a pivotal role in the economic development of any country (Campbell and Park, 2017). In rural areas, SME's often serve as the backbone of local economies, providing employment opportunities, fostering innovation, and economic diversification in regions that are traditionally dependent on agriculture or a limited set of industries (Afolayan and De laHarpe, 2020). Moreover, they play a pivotal role in promoting social cohesion and community development. However, despite their significant potential, SME's in rural areas face a myriad of barriers that threaten their survival and growth (Kolawole and Ajila, 2015). This study uses the resource-based theory to explore and understand these barriers to SME survival in rural areas, shedding light on the challenges faced by entrepreneurs and policymakers alike. This introduction chapter will provide the rationale behind the current study.

1.1 Research Context

1.1.1. The realities faced by SME

Globally, Small, Medium and Micro Enterprises (SME's) are key solution to unemployment, economic growth, and poverty and further help developing countries restructure their economies and change their socio-economic realities for the benefit of the people through generating economic growth and creating job opportunities (Beck and Demirguc-kunt, 2006; Rankhumise and Masilo,2018.). SME's make up 90 percent of businesses and account for 50 percent of employment globally (World Bank, 2022). However, the important role played by SME's is threatened by the survival rate of these businesses because of key constraints and barriers to access. Small business owners particularly in developing countries face challenges that increase the failure rate within the first 2-3 years (Fubah & Moos, 2022).

SME's operating in rural areas in developing countries face higher chances of failure because of a further lack of development in areas such as owner's managerial ability, location, investment in information technology, cost of production, and networking (Doan, Khan, Tran,

and Holmes, 2021; Khan and Burki,2020). These are just a few examples of internal environment factors that act as barriers to the survival of SME's (Doan, Khan, Tran, and Holmes, 2021; Khan and Burki,2020). Internal environment also includes financial factors, particularly internal financial factors like owner investment and secured loans (Khan, Siddique, Sarwar, Minh Huong, and Nadeem,2020; Mohammed and Bunyaminu, 2021). A lack of these internal elements decreases the survival rate of a business.

External elements that influence the survival of an SMME range from the legislations, environmental issues and social issues related to crime and corruption (Bad, Patel, Patel, and Tare, 2013:2). Thus, the socio-economic context of most rural areas means that some SME's are survivalist in nature and thus have limited resources, little to no linkages to external markets thus decreasing their rates of survival (Khan, Siddique, Sarwar, Minh Huong, and Nadeem,2020; Mohammed and Bunyaminu, 2021).

1.2.2 Government Regulatory frameworks to support to SME's in South Africa

The South African National Development Plan (NDP, 2030) outlines fundamental goals for the country to achieve in 2030, namely alleviation of poverty, decreasing inequality and unemployment (Lekhanya and Mason, 2014). However, various authors have noted these goals are not aligned with the current economic context of the country. The high rates of poverty and unemployment coupled with a low Gini coefficient means that the economy is not growing at a rate to realise the goals.

The South African government has identified SME's as a critical role player towards realising vision 2030 sustainable development goals (SDG's) of a more inclusive economy (Malebana, 2017; Lose and Tengeh, 2015). In addition to encouraging more new enterprises, the government wants to foster an environment that will help small businesses thrive. The National Small Business Act (1996), which provides for financial and non-financial state aid to all South African businesses, has been crucial in the development of an enabling environment, claim Van Eeden, Viviers, and Venter (2003).

Since 1994-2004, a variety of programs have been developed that outline various assistance strategies for SME's. Concurrent to the above, comparable projects have been launched by the business sector, civil society, and cooperative movements, reaffirming the idea that all these stakeholders have responsibilities for assisting SME's (Rogerson, 2009). The White paper on

the National Strategy for the Development and Promotion of Small businesses in South Africa of 1995 was the first government strategy that focused on small businesses (Rogerson, 2009). After a period in which large companies predominated and small businesses were consistently ignored, the White Paper created a climate that allowed for the rapid expansion of small businesses.

The Small Business Act of 1996 was created to aid in the growth of small businesses, and as a result, organizations like the National Small Business Council and Ntsika Enterprise Promotion Agency were created to support the government's efforts to assist SME's (Sibita & Kele, 2019). To abolish all provisions relating to the National Small Business Council and give the acting Minister the authority to create an advisory body to represent the interests of small businesses, the Act was revised in 2003. The Act was once more amended in 2004 to include provisions for Small Enterprise Development Agency (SEDA) creation. The Act's primary goals were to establish SEDA and then to address issues pertaining to the Agency's administration, operation, and function (National Business Amendment Act, 2004).

In 2004-2014, the government introduced the Integrated Small Business Development Strategy (ISBD) that set out a plan of action for a ten (10) year period. According to Biggs and Shah (2014), this strategy set out to create an enabling environment for small businesses (Biggs and Shah, 2014). As such, this strategy set the foundation for the establishment of support institutions like the Small Enterprise Development Agency (SEDA) to localise small business support. One of the aims of the ISBD was to capacitate small businesses to help alleviate unemployment in the country. In 2005, the government introduced the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (ISBDS). This strategy set out to include more support institutions into the small business development space to create a more enabling environment for SME's (Bruneel & de Cock, 2016). This strategy further aimed at reducing the regulatory constraints that limit small businesses from growing.

From 2014 to 2024, the South African government implemented various initiatives to support Small, Medium, and Micro Enterprises (SME's) as a part of its economic development strategy. The government created the Ministry of Small Business Development (DSBD) for SME's and Co-operatives development. The key aim of the department is to coordinate efforts to promote entrepreneurship and development of SME through fostering an enabling environment. Various support institutions like the National Empowerment fund (NEF); Youth Employment Services (YES); Industrial Development Corporation (IDC)

and the Technology Innovation Agency (TIA) have been established by government to help support SME's. These initiatives represent a multifaceted approach by the South African government to support SME's through financial, educational, and regulatory means. They aimed to address challenges faced by small businesses and promote inclusive economic growth and job creation across various sectors.

However, even with the establishment of SME support mechanisms, South African small businesses operating in rural areas face higher chances of failure networking (Doan, Khan, Tran, and Holmes, 2021; Khan and Burki,2020). Research studies attribute this failure to a lack of entrepreneurial experience on the part of business owners and no access to financing and support mechanisms. A study by Ladzani and Netswera, (2009) analysed the support for rural businesses in Limpopo found that small enterprises face a severe challenge in obtaining financing, which hinders their profitability and expansion. The study further noted that a lack of knowledge on business strategies further contributed to the failure of small businesses in rural areas. The survival rate of rural SME's is far worse than those in urban areas. This is due to a lack of inadequate infrastructure, limited access to markets, small population, and a shortage of skills (Madzimure & Tau, 2021).

The migration of young people from rural areas in search of the city life has left many rural areas neglected in support and development initiatives (Bvuma & Marnewick, 2020; National Planning Commission Report, 2017). Leaving some rural areas with little to no capacities to sustain and grow SME's. The lower level of SME support in rural areas may be due to entrepreneurs' lack of understanding of the importance of business support or difficulties in reaching providers because many of them are in urban areas (Fatoki & Garwe, 2010; Donga, Ngirande, & Shumba, 2016). In trying to support the economy in rural areas, the South African government has since set aside funding and support initiatives for SME's in rural areas. The Eastern Cape government has also invested in the promotion of rural based SMME's due to high rates of unemployment and poverty in the province (Fatoki & Garwe, 2010; Donga, Ngirande, & Shumba, 2016). With the high government investment, SME's still have a high failure rate. It is important to investigate the barriers of SMME survival in rural areas with the presence of government support. This study analyses SME's in Centane to gain a better understanding.

1.2.3 The case of Centane

Centane Local Municipality is in the Eastern Cape province of South Africa, bordering the Indian Ocean to the south (Statistics SA, 2022). It falls within the Amathole District Municipality, which is the higher-tier municipal authority for the region. Centane Local Municipality is divided into several wards and areas that encompass both rural and urban communities. The economy of Centane Local Municipality is primarily based on agriculture, with subsistence farming being a significant activity for many residents. Livestock farming, including cattle and sheep, is prevalent in the area. (Statistics SA, 2022). According to the Amathole district IDP (2022), the local economy thrives on a myriad of small businesses, including local shops, cafes, and service providers, forming the backbone of the community. The region's cultural richness is often evident in businesses that specialize in traditional crafts and arts, preserving and showcasing local heritage. While essential services like healthcare and education are present, the informal economy plays a significant role, with individuals involved in small-scale enterprises. Despite facing challenges like limited infrastructure and access to markets, businesses in Centane find opportunities for growth through community-focused initiatives and support, contributing to the resilience and uniqueness of the local economic landscape.

1.2.4 The SME's focus

SME's or small and medium-sized businesses, are a widely diverse group. SME's range from sophisticated high-end firms, medium sized domestic firms who sell to foreign markets and single producing small firms who cater only for their local markets (Meredith 2001). SME's operate in various markets, from local, regional to national and rural (Okpukpara, 2009). These businesses contain various degrees of expertise, capital, sophistication, and growth orientation, and may or may not be in the formal or informal economy (Lekhanya and Mason, 2013).

The definition of SME's differs by nation and is typically based on the number of workers, the amount of revenue, and/or the amount of assets (OECD, 2005). The most widely utilized measure is the number of workers because it is simple to collect and this varies by industry, as some industries require more labour and capital than others (Fatoki and Garwe, 2010). The OECD, 2005 defines small businesses as "Small and medium-sized enterprises (SME's) are non-subsidiary, independent firms which employ fewer than a given number of employees.

The definition of SME's is typically outlined in the legislative framework of a given country, in the South African context, the National Small Business Act of 1996 and the Amendment Bill of 2003. In South Africa, an SME is a business that has less than 200 workers, a turnover that is under R5 million and assets below R2 million. The National Business Act of 1996 provides the following definition:

Small Enterprise means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner, or more predominantly carried on in any sector or subsector of the economy.

The OECD separates SME's into the following categories in South Africa:

1. Survivalist Enterprises- typically have little in the way of assets and no paid staff thus make less money than the minimum wage or the poverty line, and their major objective is to give the unemployed and their families a basic means of subsistence.
2. Micro-Enterprises - possess less than five paid employees and a turnover below the threshold for VAT registration and they include, for instance, spaza stores, the taxi business, and traditional herb merchants.
3. Very Small Enterprises- employ no more than ten hired workers and this figure may change depending on the industry. Employees in Very Small Enterprises adhere to official labour market requirements and are frequently familiar with current technology (Qwabe, 2005).
4. Small Enterprises- Less than fifty full-time employees make up a small business, which is more established in terms of operations and yearly turnover. According to Qwabe (2005), the proprietors of these businesses typically do not oversee them directly; instead, they hire managers/supervisors to oversee the everyday running of the business.
5. Medium-Sized Enterprises- Are those that employ up to 100 paid workers. While owners and managers are in charge of these businesses, the ownership and management structure are more complicated and consists of people with a range of specialized skills.

1.2 Research problem

This study analyses SME's in Centane to gain a better understanding on how the resource

based view can be fully utilized in the area in relation to the survival and day to day operation of SMEs.

1.3 Research objectives

The overall goal for this research is to understand which, allocated resources, both internally and externally drive the survival of SME's in rural areas of Centane in the Eastern Cape. The following sub objectives were adopted in order to align with the presiding main objective:

Specific objectives:

- I. Identify resource-based barriers to survival for SME's in rural Centane.
- II. Identify resource-based drivers for survival of SME's in rural Centane.
- III. To provide recommendations for support mechanisms addressing pertinent barrier/driver dynamics for growth beyond survival.

1.4. Research Limitation

This research has several limitations, therefore concluding it should be done cautiously. Only Centane in the Eastern Cape was included in the relatively small sample size for this study. The results might not therefore accurately represent the circumstances of other small rural enterprises.

1.5 Outline of the research

Chapter 1: This chapter introduces the research study and presents the research context particularly the South African context of rural small businesses.

Chapter 2: This chapter provides a detailed review of literature on the topic of rural SME's. It starts off with providing definitions of SME's and goes on to discuss the barriers and drivers of SME's success in rural areas. This chapter further provides the theoretical framework that was used in this study.

Chapter 3: This chapter outlines the methodology used to guide this study, which is qualitative. It details how the data was collected and analysed.

Chapter 4: This chapter presents the results of the collected data, as it starts with providing a profile of the selected participants, followed by an analysis of the data.

Chapter 5: This last chapter of the study conclude and provide recommendations.

1.4 Conclusion

In this chapter it has been highlighted that SME's in South Africa are identified as playing a key role for economic growth. However, this sector still faces barriers that hinder the growth of these businesses regardless of the different regulatory frameworks that are meant to ease-out the process. Within the rural setting, SME's face a unique set of challenges that require further analysis. This chapter introduced the study and presented the rationale of conducting this research. The following chapter will present the review of literature.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This literature review explores the multifaceted challenges and barriers that SME's operating in rural areas encounter, with a focus on understanding the distinct characteristics of these barriers. By outlining existing research, this review aims to provide a comprehensive overview of the barriers to SMME survival in rural areas, including the underlying causes, consequences, and potential strategies to address these challenges. The chapter the researcher first clarifies and conceptual significant definitions relevant for this study for consensus of constructs.

2.2 Determinants of Rural SME's

According to Bosworth and Somerville (2013), the concept of rural has various definitions and interpretations. In one research, for instance, rural is defined as "what is not urban, not suburban" (Isserman, 2005, p. 466) but fails to mention what can be in between. The above description also has a flaw in that it ignores the distinctive characteristics of rurality and its different forms. Madu (2010) defines rural areas as those that are not only small but also far away. This definition seems very restrictive and might limit the phrase's broader use. While some definitions also highlight population density, others place more of an emphasis on open space and structure.

These enterprises are characterized by their relatively small size, which can vary by country and region but typically includes a limited number of employees and modest levels of revenue and assets (McElwee, 2014).

The core defining determinants based on the above definition of SME's and rural areas, a rural business is described by Henry and McElwee (2014), who take into consideration the geographical location and thus the principal site is placed in a rural environment (in terms of the main physical infrastructure and majority of personnel). A rural SME employs individuals within a designated travel-to-work region but has less than 500 full-time equivalents, which highlights both the spatial and quantitative SME characteristics. This research thus adopts the definition provided by Henry and McElwee (2014) in its understanding of rural SME's.

2.3 The Global contribution of Small and Medium businesses in development

With the advent of specific policies and the establishment of small business support, the idea of SME and entrepreneurship development was brought into the economic growth scene in the 1940s (Ayandibu and Houghton, 2017; Vijayakumar,2013). Entrepreneurial activity, according to theorists like Schumpeter (1912), is the primary force behind economic growth. Schumpeter (1912) asserts that the ability and initiative of entrepreneurs creates new opportunities for investment, growth, and employment (Karol, 2013). Vosloo (1994), explains the importance of small businesses as “people make things happen, enterprises begin with people, enterprising people give rise to production, which in turn gives rise to employment. Without

the spirit of enterprise as expressed in SME's activity, there can be no employment creating economic growth”. In simple terms, the flexibility and capacity to respond to difficulties and changing surroundings associated with small business make them more prone to innovate and thus aid in job creation and overall economic growth (Barry & Milner, 2002; Karol, 2013).

Globally, there has been a major shift toward the common acknowledgment of SME's as the foundation of economies as opposed to large firms as the primary driver of economic growth and employment creation (Herrington and Kew, 2016; Mahadea & Rawat, 2008; Tsukahara, 2006 Subrahmanya, 2015). According to the OCED (2023), this shift has also been visible in the general reduction in the employment and output share of large enterprises. Since the early 1980s, the average manufacturing establishment size has decreased in Canada, the UK, and the US, remained stable in Germany. Small businesses (fewer than 100 employees) showed a faster net employment increase than bigger ones from the middle of the 1980s to the

beginning of the 1990s in all countries. In the United States, small businesses are considered the backbone of the economy as they account for 51% of the GDP (OCED,2023). According to Bushe (2019) this is because small businesses create four times as many inventions as medium-sized businesses and twenty-four times as many as big businesses for every dollar spent on research and development.

Al-Haddad, Sial, Ali, Alam, Khuong and Khanh (2019) assert that small and medium-sized businesses are essential for eradicating poverty and fostering economic and social growth. Economic growth will be attained by the establishment of profitable business opportunities, which will lead to the creation of jobs for the general people in the area where they will be functioning. As such, researchers like Meyer and Meyer (2017); Mahemba and Bruijn (2003) and Singh, Garg, and Deshmukh (2009) note that SME's play an important role in the growth of countries gross domestic product (GDP). For example, in the United Kingdom SME's contribute 52 percent of the GDP, 52 percent in France and 53 percent in Germany. Similarly, the United Nations Development Programme notes that 90 percent of global trade is conducted through SME's, which also account for 60 percent of employment and 58 percent of the gross value added.

According to the Organization for Economic Corporation and Development (2023), local economic strength is primarily derived from entrepreneurship. The development of new industries and the actions of small and medium-sized businesses contribute to the production

of jobs and economic growth by stimulating improvement and the full utilization of available financial, human, and other resources (Khan,2022; Matakala, 2019; Mohammed and Bunyaminu 2021). This is because SME's, as opposed to huge corporations, may survive on less complex infrastructure, which encourages them to hire more people than large corporations. According to the South African Reserve Bank (2015: 6), Silicon Valley entrepreneurs' success demonstrates how small businesses can capitalize on their flexibility and desire for innovation.

2.4 Rural SME's and Development

Within the rural context, SME's are said to play a significant role in the development of their areas (Kubichova, Moravkova, Tuzova and Igor ,2017). Researchers Galṽao, Mascarenhas, Marques, Braga and Ferreira, 2020, studied how SME's affected rural households' living conditions in the Czech Republic. They claim there is a direct link between SME's and rural development. These businesses generate income for rural households, which, in turn,

circulates within the local economy. The increased income levels can lead to improved living standards and overall economic well-being in rural communities. Rural SME's are often one of the primary sources of employment in rural areas. They create job opportunities for residents, helping to reduce rural unemployment and underemployment, which in turn contributes to poverty alleviation and improved livelihoods.

The results of their research showed that rural households were quite satisfied with their condition of living. Like this, research by Bomani and Derera (2018) on the effects of rural SME's in Kwazulu Natal concluded that these businesses significantly contribute to economic growth, poverty reduction, and job creation. For his investigation on the SME sector's contribution to the reduction of poverty in Pakistan, the author analysed time series data spanning the years 1972 and 2008. The results supported a significant contribution of SME growth to the reduction of poverty in the nation. The study further revealed that rural SME's are often one of the primary sources of employment in rural areas. They create job opportunities for residents, helping to reduce rural unemployment and underemployment, which in turn contributes to poverty alleviation and improved livelihoods.

According to the results of a research carried out by the Commission for Rural Communities in 2007, between 1995 and 2004 most rural districts in England had a large increase in the number of small enterprises, with their growth being slightly greater than that of urban authorities. Additionally, Bosworth (2009) noted that although metropolitan regions dominate

England's national economy, approximately 28% of all small enterprises are in rural locations. According to Nisula and Pekkola (2012), small firms in rural locations are more likely to employ more people than those in metropolitan areas. This possibility is attributed by Patterson and Anderson (2003) to two elements: geographical variability and the comparatively lower cost of labour. These results show that SME expansion in rural regions is a significant driver of economic growth.

According to the African Monitor (2012), most rural communities in Africa experience inadequate and unreliable infrastructure services, which include a lack of internet connectivity, transportation and communication services, and energy. These services have an impact on the survival and growth of SME's in rural areas. As a result, SME's operating in rural areas in developing countries face higher chances of failure because of a further lack of development in areas such as owner's managerial ability, location, investment in information technology, cost of production, and networking (Doan, Khan, Tran, and

Holmes, 2021; Khan and Burki,2020).

In summary, the role of rural SME's in rural development is multifaceted. They contribute to economic growth, job creation, poverty reduction, and infrastructure development, ultimately enhancing the overall quality of life in rural communities. Recognizing and supporting the potential of rural SME's is crucial for sustainable rural development strategies. The following section will discuss the barriers faced by SME's in rural areas that hinder their survival.

2.5 Barriers faced by SME's in Rural areas.

2.5.1 Financial Constraints

There have been various studies that have analysed and studied the key reasons around the development and failure of businesses on a global scale (Madiha, Amjad,Shafiq, & Gillani, 2019; Mohammed and Bunyaminu, 2021). Financial constraints is cited as barrier for small business growth in developing countries (Madiha et al., 2019). Mambula (2002), evaluated 32 small enterprises in Nigeria, that fail due to a lack of training and access to foreign finance for the acquisition of equipment and small parts. In this study, the only factors identified as preventing small business growth was money and skill gaps. Mambula lists another difficulty faced by Nigerian small businesses as the intimidation of enterprises by government officials who are trying to extort money from them.

Manzoor, Wei and Sahito (2021) argue that rural businesses may face higher risks due to factors such as unpredictable weather conditions, market volatility, and dependence on agriculture. Financial institutions may perceive these businesses as riskier, leading to a reluctance to lend. Khan (2022: 39) explains that “the inability of SME's to meet creditors' collateral requirements, higher transaction costs related to smaller loans sought by SME's, information asymmetry, higher risk premiums due to the murky existence of smaller enterprises, and information asymmetry are key firm-level determinants of difficulties experienced by entrepreneurial SME's in accessing external funds”. As a result, most SME's in rural areas finance their businesses through personal equity, when compared to large corporations, these financial obstacles have a double impact on the expansion of SME's (De Blick, Paeleman and Laveren, 2023).

The ability of small business to perform depends heavily on their financial resources because

they enable the possibility of business expansion (Mohammed and Bunyaminu, 2021). Mohammed and Bunyaminu (2021) study focused on obstacles facing business enterprises in Ghana which found that lack of capital and financing have a negative effect on the growth of small businesses. Hence the lack of these capitals leads to the inability to reach full potential as an economic engine.

Within the South African context, the Bureau for Economic Research (2016:5) explains that “given financial institutions highly conservative nature, South African banks and lenders are more inclined to put resources in small businesses in their later stages of development”. Finscope’s Small business survey (2010) found that SME’s in Gauteng and Northwest have better access to finance compared to SME’s in predominantly rural areas. One primary reason for this difficulty is the inherent risk associated with rural businesses. Financial institutions typically view rural SME’s as riskier investments due to factors such as limited infrastructure, lower population density, and less diversified economies (Malebana, 2017). These rural businesses may lack collateral or credit histories, which are crucial for securing loans. Additionally, the remoteness of rural areas can result in higher transaction costs for lenders, making it less attractive for them to extend credit. Moreover, financial institutions may have a limited presence or understanding of the specific needs and dynamics of rural markets. These factors combined create a substantial barrier for rural SME’s seeking financial support, thereby hindering their growth and economic development potential (Lekhanya and Mason, 2014; Mohammed, and Bunyaminu, 2021).

2.5.2 Infrastructure Constraints

According to Džafic, Zahirovic, Okicic, and Kožaric, (2011) and Spigel, (2017), infrastructure constraints are the primary predictors of business performance; as a result, a country's infrastructure is crucial to fostering the growth of enterprising SME’s and has the power to improve or detract from their performance. Limited access to basic infrastructure, such as reliable road networks, electricity, and internet connectivity, hampers the operational efficiency and competitiveness of rural SME’s (Mohammed and Bunyaminu 2021).

Previous studies on infrastructure constraints done in Africa in Ghana and Nigeria (Mohammed and Bunyaminu, 2022; Mambula 2002). Poor road infrastructure increases transportation costs, delays supply chains, and limits market reach (Mohammed and

Bunyaminu, 2022). Unreliable electricity supply disrupts production processes and increases operational costs due to the need for backup generators. Insufficient access to the internet and digital technology inhibits the adoption of e-commerce and digital marketing, hindering rural SME's from tapping into broader markets (Mohammed and Bunyaminu, 2022). Similarly, the study by Mambula (2002) in Nigeria stated that poor infrastructure (like roads, lack of water and electricity) and limited the consistency and growth of small businesses. Khan (2022:36) asserts that infrastructure-related barriers are more problematic for businesses in rural locations, because the cost of input products and product shipping are affected by the state of many factors. Due to infrastructure constraints, small businesses may have higher production costs, and this may limit their level of growth and sustainability.

2.5.3 Macroeconomic constraints

Forcher-Mayr and Mahlkecht (2020) found that a variety of macroeconomic factors, such as political conditions, financial conditions, public perceptions, corruption, and legal concerns, have an impact on the growth of small businesses. Frenzel (2020) states while macroeconomic constraints are external to the business, they can make it difficult for businesses to generate

enough profit for long term survival. Issues like inflation, high taxes and legal requirements may make it difficult to conduct businesses effectively.

Small firms, particularly those operating in the formal economy, are subject to several rules and legislation (Bhorat et al, 2018; Khan,2022; Mohammed and Bunyaminu 2021). Along with the obvious costs, dealing with government processes and procedures can take time. Small businesses frequently face a greater financial and time burden than their larger counterparts. For example, legislations that require worker insurance and upholding minimum wage standards may present high labour costs for small businesses to maintain. The requirement to constantly keep up to date with such regulations may be too much for small businesses who may not have the expertise nor time to handle.

2.5.4 Market Constraints

Khan (2022) notes that while national governments and supporting institutions have provided various financial support to ensure small business success, if these businesses have little or no access to markets their chances of survival are little. According to De Blick et al. (2023) one of the key elements endangering SME's in rural areas long-term viability has been

identified as their inability to reach markets. Businesses in rural and remote areas face greater challenges accessing markets because of their location (De Blick et al.,2023; Khan, 2022). Manzoor et al., (2021) add that the remote locations of rural SME's, coupled with lower population densities, can restrict their ability to reach a wide customer base. Furthermore, rural markets are often characterized by lower purchasing power, limiting the potential for higher-priced or specialized products and services.

For Hajilo (2022) small businesses in rural areas further have limited negotiating power when it comes to prices because their large competitors usually set strict market requirements. For example, for small scale farmers in rural areas it becomes difficult to meet the quality and productions standards set by supermarkets and multinationals as key requirements for market entry (Fubah and Moos,2022). As such small-scale farmers have difficulties accessing markets while at the same time, they cannot grow without partaking in these markets. For small businesses, the high barriers to access markets make it difficult for them to tap into market benefits. According to Herrington (2017), Large companies still hold a significant amount of market share in South Africa, with supermarkets, retailers, and energy supplies as key examples. This makes doing business for small businesses more expensive and makes it harder for them to access markets, particularly government contracts prospects.

2.5.5 Management Constraints

The effectiveness of small businesses is also impacted by managerial abilities (Khan, 2022), leadership, technical difficulties, and a lack of expertise are the key management-related issues that have been identified as the biggest barriers to the development of organizations, especially small enterprises. Bhorat et al, (2018) highlights that inadequate record keeping and no management abilities results in high failure rate of small businesses. Bushe (2019) listed key factors that contribute to small business failure. The study stated that bad planning, poor pricing strategies, poor management of human resources, and a business owner's inability to adjust to changing market demands were the key managerial limitations. Financial management skills are lacking among some managers of entrepreneurial SME's, which leads to insufficiency of resources and even failure (Beck, 2007; Khan,2022; Mohammed and Bunyaminu 2021).

2.6 Solutions to Address Challenges faced by SME's in rural areas.

Small and Medium-sized Enterprises (SME's) in rural areas often face unique challenges that require tailored strategies for support and growth. Here are some strategies to address these challenges:

2.6.1 Access to Finance:

One of the key tactics for promoting rural entrepreneurship is the creation of a microfinance organization or fund with a rural focus that offers SME's reasonably priced loans. Tasavori, Zaefarian, and Ghauri (2015); Lekhanya and Mason (2014); Katekhaye and Magda (2017). Lekhanya and Mason (2014) state that one way the government can guarantee the success of rural SME's is by encouraging financial literacy and providing training programs to assist entrepreneurs in understanding financial management and locating funding sources. Encourage regional banks and financial organizations to open branches or provide mobile banking services in rural areas as well.

2.7.2 Infrastructure Development:

According to Tasavori, Zaefarian, and Ghauri (2015), investing in rural infrastructure development, including roads, electricity, and internet connectivity, to improve accessibility and logistics for SME's. establishing and maintaining business clusters or industrial parks in rural areas in cooperation with public and private stakeholders.

2.6.2 Market Access:

According to Frenzel (2020), fostering the growth of regional value chains and markets is crucial to fostering rural entrepreneurship by providing chances for rural SME's to sell their goods. Herrington (2017) contends that one way to create market access for rural SME's is to facilitate partnerships with larger businesses or cooperatives. In a similar vein, creating e-commerce platforms or opening up online sales and marketing channels to reach larger clientele.

2.6.3 Skills and Training:

According to Utete and Zhou (2024) offering training and capacity-building programs tailored to the needs of rural SME's could help improve the day-to-day running of a business thereby increasing its survival chance. Utete and Zhou (2024) note that focusing on business

management, product development, and marketing are a few examples of possible trainings that can enhance business performance. Encouraging mentorship programs where experienced entrepreneurs can guide and support rural SME's. Similarly, Koyana and Mason (2017) state that training and educational opportunities around were crucial interventions to help transform rural entrepreneurship.

2.6.4 Government Support:

The success of rural business owners can be significantly aided by local government (Doan, Khan, Tran, and Holmes, 2021; Koyana and Mason, 2017). Therefore, policies and incentives that specifically target rural SME's, like tax breaks, grants, or subsidies, should be promoted by local government. Lowering regulatory obstacles and streamlining bureaucratic processes to facilitate the establishment and operation of rural SME's (Herrington, 2017; Muriithi, 2017). Establishing one-stop shops where business owners can access information and government services may help start-ups know where to go and thus help support them in those first crucial years. Malebana and Swanepoel (2015) add that the government must promote networking events, business associations, and trade fairs in rural areas to foster collaboration and information sharing among SME's. furthermore, the government can also encourage the formation of cooperatives or business clusters to pool resources and jointly address challenges.

2.6.5 Access to Technology:

Ladzani and Netswera, (2009) another strategy to increase the survival rate of rural businesses is through providing subsidies or incentives for rural SME's to adopt technology, such as automation, digital marketing, and cloud-based tools. The authors note that creating technology hubs or innovation centres in rural areas to facilitate knowledge sharing and tech adoption may help rural businesses gain competitive advantage in their various industries.

2.6.6 Promotion and Branding:

Cant and Wild (2020) conducted a survey on the role and importance of marketing for township SME's. the study found that the use of marketing and branding initiatives can help decrease the failure rate of SME's in the township. While the study was not conducted specifically in a rural setting, its results do suggest that investing in marketing and branding campaigns to raise awareness of rural products and services may help strengthen rural businesses. Branding and marketing are important for the rural setting because it may help

highlight the unique qualities and cultural aspects of rural products to attract customers.

2.7 Theoretical Framework-The Resource Based Theory

In Penrose's (1959) work, the firm is referred to as a collection of resources, giving rise to the resource-based theory (RBT) of the firm. According to Penrose, management's pursuit of the best possible utilization of the company's resources both facilitates and limits the firm's growth. The RBT examines why businesses thrive or fail in the marketplace from a firm focused perspective (Barney, Ketchen, & Wright, 2021; Dicksen, 1996). According to the RBT, a company should be aware of the resources and assets that give it a competitive advantage. For this research this theory will be useful in analysing what resources facilitate the survival of SME's in South Africa thereby resulting in job creation. In simpler terms, this research will use

the RBT theory to identify the kind of resources needed to utilize for SME's to thrive in a rural area.

Understanding the linkages between various resources and how they might be combined to retain competitive advantage is the goal of the RBT. Burvill, Jones-Evans, and Rowlands, (2018) state that, the RBT assists organisations examine the complete range of resources a firm may have. This help with better comprehension on the kind of resources that can provide long- term strategic advantage.

Resources are widely defined by RBT to include property, organizational procedures, company characteristics, information, or knowledge that are within the control of the firm and used to develop and carry out its strategies. The RBT identifies three main groups of resources. Physical resources (technological, plant and equipment); Human capital resources (training, experience, insights), and Organizational resources (formal structure). According to the RBT, which firms will generate more revenue and have a competitive edge over rivals depends on who owns and controls those strategic assets (Burvill, Jones-Evans and Rowlands,2018). SME's can get access/make use of resources (both tangible and intangible) provided by the various government support institutions.

2.8 Conclusion

This chapter discuss literature around the barriers of SME's survival within the rural context. The definitions help provide a working definition based on its characters and its rural operational environment to determine core elements. The above discussion on barriers to business operations makes it evident that a variety of factors can act as roadblocks to the expansion and development of a business These components could be either internal or external to the environment in which an organization operates. The discussions on barriers as constraints were complemented with solutions. Theoretical framework of resource-based theory focusses on how a business's unique resources and capabilities can contribute to its competitive advantage and performance. In the context of small businesses, understanding the resources they possess and how they leverage them can provide valuable insights into the factors influencing their success or failure.

CHAPTER 3:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides detail on research paradigm, research design, population and how sample was selected as well as how the required data was collected. Thus, providing a methodological framework used to answer the research questions. This research is within the framework of qualitative research methodology. In trying to understand the subjective experiences of research participants, the interpretivist paradigm is used as a research design opted focusing on case study research design.

3.2 Research Paradigm

A research paradigm is considered as the philosophical worldview that grounds a research study (Creswell, 2014). In a research project, a paradigm helps provide the researcher with a set of assumptions and beliefs that the methods of collecting the required information will be based on. For this study, the researcher adopted an interpretivist paradigm. Interpretivism is rooted in the belief that to make sense of humans and their behaviours, researchers must first understand the subjective meaning behind those actions (Oppong,2014; Pham,2018). For this paradigm, there is no one true version of reality but rather multiple versions based on the subjective experiences of people (Pham, 2018). Interpretivist is the most suitable paradigm for this study because it allowed the researcher to understand the subjective drivers and barriers of each SMME in Centane and not assume there is one standard reality for all businesses. Interpretivism further allowed the researcher to make sense of SMME survival within the context of each of the participants.

3.3 Research Design

A research design in research refers to the plan or strategy that outlines how a researcher intends to conduct their study, gather data, analyse it, and interpret their results within the framework of qualitative research methodology. According to Asenahabi (2019) a research design provides a systematic approach to addressing research questions or objectives and guides the researcher

in making decisions about various aspects of the study. A well-designed research plan enhances the rigor and credibility of the study.

In trying to understand the subjective experiences of research participants, the interpretivist paradigm encourages researchers to adopt a qualitative research design. As such, this research study took on a qualitative case study research design. Crowe, Creswell, Robertson, Huby, Avery and Sheikh (2011:8) explain that a case study research design is “a research approach that is used to generate an in-depth, multi-faceted understanding of a complex issue in its real- life context. For this research, a case study design allowed the researcher to get an in depth understanding of the barriers and drivers of SMME survival in Centane. Since this research was concerned with understanding the real-life experiences of SME’s in Centane, a qualitative case study design allowed the researcher to delve deeply into the experiences and perspectives of the participants.

3.4 Population and Sampling

Population and sampling relate to the group of individuals or elements you are studying (population) and the subset of that group you collect data from (sample). The population refers to the entire group of individuals that share a common characteristic and are of interest to the researcher, in the context of this, research 14 SME’s in Centane were taken into consideration due to their geographical location. The SME’s were from the Local Economic Development office at Mnquma Local Municipality. Sampling involves selecting a smaller subset of individuals or elements from the larger population to represent it in your study.

This research adopted a purposive sampling method focusing on people who have small businesses in the Centane area. According to Asenahabi (2019:12), purposive sampling involves the researcher picking participants based on their knowledge and proximity to the topic. This sampling method allows the researcher to pick respondents who are most likely to provide the needed information to answer the research questions and objectives.

In recruiting research participants, the researcher sent letters inviting the potential participants to partake in the study. The researcher further attached the study consent form for each participant to read over the study goals. After 2 days of sending the email, a follow-up call was done to each of the participants to see if they needed further clarification about the study and

their participation. The researcher had originally intended to have a sample size consisting of 12 SME's, however 2 additional new business owners heard about the study and wanted to take part. As a result, the sample size for this research was 14 participants the only criteria for selecting participants were having a business in Centane. Asenahabi (2019) states that qualitative studies need a population size of at least 12 to reach saturation.

3.5 Data Collection

Data collection in qualitative research involves gathering information and evidence to explore, understand, and analyse the research topic in depth. Qualitative data collection methods aim to capture rich, nuanced insights from participants' experiences, perceptions, and viewpoints. The researcher made use of semi- structured interviews. Asenahabi (2019:12) defines qualitative interviews as “in depth interviews that give the researcher rich information and the opportunity to probe to provide additional information”.

3.6 Data collection process

The researcher approached the Local Economic Development (LED) office at Mnquma Local Municipality offices to assist her with database of SME's in Centane and she was given the list of the SME's. In collecting the data, the researcher first set up a time that was convenient for each of the participants at a venue that would be comfortable for them. This was done with the hopes of allowing a more relaxed environment for participants and thus aid in them answering each research question freely. During each interview, the purpose of the research was explained, and how the interview process would go. The researcher further asked the participants consent to record the session. Each interview lasted between 45 minutes to an hour. For this research, qualitative interviews allowed the researcher to probe business owners to understand the key drivers and barriers of survival within their unique context.

3.7 Data Analysis

According to Creswell (2014) data analysis in qualitative research is the process of systematically examining and interpreting the collected data to uncover patterns, themes, meanings, and insights related to the research questions or objectives. Qualitative data analysis involves working with non-numerical data, such as text, images, audio, and video, to derive meaningful interpretations (Creswell, 2014).

The data was analysed using thematic analysis. The researcher then highlighted responses that were common amongst the participants according to the identified research questions.

The researcher maintained the reliability of the data by ensuring careful record keeping of all collected data and ensured consistency and transparency of the interpretations.

3.8 Trustworthiness

3.8.1 Credibility

Credibility is a fundamental aspect of qualitative research, referring to the extent to which the results accurately reflect the participants' experiences and the phenomenon being studied (Korstjens and Moser, 2018). Establishing credibility in qualitative data is essential for ensuring the validity and trustworthiness of the research outcomes. In trying to maintain the credibility of the collected data, the researcher kept thorough records of the research process, including any decisions and changes. The researcher further used different sources of data to cross validate results. In this case, interviews from business owners as well as official documents will allow for cross validation. The researcher will also cross check the research results with existing studies on the topic.

3.8.2 Transferability

Transferability in qualitative research refers to the extent to which the results of a study can be applied or generalized to other settings, contexts, or groups. Unlike quantitative research, where generalizability is a key concept, qualitative research emphasizes the depth and richness of understanding within a specific context (Asenahabi, 2019). Transferability acknowledges that the goal is not necessarily to make claims about a population at large but to offer insights that may be relevant to similar contexts. To guarantee the generalizability of the results of this study, the researcher provided a comprehensive account of the methodologies employed to conclude. Along with demographic information and interview snippets, this comprehensive account covered the interview subjects and processes.

3.8.3 Dependability

Dependability in qualitative research refers to the reliability and consistency of the study's results, ensuring that the research is conducted in a trustworthy and dependable manner. Establishing dependability is crucial for ensuring that the study's results are credible and can be trusted by others (Asenahabi, 2019). To ensure dependability for this study, the researcher kept a detailed and transparent record of the research process, including decisions made during data collection, analysis, and interpretation (Korstjens and Moser, 2018).
Confirmability

Confirmability in qualitative research refers to the objectivity and neutrality of the results,

indicating that the data is not unduly influenced by the researcher's biases or preconceptions. (Korstjens and Moser, 2018) Ensuring confirmability is crucial for establishing the trustworthiness of qualitative research. The researcher was aware of her own personal biases and preconceptions and thus make efforts to try minimizing their influence on data collection, analysis and interpretation.

3.9 Ethical Considerations

Ethical considerations are crucial in qualitative research to ensure the well-being, rights, and dignity of participants, as well as the integrity of the research process (Struwig and Stead, 2001). The researcher obtained informed consent from participants before involving them in the study. Each participant was provided with clear and understandable information about the research purpose, procedures, potential risks, benefits, confidentiality measures, and their right to withdraw without penalty. Participants were told that participation in the study should be entirely voluntary. In addition, participants were assured that their identities and responses will be kept confidential and that their data will be anonymized in reporting. The researcher made it clear that participants can withdraw from the study at any point negative consequences. In trying to protect the legitimacy of the collected data, this study adhered to the ethical guidelines of confidentiality as set out by Rhodes University with ethics approval number 2023-7062-7813 dated 17 July 2023. The research got underway when the Rhodes University ethics council gave its approval.

3.10 Conclusion

This chapter of the research outlined the processes and procedures that the research will adopt in collecting and analysing the research data needed to answer the guiding questions. The following chapter will present the results.

CHAPTER 4:

RESULTS

4.1 Introduction

This chapter presents and discusses the results of the study. This is done according to the objectives of the study. This chapter first provides a profile of the participants and thereafter presents the results in two sub sections, barriers to SME survival in Centane and factors that business owner's think can contribute to the success of their businesses.

4.2. Profile of Participants and businesses

Table 1: Profile of Participants

PARTICIPANT NO.	GENDER	AGE	LEVEL OF EDUCATION	NO. OF YRS IN BUSINESS	TYPE OF BUSINESS	NO OF EMPLOYEE	REGISTERED
1	Male	31	Matric	+ 6 years	Manufacturing	2	Yes
2	Male	38	Diploma	12 years	Transport	3	Yes
3	Female	32	Matric	6 Months	Agriculture	5	Yes
4	Female	39	Matric	9 years	Events	3	No
5	Male	39	Grade 9	5 years	Transportation	2	Yes
6	Female	53	Grade 12	10 years	Events	5	Yes
7	Female	51	Grade 12	6 years	Agriculture	3	No
8	Male	40	Diploma	6 years	Media/preprint	3	Yes
9	Female	43	Grade 12	7 years	Agriculture	3	Yes
10	Male	38	Grade 12	8 years	Construction	6	Yes
11	Male	57	Grade 9	6 years	Agriculture	2	No
12	Male	57	Grade 8	4 years	Agriculture	4	Yes
13	Male	26	Grade 10	3 years	Food services	1	No
14	Female	48	Grade 12	14 years	Agriculture	18	Yes

The agricultural business involved participants rearing cattle and sheep as well as growing vegetables. The construction business involved building houses and homesteads for the community as well as small business establishments, The Media printing involved running

internet offering establishments for school kids as well as for people who need internet services. The transportation business involved scholar transport as well as the taxi industry transport. The manufacturing business involved making traditional medicines that are deemed to me of importance by the local community. The events people were responsible for organizing events such as birthday parties or wedding ceremonies as well as catering for funeral services.

Table No.1 above shows that there are 8 male participants and 6 female participants in the study. Participants were predominantly from the Agricultural sector (6 out of 14), followed by the events and transport sectors (2 participants in each sector). The manufacturing, construction, food services and print media sectors each had only 1 participant. Regarding the

level of education, the study found that only two of the participants held diplomas, eight of the participants had at grade 12. four of the participants held grades 8, 9 and 10 respectively. The participant's level of education may have an impact on how they manage their businesses which may impact the growth of their businesses.

Eleven of the businesses have over 5 years in business, two businesses have under 5 years of operating and one has 6 months of operating. Only four participants have not registered their businesses. Interestingly, the businesses that have not registered are predominantly the ones that have been in business for over 5 years.

One business is considered survivalist because it has no employees; nine of these businesses are considered micro enterprises because they have less than five employees; three of these businesses are considered very small enterprises because they have less than 10 hired workers. One business is considered a small enterprise because it has less than fifty employees. Based on the number of years in business as well as the number of employees, participant 14's business may be considered as doing well.

4.3 Presentation of Findings from Interviews

The results from the participant interviews are presented in this section. The table above highlights the key themes that came through from the data.

4.3.1 Perception of Business Environment in Centane

Table 2: Perception of business environment

Participant	Answer
P1	Things like the bad state of our roads make it difficult for us to grow our business. You find that on rainy days you can't deliver because you can't travel.
P2	The business environment here Is very bad, we have potholes, and the roads are in a bad state. Since we transport school children and community members navigating through the roads is challenging.
P3	for some businesses to survive and grow here, you find that we must give people our services on credit for us to have some form of business. Our community does not have money, people are unemployed and poor so it's difficult for our businesses to survive and grow in this environment
P4	It's difficult to have consistent business in this area because our people do not see the point of a events company. So, we rely on those municipality events if they decide to use our services.
P5	We operate in an environment where we must consider that our people are poor and unemployed so we can't set prices to high, so we might not be making as much money as we could in other places.
P6	Since we are based in a rural area, we have very limited clients, so it becomes difficult to fully grown an events company in this environment. People in a rural area like ours are not interested in hiring out an events company because they simply do not have that money.
P7	The business environment in this area favours us farmers because it is easy to access land and it's something we grew up doing. However, you find that our business environment does not allow us to grow out and enter bigger markets because we do not have the resources bigger farmers have.
P8	It's difficult to penetrate the business environment of this area, you find that people are used to doing things a certain way. For a business to succeed here you have to offer a service that is a need.

P9	Our customers are rural people who wear traditional clothes which we supply, so we always have local support.
P10	Environment is fine for business development but there are serious areas that need improvement
P11	The environment is okay because it allows for farming to really grow but you find that we have the odd challenges of loadshedding, no water and sometimes proper tools.
P12	Environment is fine for agriculture business.
P13	environment is not right for business, if it rains business can't operate because the state of our roads means we can't travel when it rains.
P14	This is largely an agriculture friendly environment; you find that there is more than enough space for us farmers to expand our business. Local businesses also support us in terms of buying our products.

Each of the participants was asked to describe how the business environment is in Centane. Three prominent sub-themes were the most touched on by the participants namely the dominance of the agriculture sector, high rates of unemployment and poverty as well as no access to larger markets.

4.3.2 Barriers experienced by SME's.

Table 3: Barriers experienced by SME's.

Participant	Answer
P1	our local government is not doing anything to support our businesses even though we create employment opportunities. We never hear of any funding opportunities or even training opportunities in this place.
P2	You know in some places when you start a business, you go to the LED office, and they help guide you through the start-up process. Things like registration, but I would be lying if I said our government has those kinds of things. I had to figure it out myself.
P3	We have a very small client base here, so it's very difficult for a business to grow. You find that people in this area also do not want new things.
P4	We do not have access to proper infrastructure and no support from the government.

P5	We don't have the basic services needed for a business to thrive here. You will find that basic things like proper roads and water we don't have, meaning already the environment is providing a challenge.
P6	Most of our people really do not have the necessary skills and training to work in the events industry but because I need people some end up getting training by doing the actual work. When I have an event that requires a chef, it's difficult to find a qualified one here because we do not have programmes that offer our people those opportunities even though they can cook.
P7	Poor infrastructure and the fact that we don't have the right tools and machinery.
P8	when I started my business years ago, there were no funding agencies around where I could go and apply for funding. I just had to finance my own business from a loan I took from my mother when she retired. So over business environment is one that is very challenging because we don't have support.
P9	In your bigger cities, it is easy to know where to go to get funding you for your business, but for our area if the municipality doesn't have any funding available, we must finance our own businesses. Since we do not have opportunities to access funding for our businesses here, it really is difficult to grow and get more labourers to push production or even buy machinery.
P10	We don't have good roads and water here. if we want to work within the client's time frame, we must make alternative plans to have a regular supply of water. This means hiring water trucks and additional costs
P11	Imagine I get this partnership to supply pick n pay with my produce. When it rains for a week, I can't supply them. Pick n Pay wouldn't want to be in that kind of a partnership because they will lose money. So, our roads really limit us rural farmers from accessing markets and making money.
P12	It is difficult for a business to fully succeed here if it's not farming because you find that some of us business owners left school very early. So, we struggle with the administration side of things because we don't have those skills. Even government Is not helping us with trainings and those kind of things
P13	I Have a small space that I work in, so it's impossible for me to expand my business and the issue of no water is the biggest challenge because you find that we must create alternative plans to ensure we have a supply of water. That means more costs.

P14	Our roads our bad on normal weather, we must drive carefully. Now when it rains, things become worse. Cars get stuck in the mud that means I can't deliver my produce to the stores that buy from me.
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The responses provided by the participants show that the key barriers for businesses in Centane are lack of basic infrastructure and resources, no access to funding, lack of skills and training and a lack of support from the local municipality. It is interesting to note that almost all the responses touched on the poor condition of infrastructure in the town regardless of the different industries.

4.3. Drivers of SME survival

Participant	Answer
P1	I think if the government was more active in rural businesses, that would really impact on our success. They must be able to help us apply and get funding and equipment from other departments if they do not have.
P2	Most of our challenges as businesses are a result of the municipality failing to provide basic services. I think if they could fix our roads and address the water issue, our businesses would do better.
P3	If the government can work could work closely with farmers and provide them with ways in which their products could be sold to customers in small towns
P4	I think if we could perhaps have trainings as business owners on how to market our businesses properly so that they are recognised even outside of this place. Sometimes our products are good but it's a matter of people do not know about them.
P5	Fix the roads, make sure there is water and train business owners on how to run a business.
P6	We need proper equipment and other modern tools in this business. Proper marketing can also act as a driver for our businesses to get more clients.
P7	Having a trained and skilled staff is very important to the success of my business. Imagine the time it takes to teach a new employee how to operate our machinery. That time could have been used in production, so having skilled people really do save time and money in the long run.

P8	if the municipality could help us local businesses with creating business plans for funding and equipment, you know create workshops to train us. if our local government offered those short skill focused courses for the youth, business would benefit a lot. Computer skills and business management skills could also help us [business owners] know how to turn out businesses around so they make profit.
P9	It all starts with the municipality, if they support local businesses in rural areas our businesses in turn create employment opportunities which help the people.
P10	Most business would succeed here if we had basic services like water, electricity and land to grow.

P11	If the municipality could provide us with the right tools needed for us to source water from the river, we can avoid things like water shortage and our businesses could thrive.
P12	Farming equipment like irrigation systems and proper roads
P13	Funding or even a supply of machinery
P14	if government agencies like your SETAs and our local government worked together to bring us relevant trainings on how to manage your business funds and paperwork. I think even before we get funding if we get training on basic running of a business so many people would benefit.

Upon understanding the barriers that were identified by the participants, the researcher asked them to list factors that they think could contribute to the success of businesses in Centane. the participants identified government support, skills and training opportunities, increased marketing. The responses by the participants imply that government local government is the first crucial step in ensuring business success in the area. While some participants highlighted the need for training and others the need for funding. All of them highlighted that local government is the one to ensure that these various elements are available locally.

4.3.4 Main Resources needed to support SME survival.

Participant	Answer
P1	Infrastructure and land
P2	Proper roads
P3	As an upstarting farmer, if I had machinery like an irrigation system and those fertilizer and pesticide dispenser, I would save time on the farming process. This would mean I could compete with the farmers who have been in the game longer and have the resources
P4	A generator as well as transportation are the only things, I need to give my business an edge.
P5	Government must fix the roads
P6	Decoration equipment and also training on how to market.

P7	for me to get the equipment I need to grow my business, I need funding, so funding is the foundation of a successful business in my case.
P8	for my business to remain number one in printing, I think I need to invest in Wi-Fi equipment so customers can just send documents they want to print via Wi-Fi. I think this would give me an advantage over other printing businesses in the area.
P9	My business only needs expansion to other areas.
P10	Trainings around bookkeeping and improve basic services.
P11	I think if I had storage equipment so that when we harvest, I can keep my produce and sell it when it is in demand. Storing equipment would move me up the value chain.
P12	Fencing, irrigation system and roads.
P13	I think cooking and storing equipment is crucial in providing a good service in my industry. If I had a walk-in fridge for example, I would be able to take more orders and store food. A big stove would mean I could cook more food at the same time, this would cut my cooking time and allow me to take in more orders.
P14	I need a bigger plot of land to expand my business, I have the machinery. for my business if I had the money to buy the land, I need to expand I would do it. I think funding is a key resource that would take me above the rest.

The participants were asked what resources they think their businesses need for them to survive and grow. The participants mentioned equipment, funding, and a skilled workforce as the key resources needed to make their businesses successful. Almost all the participants mentioned equipment as a key resource needed to help their respective businesses. The above responses further allude that participants believed equipment went hand in hand with funding because they would need funding to procure equipment. As a result, the identified resources by businesses may be considered dependent on each other.

4.4 Conclusion

This chapter presented the research results from the collected data. The first section presented the participant's perceptions of the business environment in Centane. The second section presented what the participants highlighted as the barriers facing their businesses in Centane. The third section presented what the participants thought would help drive small business success in their area. The last section showed the key resources the participants identified as crucial for their businesses to succeed.

CHAPTER 5:

DISCUSSION OF RESULTS

5.1 Introduction

Chapter four of this research outlined the research results that were collected from the interviews with SME's in Centane. This current chapter will discuss and interpret the results within the context of the research objectives which are Identify resource-based barriers and drivers of survival to the survival of SME's in rural Centane.and analysing resource-based barriers and drivers to the survival of SME's in rural Centane

5.2 Resource Based barriers of SME survival in Centane

The research results suggest that there are several barriers that impact on the survival of SME's in Centane. According to the research results, Inadequate infrastructure and resources, Lack of skills and training, lack of funding and lack of municipal support are the main barriers for SME's in Centane. Each of these will be discussed below.

Inadequate infrastructure and Resources

The research found that inadequate basic infrastructure and resources was one of the most highlighted barriers in Centane. Due to the poor roads in Centane, participants who are in the agriculture sector further stated that because they cannot access their consumers on rainy days, it becomes difficult for them to get partnerships with the big supermarkets particularly those outside of Centane. Like these participants views, Khan (2022) and Lekhanyi (2016) state that that infrastructure-related barriers are more problematic for businesses in rural locations, because the cost of input products and product shipping are affected by the state of many factors. In simple terms, due to infrastructure constraints, small businesses may have higher production costs, and this may limit their level of growth and sustainability. Participants in the

construction and events sectors did highlight that for them to meet production time frames during loadshedding and water cuts, they must hire alternative supplies meaning adding input costs.

Lack of funding

The research results revealed that lack of funding/funding options available to SME's in Centane is a major barrier. Participant 14 explained that “for my business if I had the money to buy the land, I need to expand I would do it. I think funding is a key resource that would take me above the rest”. All the interviewed participants identified funding as a barrier to survival and growth of their businesses. This finding is like that of Mohammed and Bunyaminu (2021) who found that Ghana a lack of financing has a negative effective on the growth of small businesses because finance provides businesses with an opportunity to expand. Participants 8 and 9 felt as though there weren't enough external stakeholders who were interested in providing finance opportunities to rural businesses like in urban towns.

The results further revealed that some of the participants felt as though their geographical location means financial institutions are hesitant to offer them funding. Participants 3,8 and 9 expressed that financial institutions are less likely to finance rural businesses because they consider them high risk. Consequently, if these businesses are not able to secure funding, they thus have little changes of expansion and long-term survival. The sentiments shared by the participants support the results by the Bureau for Economic Research (2016:5) and Lose & Tengeh, (2015), which stated that banks in South Africa are more likely to put funding into small businesses in the later stages and not during the first few years.

Lack of skills and training

The participants highlighted that the socio-economic context of their area meant that the population had limited education and training. Consequently, this means businesses have a limited pool of unskilled workers to select from. Participants in the events and construction highlighted that unlike urban counterparts, they often grapple with a shortage of individuals possessing specialized skills crucial for the success of certain businesses. This scarcity makes it challenging for small businesses to find qualified employees, hindering their ability to compete effectively in the market. As a result, they first must train people to operate machinery before they start on the work or get someone from outside of Centane.

Additionally, Participants 8, 12 and 14 stated that the absence of accessible training programmes in Centane further exacerbates the issue, as employees and business owners struggle to upgrade their skills or adapt to evolving industry demands. Participant 12 explained that because he left school in grade 8 his business knowledge is limited.

The cost and logistical challenges associated with sending individuals to urban centres for training create an additional burden for small businesses in this area. As a result, the low levels of skilled manpower and inadequate training opportunities collectively act as formidable barriers, limiting the survival and prosperity of small businesses in this area. Khan (2022) had similar results in his study which showed that the effectiveness of small businesses is highly determined by the skills of both management and workers. Similarly, Bhorat et al, (2018) found that inadequate record keeping, and no management abilities results in high failure rate of small businesses.

Lack of municipality support

According to the research results, municipal support for small businesses in Centane is non-existent. Participants who had been in business for over 2 years stated that they have never received any form of training and/or support from the local municipality. The lack of targeted assistance programs and funding in Centane for local businesses act as a serious barrier to their survival. As Participant 2 noted *“if maybe our municipality had a specific office where we could go and get guidance on things like where to get funding, how to register. Maybe less businesses would fail in this area”*. Tran and Holmes (2021) support these results and argue that local government must advocate for policies and incentives that specifically target rural SME’s. The authors further note that if local government fails to simplify the bureaucratic procedures and regulations for rural small businesses, the risk of failure increases.

Interestingly, Participant 3 who had been in business for less than 6 months stated that while the municipality had promised to create an event where small businesses can market their services, they have not done it yet. This implies that the municipality maybe starting to create initiatives that support local businesses.

5.3 Resource based drivers of SME survival in Centane

The study found that there are several resource-based drivers that business owners identified as important for their area. Government support, skills and training opportunities, increased marketing and funding. Each of these drivers will be discussed below.

Government support

Government support was identified by all the participants as an important driver in ensuring the success of their businesses. The data revealed that the participants felt that local government be creating tailored support programmes that help them address the barriers they face in Centane. As participant 14 explained that “*government should support local businesses by firstly investing in our infrastructure*”. The need for government to invest in local infrastructure was highlighted by participants because it becomes difficult to transport goods with poor roads in Centane, Making It difficult for business owners to carry out their day-to- day operations effectively without proper infrastructure.

Skills and training

The right skills and training help equipment individuals with the necessary skills and knowledge to perform their roles more effectively. According to Participant 5 “*if our people had proper training before we hire them, it would save us time in teaching them everything from the start*”. The creation of skills and training programmes in Centane would further help small businesses source skilled labour locally as opposed to looking in other areas. When workers are equipped with the relevant industry skills and training, they are to help the business adjust to new business trends and thus stay up to date with market demands.

Similarly, some of the participants revealed that it is equally important to train business owners to equip them with financial and business management skills. Participant 4 explained that “*understanding how to manage my books, learn strategies to make my business grow would help me make sure my business is a success*”. Malebana and Swanepoel (2015) validate this finding by stating that offering training and capacity-building programs tailored to the needs of rural SME’s could help improve the day-to-day running of a business thereby increasing its survival chance.

Increased Marketing

In rural settings where access to markets may be limited, effective marketing strategies are essential for reaching the local community and beyond. Participant in the events industry particularly felt that they had limited clients locally and would benefit from exposure outside of Centane. Participant 4 *“people here do not really make use of my services, if I was able to use social media and other networks to advertise my company, I think I would have more clients”*. The data revealed that the participants felt that with the correct marketing strategy their businesses would receive more visibility and thus increase their client base resulting in direct sales. Similar to these results, Cant and Wild (2020) found in their survey that the use of marketing and branding can help decrease small business failures. Within the context of a rural area, increased marketing may help highlight the unique qualities and cultural aspects of rural products to gain customers.

Funding

The study found that funding was identified by all the participants as a vital driver for supporting small business survival in Centane. The participants faced initial capital challenges and limited access to financial resources, making external funding important for their start up phases. *“With most business owners here its either you use your own money to start a business or depend on family support”* Participant 14. Funding that is tailored to empower Centane businesses is therefore considered important by the participants. Based on the data, funding is instrumental in enabling businesses to navigate economic uncertainties and market fluctuations, providing a financial safety net during challenging times. In rural areas where traditional banking services may be less accessible, alternative funding mechanisms become even more crucial for sustaining and expanding businesses.

5.4 Conclusion

The chapter showed that there are several drivers and barriers of SME survival in Centane. Based on the results, the key barriers to SME survival are inadequate infrastructure and resources, lack of funding, lack of skills and training and lack of municipality support. All these barriers were noted by the participants as having a negative effect on the survival of their businesses. The participants highlighted that government support, skills and training and

increased marketing were the key drivers that would help ensure the survival of their businesses.

CHAPTER 6:

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This concluding chapter gives the conclusions and suggestions drawn from the study's main results. The study's overall conclusions are presented in the first section of the chapter. The recommendations are given in the second section from a pragmatic perspective.

6.2 Main results

The main research goal was to investigate the resource-based barriers and drivers for SME survival in Centane, South Africa. The following table illustrates which finding addressed which research objective.

Table 4: Key themes

Theme	Sub-Theme	Research Objective
Barriers & drivers of SME survival	<ul style="list-style-type: none">• Infrastructure and resources• Training and education• Funding• Municipal support	<ul style="list-style-type: none">• The drivers and barriers were identified
Analysis of barriers & drivers SME survival	<ul style="list-style-type: none">• SME training• Increased marketing• Access to resources• Government support initiatives	<ul style="list-style-type: none">• The study analyzed the identified barriers and drivers.

On the barriers of SME survival in Centane, the results revealed that lack of basic infrastructure, lack of skills and trainings, no access to funding, lack of municipal support

are the key barriers facing small businesses, in Centane. Lack of infrastructure and resources (water, roads, and basic services) means that the daily operations of the businesses cannot run smoothly. To meet production needs, business owners must invest in additional infrastructure like generators during loadshedding to ensure the business runs effectively, thus increasing costs. The businesses also have a smaller pool of trained workers, which makes it challenging for businesses to find and retain qualified workers in the area. The businesses in Centane also faced financial challenges and access to financial resources such as loans and investments are limited. These businesses noted that they struggle to secure the necessary funding for startup costs, expansion, and day-to-day operations.

The results further highlighted that these identified barriers make it difficult for small businesses to grow their businesses and enter new markets outside of the area. These barriers are intensified by the socio-economic environment of Centane. The high rates of unemployment coupled with poverty mean that small businesses are limited in their access to consumers who can consume their products. The study further revealed that the business environment in Centane favours businesses in agriculture and this acts as a barrier for businesses in other sectors. For example, businesses in the events sector found it difficult to create a consistent client base in the area. Thus, limiting the growth of businesses in industries like events. In addition, the results showed that SME's in Centane struggle to access broader markets due to their remote locations. This limitation can restrict their customer base and make it difficult to scale up operations.

The participants identified access to resources, government support initiatives, SME's' training, and increased marketing as the primary drivers for SME survival in Centane. The results

revealed that participants wanted local government to play a more pivotal role in driving the survival and success of small businesses in the area. The establishment of support initiatives that address the various barriers these businesses face, creating financial support programmes such as grants and loans, provide crucial capital for startup costs, expansion, and operational needs, mitigating the financial constraints often faced by these rural businesses. Moreover, the participants highlighted the importance of targeted training and skill development programs to empower business owners and enhance the competency of local labours.

Increased marketing was also identified as a potential powerful driver for the survival of businesses within a rural setting. In these settings, where the population density might be lower and traditional modes of communication prevalent, effective marketing can significantly enhance the visibility and reach of these businesses. Through implementing targeted marketing strategies, such as local advertising, community engagement, and participation in regional events, these businesses can create awareness and build strong connections within their immediate surroundings. Leveraging digital platforms and social media, even in a limited capacity, can broaden the reach beyond local boundaries. As awareness grows, so does the potential customer base, attracting clients from nearby communities and urban areas. Ultimately, by embracing and investing in robust marketing strategies, rural SME's can overcome geographic constraints and position themselves for enduring success in the competitive business landscape.

6.3. Recommendations

Based on the research results, the following recommendations are made:

1. The Centane local municipality needs to invest in support initiatives that aim to support and empower local businesses.
2. Local government must establish a collaborative network where local SME's, funding and training agencies can come together and build a business environment that is conducive to their businesses.
3. Funding institutions like banks need to create loans and grants that cater to the context of rural areas so that these SME's also have an opportunity to access funding.
4. Government needs to create policies that cater specifically to the rural business context.

6.4 Future Research Opportunities

This study looked at the resource-based drivers and barriers of small business survival in Centane, from these several future research opportunities can be identified. A longitudinal study can be conducted to track the changes in resource availability and business survival over an extended period. Such a study can provide insights into the dynamic nature of resource-based drivers and barriers. Similarly, a study can be done to investigate the role of technology adoption in a rural setting and how it acts as a barrier or driver of small business survival. Lastly, a study exploring the impact of social capital and networking on rural business survival.

6.5 Conclusion

This study set out to analyse the resource-based barriers and drivers of SME survival in Centane, South Africa. Chapter 1 of this study provided a contextual background and stated the research objectives that guided this study. Chapter 2 of this study unpacked the literature on small business survival within a rural area. This chapter highlighted that because rural areas often face challenges related to a lack of basic resources and high levels of unskilled labour, these areas require unique strategies to help SME's survive. The results presented in chapter 4 and 5 of this study highlighted that the unique challenges faced by rural businesses require the government to create rural-specific strategies that will help drive SME success in these areas. As such, general business development policies and initiatives will not work if the socio-economic environment of rural areas is not considered.

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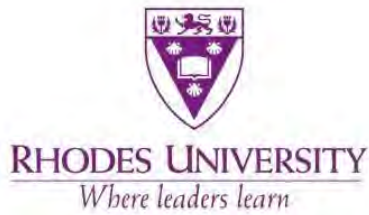
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Appendix A: Ethics Approval



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17 July

2023

Akhona

Dumani

Email:

g18d8665@campus.ru.ac.za

Review Reference: 2023-7062-

7813 Dear Akhona Dumani

Title: An analysis of the barriers and drivers of SME survival in rural areas in south Africa: a case study of Centane Eastern Cape

Researcher: Akhona Dumani

This letter confirms that the above research proposal has been reviewed and **APPROVED** by the Humanities Faculty Research Ethics Committee (HF-REC). Your Approval number is: 2023-7062-7813

Approval has been granted for 1 year. An annual progress report will be required in order to renew approval for an additional period. You will receive an email notifying you when the annual report is due.

Please ensure that the Humanities Faculty REC is notified should any substantive change(s) be made, for whatever reason, during the research process. This includes changes in investigators. Please also ensure that a brief report is submitted to the ethics committee on the completion of the research. The purpose of this report is to indicate whether the research was conducted successfully, if any aspects could not be completed, or if any problems arose that the Humanities Faculty REC should be aware of. If a thesis or dissertation arising from this research is submitted to the library's electronic theses and dissertations (ETD) repository, please notify the committee of the date of submission and/or any reference or cataloguing number allocated.

Sincerely,

Dr Priscilla Boshoff

Chair: Humanities Faculty Research Ethics Committee

Appendix B: Informed consent

PARTICIPANT INFORMED CONSENT DECLARATION

(To be signed by research participant/s)

Project Title: Barriers and drivers of Small and Medium-sized Enterprises (SME's) SME survival in rural areas of Centane in the Eastern Cape, South Africa

Akhona Dumani (student no. 18D8665) from the Rhodes University Business School has requested my permission to participate in the above-mentioned research project.

The nature and the purpose of the research project and of this informed consent declaration have been explained to me in a language that I understand.

I am aware that:

The purpose of the research project is to understand what resources allocated (both internally and externally) contribute to the survival of SMMEs in rural areas of Centane in the Eastern Cape. I will participate in the project by partaking in an in-depth interview that will range from 30- 45 minutes. My participation is entirely voluntary and should I at any stage wish to withdraw from participating further, I may do so without any negative consequences.

Confidentiality and anonymity of records will be maintained, and my name and identity will not be revealed to anyone who has not been involved in the conducting of the research. In terms of the Protection of Personal Information Act (No. 4 of 2013) it remains my right to request the Researcher to provide me with a detailed explanation of exactly how confidentiality and

UMTHATHI-NXAXHEBA UZAZISE NGEMVUME

Resource-based view of barriers and drivers to the survival of Small and Medium-sized Enterprises (SMEs) in rural areas of Centane in the Eastern Cape, South Africa

U-Akhona Dumani (umfundi ongunomb. 18D8665) osuka kwiSikolo soShishino seYunivesithi yaseRhodes ucele imvume yam yokuthatha inxaxheba kule projekthi yophando ikhankanywe ngasentla.

Ubume kunye nenjongo yeprojekthi yophando kunye nesi sibhengezo semvume enolwazi ndicaciswe kum ngolwimi endiluqondayo.

Ndiyazi ukuba:

Injongo yeprojekthi yophando kukuqonda ukuba zeziphi izibonelelo ezabiweyo (ngaphakathi nangaphandle) ezinegalelo ekusindeni kweeSMMEs kwiindawo ezisemaphandleni kuCentane eMpuma Koloni. Ndiya kuthatha inxaxheba kwiprojekthi ngokuthatha inxaxheba kudliwano- ndlebe olunzulu oluya kuqala kwi-30- 45 imizuzu. Ukuthatha inxaxheba kwam kukuzithandela ngokupheleleyo kwaye ukuba ndinganqwenela ukurhoxa ekuthatheni inxaxheba, ndingakwenza oko ngaphandle kweziphumo ezibi

Ukugcinwa kwemfihlo kunye nokungaziwa kweerekhodi kuya kugcinwa, kwaye igama lam kunye nesazisi asiyi kutyhilwa kuye nabani na ongazange athathe inxaxheba ekuqhutyweni kophando. NgokoMthetho woKhuseleko lweNkcukacha zoMntu (Nombolo yesi-4 ka-2013) ihlala inelungelo lam lokucela uMphandi ukuba andinike inkcazo ecacileyo malunga nendlela ubumfihlo kunye nokungaziwa kwedatha endiyinikezelayo iya kufezekiswa. Ndingaphinda ndicele ukwazi kanye ukuba iinkcukacha zam zobuqu ziyakugcinwa njani ngokukhuselekileyo, ukuba ziyakugcinwa ixesha elingakanani.

Ukuba nayiphi na idatha eqokelelwe kum kule projekthi yophando iza kusetyenziswa ngumphandi kulo naluphi na uphononongo oluqhubekayo, ndiza kwaziswa ngokubhaliweyo kwaye imvume yam ebhaliweyo iceliwe kwakhona. Andifuni mvume yophando olutsha ukuba ayihambelani nenjongo yokuqala yolu phononongo lwangoku (POPIA, s15(3)).

Ngokulinganayo, ndingasikhaba ngokulula isicelo. Kwiimeko ezinjalo, isicelo esisemthethweni kufuneka senziwe kum ngumphandi ngokusebenzisa uMnxibelelanisi wokuziphatha

Ndiyavuma / andivumelani (ukucima ukungasebenzi) kuMphandi wokusetyenziswa kwelizwi lokurekhoda kwezimvo kunye nezimvo zam ngexesha lodliwano-ndlebe, injongo yokuqinisekisa ukurekhoda ngokuchanekileyo kweembono / iimpendulo zam. Ngaphaya koko, ndinelungelo lokucela ikopi yokukhutshelwa kodliwano-ndlebe ukuqinisekisa ukuba izimvo zam zirekhodwe ngokuchanekileyo.

Mna, ndiyifundile le ngcaciso ingentla / ndiyangqina ukuba le ngcaciso ingentla ndiyichazelwe kwinqaku elilandelayo ulwimi endiluqondayo kwaye ndiyayazi imixholo yolu xwebhu. Ndiyibuze yonke imibuzo ebendingwenela ukuyibuza, kwaye iphendulelwe ngendlela eyanelisayo. Ndikuqonda ngokupheleleyo okulindeleke kum ngexesha lophando.

Andizange ndicinezelwe nangayiphi na indlela kwaye ndivuma ngokuzithandela ukuthatha inxaxheba kule projekthi ikhankanywe ngasentla.

.....
Abathathi-nxaxheba

.....
utyikityo

.....
Umhla

Appendix C: Interview schedule

Barriers and drivers of Small and Medium-sized Enterprises (SME's) SME survival in rural areas of Centane in the Eastern Cape, South Africa

Section A: Demographics

1. Lithini igama leshishini?.....
2. Number of years in Operation?.....
3. What is your role in the business?.....
4. What is your Gender?.....
5. How old are you?.....
6. What is your highest level of education?.....
7. Which sector is your business in?.....
8. How many employees do you have?.....
9. Is the business registered?.....

Section B: drivers and barriers

10. Could you please explain the business environment within a rural setting?

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11. What do you consider as the drivers and/or barriers to business survival in this rural area?.....

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12. In your opinion, what resources has the municipality provided to help ensure the survival of SME's in the area?.....

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13. Do you feel like the resources provided by the municipality have helped SME's in the area survive? Please explain?.....

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14. What would you say are the main resources your business needs to survive and grow

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15. What would you say are the challenges faced by your business in terms of growth?

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16. What do you think the municipality can do to help overcome these challenges?.....

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