

**THE IMPACT OF SERVICE DELIVERY ON THE DEVELOPMENT OF RURAL  
ENTREPRENEURSHIP IN KWAMHLANGA, THEMBISILE HANI LOCAL  
MUNICIPALITY, MPUMALANGA PROVINCE**

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By

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## DECLARATION

I, Pertunia Busisiwe Mahlangu, hereby declare that this thesis submitted to the University of Mpumalanga for a Master's Degree in development studies, has not been previously submitted by myself for a degree at this or any other university. This thesis is my own work in design and execution, and all the sources contained herein have been duly acknowledged.

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07 April 2025

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## **DEDICATION**

This study is dedicated to my late mother, Letty Maleke whose departure at the beginning of my Master's journey shook me. However, I know that even during your physical absence, you have been carrying me throughout this journey and you still are. I know how proud you would have been of me if Heaven had waited for you. You will forever remain my motivation to continue working hard and making you proud. I love and miss you dearly.

## **ABSTRACT**

This study investigates the impact of service delivery on the development of rural entrepreneurship in KwaMhlanga, Thembisile Hani Local Municipality, Mpumalanga Province, South Africa. Rural entrepreneurship plays a crucial role in improving livelihoods and driving economic development. However, the success of rural businesses is heavily reliant on the availability and quality of basic services, such as water, electricity, and infrastructure. This research aimed to assess how service delivery challenges affect the sustainability and growth of rural enterprises in KwaMhlanga. The study adopted a qualitative research methodology, using a case study approach, to gather in-depth data from rural entrepreneurs in the area. Fifteen participants were purposively selected based on their dependence on local services for business operations. Semi-structured interviews were conducted to explore the entrepreneurs' experiences regarding service delivery and its influence on their businesses. Data were analyzed using thematic analysis, which revealed both positive and negative effects of service delivery on entrepreneurship. Findings indicate inconsistent and inadequate service delivery hampers business development, increases operational costs, and reduces profitability. Rural entrepreneurs frequently face electricity outages, poor road infrastructure, and an unreliable water supply, which limit their ability to scale and remain competitive. Conversely, services enable innovation and diversification when available, contributing to business sustainability. The study's findings were interpreted through Resource Dependency Theory, which emphasizes how the availability or lack of critical external resources—such as infrastructure and utilities—shapes organizational behavior, decision-making, and survival. The study concludes by recommending enhanced government support, better infrastructure maintenance, and policies prioritizing rural businesses' needs to ensure sustainable growth and development.

**Keywords:** Rural entrepreneurship, service delivery, business development, sustainability, local economic development

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## **ACRONYMS**

MDG: Millennium Development Goals

UNDP: United Nations Development Programme

IDP: Integrated Development Plan

LED: Local Economic Development

MFMA: Municipal Finance Management Act

SEDA: Small Enterprise Development Agency

R&D: Research & Development

SMMEs: Small Medium, and Micro Enterprises

RDT: Resource Dependence Theory

GDP: Gross Domestic Product

## **CHAPTER 1**

### **INTRODUCTION AND BACKGROUND TO THE STUDY**

#### **1.1 Introduction and background**

This chapter will entail the introduction and background of the study, and the statement of the research problem and research questions. Furthermore, it will give the research aim and objectives, informed by the research questions, research design and methodology and the data analysis procedure. Lastly, the structure of the proposed dissertation, its significance and limitations and ethical considerations will be discussed in this chapter.

Rural communities have been associated with a need for economic, social, political and environmental development as a remedy for the social issues they are faced with such as poverty, unemployment and inequality. As a response to the call for socioeconomic development, the Local Government in South Africa has assigned municipalities the role of mobilising resources contributing towards the improvement of people's quality of life (The White Paper on Municipal Services Partnerships, 2004). This process includes the delivery of basic services such as clean and safe water, proper sanitation, infrastructure (roads, buildings, power supplies) and electricity (Ndudula, 2013) as essential building blocks of an improved quality of life. Moreover, a sufficient supply of these services is necessary for life, human dignity and people's well-being.

It has been argued by Govender and Reddy (2014) that the quality and pace at which such basic services are delivered to citizens play a contributory role towards achieving the fundamental objective which is an improved quality of life for people. People's daily livelihood activities are either positively or negatively impacted by the availability of

services. Rural entrepreneurship has been recognised as one of the viable strategies through which people find a means to survive (Mago & Ngoroa, 2013). McElwee and Smith (2014) point out that entrepreneurship in rural areas is a means for people to meet their needs while developing the community. Hence, entrepreneurship is believed to be a source of employment, with a great potential for bringing marginalized people into the economic mainstream and in this way, bringing about a sense of meaning and belonging.

However, looking beyond financial resources needed for rural entrepreneurship to thrive, it also needs and may be dependent on basic services to survive, such as water (for salons & car wash), electricity, and infrastructure (for well-maintained tar roads for transportation of goods). This means that the availability of basic services has an impact on the pace and level at which entrepreneurship within rural areas develops.

Entrepreneurship has been recognised for its contribution to economic development and growth for most developed countries (Kamwi, Chirwa, Graz, Manda, Mosimane and Kätsch, 2018). It has created a pool of diversified options from which rural people can make a living to survive and improve their living standards, thus their quality of life. Rural entrepreneurship as described by Bat (2018) as the process by which individuals and teams create value by integrating specific resources input packages to take advantage of environmental opportunities. Furthermore, it is the creation of new businesses through entrepreneurs identifying opportunities that will help transform communities and economies. In agreement, Nwankwo and Okeke (2017) argue that, theoretically speaking, rural entrepreneurship is rarely different from entrepreneurship, as it also makes use of the methods and processes of entrepreneurship to exploit available potential in terms of resources, skills and opportunities existing within rural areas to achieve development and growth.

Although rural entrepreneurship is desirable due to its contribution towards local economic development and growth, it is generally fraught with challenges and risks. Poor service delivery (such as water, electricity and infrastructure) has been identified as a major challenge that contributes to the factors that hinder the development of rural entrepreneurship, as most rural businesses depend on it as the primary resources needed to thrive. Globally, service delivery refers to the shared public needs and services, particularly water and sanitation, electricity, and infrastructure that local communities depend on for their daily survival (Kazungu et al., 2014).

Amongst other challenges, lack of funding has been identified as the most common. Williams (2011) points out that another common challenge is that rural entrepreneurs possess few or no qualifications and thus have less technical and managerial expertise than their counterparts in urban areas.

Basic services are the fundamental building blocks of improved quality of life, as are adequate provision of safe and clean water, sufficient sanitation, well-being and human dignity. However, Odaro (2012) argues that throughout Sub-Saharan Africa (SSA), service delivery is still a major problem. The focus of government policies to achieve the Millennium Development Goals (MDG) has recently shifted to improved service delivery. Services in Africa, on the other hand, lag well behind those in developed countries and are far more costly than elsewhere. The author further points out that the greatest challenge is electricity, as thirty countries experience daily power outages and emergency power premiums are high. Only 44% of the population had access to clean water in 2000, according to the UNDP's Human Development Report (2003). In comparison, in East Asia and the Pacific, 67% of the population had access to clean water, while in Latin America and the Caribbean, 65% had access (UNDP, 2003). Between 2003 and 2006, there had been little progress; nearly half of the SSA

population still lacked access to an improved water supply, and two-thirds lacked sanitation. In reality, since 1990, the coverage of household services has barely improved (Odaro, 2012).

In South Africa, over the last few decades enormous progress has been made in the delivery of basic services. According to the Community Survey 2016, 89.8% of households had piped water, 63.4% had flush toilets connected to either the municipal sewerage or a central septic system, 63.9% had refuse collection systems, and 87.6% had electricity. These figures, on the other hand, conceal a great deal of difference between provinces, district councils, and local municipalities. Households in rural municipalities typically have far less, and often inferior, services than those in wealthier, especially more urban municipalities (Statistics South Africa, 2016). As a result, several rural communities in South Africa are still experiencing extreme challenges pertaining to service delivery. The combined service delivery index was highest for metropolitan municipalities (4.6) and lowest for rural municipalities (3.3) (STATSSA, 2017). In terms of provinces, the highest composite scores were calculated for the Western Cape (4.7) and Gauteng (4.6), while the lowest are observed in Limpopo (3.6), the Eastern Cape (3.8) and Mpumalanga (3.9) (STATSSA, 2017).

For instance, Aremu & Omotayo (2020) have reported that in the past twenty years the population of Northwest Province has grown, new townships have been built, existing townships and residential districts have expanded, but the water provision has not kept pace. There have been on-going protests in communities, with local people voicing their concerns, dissatisfaction and strong need for improved quality of basic service delivery. Such protests tend to have a negative impact on the living conditions of the people and their entrepreneurship activities. Service delivery protests for

instance tend to affect the normal daily proceeding within the communities such as travelling to work, running businesses and access to other services. Most often than not, they leave infrastructure damaged which thus affects further the process of service delivery (Mamokhere, 2021).

Mpumalanga is one of the provinces characterised by lack of quality service delivery. For example, water scarcity in Bushbuckridge municipality has resulted in several service delivery protests. Residents within this municipality have been complaining about lack of water for the past few years (Mogakane, 2018). It has also been reported in the South African Government News Agency that a protest on service delivery in Nelspruit has cost almost R40 million in property damages and a loss of 84 working days, which has had negative consequences for local businesses, as much of the infrastructure was destroyed (Masinga, 2010).

Service delivery is related to development, a strategy to bring about improvement in the economic and social life of the rural poor. It is an effort to bridge the gap between the rich and the poor through imitation processes through which the poor gradually acquire the qualities of the wealthy (Mabitsela, 2012). Nwankwo and Okeke (2017) view rural development as a method of reorganising the national economy to raise the standard of living in rural areas. However, certain strategies are needed to achieve rural growth. Okijie & Effiong (2022) adds that the different approaches to rural development include industrial, internal combustion, essential resources, and other approaches. Each of the above policies has aided the development of rural areas in some way. However, the inclusion of rural entrepreneurship as a tactic tends to be capable of much more. Considering all these, the study intends to investigate the impact the level and quality of basic service delivery has on the development of rural entrepreneurship, particularly in KwaMhlanga village in Mpumalanga.

## **1.2 Problem statement**

Because of its colonial and apartheid South Africa faces many inequalities. This has resulted in a slew of socioeconomic issues that must be addressed at all levels of government to achieve change. Redress is difficult to achieve, and citizens' true needs are often ignored. Even though the South African government has made substantial progress in building a more egalitarian society, disparities and problems still exist (Tavernaro-Haidarian, 2019). Unemployment, poverty, violence, and injustice are still rife, adding to the challenges. South Africa considers service delivery a top priority (Madzivhandila & Asha, 2012). Despite the reported statistics on the progress of service delivery levels, the state of service delivery in various contexts, especially in rural areas, has still not been clearly indicated.

One of the rural contexts where poor service delivery is apparent is KwaMhlanga in Thembisile Hani Local Municipality, part of the 3.9% the Mpumalanga service delivery measure, which has been rated amongst the lowest (STATSSA, 2017). This means that the level of service delivery in this village poses serious threats to the quality of life of the people. This rural area has an estimated poverty rate of 40% accompanied by a 38.5% of unemployment rate, as indicated by STATSSA (2016) (Thembisile Hani Local Municipality IDP Review, 2019/2020). This is an indication that not only are local residents suffering from issues of service delivery, but they are also faced with other socioeconomic issues such as poverty and unemployment, and this implies inequality.

In trying to address the issues of poverty and unemployment, many people in this rural area resort to entrepreneurship as a vehicle towards economic development and improved living standards. Rural entrepreneurship, both agricultural and non-agricultural, has been identified as a vital component of sustainable rural development (Mugobo & Ukpere, 2012). Adamowicz & Zwolińska-Ligaj (2020) describe sustainable

rural development as a mechanism that seeks to improve and preserve rural communities' capacity to generate wealth while also ensuring that the community's long-term ability, as well as its construction and climate, to support this capacity is well preserved. Most enterprises in rural areas rely on basic services for their creation and survival.

The success of entrepreneurship is also threatened by other obstacles, such as lack of funding. Another factor is the knowledge gap that the impacts service delivery has on the development of rural entrepreneurship, which can mainly be seen in the literature on entrepreneurship within rural areas, which is limited, since the focus of most of the literature is on development in urban areas. To bridge this gap, this study intends to investigate the impact service delivery has on the development of rural entrepreneurship, using KwaMhlanga as a case study to understand the relationship between the variables.

### **1.3 Research questions**

The main research question of this study is how service delivery impacts the development of rural entrepreneurship. Specific research questions are:

- What is the status of service delivery in KwaMhlanga Village?
- What are the characteristics of rural entrepreneurship in KwaMhlanga?
- What is the impact of service delivery on the development of rural entrepreneurship?

### **1.4 Aim and objectives**

The aim of this study is to investigate the impact of service delivery on the development of rural entrepreneurship.

From the main aim several objectives are:

- To assess the status of services delivery in KwaMhlanga Village.
- To identify the characteristics of entrepreneurship in KwaMhlanga Village.
- To explore the impact of service delivery on the development of rural entrepreneurship.

## **1.5 Definition of terms**

### **1.5.1 Rural area**

Rural areas are mostly characterised by small populations living in poorer conditions than those in the urban areas; they have a declining infrastructure and thus fewer economic prospects. The population is also exposed to less access to adequate basic services such as water, electricity, sanitation and proper infrastructure (Komorowski, Stanny & Rosner, 2021).

Gamede and Uleanya (2018) posit that a rural area is best defined as a geographical location that is characterised by mostly agricultural activities, and socioeconomic concerns such as inequality, poverty, and unemployment. Typically, they are made up of people who have a diverse set of livelihood options, both agricultural and non-agricultural (Gamede & Uleanya, 2018). However, Nelson, Nguyen, Brownstein, Garcia, Walker, Watson & Xin (2021) argue that it is important to note that there is no single definition of a rural area that can be considered correct. Rather, the one chosen should be suitable for the purpose for which it is used.

Based on this argument, for the purpose of this study, rural area refers to a geographical area that is characterised by small populations whose lives are shaped by a diverse set of livelihood strategies and different socioeconomic ills, inter alia, inequality, poverty, and unemployment. The population is also likely to be exposed to

inadequate basic service provision by their respective municipalities, compared to their urban counterparts.

### **1.5.2 Entrepreneurship**

Jones, Sakong and Timmons (1989) argue that defining entrepreneurship is best done when it is contextualised, for instance, in the rural development context, entrepreneurship can be broadly defined as “ a force that mobilises other resources to meet unmet market demands, the ability to create and build something from practically nothing, and as the process of creating value by pulling together a unique package of resources to exploit an opportunity” (Harry & Obuah, 2022). In an expanded view, Petrin (1994) believes that entrepreneurship means different things to different people, for some, being an entrepreneur is all about innovation, for others, it acts as a stabiliser of the market; and for still others, it is about starting, owning, and running a small business.

According to Ndala and Pelsier (2020), entrepreneurship is a strategy used to accomplish economic progress, social flexibility, and job creation in both developing and developed countries. In agreement, Purusottama (2020) adds that entrepreneurship has seen to be gaining momentum in being accepted as a viable means of earning an income, acquiring assets, and promoting rural development through the creation and establishments of different business ventures.

In this context, entrepreneurship is defined in this study as a vehicle towards improved quality of life for individuals, families, and communities by bringing about a sustainable and healthy economic environment. Beyond this, it is a process of creating value by pulling together a unique package of resources to capitalise on the identified opportunity through starting, owning, and running a business.

### **1.5.3 Rural entrepreneurship**

Given the strong existing need for poverty alleviation in rural areas, rural entrepreneurship has been pursued as an option. In view of this, it is defined as the creation of new business ventures in rural areas – the process that allows the diversification into non-agricultural industries that allows rural entrepreneurs to become more creative and inventive in developing new economic endeavours. These include tourist catering, woodwork, blacksmith work, spinning, running spaza stores, and welding (Olofsson, 2020). Additionally, Adewumi and Keyser (2020) define rural entrepreneurship as any endeavour carried out in a village or rural setting in a variety of fields, including businesses, agricultural activities, and other ventures that serve as indicators of economic development. This definition incorporates the consideration of opportunity, resources, and the environment – all of which are of paramount importance to the conception and comprehension of any entrepreneurial endeavour (Adewumi & Keyser, 2020).

This study adopts a consolidated definition of rural entrepreneurship as being the process of creating new business ventures in the rural areas, taking advantage of the resources and the environment to create opportunities and to bring activities other than agricultural for the benefit of the rural dwellers and the growth of the economy in general.

### **1.5.4 Service delivery**

Service delivery in the context of local municipalities is the process of providing residents within their jurisdiction with essential public services and amenities. These services typically include social services, utilities, infrastructure, and administrative tasks that aim to bring about improvement in the quality of life and the general well-

being of the people within the community (Mngomezulu, 2020). Bazaanah and Mothapo (2024) argues that the core services that the local municipality provides entail clean drinking water, proper sanitation, electricity, shelter, waste removal and roads, which are fundamental human rights that are part of the right to dignity and that are protected by the Constitution and Bill of Rights of South Africa, 1996.

The phrase refers to a broad variety of services that local governments must provide effectively and efficiently to satisfy the needs of their citizens, However, in essence, relating to the context of this study, service delivery refers to the provision of fundamental services such as a clean water supply, adequate sanitation, electricity, public transportation systems and adequate infrastructure to the respective municipal residents to ensure improved quality of life and well-being of the people.

#### **1.5.5 Local Economic Development (LED)**

Local Economic Development (LED) is a participatory process whereby local actors, including entrepreneurs, municipalities, and community groups, work together to stimulate economic growth and improve conditions for business development—particularly by ensuring reliable service delivery (e.g., water, electricity, roads)—which enables rural entrepreneurs to start and expand their businesses (Aguilar, 2021). Enaifoghe and Vezi-Magigaba (2022) refer to LED as a process through which local governments and stakeholders from all sectors collaborate to harness local resources and improve service delivery systems in ways that support small businesses, promote inclusive economic growth, and reduce poverty, particularly in underserved rural areas.

For the purpose of this study, Local Economic Development is a participatory process through which local government and various stakeholders collaborate to improve the

mobilization of local resources and improved service delivery systems that create an enabling environment for the development and thriving of entrepreneurship to improve and contribute towards economic growth, poverty reductions and living standards of the people, particularly in rural areas.

## **1.6 Significance of the study**

The study contributes to the existing body of knowledge on rural entrepreneurship. There is a need to explore the impact service delivery has on the development of rural entrepreneurship, given that the services delivered in rural areas play a significant role in providing rural entrepreneurs with the resources to tap into their creativity and to innovate, develop and improve their socioeconomic state and thus their quality of life. This study also identifies the challenges rural entrepreneurs face with regard to service delivery. By highlighting these, the study informs policymakers, development agencies, and local governments on how to create a more enabling environment for business growth. The findings of the study are essential for driving local economic development, improving service delivery, and supporting the sustainability of rural businesses, and ultimately improving the quality of life in rural areas. Moreover, the study proposes different strategies that rural entrepreneurs believe will bring about ways to enhance development in rural areas, considering their knowledge from direct experience.

## **1.7 Sequence of chapters**

The thesis consists of five chapters, including this introductory chapter, as follows:

**Chapter 1:** This chapter presents an introduction and background to the study, and describes the research purpose, rationale, problem and study procedures followed in

compiling the material covered in the thesis. The chapter also discusses the significance of the study and ethical considerations to be taken into cognisance.

**Chapter 2:** This chapter presents a review of the literature on the status of service delivery and the characteristics of entrepreneurship in rural areas. Furthermore, the challenges associated with rural entrepreneurship are discussed, as is the impact of service delivery on the development of rural entrepreneurship. The chapter identifies and explains the theoretical framework used to underpin this study.

**Chapter 3:** In this chapter, the design and methodology employed in the study are extensively covered to explain the processes followed to ensure that the study's research questions are answered, and the objectives are realised. Furthermore, the chapter involves different principles of ethics that were observed in this study.

**Chapter 4:** This chapter encompasses the presentation, analysis and interpretation of the data that was collected from the participants in the study area on the impact of service delivery on the development of rural entrepreneurship.

**Chapter 5:** This chapter presents conclusions drawn from the findings of the study and the recommendations made based on the findings presented. Lastly, the chapter provides suggestions for future research.

## **1.8 Conclusion**

This chapter provides the rationale for this study on the impact of service delivery on rural entrepreneurship development. The background to this chapter has demonstrated that rural areas are often affected by poor service delivery from their municipalities, and this affects their general well-being and livelihood strategies. Furthermore, the chapter shows that entrepreneurship has been widely adopted as one of the viable means of ensuring a livelihood to survive, particularly in rural areas,

and that the rural entrepreneurs depend on the municipal services for their businesses. Therefore, this study's aim is to investigate the impact of service delivery on the development of entrepreneurship in rural areas. The chapter covers the research questions and objectives that inform the study, uncovering the status of service delivery in rural areas, different characteristics associated with rural entrepreneurship, and the impacts of service delivery on rural entrepreneurship development. Furthermore, different terms associated with the study topic are defined to provide an understanding of the context in which they are used throughout the study. Lastly, different ethical principles guiding the study are raised. The next chapter presents a critical review of existing literature on service delivery and rural entrepreneurship development and provides an in-depth explanation of the theoretical framework guiding how the research problem is studied and interpreted.

## **CHAPTER 2**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

Rural entrepreneurship has been identified as one of the viable strategies for the economic development and improved quality of life of the people. Despite its evident contributory role in the development process of people, particularly in rural areas, it has several challenges that hinder its progress. Beyond financial challenges, the level of service delivery in rural areas has been identified as having an influence on the existence and sustainability of rural businesses. Given the background, this chapter reviews literature on the impact of service delivery on the development of entrepreneurship in rural areas. This forms part of the secondary data collection to fulfil the study purpose and meet the set objectives. This chapter explores service delivery and the nature and characteristics of entrepreneurship in rural areas. The challenges associated with rural entrepreneurship and the impact of service delivery on the development of rural entrepreneurship are discussed. The resource dependency theory (RDT) is used as the theoretical framework on which the study is pinned and through which the findings are explained.

#### **2.2 Service delivery in rural areas**

Globally, the word "service delivery" refers to the provision of fundamental community needs and services, most notably water and sanitation, electricity, infrastructure, housing and the land on which local people have grown to rely for their daily survival (Reddy, 2016). Furthermore, it is essential that local government deliver these services efficiently (Aziabah & Gumah, 2020). Service delivery therefore plays a significant role in bringing about development in the quality of life of the people.

Aziabah and Gumah (2020) agree that inefficient public service delivery has a significant negative impact on the quality of residents' lives. This implies that there are challenges associated with the delivery of services that ultimately lead to its inefficiency, possibly negatively affect people's quality of life. However, Tshiyoyo and Koma (2011) argue that in most African countries, basic service delivery remains the biggest challenge. For instance, Huston, Gaskin, Moriarty, and Watsisi (2021) identify in their study on piped water in Uganda that drinking water services are still characterised in much of Sub-Saharan Africa by a low dependability, its quality is poor, and there is frequent failure and/or abandonment of infrastructure. The evaluation of water services in this study has been found to be unclear in terms of quality, quantity and availability.

More recent research indicates a changing dynamic, despite prior reports like the International Labour Office Report (2013) emphasizing that rural areas house most of the world's poor and make up the largest portion of the informal economy. Due in large part to rural-urban migration and the worsening of urban poverty, urban areas have grown to be centers of informal economic activity (UN-Habitat, 2022; World Bank, 2021). Even if many of these urban places struggle with inadequate service delivery due to rapid population expansion and overstretched infrastructure, this migration has been fueled by the perception of better possibilities in cities (OECD, 2020).

Although urban informal economies may be more visible and concentrated, the rural informal economy is still significant, albeit frequently underrepresented in data and policy frameworks (ILO, 2020). Rural areas continue to be structurally marginalized, with ongoing challenges related to access to basic services—such as electricity, water, roads, and digital connectivity—essential for developing rural entrepreneurship. These challenges are frequently made worse by poor infrastructure investment, geographic

isolation, and institutional neglect (StatsSA, 2022; IFAD, 2021). Therefore, it is crucial to acknowledge the related, yet different issues encountered in both rural and urban contexts when examining service delivery and its influence on the growth of rural entrepreneurship. While considering current trends that emphasize the intricate spatial dynamics of poverty and informality, this study continues to concentrate on rural areas, recognizing their ongoing significance within the informal sector.

Studies have shown that the crisis of service delivery exists not only in Sub-Saharan countries but also in other countries, for example, in Nepal (Adhikari, 2021). The author identified in his study on the status of local government service delivery in Nepal that 47.50% of respondents said local government's community water supply and sanitation services were strong, while 52.50% thought they were weak. This finding implies the lack of a long-term policy for water supply and sanitation services. To emphasize the crisis, Huston et al. (2021) note that the failure behind the public service delivery process is perpetuated because, in theory, it is supported by legal and regulatory frameworks and a clear set of roles and responsibilities, whereas in practice, the various service delivery models remain poorly defined, unregulated and ad hoc.

South Africa is no exception to the crisis of poor service delivery. In post-apartheid South Africa, access to competent public services is no longer regarded as a privilege enjoyed by a select few in society, but as a legal entitlement of all people, particularly those who were previously disadvantaged. This law stresses “people service” as a criterion for local government change. In spite of this, South Africa is still faced with challenges in ensuring that municipalities offer people optimal and competent services (Sebola, 2023).

For instance, an analysis of service delivery in the rural communities of Intsika Yethu Municipal Area, in the Eastern Cape Province identify this province as one of the most populous in South Africa. It is characterised by a large percentage of the population living in rural areas under poor conditions, aggravated by inadequate service provision. Rural dwellers are still found to be reliant on water from the rivers, and sanitation and infrastructural developments are yet to be improved. There is generally a slow pace of rural development in the province (Macanda, 2014).

The analysis of access to electricity by municipal category shows that urban municipalities have higher access in comparison to rural municipalities. This means that local municipalities are still having difficulty in providing electricity services effectively to the people. Mpumalanga Province has been reported as no exception to this state of affairs as it has been ranked second last with the least number of households who have basic access to electricity, at 25.2% compared to other provinces (Community Survey Report, 2016).

For instance, the Municipal Finance Management Act (MFMA) general reports indicate that ineffective financial management, lack of long-term revenue sources, and poor budgeting practices have caused many local municipalities in Mpumalanga to experience a financial crisis that consequently has a negative impact on service delivery performance and thus affects the quality of life of the people (Auditor General South Africa, 2021/2022). Additionally, municipalities find it difficult to maintain their infrastructure assets given that they only allocate 1% of their budget to repairs and maintenance, which is far below the average 8%. As a result, these municipalities experience a significant a loss of water and electricity because of leaks caused by deteriorating and poorly maintained infrastructure, unmetered consumption, and illegal connections.

The recent Census Statistical Report identifies Mpumalanga as amongst the three leading provinces reported to have households affected by water provision interruptions (Census Stats, 2022). Moreover, it has been noted in the Municipal Report that there are still about 4 768 households in Thembisile Hani Local Municipality without access to piped water, 2 117 without proper sanitation, and 1 636 without access to electricity (Thembisile Hani Local Municipality IDP Review 2019/2020). Thembisile Hani Local Municipality in Mpumalanga, including that of KwaMhlanga, where this study is situated, is also characterised by overwhelming service delivery backlogs, thus the quality of life of the people living there is threatened. More than just existing data indicating statistics on the progress and level of service delivery in local communities, the growing number of service delivery protests are a sign of the lack of essential services. Ede and Jili (2020) assert that South Africans have recently escalated their protests in response to what they see as the government's inability to deliver essential (basic) services such as electricity, water, and sanitation. Furthermore, Bradshaw, Breakfast and Nomarwayi (2021) argue that these protests tend to be violent such that they pose a serious security threat rather than establishing an enabling environment for economic development and thus ultimately affect people's quality of life.

Basic services are an essential building block towards achieving rural development and bringing about improvement in the quality of people's life. However, rural communities have been identified as the most affected by poor service delivery although they rely on it for a living. This is a call for local government to put extra effort into providing services for the citizens effectively and efficiently to enhance development, especially in rural areas.

### **2.3 The nature and characteristics of entrepreneurship in rural areas**

Entrepreneurship and small business development in rural areas have gained traction as a rural development approach and have been a focus area of many researchers and scholars in recent years. Rural entrepreneurship is recognised as a viable strategy for poverty alleviation and employment creation, which ultimately lead to increased household income and thus improved standards of living in most rural economies. Rural entrepreneurship, thus, contributes to increased community welfare and economic development (Mago & Ngorora, 2018). Tryphone and Mkenda (2023) agrees, noting in the rural areas of Tanzania where poverty seems to persist with a much high percentage of people living below the poverty line, that entrepreneurship has been recognised as a solution to this socioeconomic issue with people embarking on non-farming enterprises to secure a viable livelihood.

One strategy for accelerating rural development is by focusing on the use of local resources. These play a critical role in the development of new economic activities that can aid in the reduction of unemployment and poverty, especially in rural communities. In agreement, Bahaj, George, Khayesi and Vernet (2019) argue that in the process, rural entrepreneurship facilitates villagers' access to goods and services, promotes economic growth and employment, reduces immigration, promotes social security and welfare in villages, changes rural structures, and contributes to systematic expansion , which in turn extends the stay of rural residents in villages.

Pato (2020) notes that rural entrepreneurship entails a specific interaction with the location and is based in its economic and social context through resource use. According to this theory, rural entrepreneurship entails innovation in terms of endogenous resources that provide value for both the entrepreneur and the rural community. Furthermore, it necessitates the immediate involvement of local people

and their knowledge. This form of entrepreneurship is associated with a rural setting and its tangible and immaterial resources. Korsgaard and Muller (2018) point out that this kind of entrepreneurship is embedded rural areas and cannot be relocated without losing all or a portion of its essence. This adds emphasis to the argument of Anderson and Gaddefors, (2019) concerning the importance of spatial context in entrepreneurship. They declare that it has the power to shape and influence the process and outcome of entrepreneurship.

Thus, rural entrepreneurship is dependent on the role and influence that its spatial context has on its development. Ngorora and Mago (2018) argue that commonly, rural entrepreneurship is characterised by agricultural economic activities such as commercial farming because these activities are the most dominant strategies through which people make a living, given the availability and type of resources rural dwellers are exposed to. However, Khatiwada et al. (2017) posit that people in rural households have evolved to develop other economic activities to generate income although they are still entrepreneurial. These activities have been broadened to other forms such as crafts and beginning businesses to sell their handiwork. Some switch to beauty and cosmetics, tuckshops, fashion and designing, panel beating, car washing, for example. This shows that not only is rural entrepreneurship a job creation tool, but it also offers various ventures on which people can embark to expand their means of living.

Notably, these emerging entrepreneurial ventures mostly belong to the informal sector. The informal sector is essential for alleviating socioeconomic problems that plague countries worldwide. In well developed economies, informal sector entrepreneurship makes up between 10 and 20% of the country's GDP, while in still developing countries it can account for up to 60%. In South Africa, the informal sector contributes approximately 5.2% of the country's GDP and 15-17% of job opportunities.

Nevertheless, limited attention is paid to the ability through which entrepreneurship in the formal sector can impact individual entrepreneurial undertakings and, in turn, the development of entrepreneurial leadership (Musara & Nieuwenhuizen, 2020).

Even though the informal sector is a crucial source of livelihoods in rural areas, it presents a mix of challenges. Rural businesses, as a source of livelihood within the informal sector, are not immune to the adverse effects associated with this sector. Limited access to the market; limited access to financial support; lack of legal protection; and difficulty in accessing government support programmes are some of the commonly identified drawbacks for the informal sector as an environment for most rural businesses (Omri, 2020). These negative aspects of the informal sector tend to threaten and perpetuate challenges that become impediments in the journey of entrepreneurship development in rural communities, as argued by Khuong, Shabbir, Sial and Khanh (2021)

Moreover, Mtisi(2022) argues that rural enterprises are characterised by their constraints, which means that one can never talk about the characteristics of rural entrepreneurship without taking cognisance of these constraints. As cited earlier in the discussion, the spatial orientation of the business has an influence on its process and ability to thrive as do the constraints the business is exposed to. This means that the local market is small, and has stiff competition, less growth, and limited business management skills, which are major constraints associated with and characterising entrepreneurship in rural areas. Enterprises in rural areas are smaller than those in towns and cities due to the environment of the enterprise and the types of businesses developed within it (Goodwin, 2018).

To expand on the characteristics of rural entrepreneurship, Mtisi (2022) further note that rural communities are known to be characterised by a large population density,

however, one that is constituted of people with a low disposable income, the majority living below the poverty line. This then exposes rural businesses to a limited local market and slow growth, which leads to lack of differentiation due to lack of financial resources and technology for production, among other factors. Consequently, such factors have been identified as compromising the ability of rural enterprises to be competitive amongst themselves or with their counterparts in the towns and cities. This means that often, businesses in rural areas sell the same sorts of products within the same vicinity because they are all targeting the same market with similar and limited needs and preferences, which are often influenced by their income and lifestyle. In this way, entrepreneurship in rural areas is characterised by limited competition because rural entrepreneurs are not considered to have full exposure to the necessary resources or a pool of needs and preferences from the market that they can innovatively cater for (Masumbe, 2018).

As noted earlier in the discussion, the characteristics of rural entrepreneurship are inseparable from the influence of their spatial orientation, for example, the privilege of the rural business being operated in an open space that works advantageously for the growth and development of the business. A characteristic that works disadvantageously for the business is a large population density with low disposable incomes to support and keep the business going.

## **2.4 Challenges associated with rural entrepreneurship**

Despite it having been recognised for its tremendous contribution to rural and economic development in many rural communities, it is also a fact that rural entrepreneurship is associated with challenges that threaten its development. Patel

and Panchasara (2019) noted in his writing that the majority of rural entrepreneurs are faced with several challenges as a result of the lack of basic utilities in rural locations, particularly in developing countries. For instance, he asserted that in India, rural entrepreneurs battle with lack of education, insufficient technical and conceptual ability in addition to a lack of financial resources. Such challenges make it difficult for rural entrepreneurs to establish industries in rural communities ( Patel and Panchasara , 2019).

Lack of basic utilities, remoteness and poor infrastructure remain the major challenges rural entrepreneurs are facing. For instance, Fiseha, Kachere and Oyelana (2019) declare that infrastructure is a vital aspect of entrepreneurship development and growth in rural areas, and includes roads, electricity, business incubators, water and banking facilities. Furthermore, they strongly argued that in the event of inadequate availability of infrastructure, developing businesses in rural areas are likely to suffer. For example, Fiseha, Kachere and Oyelana (2019) note that in the Eastern Cape Province, rural entrepreneurs operate in environments with limited access to basic services such as water, electricity, communications and roads. These impediments have made it difficult for them to develop and expand their businesses, let alone keep them running. The research report of the Small Enterprise Development Agency (SEDA)(2016) adds that lack of physical infrastructure is a key challenge to business growth, and that, for instance, where there is poor road infrastructure, the cost of doing business, such as the transportation of goods, becomes very challenging for entrepreneurs. The majority of entrepreneurs cannot have big suppliers deliver goods to them as is done in developed regions (SEDA, 2016).

Low levels of research and development (R&D) have been identified as another factor that negatively affects the growth of entrepreneurship in rural areas. This aspect points

to building R&D capabilities that can contribute towards determining the feasibility of transforming ideas into actual businesses. It will also tap into the discovery of accessible innovative solutions for rural entrepreneurs (SEDA, 2016). McKenzie and Woodruff (2017) postulates that small rural businesses in South Africa are less innovative relative to those in developed countries because they do not have strong upward linkages with developed larger businesses, and this deprives them of the opportunity tap into access to new technologies that can bring about innovation and improvement in their business production and operation processes. As a result, it becomes challenging for rural businesses to have access to improved communication or engagement with other businesses for development and growth (McKenzie and Woodruff, 2017).

In addition, due to the lack of relevant and sufficient access to information and proper R&D, the absence of accurate databases has therefore become another major problem affecting enterprises in rural areas. Most small businesses remain unregistered, limiting and impeding their access to government services and incentives that may help them develop.

Concurring with McKenzie and Woodruff (2017) argument, Ahmadpour, Arab and Shahraki (2019) note that lack of technology diffusion in turn causes managerial problems such as lack of knowledge of Information Technology, lack of business management knowledge and skills and legal formalities. Moreover, it is argued that in rural places, because information technology is not widely used, internal links are important because it is through them that they can facilitate the movement of services, goods, ideas and information. However, in as much as this approach seems to be working for rural entrepreneurs, it also prevents them from having productive and

efficient commercial partnerships, which also contributes to the slow growth of rural enterprises (Ahmadpour, Arab & Shahraki, 2019).

Rural business owners lack the necessary business skills, according to a previous study, and their success is often connected to their level of education, with firms run by operators with higher levels of education performing better than those controlled by operators with lower levels. Because of this apparent lack of business skills, management training has become one of the most often stated topics for business assistance/support by both rural and urban small businesses (Mtisi, 2020). Entrepreneurship in rural areas is still characterised by limited business management training and skills development programmes. This leads to poor record keeping in enterprises as well as failure to develop proper business plans, which plays a contributory role in rural entrepreneurs experiencing a lack of access to financial resources. For the entrepreneur to qualify for a loan, bankers would want to be convinced that the performance of the business is good (Henley, Newbery & Siwale, 2017).

Limited access to finance and credit is a very common challenge for rural entrepreneurs due to the conservative nature of their businesses. Lenders and South African banks in most cases prefer to invest their resources in rural enterprises at a later stage when they are well developed than when they are still at the start-up level (SEDA, 2016). Still, Korsgaard, Müller and Welter (2021) contends that the severity of these inclinations can vary based on a variety of factors, the most significant of which are geographic differences. The writer notes that micro businesses in Gauteng and Northwest Province tend to have greater access to finance in comparison to small businesses in other provinces. Greater access to finance in Gauteng may help to explain why the province has roughly 48% percent of the formal small, medium and

micro enterprises (SMMEs). SMMEs in Mpumalanga and the Northern Cape find it difficult to get funding, mostly owing to the provinces' generally rural nature (Korsgaard, Müller and Welte, 2019).

While on the role of the geographical orientation of entrepreneurship, it is known that people have been migrating from rural to urban regions due to the lack of opportunity, unemployment, and widespread poverty in most rural communities. Mwatsika (2018) argues that rural-urban mobility is a major impediment to the growth and sustainability of rural entrepreneurship because when people relocate to cities, rural regions become de-populated, resulting in a flight of skills, capital (which provides much-needed purchasing power), and a brain-drain. Rural businesses struggle to grow in such conditions, and it would take time for them to become large, registered businesses. This has an influence on household income because when purchasing power and market value decline, profit suffers as well, lowering people's living standards.

Rural entrepreneurship has been demonstrated to be the most powerful tool for preventing unemployment and for poverty alleviation and for achieving sustainable rural development. However, despite its contributory impact, it is associated with impediments that affect its process of development. This study intends to investigate measures that can be implemented to address some of the challenges that rural entrepreneurs encounter, to ensure successful sustainable rural development.

## **2.5 Service delivery and development of rural entrepreneurship**

Rural entrepreneurship is described as the most effective and efficient tool for achieving economic and sustainable rural development. Given that most rural communities have socioeconomic challenges, entrepreneurship through the creation

of employment, poverty reduction and improved living standards through increased household incomes has been viewed as a panacea. However, as noted by Bacq, Hertel and Lumpkin (2022) rural entrepreneurship does not function or exist in a vacuum, which means that it happens as an interaction among people, actions and resources. There are factors such as basic service delivery influencing its development.

Service delivery refers to the distribution of fundamental community requirements such as housing, water and sanitation, electricity, and the infrastructure that a local populace requires to be self-sufficient and able to rely on for their everyday sustenance (Reddy, 2016). These basic services are the building blocks of citizen welfare and development, where welfare refers to an individual or community's security, health or prosperity. It is viewed as involving all aspects that promote a good life among individuals (Dhaliwal, 2016). Therefore, the delivery of services and the people's access to them implies the availability of vital resources for the people to develop and ensure improvement in their quality of life.

Entrepreneurship in rural areas has thus been identified as one of the viable strategies through which people make a living and increase their income for an improved standard of living. As noted earlier in the discussion, rural entrepreneurship has not only created employment opportunities for the people in rural communities but has also offered different options for different business ventures wherein people can make use of the resources at their disposal to develop an entrepreneurial initiative. This means that the delivery of services such as water, electricity, infrastructure, to name a few, plays a significant role in different aspects of people's lives. It is through the availability of these services that entrepreneurship in rural areas is no longer stereotypically characterised by activities related to agriculture but has been

broadened into different types of ventures such as crafts, car wash businesses, beauty salons, fast-food centres, and so forth (Khataiwada et al., 2017).

While acknowledging that service delivery plays a contributory role in the development of entrepreneurship within rural areas, it is also important to consider the existence of the other side of the coin. This means that while service delivery is expanding the development of rural entrepreneurship, it is also contributing as the causes of its impediments. For instance, as Jayadatta (2017) points out, despite the efforts made by the government, lack of proper and suitable infrastructural utilities has made the growth of rural entrepreneurship very difficult, while Sequeira (2020) argues that there can never be entrepreneurship in the absence of quality available resources. This demonstrates that utilities are a vital aspect of the process of entrepreneurship development even in rural areas. Thus, any poor quality or lack of access to these utilities greatly affects the development of rural entrepreneurship.

For example, Ogunjimi (2021) identifies in his research that Nigeria's decades of inadequate infrastructure have stifled numerous rural innovations, such as those in the agricultural produce markets. In other words, owing to poor transportation networks, most of Nigeria's food production, such as cassava, palm oil, and other agricultural products produced in rural areas, has played havoc on the country's Gross Domestic Product (GDP). In addition, Ramakrishna (2023) notes that the poor state of the roads infrastructure in rural areas makes transportation constraints even more noticeable, for example, during the rainy season, the dirt roads that connect most rural regions become inaccessible, which causes a challenge in the transportation of goods.

Poor road infrastructure also prevents rural entrepreneurs from working with big companies that supply goods and other services, since many suppliers refuse to deliver to rural enterprises because they are far from the main roads and have

underdeveloped road systems. To have goods delivered as in developed areas, rural entrepreneurs have to pay extra, which leads to less profit. Most rural entrepreneurs have to rely on public transport to stock up on supplies for their business, which doesn't allow them the opportunity of buying in bulk or variety.

Water has become a global crisis with great impact on people's lives and livelihoods, including their businesses. It is known to be affecting rural communities to a larger extent in developing countries, including South Africa. For instance, in the Eastern Cape Province, entrepreneurs are suffering from a lack of sufficient water and electricity, and this has negatively impacted entrepreneurship (Fiseha and Oyelana, 2019). Most entrepreneurs now operate with limited access to water and electricity. The lack of electricity costs the businesses who sell perishable products. Entrepreneurs must bring water from a distance every day to continue providing daily services to their consumers. The entrepreneurs either drive themselves or pay a fee to have water brought to them from another location (Fiseha & Oyelana, 2019).

Service delivery plays a significant role in terms of making resources available for the development of rural entrepreneurship and is also responsible for the slow growth and development associated with rural businesses. Issues of service delivery need to be treated with high priority as they affect many aspects of people's lives. Local government represented by municipalities needs to work together with the people at the grassroots level to ensure that services are properly and efficiently delivered to rural areas so that rural entrepreneurship can bring about sustainable rural development.

## **2.6 Theoretical framework**

For this study, resource dependence theory (RDT) is adopted. Pfeffer and Salancik (1978) devised this theory to provide an explanation for how a business can be unsuccessful despite the external assets they possess. This theory describes a relationship between resources and a business's behaviour. A theoretical framework is a foundation upon which a research study is built (Mensah, Agyemang, Acquah, Babah & Dontoh, 2020). Adom, Hussein and Agyem (2018) maintain that a research project's trajectory is clarified and grounded in theoretical notions through the theoretical framework. The purpose of the framework is to increase the significance of the research findings, and assure generalisability, and consistency. In addition, a theoretical framework guarantees the expansion of information while promoting research through proving the research inquiry in both direction and momentum. Moreover, it aims to enhance the study's rigour and empiricism.

Resource dependency theory explains the impact of the environment on a business with reference to resources and the strategies a business can use to manage the impact. The theory posits that organisations and businesses rely on external resources to thrive and survive (Biermann and Harsch, 2017). The authors further argue that the RDT suggests that for businesses to have access to the resources they need for survival, they should adjust to and negotiate with their external environment. This means that the external environment within which businesses operate has the potential to influence the success or failure of the business. In support of this, Delke (2015) posits that RDT suggests that the dependency on resources arises from the need for the business to survive in its environment. Additionally, Celtekliligil (2020) notes that the business competitiveness is determined by the way it deals with its

external resources, and of the view that this is, in fact, more important than their internal resources.

Andrews and Hodgkinson (2022) argue that to critically explain and understand the resource dependencies relating to the theory, it is necessary to establish what is meant by “resources”. Resource-based theories share commonalities in terms of what is considered to be key resources for business performance, such as financial resources, human capital, physical resources and other informational resources. From a resource dependence perspective, limited access to or an inability to access such resources – referred to broadly as resource insufficiency – has the power to diminish the business’s performance and profits.

Furthermore, the theory posits that the possession of strategic resources provides an organisation with a golden opportunity to develop a competitive advantage over its rivals (Olubitan, Alabi and Idowu, 2023).

The theory suggests that the dependence on resources not only relates to the tangible, human and physical resources but also refers to power. The more the organisation or business has access to and thrives on the environmental resources the more it is afforded the power to succeed and behave in a healthy manner, which also speaks to the competitive advantage of that business. Another view is that a business that thrives through access to resources is likely to be more successful than other neighbouring businesses in the environment.

In this study’s context, the theory assists in explaining the complex interplay between resource availability and business growth. Resources in this case are different types of services delivered to rural areas, such as water, electricity, and infrastructure. Rural entrepreneurs rely on the basic services delivered in rural areas to develop and sustain

their businesses. These resources are categorised as tangible and intangible. Tangible resources can be raw materials and physical resources in the environment, while intangible resources refer to skills, knowledge and education regarding running a business. This reveals that local governments in rural areas have a critical role in entrepreneurship development because they are mandated to mobilise resources for the people and provide them with basic services to ensure an improved quality of life. The understanding drawn from this is that the level at which the local government prioritises and ensures the delivery of services in rural areas has an influence on rural business's ability to control and determine its survival and performance. This study is thus aimed at exploring the impact of service delivery on rural entrepreneurship development.

RDT offers a valuable lens through which to understand the intricate relationship between service delivery and rural entrepreneurship development. By recognising the crucial role of resources provided by local governments and fostering collaborative solutions, the full potential of rural businesses can be unlocked, leading to a more prosperous and vibrant rural future.

## **2.7 Conclusion**

This chapter has provided a comprehensive review of the relevant literature and theoretical framework surrounding rural entrepreneurship and service delivery in rural areas. It establishes clear definitions of key terms such as rural areas, entrepreneurship, and rural entrepreneurship, while also discussing the challenges that rural entrepreneurs in developing communities face. The review further covered the critical role of service delivery specifically infrastructure, utilities, and other essential services, in facilitating or hindering the development of rural entrepreneurship. Drawing on empirical studies, the chapter emphasise that while

rural entrepreneurship presents a viable solution for poverty alleviation, job creation, and community development, it remains constrained by poor service delivery and other structural challenges, such as inadequate infrastructure, lack of access to finance, and limited market opportunities. The chapter reveals that the availability of basic services plays a significant role in shaping the entrepreneurial landscape in rural areas, and their absence can severely limit entrepreneurial growth. The analysis revealed that the availability of basic services such as water, electricity, and transportation infrastructure play a significant role in shaping the entrepreneurial nature in rural areas, and their absence can severely limit entrepreneurial growth. The chapter also explored the resource dependence theory (RDT) as the theoretical framework that explains how rural enterprises rely heavily on external resources – both tangible and intangible – for their success. The chapter concludes that improved service delivery is essential for promoting rural entrepreneurship and enhancing the quality of life in rural areas. Local governments must play a pivotal role in mobilising resources and ensuring effective service delivery to unlock the potential of rural entrepreneurship. The next chapter covers the research designs and methods that the researcher used to achieve the set objectives of the study.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This study seeks to investigate the impact of service delivery on the development of rural entrepreneurship in KwaMhlanga Village. To achieve the aim and set objectives in Chapter one, it is important to explain and justify the research methodology employed. A research methodology is defined by Al-Ababneh (2020) as the practical 'how' of a certain piece of research. More specifically, it deals with the methods a researcher employs to guarantee accurate outcomes that meet the goals and objectives of the study. Snyder (2019) maintain that the focus of research methodology is on the type of tools and procedures to be used when conducting the study.

The study entails a research methodology that incorporates a research paradigm, a research approach and the methodological choice for this research project. A research strategy and time horizon of the study are also explored in this section. In addition, this chapter explains how data is collected, the population of the study, sampling/selection of participants, and data collection instruments. The data analysis instruments, and procedure are discussed. Furthermore, this section explores ethical considerations that include non-maleficence, respect for persons, informed consent and withdrawal, beneficence, anonymity and confidentiality, voluntary and integrity. Lastly, it explores the limitations of the study and measures that compensate for these limitations to produce a well investigated topic.

### **3.2 Research paradigm**

The study uses an interpretivism paradigm or philosophy, which is ideal for avoiding structured frameworks and adopting a more personal and flexible research structure that captures the truth and meanings in human interactions, according to Alharahsheh and Pius's (2020) definition. Interpretivism exposes the researcher to new information and relies on the participants to generate it. The researcher in this case is then exposed to the views and experiences of rural entrepreneurs on the status of basic services delivered by their municipality and the nature of their businesses, which are situated in the rural area. As a result, deeper understanding of the variables of the study is acquired through gathering information from the relevant group of individuals who have lived the experience, rather than by generalising and passing on preconceptions as genuine realities for the target group. The interpretivist approach accords the researcher the opportunity to gather raw data from the participants who have lived the experience of the study, the rural entrepreneurs (Alharahsheh & Pius, 2020). Unlike positivism, which emphasises the significance of what is presented generally, interpretivism has a stricter focus on considering pure data and facts without being impacted by human interpretation or bias. In addition, positivism has been criticised for dismissing different ways of perceiving the world, such as those based on human experiences, logic or interpretation.

Interpretivism was chosen for this study because it allowed the researcher to perceive the reality as presented by the participants' perceptions. Alharahsheh and Pius (2020) support this by maintaining that the interpretivist paradigm emphasises the importance of the researcher's subjective analysis and helps to determine how people may interact with their social environment.

### **3.3 Research approach**

The study is qualitative in nature therefore an inductive approach is used. Olmos-Vega, Stalmeijer, Varpio and Kahlke (2023) note that using an inductive approach, the researcher works from the bottom up using the views of the participants to construct broader themes and generate a theory that connects the themes. Considering this logic, the bottom-up technique (inductive) was congruent with the qualitative qualities of this study and provides rigour by being open to the development of new knowledge gained from the participants' opinions.

The focus of this study is the views and experiences of the participants on the level of service delivery in their area and how it has an impact on the development of their businesses as rural entrepreneurs. Using this approach, the information gathered from the participants is then used to draw conclusions on the views and experiences of the participants through determining themes that explain the level of service delivery and the characteristics of rural entrepreneurship. In this way the impact service delivery has on the development of rural entrepreneurship can be analysed. Samanta (2021) support this by noting that the advantage of an inductive approach is that it allows the use of collected data to determine themes in trying to explain and draw conclusions from the views of the participants on the phenomena. The deductive approach allows the researcher to approach the data with predetermined themes that the researcher is expecting to find because of a particular theory or existing data. In addition, the deductive approach is used for quantitative studies since it is a top-down approach that relies on a hypothesis, whereas the inductive approach is bottom-up which means it relies more on the views, experiences, and observations of the participants to draw

conclusions (Azungah, 2018). Based on this, the inductive approach was viewed as best suited for this study since it possesses the qualities of a qualitative study.

### **3.4 Methodological choice**

This study, as an empirical study, made use of a qualitative research method to capture the understanding of the real-life experiences of rural entrepreneurs within KwaMhlanga Village in terms of the nature, characteristics and challenges associated with rural entrepreneurship, the status of the services delivered to them, and the impact the services have on the development of rural entrepreneurship. Moreover, as argued by Lindgreen et al., (2021), a qualitative research approach enables the voice of, in this case, the rural entrepreneurs to share their experiences and give in-depth responses on the phenomena. It is also an essential method for gaining an insightful understanding of the nature of the study and helps capture factual details of the community rather than the researcher making assumptions. Punch and Rogers (2022) contends that employing a qualitative method in research is advantageous since it permits the use of a small number of participants while gathering thorough data. This methodological choice has allowed the researcher to probe further into the views of the participants to gather a deeper understanding and more information on the phenomena of the study.

It was possible and viable for the researcher to gather this information through this method because the researcher, having a small size sample, was able to give each participant enough time and opportunity to expand on their responses in the face-to-face interviews. This is further elaborated on in the section on data collection procedures.

### **3.5 Research design/strategy**

Research design can be defined as a plan or structured framework through which the researcher aims to conduct the research process to resolve the research problem (Bloomfield and Fisher, 2019) Ebipere (2022) refers to research design as an effective strategy to answer research questions using empirical data. A meticulously planned research design plays a role in ensuring that the methods used align with the intended objectives of the study and that the appropriate type of analysis is applied to the data (Ebipere, 2022).

For this study, the researcher employed a case study design, using KwaMhlanga Village. Although, case study design is still debatable when it comes to data collection, much social science research acknowledges its value, particularly when seeking in-depth insights into social phenomena. It is for this reason that this study adopted the case study design, considering its qualitative nature, to achieve its objectives through gaining deeper insights from the participants on their views, particularly on the level of service delivery within the village, the nature and characteristics of entrepreneurship within the context of the rural area and how they are impacted by the level and quality of services available in the area. Further insights were provided by the participants on different challenges they face.

Case studies, by their very nature, can explore and analyse contemporary real-life issues by carefully examining the background of a limited number of events or conditions, and their relationship (Schoch, 2020). Furthermore, the use of a case study has been identified as a unique way of observing any natural phenomenon that exists in a set of data. By unique, it is implied that only a small geographical area of interest is examined in detail. It is important to note that in a case study method, determining

the research's parameters and objectives is more crucial than having a large sample size (Lai, D and Roccu, 2019).

### **3.6 Time horizon**

In social science studies, time horizons relate to study periods or a chronological horizon of different breadth, which may be cross-sectional or longitudinal (Melnikovas, 2018). The gathering of pertinent information (data) at a certain point in time is what distinguishes cross-sectional studies from other types of research. In cross-sectional studies, data is gathered from a sample of people or groups at a specific time. Such studies have a short time frame. Furthermore, they do not track changes or trends over time, but provide a record of traits, actions or attitudes within a given period (Kesmodel, 2018).

Although it is frequently said that data for cross-sectional research is gathered at a specific point in time, this concept is rarely defined or further explained. It is always referred to as generally the time at or around the data collection, therefore there is no time dimension involved in cross-sectional studies. Instead, the study question may have an impact on the temporal dimension. Each study component, including the selection of study participants, data collection, and definitions of the condition or qualities examined, must have a clear understanding of the temporal dimension (Maier, Thatcher, Grover and Dwivedi, 2023). Following this argument, this study's time horizon was cross-sectional. This is also motivated by the methods through which data was collected for this study. Data was collected from the participants through semi-structured interviews at about the same time, and only once. Another process for conducting the same study over time to track changes to the collected data was never conducted. This then makes the nature of this relevant and related to the traits of cross-sectional studies in comparison to longitudinal studies.

### **3.7 Data collection**

This section covers the process of collecting data employed for this study. It starts with providing a description of the target population's characteristics that makes them relevant as a sample for the study. Furthermore, the sampling and sampling procedure that guided the final sample size are presented in this section. Lastly, the section covers the data collection instrument that guided the researcher to ensure that valuable and adequate data is collected from the participants.

#### **3.7.1 Population**

Population in a research study is defined by (Akanle, Ademuson and Shittu, 2020) as the entirety of the components or things included in the study's scope. It frequently refers to every individual who falls under the study's designated intended participants. Furthermore, according to Shukla, Trivedi, Pathak and Rajoriya (2019), the definition of population takes into cognisance all the units to which research findings can be applied.

The population of this study comprised representatives from businesses that exist in the study area that require water, electricity and infrastructure. The representatives are rural entrepreneurs in KwaMhlanga Village who own and run their own businesses, both formal and informal. It is estimated that there are approximately 50 businesses in KwaMhlanga Village, although the current study targeted only those reliant on the named basic services.

The study used research questions relating to subjects that directly affect the entrepreneurs in this rural setting. Information such as challenges faced, and how the availability and quality of the services delivered by their municipality impact the entire

development of their businesses. The participants were expected to elaborate on their various surviving mechanisms.

### **3.7.2 Sampling**

Shaheen and Pradhan (2019) define using a sample as a research approach that involves grouping representative individuals from a population and using data acquired from this group as research data for a study. Hossan, Dato'Mansor and Jaharuddin (2023) refers to sampling as a process used in statistical analysis in which predetermined numbers of observations are taken from a larger population. This section presents sampling methods used in this study and the sample size determination procedure.

#### **3.7.2.1 Sampling method**

The study used purposive sampling. Andrade (2021) explains, purposive sampling as a technique for selecting informants. Purposive sampling, also known as judgment sampling, is the purposeful selection of an informant based on the traits they possess. It is non-random sampling that doesn't require any underlying ideas or a certain quantity of participants. Simply said, the researcher determines what information is required and then seeks out persons who can and are willing to supply it based on their knowledge or experience.

For this study, the researcher identified entrepreneurs who run different types of businesses that rely on the services existing in the area and then selected them based on their availability and willingness to participate in the study.

#### **3.7.2.2 Sample size determination**

Data was collected from a sample that comprised both males and females between the ages of 18-45 who reside, own, and run businesses in KwaMhlanga Village. There

are more than 30 businesses in the area as per the area's municipal data. However, for the purpose of this study, only entrepreneurs who own and run businesses dependent on the basic services available in the area as their primary source of production were targeted. These businesses were identified through observations that considered the nature of the business. The study sample constituted 20 participants. However, 5 participants could not be part of the study for reasons varying between availability, lack of interest, and personal emergencies leading to time constraints. For this reason, the study ended with a total of 15 entrepreneurs who participated in the study. The saturation point was reached at 12 participants. To ensure the validity of this, the researcher continued with the interviews after the 12<sup>th</sup> participant. Pitcho-Prelorentzos (2021) maintains that individual interviews for a qualitative study are confined to a smaller number of participants compared to quantitative studies in order for the researcher to handle the complexity of the analytic process successfully. This is also justified by data saturation, which states that saturation in qualitative research can happen after as few as 12-15 participants. Through the course of interviewing (or observation), the researcher notices that there is no new information from the participants, which is saturation, as argued by Sebele-Mpofu (2020) and Mwita (2022). Mwita (2022) argues that one of the crucial factors to take into account when performing qualitative research is saturation. The saturation point not only ensures the accuracy and reliability of the data for a study but also saves the time and effort of the researchers in gathering the data.

This process involved a pre-informed recruitment strategy of participants that entailed drafting criteria for participant selection. Participants were then purposively selected and the researcher visited each person who met the criteria to tell them about the research and to request participation in the investigation. The inclusion criteria

required the participants to (i) be residents of KwaMhlanga Village; (ii) be actively involved in entrepreneurial or business activities (formal or informal) at the time of data collection; (iii) have operated their businesses for at least six months, to ensure meaningful engagement with local service delivery systems; & (iv) be willing and able to give informed consent and participate in an interview in a language they understood. The exclusion criteria involved (i) individuals not currently operating a business, (ii) those who had recently relocated to the area and had less than six months of entrepreneurial activity, and (iii) individuals unable to communicate in the selected interview languages or who declined consent. Over and above, the researcher assured them of their anonymity and the confidentiality of the information they would provide. If they agreed to participate, appointments were made for the interviews. Thus, in this study, entrepreneurs in KwaMhlanga Village from different business ventures were selected purposively as participants from whom information on the impact of service delivery on the development of rural entrepreneurship could be gathered.

### **3.7.3 Data collection instrument**

The study used both primary and secondary data, the latter through document analysis of published and unpublished material about rural entrepreneurship and service delivery. These sources included academic books, journal articles, government documents such as municipal reports including the Integrated Development Plan (IDP) of the municipality, and population surveys. The primary data came from the information that was acquired from the key participants during the semi-structured interviews. Mahat-Shamir, Neimeyer and Pitcho-Prelorentzos (2021) define a semi-structured interview as a face-to-face meeting between an interviewer and an interviewee with the goal of obtaining relevant data by asking them pertinent questions

to obtain direct information. The primary data was collected for the purpose of determining the views of participants who were engaged in rural businesses on how service delivery impacts on the development of their businesses.

This data collection technique was suitable for this study because it allowed participants to express their responses in their own words. It also presented an opportunity for the researcher to ask follow-up questions to acquire more information from them. A semi-structured interview guide made up of qualitative questions addressed to the chosen participants was used as the collection instrument (see Annexure A). The researcher ensured that the set of subsidiary questions related to each of the objectives to capture the deep and actual truths being studied. The questions were clearly phrased, brief, and simple to comprehend, free of trigger phrases to avoid leads, open-ended, and not double-barrelled.

The collection process was as follows: before the beginning of the process, permission to collect data from the area was granted by the local municipality manager (see Annexure E). Interviews of 40-60 minutes were conducted according to the set appointments. Participants were allowed to decide on the place and time of the interview and signed a form giving their consent to participate in and have the interview recorded. In instances where the participant was uncomfortable with the recording, notes were jotted down from their responses. The researcher explained the study's purpose and the data collection procedure to the participants. Considering that the sample for this study consisted of people from different age groups with different levels of literacy and various languages, questions were interpreted, translated, and explained to the participants in a language that they found comfortable and easier to understand, isiNdebele being the local and commonly used language within the village.

### **3.8 Data analysis**

After the data had been collected, transcribed and coded, it was analysed using thematic analysis. Terry, Hayfield, Clarke and Braun (2017) and Sundler, Lindberg, Nilsson and Palmér (2019) maintain that thematic analysis is a technique for uncovering, analysing, and reporting patterns or themes in data. They claim that this analysis thoroughly organises and characterises the collected data collection. According to Sundler et al. (2019), data obtained by interactive means studying the depth and seeking understanding of the content of the study can be feasibly analysed using thematic analysis.. This approach was chosen for the study because it was appropriate for analysing qualitative data gathered from the interviews.

The study used the six-phase process of the thematic analysis method, as recommended by Braun and Clarke (2006). The first phase entails the process of familiarising oneself with the data gathered from the participants. This was done by reading and re-reading the transcribed data from the interviews. The second phase is the process of generating codes. Thirdly, the researcher searched for themes and identified the patterns and relationships between and across the entire data set. In other words, this phase involved the process of analysing themes at the broader level, rather than codes. Phase four included reviewing themes using Atlas ti as analytical tool, which, according to Ronzani, Costa, Silva, Pigola and Paiva (2020) makes it easier and quicker to draw themes from the data. This analytical tool also allowed the researcher to bring together master themes, main themes and sub-themes for the purpose of refining the initially grouped themes and to achieve a systematic way of presenting the themes. The fifth phase consisted of defining and naming the themes. This process allowed the researcher an opportunity to identify the narrative that each theme told and its relation to the overall tale relating to the research questions, while

guarding against overlapping between the themes. Lastly, phase six entailed writing the report on the findings.

### **3.9 Ethical considerations**

Ethical principles are crucial in research to safeguard protect participants' rights, safety, and dignity, and to ensure the integrity and credibility of the research process. Nusbaum and Lester (2021) argue that it is vital to keep ethical issues in mind while recruiting participants, acquiring data, and evaluating and presenting the study when doing research with humans as participants. The study went through a rigorous process of ethical clearance to ensure that the ethics as guided by the University of Mpumalanga were adhered to, hence the attainment of ethical clearance as approved by the University of Mpumalanga Ethics Committee, see Annexure F. The major principles that guided the researcher for this study include non-maleficence, respect for persons, informed consent, optional withdrawal, beneficence, anonymity and confidentiality, voluntary participation and integrity. These principles are discussed below:

#### **3.9.1 Non-maleficence**

The researcher ensured that no harm, intentional or unintentional came to the participants physically or emotionally. The interviews were conducted as sensitively as possible, taking the participants' emotions into consideration. The situation was evaluated on an ongoing basis throughout the process of the interviews. To take precautionary measures for this principle, the researcher thoroughly informed the participants beforehand about the potential impacts of the investigation. Permission from the local authorities, the municipality in this case, was obtained through acquiring

a letter that granted permission of entry to the community of KwaMhlanga Village to collect data from the residents. (see Annexure D).

### **3.9.2 Respect for persons**

Respect for others is concerned with privacy, respecting the participants and ensuring their autonomy. Privacy refers to the physical setting in which data was collected (Morse, 2020). The researcher ensured that interviews with each participant were conducted in a quiet, safe and comfortable environment as per the preference of the participant. Respect was the value lived throughout the data collection process. Participants were given the right to make an informed decision about their participation in the research to ensure the principle of autonomy.

### **3.9.3 Informed consent and withdrawal**

Participants were issued consent forms to sign as a way of acknowledging the ethical principle of consent in this study. This signed form gave the researcher permission to use the person as a participant in the research and to permit the interview to be recorded (see Annexure C). The form stated that participants who wish to withdraw in the middle of the interview had the freedom to do so. To ensure that the form was understood, it was translated into the local language of the rural community.

### **3.9.4 Beneficence**

The researcher informed the participants about the benefits of the study, which are to contribute towards policy formulation processes that seek to bring about improvement in their living condition. Other benefits are that the study adds to the existing systems of ideas and sum of knowledge. They were told that the findings would assist in ensuring that the relevant stakeholders are made aware of the problematic issues in

the community in the hope that relevant interventions to ensure the well-being of the people would be made.

### **3.9.5 Anonymity and confidentiality**

Anonymity and confidentiality are different from each other in the sense that anonymity is about not being asked to give personal information that will enable others to recognise you, whereas confidentiality refers to the management of information that was given in confidence (Heyns & Roestenburg, 2021). To ensure anonymity in this study, participants were not asked to disclose any information that would identify them, and the researcher did not include names in the analysis of the data; pseudonyms were used. Conducting the interviews in a private and safe environment with each participant was another way of ensuring anonymity. Also, the consent form does not require participants to disclose their names.

### **3.9.6 Voluntary participation**

Voluntariness in research is an important principle to observe, to guard against causing the participants harm and discomfort. They only put their signatures on the consent form as agreement to take part in the study.

The researcher provided them with the opportunity to make an informed decision about whether to agree to participate in the study through the consent form. Moreover, a full description of the research was given to each participant to clarify the study's purposes.

### **3.9.7 Integrity**

The researcher conducted the research with honesty and integrity, ensuring that ethical principles were followed and without compromising them. The methods were employed in good faith, and objectivity from data collection to analysis and

presentation of findings was maintained. Furthermore, the researcher informed the participants that the data collected during the interviews would not be made accessible to a third party and would not be traced back to them.

### **3.9.8 Justice**

To ensure justice, this study was conducted without exploitation. The researcher ensured that participants had an equal opportunity to participate in the investigation, fairness was applied by including people from different age groups, cultures and genders depending, on their willingness and availability. Every participant was interviewed using a semi-structured set of questions, and where needs arose, the questions were translated into the language in which the participant was comfortable and found easier to understand.

Good ethical practices were maintained throughout the study, and ethical clearance was obtained from the University of Mpumalanga Research Ethics Committee (see Annexure F).

## **3.10 Data Quality Control Measures**

The research employed a thorough approach to data quality control, adhering to established protocols to improve the reliability of the results. In order to guarantee that the goals of the study were fulfilled and that the findings were accurate and trustworthy, data quality control procedures were very crucial.

### **3.10.1 Trustworthiness**

Assuring reliability is crucial in qualitative research to show the validity, reliability, and rigor of a study's conclusions. Adler (2022) highlights that trustworthiness in qualitative research includes a number of elements, such as reliability, dependability, confirmability, credibility, and transferability. The two main components of

trustworthiness—reliability, and validity—as well as the steps used to guarantee these aspects in the study, are explored in this section.

## **Reliability**

Determining the dependability of the data-gathering tools is essential in qualitative research, which aims to comprehend participants' actual experiences. The consistency and stability of results over time are referred to as reliability (Megheirkouni and Moir, 2023). Extensive efforts were made in this study to guarantee that the research produced reliable and trustworthy outcomes. The creation of a valid and trustworthy data collection tool served as the foundation for this endeavor. The literature and research objectives served as the basis for these instruments, which made sure that every observation and inquiry directly addressed the study's aims.

The ability of the instrument to efficiently capture the desired information was essential to its dependability. This made sure that the complex experiences and viewpoints of the rural entrepreneurs regarding challenges in service delivery were successfully elicited. Additionally, the instruments were subjected to an extensive review procedure by two supervisors and the University of Mpumalanga's Faculty Research Committee to guarantee their appropriateness and usefulness in the field.

Maintaining consistency was another critical focus. The instruments used clear and unambiguous language to minimize misinterpretation. Furthermore, the same interview guide was used for all 15 participants, and all the recordings and transcripts were stored in password-protected folders.

These tools were not only theoretically based but also clearly useful and relevant to the specific study setting. Their validity and dependability served as a strong basis for the next stage of data collection, guaranteeing that the information acquired was

precise, significant, and accurately represented the real-world experiences of rural business owners. This emphasis on trustworthy data collection tools greatly enhanced the overall strength of the study's conclusions.

### **Validity**

The authenticity of interpretations and conclusions is called validity (Coleman, 2022). Ensuring the validity of the results was crucial in the setting of this study. By following established research methods and employing a rigorous research design and methodology, validity was maintained. These procedures made it easier to gather and analyze data using the right methods, guaranteeing that the information appropriately addressed the study issue. The validity of the study's conclusions was strengthened by this intense focus on upholding the integrity of the whole research process, from data collection to analysis.

The following actions were, according to Haq, Rasheed, Rashid and Akhter (2023), employed as part of this study:

**Credibility:** Establishing the study's findings' credibility and reliability required high trustworthiness. The study used a strict research design and methodology, following accepted research norms, to guarantee trustworthiness. This included ensuring the data appropriately reflected the research issue and employing suitable methodologies for data gathering and analysis. The study preserved the validity of its conclusions by continuing to gather and analyze data in an organized and methodical manner. Consistent data coding and thematic analysis assisted in achieving the credibility of this study. In addition, triangulation of data was used to ensure credibility for this study, this entails observations, interviews, field noted and policy documents.

**Dependability:** The study kept an audit trail that recorded every step of the research process, including data collection methods, coding choices, and theme development, in order to guarantee reliability. Data analysis and interviewing were done using a consistent methodology. Peer debriefing sessions were used to examine coding frameworks and interpretations, and a code-recode procedure was used to confirm the themes' stability. The study's dependability was further reinforced by reflexive journaling, which documented the researcher's changing perspective and attitude.

**Confirmability:** Confirmability focused on the objectivity and neutrality of the study's findings. The research kept a record of all the procedures used for data collection and analysis in order to guarantee confirmability. To show that the interpretations were based on the data, direct participant quotes were included while presenting the findings. To consider the researcher's positionality and any biases, reflective journaling was used. The study's conclusions were unbiased and reliable due in part to peer debriefing and data triangulation across various business types.

**Transferability:** refers to the extent to which your study's findings can be applied to other contexts, particularly similar settings or populations. Transferability was ensured through the use of thick descriptions, providing a detailed account of the research context, participant characteristics, and the service delivery challenges specific to KwaMhlanga Village. The purposive sampling strategy is fully outlined to enable readers to assess the applicability of the findings to other similar rural settings. While the study does not claim generalizability, its insights may be relevant to policymakers and researchers working in comparable rural areas experiencing service delivery constraints.

### **3.11 Limitations of the Study**

When conducting a study with a group of people, limitations are anticipated. For this study, as it was targeting business owners/rural entrepreneurs, the issue of availability was one of the limitations as these participants are busy people and rarely have spare time for non-business purposes. However, the recruitment process was used to mitigate this limitation, and the researcher was able to set the interview appointments with the participants according to how it best suited their schedule.

Finding the required number of people to make up the sample size required was challenging because of the reluctance of some people because they found it difficult to understand the purpose and overview of the research. However, to overcome this limitation, awareness was raised about the importance and benefits of collecting this data and how it would benefit them. For instance, as rural entrepreneurs who are exposed to a number of challenges in developing their businesses, providing information on an insightful level about the challenges and their needs within the field of entrepreneurship would allow the government and other stakeholders to hear their voices in terms of the relevant assistance they need to be provided with. Also, it identified the existing gap that needs to be bridged to ensure development and improved quality of life of the people. The local municipality will also be made aware of the perceptions and impact that the level and quality of service delivery has on the lives of the people, and thus open a space for improvements.

### **3.12 Conclusion**

In conclusion, this chapter outlines the research approach used for the study of the influence of service delivery on rural entrepreneurship. The interpretivist paradigm-based qualitative research approach that was selected enabled the collection of data

from rural entrepreneurs regarding their experiences with service delivery and the difficulties they encounter in their businesses operations. The key methodological choices made, such as the use of semi-structured interviews and a case study design, were essential for gathering rich, qualitative data. Through direct communication, these strategies allowed participants to provide their lived experiences, their thoughts on the quality of local services, and how these services affect their businesses. Purposive sampling was used to guarantee that the participants chosen were pertinent to the goals of the study, enabling a focused investigation of rural entrepreneurship and the delivery of services. The thematic analysis approach was chosen was, since it offers an organised yet adaptable means of locating patterns and themes in the data. Respect, anonymity, and voluntary involvement were guaranteed by adherence to ethical guidelines, which improved the study's credibility and integrity. Although the study had some limitations, such as participant availability, these were mitigated through preparation and arrangements with the business owners. Overall, the methods described in this chapter provided a solid framework for gathering and evaluating the information required to comprehend the complex relationship between the development of rural entrepreneurship and service delivery, thus achieving the study's goals. The next chapter covers the presentation, analysis and interpretation of the data collected from the participants of the study.

## **CHAPTER 4**

### **DATA ANALYSIS AND INTERPRETATION**

#### **4.1 Introduction**

This chapter covers the presentation, analysis and interpretation of the data collected from the participants. The research study sought to investigate the impact of service delivery on the development of rural entrepreneurship. The study was informed by three objectives: to assess the status of service delivery in rural areas; to identify the nature and characteristics of entrepreneurship in rural areas; and to explore the impact of service delivery on the development of rural entrepreneurship. The views of the participants emanated from their own knowledge, experiences and observations of the phenomena. This chapter, therefore, presents and analyses the data based on the study's research problem and the set objectives.

#### **4.2 Participant profile**

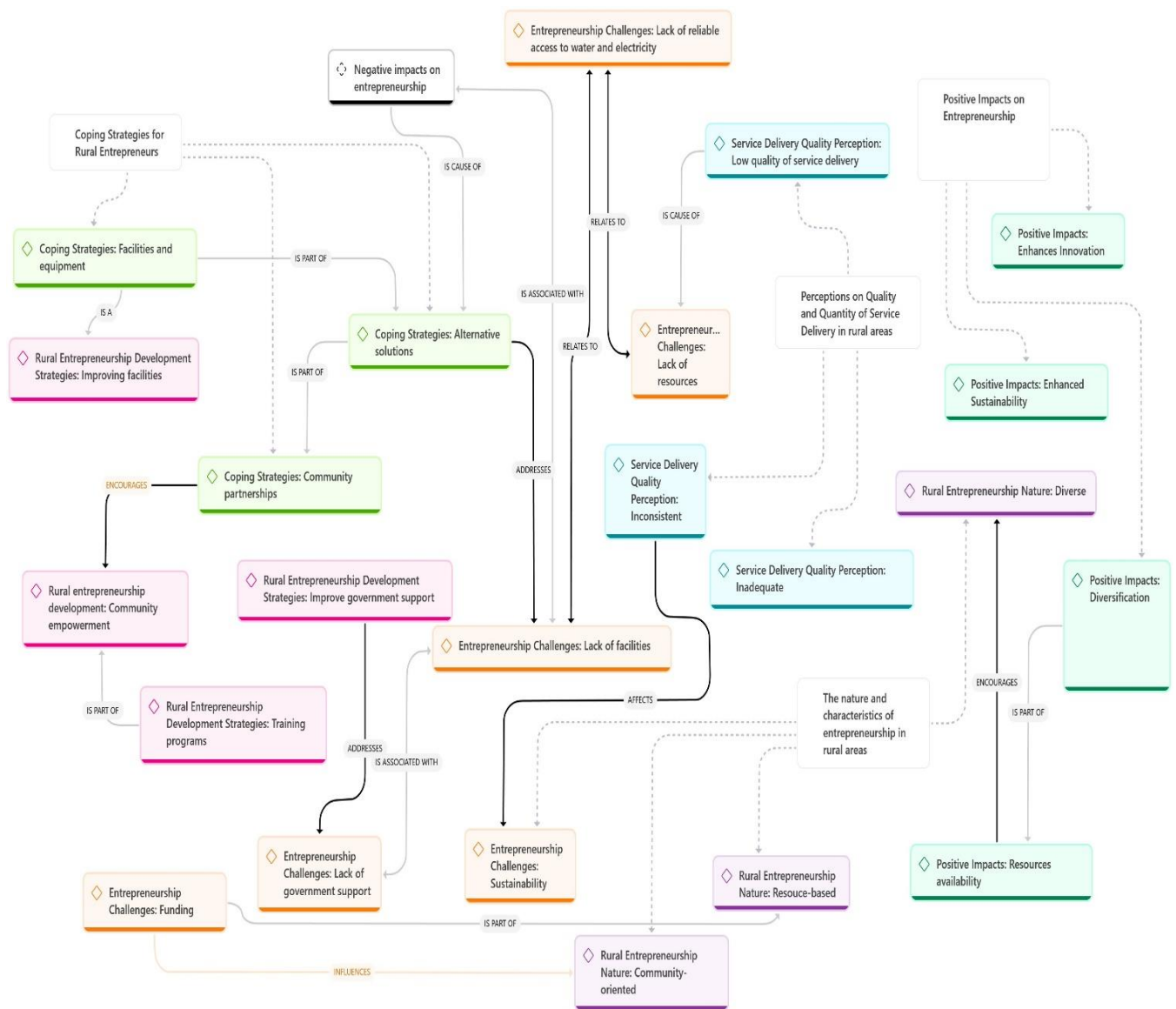
The study comprised of 15 entrepreneurs of KwaMhlanga Village, aged between 27 and 45 years. Fifteen semi-structured interviews were conducted with participant. Although the study did not reach the intended number of participants, which was 20, the findings presented the same responses at participant 12, which indicated saturation. However, the researcher continued with the remaining three participants to validate the saturation. Questions pertaining to the demographic information of the participants were included in the interview guide, which successfully allowed for the collection of the demographic data presented below.

**Table 4.1: Socio-demographics of participants (entrepreneurs)**

<b>Participant's ID</b>	<b>Age</b>	<b>Gender</b>	<b>Years in business</b>	<b>Type of business</b>
<b>P 1</b>	32	Female	6	Salon
<b>P 2</b>	45	Female	5+	Street vendor
<b>P 3</b>	40	Male	9	Internet café
<b>P 4</b>	29	Female	4	Laundry
<b>P 5</b>	42	Male	8	General dealer
<b>P 6</b>	45	Male	10	Transportation/Taxi business
<b>P 7</b>	27	Female	3	Salon & beauty bar
<b>P 8</b>	31	Male	4	Bakery
<b>P 9</b>	44	Female	8	Day care centre
<b>P 10</b>	30	Male	4	Fast food stall
<b>P 11</b>	33	Male	6	Car wash
<b>P 12</b>	39	Male	5	Bakery
<b>P 13</b>	41	Male	6	Welding
<b>P 14</b>	33	Male	4	Panel beating
<b>P 15</b>	33	Female	3	Poultry

### **4.3 Themes emerging from results**

In the interviews, participants described different views and experiences regarding the phenomena. A series of codes and different themes emerged and are used to guide the presentation and discussion of the results in line with the research questions and objectives of the study. Using a qualitative analysis tool, Atlas.ti, a network of the codes and themes emerged and is illustrated below.



**Figure 1: Network diagram of emerging themes**

#### 4.4 The status of service delivery in rural areas

This section covers the presentation of the themes that were uncovered from the responses of the participants to questions that aimed to understand the level of service delivery in rural areas: their views on the perceived quality of service delivery in their area; the nature of entrepreneurship in their rural area, which entailed its characteristics; and different types of businesses existing in rural areas are covered in this section.

#### **4.4.1 Perceptions of the quality and quantity of service delivery**

The participants were asked to describe the state of service delivery in their area considering both the quantity and quality to gather different views to assist in understanding the status and level of service delivery in rural areas. When participants were asked to describe what they perceive to be the state of service delivery in the community they live and run their businesses in, many of them expressed their views based on their experiences relating to how it affects their daily lives and the operation of their businesses.

It transpired that the community is still quite privileged in comparison to other rural areas in receiving basic services. The participants indicated that the types of services delivered include clean running water, electricity, sanitation, waste removal and infrastructural facilities. However, some said that the quality of these services is unsatisfactory in various ways. From the participants' views a series of themes were developed, which include inadequate, inconsistent and poor service delivery. These results will be discussed below.

##### **4.4.1.1 Inadequate service delivery**

Participants stated that the quality and quantity of the services they receive from their municipality is inadequate. It transpired although people have taps installed in their yards, not everyone receives water. Some participants said that many households rely on their neighbours for access to running water. A participant stated:

“...to put it out there we have households who have since installed taps within their yards, but they have never seen water running from those taps. It's been years since they depend on fetching water from the community water tanks and sometimes from other household who have the privilege to receive water. Also, you must understand that sometimes they get chased out or denied an opportunity

to get the water. Our municipality has since promised to do something about it; till now, we are still waiting.” (Participant 2)

In agreement with the issue of the inadequacy of service delivery in the rural area, another participant added:

“The provision of electricity in the area has been an issue even though there are a few households which are situated in the new stands who do not have access to electricity, there are those who are often affected by frequent power interruptions. Beyond just a global crisis of loadshedding, we are still affected by load reduction which happens because of many illegal connections in the households.”  
(Participant 4)

The participant went further to express that suffering from the consequences of illegal connections because the provision of electricity was satisfactory. In addition, it was noted that people are required to wait for a lengthy period before gaining access to electricity in their households, and when they finally do, they are still affected by power outages, some of which take a few days to be resolved.

Most participants expressed the view that the quality and quantity of service delivery is inadequate which imply that their lives and livelihoods, their businesses, are affected. However, it appeared that some entrepreneurs used alternatives, allowing making to make a difference in the lives of the people. The most fundamental issue lies with the dissatisfaction in terms of the quantity and quality of services they receive. Furthermore, they indicated that although some of the of services are well done, there is still room for improvement. A participant stated that:

“The municipality seems to be doing better with sanitation, although the level of water service provision is still yet to improve.” (Participant 3)

#### **4.4.1.2 Inconsistency in service delivery**

As explained earlier in the discussion, the participants described the status of service delivery in the area from different points of views, some waying it is inadequate and that it is inconsistent.:

“Water provision in my area happens in turns, some sections receive water weekly and some do not receive them at all. The provision is not consistent and therefore makes it unreliable as well.” (Participant 7)

In agreement another participant indicated that the inconsistency of service delivery is also evident in the poor maintenance of infrastructure in the area:

“For instance, in my line of business is very important to have proper internet and network coverage. However, in this area we are still very constrained and not well cater for when it comes to network coverage infrastructure. As a result, often we suffer from network issues.” (Participant 3)

Participants 5 and 6 spoke about the poor maintenance of infrastructure saying that although there are strategies employed by their municipality to try and improve the condition of the road infrastructure, for instance, they soon deteriorate:

“The problem with gravel roads is that the municipality tries to fix it during cold season, however, come wet or raining season it deteriorates rapidly and goes back to its poor condition.” (Participant 5)

Another participant added:

“In other parts of the area where there is a roadway, you find it poor with lots of potholes which the solution to them is temporary because after some time they appear again posing threats to the safety of the roadway users.” (Participant 6)

#### **4.4.1.3 Prevalence of poor service delivery**

Many participants alleged that it is very rare to find that all types of services in the area are satisfactory and of good quality. In some parts, certain services are delivered while others are not. They further explained that the quality of the services being delivered is poor and inadequate as is evident from the perpetual service delivery protests in the area and surroundings. Most participants emphasised the inadequacy and inconsistency of service delivery. It was indicated that there is still much to be done for people to reach a point where they will express positive views about service delivery without having to be concerned that not everyone enjoys the privileges of accessing services.

“Honestly, the state of our service delivery is very bad, if I may to put it that way. It has never been time where I can proudly point out to say that we’ve received efficient and quality services from our municipality. There is always someone somewhere lacking in terms of services and the fact that not everyone has access to them at any time automatically declares it as being poor.” (Participant 1)

Another participant expanded by noting the issues of service delivery protests in the area:

“Violent service delivery protests are still evident in the area and surroundings, which lead to a lot of important infrastructure being destroyed and affecting service delivery even worse ... these protests are as a result of the dissatisfaction of the community of the quality of services delivered to them.” (Participant 8)

Drawing from the above findings, the participants seem to be aware of the state of the services delivered to them by their municipality. They do acknowledge the existence and access to different types of services which they are entitled to, but mostly basic services which are delivered by their municipality. They express dissatisfaction with

the quality and distribution of services to the people. Most agreed on the view that the state of service delivery in rural areas is poor, inadequate, inconsistent and widespread. These are the themes discussed in this section. Their views were in line with what Pretorius and Schurink (2019) note in their study: that most rural communities in South Africa are still burdened with a service delivery backlog, a challenge that persists. Participants indicated that the perpetual service delivery protests often turn violent, which make it evident that there is still a large need to be filled to ensure quality service delivery processes. Ede and Jili (2020) and Breakfast and Nomarwayi (2019) assert that the existence and escalation of service delivery protests in rural communities is in response to what people deem as the government's inability to cater for its people by delivering adequate and efficient essential services such as electricity, water, and infrastructure equally for all. Furthermore, they argue that the violence of these protests poses a serious threat to the well-being and livelihood of the people. As a result, an enabling environment for the people to develop holistically, including economically is not established and this means that their quality of life is compromised. Participants declared that these concerns raised in their views are a call for more effective and efficient strategies to be developed to ensure improved service delivery quality for everyone.

#### **4.5 The nature and characteristics of rural entrepreneurship**

In trying to understand the nature of rural entrepreneurship and what characterises it, the participants were asked a set of questions addressing different aspects of the development process of entrepreneurship in rural areas. These questions included the types of businesses existing in rural areas, different challenges associated with running a business in a rural context and different coping strategies employed by rural

entrepreneurs to run and sustain their businesses. Based on the participants' responses several themes emerged.

#### **4.5.1 Types of businesses existing in rural areas**

Participants were asked to describe the types of businesses that exist in their rural setting. Many of them stated that other than agriculturally based businesses, which are commonly known to exist in a rural area, there is quite a significant shift towards other types of business ventures.

"Most common types of businesses I have seen in this area include car washes, hair salons, fast food stalls/shops, laundries, people selling fruits, and vegetables at the rank, and also around using wheelbarrows and vans, day-care centres and gardening." (Participant 9)

Another added:

"What I have observed in my area is that people open businesses to capitalise on the skills and abilities they have. For instance, I am one of them, I rely on my skill and natural given ability to do people's hair, nails, and other beauty services. So does other people, we have welders, bakers, constructors and so forth." (Participant 7)

Most of participants agreed about the common businesses people have developed besides agriculture. The participants indicated that there are different factors that shape and contribute to the existence of such businesses. Some highlighted skills, availability of resources, and indigenous knowledge. These views agree with those of Khatiwada et al. (2017), who posit that people in rural areas have begun economic activities that are entrepreneurial and go beyond agriculture to generate income and make a living. This has made a significant

contribution towards the diversification of rural livelihoods that can improve people's well-being and quality of life.

#### **4.5.2 Characteristics of rural entrepreneurship**

From the participants' views, the researcher established that the aspects that characterise rural entrepreneurship are diverse and resource- and community-based entrepreneurial activities.

##### **4.5.2.1 Diversity in rural entrepreneurship**

When identifying and describing the types of businesses that exist in the area, the participants agreed on diversity as the common characteristic of rural entrepreneurship. Many indicated that businesses in rural areas are no longer only agriculturally based, but have developed and diversified as a result of different factors. Ngorora and Mago (2016) emphasise that the diversifying of economic activities is beneficial for entrepreneurs. This diversification seems to have occurred in most rural settings.

A participant noted that:

"My area is quite diverse in terms of business, and I believe that is mainly because there are different people who are trying out different things to make a living."

(Participant 10)

Another participant stated:

"One thing I can say about the different businesses that exist in this area is that they are different and are there to try meet different needs of the people; to try and bring things closer to the people and easier like the way it is in urban areas." (Participant

14)

Drawing from the views of the participants, it is evident that there are opportunities and benefits for entrepreneurs in rural areas to diversify their line of business and to tap into different skills and capabilities, as they cater for different needs in the area and assist in developing and improving its economic state.

#### **4.5.2.2 Resource-based entrepreneurship development**

In describing the type of businesses that exist in rural areas, participants agreed that the existence and diversity of businesses is associated with the type of resources people have access to within their environment. Beyond financial resources, it transpired that most rural businesses require the basic services they receive to run their businesses. This means that they use what they have to create business opportunities. One participant indicated:

“Most people around use what they have to start businesses that will at the end of the day give them income to put food on the table. It is for this reason we have businesses such as car washes, saloons, small scale farmers, fast food, and internet cafés.” (Participant 8)

Another participant added:

“I have come to notice that most businesses you will find around are based on the types of services delivered in the area, for instance, we have car washes, laundries, saloons, which besides financial capital they are mostly dependant on water.” (Participant 12)

That the environment in which businesses are developed is the primary source of resources for those businesses has always been the case with rural entrepreneurship, which was commonly agriculturally based because people had access to land, and other natural resources that contributed to making their farming activities possible so that they managed to make a living. Rural entrepreneurs now view the availability of

essential services as the opportunity to extend and diversity their businesses. This is in line with the resource-based theory underpinning this study, which states that the existence and survival of businesses is dependent on and can be influenced by their external environment. It further suggests that businesses make use of the resources in their environment together with internal resources such as the skills of the entrepreneurs and other intrinsic factors that contribute to entrepreneurship development. The emphasis is that in terms of resource availability and accessibility, the environment has the power to determine the success or failure of any business venture (Aunger, Faulks, Millar & Rafferty, 2023).

#### **4.5.2.3 Community-based entrepreneurship**

This theme about the nature of rural entrepreneurship emerged as participants frequently mentioned that most businesses were undertaken to meet a certain need or address a certain challenge that exists in the community. This means that rural entrepreneurs provide answers to the needs and solutions to different problems of the people. Thus, it was determined that participants start their businesses not only based on their resources, but also according to the needs of the community that is their target market.

Participants explained this as follows:

“One thing I can say about the different businesses that exist in this area is that they are there to try meet different needs of the people; to try and bring things closer to the people and easier like the way it is in urban areas.” (Participant 14)

“Rural areas are still in high need of development, hence, we as entrepreneurs, try to bring different services closer to them and that speak to the need of their development. This is why you find as diverse businesses as possible because we are driven by the needs of the people and their preferences.” (Participant 5)

One participant asked whether part of the reason he started his line of business, relates to a need he has identified within the community, said:

“I own and run an internet café, which is a business that provide the community with internet services such as internet access, photocopying, printing, etc. I saw that people within the community had to waste money on transportation going to neighbouring areas for these services, so cut on that I saw an opportunity to bring the services closer to them.” (Participant 3)

The views of the participants show that the rural entrepreneurship they have shaped are diverse, and resource- and community-based. This emerged from answers to the questions developed to try and understand the nature of entrepreneurship in rural areas. Most participants were of the view that the basic services delivered by the municipality are their primary resources, and these enable them to diversify the services they offer the people through their business ventures. Most importantly, it transpired that entrepreneurs in rural areas draw the ideas and motivation for their businesses from the needs of the people and the available resources that make their enterprises viable and relevant to the market. Their views concurred with Pato's (2020) theory that rural entrepreneurship entails a specific interaction with the economic and social context of the location in which it is based. According to this theory, rural entrepreneurship entails innovation in terms of endogenous resources that provide value for both the entrepreneur and the rural community. Furthermore, it necessitates through resource use the immediate involvement of local people and their knowledge in the entrepreneurial process. This form of entrepreneurship is therefore associated with the rural setting and its tangible and intangible resources.

### **4.5.3 Running a business in a rural context**

This section identifies and explains the different challenges that rural entrepreneurs are faced with and the various coping strategies they adopt to navigate these challenges in questions intended to understand what running a business in a rural context entail.

#### **4.5.3.1 Challenges associated with rural entrepreneurship**

The findings so far mentioned have shown that the type of entrepreneurship in rural areas is influenced by a variety of factors. Even while it improves people's quality of life, its nature also depends on how easily accessible various internal and external resources are. Most significantly, the participants have demonstrated that the entrepreneurs' location is important since it offers an environment that is beneficial to the growth of businesses.

Jayadatta (2024) posits that challenges that rural entrepreneurs are faced with have the potential to shape the nature of their businesses, hence, in trying to broadly understand the nature of rural entrepreneurship, participants were asked to identify and describe challenges they have had to encounter in their line of business. Furthermore, they were asked about strategies they employ to address these challenges. Their views contribute to the four themes that are discussed below.

##### *i) Lack of reliable resources and infrastructure*

The participants all claimed that lack of resources was one of their main challenges. Most of their businesses rely on the basic services provided by the municipality to operate and develop, but these resources are often not adequate or reliable.

A participant stated that:

“In my line of business more than anything, I have been suffering with the issue of access to water. This because we have taps installed in the yards, however, there is no water coming out. If it happens, it becomes a thing of once off in a long time.” (Participant 1)

Another participant expanded on his experience with the water challenge in his line of business by noting that:

“My business relies mostly on water for its services. It is really a big challenge running such a business in an area where you only get to receive water once a week and sometimes once in three weeks.” (Participant 4)

There were other views from the participants describing how relying on the provision of electricity as a resource has been challenging:

“We rely heavily on electricity to get our orders done, but it has really been challenging us. Our area has been affected by the load reduction which has been implemented by our municipality. It goes beyond the loadshedding we are currently faced with as a country.” (Participant 8)

“The constant power outages are really a serious threat in my poultry business ... it is so unreliable such that I have to rely on my plan B and a sustainable source of electricity.” (Participant 15)

“The inconsistent supply of electricity given the never-ending power outages, does not only affect the operations of the business but it takes away network connectivity which means that it also destroys the internet and communication infrastructure such that it is no longer in a good condition to sustain access to internet.” (Participant 3)

Infrastructure has been identified as one of the basic services that play a crucial role in providing the necessary resources for entrepreneurs to start and run their own

businesses. Some participants stated that the state of the infrastructure in the area is unfavourable for the smooth operation of their businesses. Some participants who are directly affected said:

“My biggest challenge in this business has been lack of proper infrastructure like stall shells by the road or within the shopping complex or taxi ranks. (Participant 2)

The quality of road infrastructure in this area is the biggest challenge I have ever had to face in the transportation line of business. This is because half of the issues I deal with specially with my cars are as a result of these poor roads.” (Participant 6)

Participant views supported the views of Jayadatta (2024), who noted that the majority of rural entrepreneurs are faced with challenges because of the lack of adequate and reliable basic utilities, which is a threat to the operation and sustainability of their businesses.

#### *ii) Competition amongst rural entrepreneurs*

Some participants identified competition as one of the challenges they are faced with in the area as there are too many entrepreneurs for the limited resources available. They declared that this causes even their market to be limited adding to the competitiveness among them. According to the participants, they often find themselves competing by lowering their pricing and that tends to reduce their profit margins.

Participants had the following to say:

“There is a lot of car washes in the area for the market that is available; we always compete in terms of prices. People will always go for the cheaper prices. However, considering the cost of operation it becomes difficult to lower prices that you keep beating other. It will always affect your profits.” (Participant 11)

“There is too much competition amongst ourselves such that instead of working together we seem to be focused on working against each other because we are all trying to reach the market.” (Participant 6)

Beyond the impact on profit margins, participants expressed that competition also does not encourage trust amongst entrepreneurs, because although they would want to agree on one thing and work together towards a common goal that will benefit the customers and them as business owners, there are always reservations from fear that people will go against the collective agreement and do the opposite. Trust is one of the important factors that can help improve the development of entrepreneurship given issues such as lack of resources, limited markets and unnecessary competition.

### *iii) Lack of government support*

Amongst other challenges associated with entrepreneurship in general, participants stated that what distinguishes them from other entrepreneurs is that, as rural entrepreneurs, they do not get enough support from the government. The government does not address their basic challenges, such as the need for financial assistance. The process of accessing any financial intervention strategy has unrealistic requirements or too much red tape for them.

Participants alleged:

“Our government does try to assist us here and there, especially with financial resources. However, as rural entrepreneurs we struggle to successfully access such initiatives due to not having certain documentations required in the process.” (Participant 13)

“Government interventions do not entirely address our needs; we are not being involved appropriately to be given an opportunity to voice our needs and suggest our possible needed intervention strategies.” (Participant 5)

“I feel our government is not doing enough to ensure that we are informed and well aware of all the things required from us to access the financial assistance initiative. We are often caught by surprised and overwhelmed by the things they need from us. As a result we end up not continuing with the processes, and in turn we continue to suffer.” (Participant 7)

Most participants explained that the implementation of the initiatives local government has put in place to support rural entrepreneurs is a challenge. Participants want to be included in the research and development aspect of rural entrepreneurship, which would afford them an opportunity to be a part of the development to improve their situation. They further explained that what greatly contributes towards the lack of support is that the government is not aware that in trying to regulate the processes, it is instead creating obstacles to accessing the benefits of the support initiatives.

#### *iv) Lack of funding*

One needs to be mindful of the fact that limited access to finance and credit is a very common challenge for rural entrepreneurs due to its conservative nature. Lenders and South African banks prefer to invest resources in rural enterprises at a later stage when these are well developed, rather than when they are still at the start-up level (SEDA, 2016). The participants stated that beyond the financial assistance they need from government, they are limited in their abilities to explore other sources of funding as individuals. They face difficulties in their attempts to apply for credit, loans and any other form of financial assistance.

Some told how in applying for credit, they are asked for collateral, and which is a challenge for them because they are still developing and barely have assets to their names.

“My biggest challenge has been funds; I have tried to seek assistance in every way possible but without luck of succeeding. I have been turned down for loans because my business is still developing, still without documented trace of profits, a business account and the likes.” (Participant 3)

Another expanded:

“As still developing entrepreneurs we are subjected to limited access to financial services and even worse. If you do happen to qualify for a credit, you are likely to receive high interest rates and unfavourable terms.” (Participant 9)

However, some participants said that they are not well informed about different funding options they are eligible for as rural entrepreneurs. They commented that there is a need for entrepreneurship development education in rural areas because before entrepreneurs can complain about not having access to finance, they need to be aware of and informed about the available funding options and their requirements. As one participant stated it:

“I have been struggling financially in my business. I recently heard that we could access financial assistance from the banks even though I am not professionally employed. I would like to explore that option because it will assist me. However, I am still not sure as to how I must reach out.” (Participant 8)

Drawing from the views of the participants, it transpired that most of the challenges rural entrepreneurs are faced with come as a result of lack of access to relevant and effective information, which is a call for entrepreneurship education in rural areas. Many of them mentioned that it is very important to run a business professionally no matter how small it is because these are the things that will open doors for them to access assistance that will contribute to their development. Over and above, there is still a huge gap that the government must bridge in terms of its support for

entrepreneurs and in research and development. In addition, the participants have demonstrated that participation in the development process is essential because that is when they can discuss the issues and needs that arise. This support would contribute to the development of well-informed policies and strategies to address the issues at hand.

#### **4.5.3.2 The coping strategies for rural entrepreneurs**

Despite the challenges entrepreneurs in rural areas are faced with, they have demonstrated that they try to put measures in place to ensure the success of their businesses. Some of the participants discussed their coping strategies as given below.

##### *i) Solutions to challenges*

When the participants were asked to describe how they manage some of the challenges they have experienced in their line of business, many of them spoke about having a plan B as a solution, something that has been working for most of them, especially relating to the challenges of inconsistent and unreliable delivery of services. Those with businesses that rely on water and electricity gave examples of how they survive during power outages and disturbances in water provision.

“I have also managed to get a water tank which I have to fill up often every two weeks and also depending on the busyness in the business to ensure a successful operation of my business.” (Participant 1)

“I normally ensure that I keep my water cans filled up in case water becomes cut off, and in a case where they run empty as well. I always try to hire people around to go and fetch water somewhere. However, this tends to increase the costs for my business.” (Participant 4)

Some participants mentioned their alternative plans in the absence of electricity:

"I'm in a process of raising funds so I can make my whole businesses reliant on gas instead of electricity or alternate between the two. And it has been happening very slowly, I must say." (Participant 8)

"I have invested in a gas stove although it is costly to maintain and not entirely safe for the kids environment." (Participant 9)

"During load reduction and loadshedding, especially in intense stages, I hire a generator, which is also increasing costs for my production." (Participant 15)

From the views of the participants, it transpired that in as much as having an alternative plan in place to manoeuvre around challenges comes in handy, these have implications for the cost of doing business. The participants found that some of these solutions are also not entirely safe considering their line of business. However, the most important factor is that they do not wait or rely on someone to come and save them, they try to find solutions to their problems themselves, which is a good trait for an entrepreneur.

#### *ii) Building relationships or partnerships*

As it is strongly advocated by the RDT, for a business to remain running and survive when the environment changes, be it in terms of resources or other factors, relying on external resources such as networking can help the business to survive. The theory holds that creating partnerships or interconnectivity with people who are in the same line of business could afford the business an opportunity to outsource resources to survive (Pfeffer & Salancik, 1978). In support of this, the participants demonstrated that building good relationships within the community has greatly assisted them in times of need to combat their challenges in the business. Some explained that this mechanism encourages not only networking but collaboration; it allows them to develop a strategy that benefits others as well, depending on the challenge at hand.

“I manage to cope through creating good relationships with the mechanics guys because they really assist me during my cars’ breakdowns. Again, we work together with other people in this line of business to try and fix the roads where possible.” (Participant 6)

“To cut the cost when we go for stocking veggies in town, we collaborate as street vendors to hire one big transport and agree to go on the same day.” (Participant 2)

Participants thus advocated for networking and building relationships that allow for collaboration during the challenges of entrepreneurship in a rural area. They pointed out that this also creates room for growth and sharing of developmental ideas with other entrepreneurs.

#### **4.6 The impact of service delivery on the development of rural entrepreneurship**

Participants were asked to describe how the state of service delivery in their community has affected their businesses, and to consider both the negative and positive effects. The intention of this question was to establish the extent to which service delivery impacts rural entrepreneurship development. Their responses reveal that the impacts are considerable.

It transpired that entrepreneurship development in rural areas is dependent on service delivery for its survival. This means that services have a crucial role to play in the process of entrepreneurship development. The role can be either positive or negative. The two perspectives are discussed next.

##### **4.6.1 Positive effects of service delivery on rural entrepreneurship development**

The views of the participants demonstrate that service delivery has contributed towards the development and innovation of entrepreneurship in rural areas. They noted that the availability of different types of services delivered in their area has

enabled them to shift from agriculturally based businesses to more innovative and adaptive business ventures, and that there are now businesses in the rural area that are reliant on water services, such as laundries, saloons and car washing, and some on infrastructure facilities such as roads, shelters and internet network towers. Most of the businesses, such as internet cafes, welding, day-care centres, and food stalls, use electricity. These types of businesses have brought innovation and diversity to the area.

Furthermore, participants agreed that the availability of these services has the potential to contribute positively to towards the sustainability of the businesses, and thus the economic state of the area will improve.

Below are some of the views that agree.

“It encourages us to find creative solutions and stay resilient.” (Participant 7)

“It has taught me to always have a plan B and C, if possible, because you cannot really bet a win on them. Also, I have learnt to remain resourceful and resilient against any odd in life and in the entrepreneurial field.” (Participant 9)

“It pushes me to be more efficient and innovative and look out for other opportunities to which I can venture.” (Participant 10)

Beyond presenting an opportunity to be innovative and diverse, participants declared that service delivery or the lack thereof has encouraged them to see the importance of collaboration. They need to build good relationships and create trust among themselves, thus limiting the competition, because the challenges they normally face require them to work together as entrepreneurs to find viable and effective solutions.

“It encourages local business owners to unite and work together in trying to combat obstacles in their way of prospering within their businesses, especially with issues that are affecting the majority.” (Participant 6)

Looking beyond the poor state of service delivery in rural areas, participants have demonstrated that there are positive effects to having access to basic services. Beyond enabling entrepreneurs to be resourceful, it also encourages innovation and creativity and builds character because they become resilient and solution-based entrepreneurs. Dhaliwal (2016) concurs by noting that the delivery of services and their access by the people imply that the availability of these is vital for the people to develop and ensure improvement in their quality of life.

#### **4.6.2 Negative effects on rural entrepreneurship development**

While acknowledging that service delivery plays a contributory role in the development of entrepreneurship in rural areas, the participants also noted that it is important to consider the existence of the other side of the coin. They agree that the fact that their businesses are developing in a rural setting does not exempt them from being affected by issues of service delivery that characterise most rural areas and have negative effects on the development of their businesses.

Most of them referred to the threat that the lack of proper and adequate basic services poses to the sustainability of their business operations. This was in line with what Sequeira (2020) argues: there can never be entrepreneurship in the absence of quality available resources. Utilities are a vital aspect of the process of entrepreneurship development, especially in rural areas. Thus, any poor quality or lack of access to these utilities greatly affects the development of rural entrepreneurship.

The participants further indicated that lack of access to reliable and consistent basic services worsens the challenges they face as rural entrepreneurs, inter alia, issues of funding, competition, lack of access to opportunities and government support.

“Lack of proper infrastructure for street vendors has affected the storage and freshness of my produce. I find myself running a loss because harsh weather conditions, such as heavy rain or heat tend to destroy the quality of my vegetables and fruits. I must then throw away some and sell some at a very low price and that affects me badly.” (Participant 2)

“A negative effect of issues of service delivery is that interruption of these] causes disruptions in service and increased operational costs, such that when there is no water, I need to take money from the business and ensure the water tank is full, which doesn’t last long because we use a lot daily.” (Participant 1)

Besides increased costs of operation for the businesses, participants claimed that the worst event to occur is when they have to close the business because of power outages. In some cases, these outages are unannounced and without explanation.

“For instance, when there’s loadshedding and load reduction my business closes because we need electricity to use the computers and other machines.”  
(Participant 3)

Closing a business has dire consequences for the entrepreneur because the money lost during closure would have made a difference to the development of the business and the life of the entrepreneur.

“[Closure] affect production and increases costs because when there is water outage, I need to make alternative plans. In the absence of electricity, I need to wait until it’s back and that often compromises the quality of my products.” (Participant 8)

As has been shown by the participants, although service delivery plays a significant role in terms of making resources available for the development of their businesses, it is also responsible for the slow growth and development associated with rural businesses. Participants declare that poor road infrastructure, for instance, prevents rural entrepreneurs from working with big companies that supply goods and other services, as many suppliers refuse to deliver to rural enterprises that are far from the main roads because the rural roads are underdeveloped. Lack of reliable and consistent provision of water and electricity in rural areas leads to losing perishable products, increased costs and often running at a loss. This affects the performance of the businesses and their profit margins, ultimately affecting the economic state of the people.

#### **4.7 Rural entrepreneurship development strategies**

In the interview guide, a question on what can be done to improve rural entrepreneurship was posed, the intent of which was to establish directly from the rural entrepreneurs what they need and deem to be effective for bringing about improvement in the process of developing their businesses.

Many of the participants expressed the need for entrepreneurship education and training in rural areas. According to them, many rural entrepreneurs may know how to identify a great business opportunity, but not how to implement and sustain it. In addition, many claimed that running a business requires more than just producing/stocking and selling as it is essential for an entrepreneur to know the different dynamics and procedures of, for example, business-like pricing, marketing, bookkeeping, and staffing. They declared that, in as much as there are different challenges and other factors that threaten the sustainability of rural entrepreneurship,

a big challenge is the inability of the entrepreneurs themselves to operate and sustain their businesses, and that this calls for the official attention.

“Investing in infrastructure, providing financial support, and offering training programmes for business skills can help improve rural entrepreneurship.”

(Participant 8)

“A consistent channel of communication to the local officials would highly encourage entrepreneurs to feel included and considered in the plans of development.” (Participant 11)

Another participant suggested a few strategies:

“Assist businesses in identifying market opportunities and understanding consumer needs; foster collaboration among rural businesses to increase bargaining power and market share; establish financial institutions that cater to the needs of rural businesses; create centralised locations for businesses to access government services.” (Participant 15)

Rural entrepreneurship has been identified as a vehicle for economic development and improved quality of life for the people. Thus, the need to pay close attention and make proper investments towards ensuring its successful development is imperative. The government and relevant stakeholders should work together to consider and cater for rural entrepreneurs so that they can improve and blossom and make a difference to the socioeconomic state of the people.

#### **4.8 Conclusion**

This chapter provides a detailed analysis of the data collected from the rural entrepreneurs in KwaMhlanga Village, focusing on the relationship between service delivery and rural entrepreneurship development. The participants voiced concerns about the reliability and quality of essential services such as infrastructure,

electricity and water. Many had serious problems because of inadequate or inconsistent service delivery, which made it difficult for them to manage long-term enterprises. Poor service has been seen to raise operating expenses, create delays, and occasionally result in company closures. Rural entrepreneurship has been shown to be varied, resource-based, and focused on the community. Local resources and the community's pressing demands serve as the driving forces behind rural businesses. Entrepreneurs adjust to the services offered, the needs of the community, and the available resources to create their enterprises.

Several obstacles were noted by the participants, such as a dearth of trustworthy resources, rivalry, limited government assistance, and difficulties securing financing. Rural business owners show resilience in the face of adversity by using alternative solutions (such as water tanks and generators) and fostering ties with other businesses to work together and share resources.

The chapter also examines the effects – both positive and negative – of service delivery on the growth of rural entrepreneurship. While entrepreneurs were able to innovate and diversify their businesses because they had access to fundamental services, poor service delivery severely impeded business growth, raising operating costs and limiting profitability.

In conclusion, participants emphasised the necessity for the government to develop methods for rural entrepreneurial development. They advocated for enhanced infrastructure, financial assistance, educational initiatives, and increased cooperation between rural enterprises and governmental bodies. They contended that to ensure sustainable economic growth and remove the obstacles impeding rural entrepreneurship, these measures are vital. The chapter offers an extensive understanding of how service delivery influences rural entrepreneurship and offers

helpful insights into the opportunities and difficulties that face business owners in rural areas. The conclusions and suggestions in the next chapter are based on the findings. The chapter concludes the study and provides recommendations for future research.

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

Rural communities in South Africa, like many others globally, are known to be faced with significant issues of poverty, unemployment, and inequality. Socioeconomic development has taken the lead in addressing these challenges. The White Paper on Municipal Services Partnerships (2004) mandates local governments to mobilise resources that will ensure improved quality of life for the people. This mobilisation includes the provision of basic services such as clean water, proper sanitation, electricity and adequate infrastructure, which are essential for human dignity, well-being and daily livelihood activities. However, the quality and level of service delivery in rural areas remains mostly inadequate. These service delivery concerns are evident in the KwaMhlanga Village, where service delivery protests persist and are gaining momentum, turning violent. This has negative effects on the lives of the people and their livelihoods.

Rural entrepreneurship has been identified as one of the viable strategies to drive economic development, create employment opportunities and integrate marginalised people into the economic system. Rural entrepreneurs need basic services as their primary source of resources to develop and sustain the operation of their businesses. It has been noted that despite the potential for entrepreneurship to drive local economic development, challenges such as poor service delivery, lack of funding, and limited technical and managerial expertise have hindered its progress. This situation has been confirmed in rural KwaMhlanga Village, where entrepreneurs rely on basic services delivered by their municipality to develop, diversify and innovate their

business ventures for a living. However, their state of service delivery has been seen to hinder the smooth operation of this process.

Although rural entrepreneurs face other challenges, poor service delivery remains the main problem because they are dependent on these services for the development of their businesses, as has been shown in this report. The businesses include saloons, car washes, transportation, internet cafes, and laundries, to mention a few.

Because of these challenges, this study has aimed to investigate the impact of service delivery on the development of rural entrepreneurship in KwaMhlanga Village. Some of the objectives include assessing the status of service delivery in rural areas; identifying the nature and characteristics of entrepreneurship in rural areas; and exploring the impact of service delivery on rural entrepreneurship development.

The process of conducting this study successfully was guided by different designs in methodology. The study was purely qualitative, which allowed the researcher to gather information directly from the participants who experience the phenomena. An interpretivist paradigm was adopted, which afforded participants an opportunity to express their views and interpret their real life situations based on their experiences, knowledge and observations regarding the state of service delivery in their area; to describe different challenges they face as rural entrepreneurs; to explain different aspects that characterise the nature of entrepreneurship in rural area; and to describe the extent to which service delivery affects the development of their businesses. A desktop review was done to evaluate existing literature on the status of service delivery in rural areas and issues centred around the development of entrepreneurship, using a funnel approach from an international, national, and provincial point of view. The study further collected qualitative data through semi-structured interviews with a sample of rural entrepreneurs in KwaMhlanga Village,

Mmpumalanga. The data was analysed through a systematic stage of thematic analysis as advised by Brown and Clarke (2006), incorporating the use of Atlas.ti, which is a qualitative data analysis tool used to generate codes, develop themes and create network visualisations of these.

## **5.2 Findings of the study**

The study was conducted to investigate the impact of service delivery on the development of rural entrepreneurship. Fifteen rural entrepreneurs were sampled and questioned, uncovering the findings given below.

### **5.2.1 Objective one: To assess the status of service delivery in rural areas**

The study reveals that rural areas are still experiencing challenges with service delivery. The perceptions of the participants on what they considered to be the quality-of-service delivery in their community solicited the view that it is poor since people in rural areas are still experiencing inadequate provision of, for example, water services, where people appear to have received water services because there are taps installed in their yards, but these do not provide running water.

The service delivery was said to be unreliable and inconsistent, with households receiving water in turns. People sometimes do not have running water for 2-3 weeks. Another finding is that some sections in the area are affected by more power outages (loadshedding) than other sections. This has uncovered issues of exclusivity and lack of proper communication from the municipalities regarding the process of delivering basic services. People are not being informed about the disturbances or outages that affect their daily lives and livelihoods.

The participants expressed no satisfaction with the quality of the services they receive. They pointed out that water services, electricity, and infrastructural facilities, including

roads and shelters, are not up to standard. While some people have electricity, others experience a lack of water. When the condition of the road is good somewhere, in another place people do not have shelters for their businesses.

In summary, people in rural areas are aware of the services that should be provided for them, and there is some access to them, but the provision is inadequate, unreliable, and inconsistent, which affects their quality of life.

### **5.2.2 Objective two: To identify the characteristics of entrepreneurship in rural areas**

The findings for this objective came from answers to the questions about the types of businesses existing in rural areas; the challenges associated with rural entrepreneurship; and different coping mechanisms adopted by rural entrepreneurs. Entrepreneurship in rural areas is said to have shifted its focus from agriculture towards more diverse business ventures, using and relying on the basic services delivered to rural communities. These businesses include saloons, transportation, car washes, laundries, fast food stalls, crafts, welding and day-care centres. This finding supports what is argued by the RDT, which holds that the behaviour and operation of a business is dependent on the services delivered to its surroundings. This means that the spatial orientation of a business is crucial because it enables the business to tap into external resources provided to the area for operation and survival. In this case, rural entrepreneurs in KwaMhlanga Village take advantage of the basic services available in the area to start and develop different businesses that address different needs.

This study further found that rural entrepreneurship is characterised by different challenges, depending on what it is associated with. This finding demonstrates that among other common challenges related to entrepreneurship development in general,

such as lack of funding and limited physical resources, rural entrepreneurship is associated with lack of government support, limited access to the market, competition, and poor service delivery and infrastructure development. The competition occurs in pricing, access to the market and the need to remain relevant and sustainable.

Another finding of the study is that the nature of entrepreneurship in rural areas is diverse, innovative, resource-based and community-oriented. The availability of basic services allows for the innovation and diversification of the entrepreneurship development process in rural areas. This means that to operate and survive, rural entrepreneurship is reliant on resources, without which its success is threatened. The participants declared that most existing businesses in rural areas are there to address and meet the needs of the people in the community, thus based on meeting the needs and preferences of the market.

The coping strategies for challenges rural entrepreneurs face have been found to also characterise the process of rural entrepreneurship development. In an attempt to survive, many of the rural entrepreneurs establish good relationships with others in a similar line of business to help manoeuvre around the challenges. The RDT identifies this strategy and others, such as community engagement, relationship development, interconnectedness and interdependence, as some of the external factors that businesses rely on to survive. It has been proved by this study that these mechanisms are used by rural entrepreneurs in KwaMhlanga Village. In summary, resources, challenges and coping strategies play a significant role in moulding the characteristics of entrepreneurship in rural areas.

### **5.2.3 Objective three: To explore the impact of service delivery on the development of rural entrepreneurship**

Findings under this objective are categorised as the positive and negative effects of service delivery on the development of rural entrepreneurship. The study found that positively, service delivery plays the role of providing an environment in which entrepreneurs can develop a business. Furthermore, it allows rural entrepreneurs to tap into their creativity and innovation and bring about development and diversity in the lives of the people. The availability of the resources, incorporated with creativity and innovation, contributes towards the sustainability of businesses in rural areas. As noted earlier, the performance and sustainability of rural businesses could be threatened in the absence of adequate, consistent and reliable basic services. Although a lack of proper service delivery poses serious challenges for rural businesses, it does encourage entrepreneurs to establish good working relationships amongst themselves.

From a negative perspective, the study found that poor service delivery tends to increase the operation and production costs of rural businesses. This is because during the disturbances and outages of these services, rural entrepreneurs implement contingency plans to ensure the running and performance of the business. Some businesses are forced to close during electricity outages and lack of water provision. Poor infrastructure is another challenge entrepreneurs have, for example, they are forced to use the profit from their businesses to fix the roads, since poor roads affect their businesses. With the resultant poor profit margins, their quality of life is compromised. These challenges negatively affect entrepreneurship development in rural areas and perpetuate the challenges that threaten the success and sustainability of the businesses and the local economic development of rural communities. In

essence, improving the state of service delivery in rural areas must be made a priority because it plays a significant role in ensuring improved quality of life for the people by developing the economy of the rural communities.

### **5.3 Recommendations**

Guided by analysis of the literature, the data collected in KwaMhlanga Village, and the research findings, the following recommendations are proposed:

- The study recommends that to improve consistency and reliability of service delivery use such as water, electricity and infrastructure in the rural area, the local municipality must implement strong maintenance schedules and service management plans.
- The municipality must improve channels of communication with the residents of the rural community, people must be informed in advance of the possible disruptions, outages or any delays in service delivery by making use of SMSs, radio and community meetings. This is to ensure that there is enhanced communication and transparency in the process of decision making and implementation of service delivery in rural areas.
- The study recommends that a strong investment in infrastructure development must be a targeted focus in rural areas. This will entail developing water reticulation systems, electricity and road networks to support both people and business needs in the community. In turn, this will ensure reliable access to services and enhance rural entrepreneurship development.
- Strengthening community engagement in the planning and decision-making processes relating to service delivery is key because local communities can provide valuable insights into their needs and assist in prioritising services based on their impact and urgency.

- It is recommended that the government enhance its support for rural entrepreneurs by introducing programmes that provide financial support opportunities, capacity building and mentorship support. This could include grants, subsidies, or low-interest loans specifically designed for rural businesses.
- The study recommends that awareness be built amongst rural entrepreneurs regarding the importance of leveraging their external environment, including building relationships with other businesses and institutions to tap into full access of the resources they need to develop. This will ensure increased awareness and use of resource dependency strategies.
- Given the growth of the digital world and its interactions, it should be recommended that rural entrepreneurs be equipped to take advantage of these to improve the development of their businesses. This would be aided by training on digital literacy and e-commerce, assisting them to reach a larger market for their services and products.
- Regular dialogue forums between rural entrepreneurs and local government authorities should be established to discuss service delivery challenges and possible solutions.
- Lastly, the study recommends that a continuous monitoring and evaluation system be put in place to assess the impact of service delivery improvements on the development and sustainability of rural businesses.

#### **5.4 Conclusion to the study**

The development of rural entrepreneurship is essential for improving the quality of life and economic prospects in rural areas. However, the success and sustainability of rural businesses are heavily reliant on the availability, consistency, and quality of basic services such as water, electricity, sanitation, and infrastructure. While entrepreneurs

in these areas have demonstrated resilience and innovation, their ability to thrive is constrained by inadequate service delivery, limited access to markets, insufficient government support, lack of access to funding, limited entrepreneurship education, and a shortage of relevant business skills. These challenges not only hinder business growth but also impact the overall well-being and livelihoods of rural communities. Basic services form the foundation for various economic activities and, when lacking, pose a significant threat to local economic development. Therefore, there is an urgent need for government intervention that prioritizes service delivery improvements through inclusive community participation, ensuring rural citizens are actively involved in their development and have access to accurate and useful information. Addressing issues such as poor infrastructure, unreliable water and electricity supply, and the absence of entrepreneurship support programmes is critical. Enhancing service delivery, investing in infrastructure, promoting entrepreneurship education, and providing targeted government support are vital to ensuring that rural entrepreneurship can contribute meaningfully to economic stability, poverty alleviation, job creation, and improved quality of life in rural communities.

### **5.5 Areas for further research**

Based on the study's findings, several areas warrant further exploration to deepen understanding and address the challenges of rural entrepreneurship development. The following areas are thus proposed:

- More studies can be conducted on the role of digital technology in enhancing rural entrepreneurship.
- A study could be done on gender dynamics in rural entrepreneurship.
- The effects of social networks and collaboration among rural entrepreneurs as a strategy to enhance rural entrepreneurship development could be investigated.

- A study could be conducted on environmental sustainability in rural entrepreneurship.
- Further studies on entrepreneurial resilience in the face of service delivery challenges can be conducted.
- A study on rural entrepreneurship and poverty alleviation could be done.

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## **Annexure A: Interview guide**

The purpose of this study is to investigate the impact of service delivery on the development of rural entrepreneurship. This interview aims to collect data through the contribution of the participants towards achieving the objectives of the study. The information that you give as a participant will align with the ethical consideration issues of confidentiality, anonymity and privacy. A consent form will be provided to be signed in order to give permission to participate in this interview.

1. Tell me briefly about your business
2. Tell me about the types of businesses within your area
3. How long you have been in this business?
4. From your experience, what are the major challenges you have encountered in your business?
5. How have you managed to overcome some obstacles within your line of business?
6. How would you describe the state of service delivery in your community?
7. What is your perception on the quality and quantity services delivered by your respective municipality?
8. How has the state of service delivery in your community affected your business?  
Consider both positive and negative effects
9. To what extent does the availability of basic services affect the development of business ventures?
10. What have you experienced and observed as some of the issues around running a business in a rural context?
11. What can be done to improve rural entrepreneurship?
12. Is there anything else about your business, or other businesses or service delivery in your community that you would like to share with me?

Thank you for your participation!!!

## **Annexure B: Interview Guide (Translated to IsiNdebele)**

Ihloso yesifundo lesi kurhubhulula kabanzi ngomthelela wokuphakelwa kweensetjenzi swa zangemzini phezu kwokuthuthukisa zokurhwebelana eendaweni zemakhaya. Ngakho ke, i-inthavyu le ihlose ukubuthela ilwazi kabanzi ngokusebenzisana nabahlanganyeli ngokuhlukahluhana kwabo ukurhelebha ukukwenza irhubhululeli libe yipumelelo. Ilwazi elizokunikelwa mhlanganyeli lizokuphathwa ngokukhambisana kwemithetho yokuvikeleka ekufaka hlangana ukuvikelwa kwelwazi neminingwane yakho mhlanganyeli, ukungaziwa bona ungubani begodu yazi bona ukuhlanganyela kulelirhubhululo kungukuvuma nokuzinekela kwakho. Umhlanganyeli kufanele atlikitle iforomu lesivumelwano ukukhombisa bona uyavuma bona ube nguuhlanganyela we inthavyu le.

1. Ngibawa ungitjele kabanzi ngerhwebo lakho.
2. Ngitjela ngemihlobo yamarhwebo akhona endaweni yala uhlala khona
3. Unesikhathi esingangani ungaphasi kwerhwebeli?
4. Elwazini lokuyiphila, khuyini iintjhihilo osele uhlangabezane nazo erhwebeni lakhweli?
5. UKghone njan ukuqalana neentjhihiliwezi erhwebeni lakho?
6. Ungakuhlathulula bunjani ukuphakelwa kweensetjenzi swa emphakathini obuya kiwo?
7. Khuyini umbono wakho ngezinga nenani lokuphakelwa kweensetjenzi wesi ngumasipala wenu?
8. Isimo sokuphakelwa kweensetjenzi swa emphakathini obuya kiwo sinomphethelela onjan erhwebeni lakho? Khuluma ngakho kokumbili okuhle nokumbi.
9. Ukhamba ufinyelele kuphi umthelela wokubakhona namkha ukungabi khona kweensetjenzi swa ekuthuthukisweni kwamamarhwebo ngokuhlukahluhana kwawo?
10. Khuyini okhe waqalana nakho namkha wayibona njengezinye zezinto ezithintana nokuphatha irhwebo eendaweni zemakhaya?
11. Khuyini engenziwa ukulinga ukuthuthukisa izinga lokurhwebelana ngeendaweni zemakhaya?

12. Kukhona okhunye mayelana nerhweb lakho, amanye amarhwebo nanyana ukuphakelwa kweensetjenzi swa emphakathini wakho ongathanda ukukukhuluma nami?

**Siyathokoza ngokuzibandakanya kwakho!!!**

## Annexure C: Consent Form

### Consent Form

**PROJECT TITLE:** The Impact of Service Delivery on the Development of Rural Entrepreneurship, KwaMhlanga Village in Thembisile Hani Local Municipality, Mpumalanga Province

**RESEARCHER:** Pertunia Mahlangu

**STUDENT NUMBER:** 201701057

Master's degree in development studies, University of Mpumalanga.

**DURATION:** Please note that the interview will require approximately sixty minutes of your time.

Dear Participant,

I am a Master's students at the University of Mpumalanga. I am engaging in a research project, entitled: *The Impact of Service Delivery on the Development of Rural Entrepreneurship, KwaMhlanga Village in Thembisile Hani Local Municipality, Mpumalanga Province*

I kindly request your participation in this study. Participation is voluntary. This means that one can choose to take part in the study or decline participation. Anyone who chooses to take part in the study can withdraw at any point should they feel the need to withdraw. If there are any questions that one wishes not to respond to during the interview, one should please let me know. For those who participate, the researcher and the supervisor will be aware of your participation in the study. Pseudonyms will be used in the research report, to protect your identity. The interviews will be recorded and the data may be used at a later stage in the research report. Attached below is a consent section. Please fill in the blank spaces on this form and do not hesitate to ask any questions regarding the study (now, and during the course of the interviews and or after the interviews).

Name of researcher:	
Signature of researcher:	

Date:	
-------	--

**PERMISSION FROM PARTICIPANT TO BE INTERVIEWED**

I \_\_\_\_\_ (full name) on this day of \_\_\_\_\_ (date) agree to be interviewed for the above research project. I understand that I will be asked questions that the researcher finds relevant for the purpose of this study. I also understand that the interview will be recorded and the data may be used at a later stage in the research report. I understand that I can withdraw at any time.

Name of participant:	
Signature of participant:	
Date:	

**PERMISSION FOR AUDIO-RECORDED INTERVIEWS**

I \_\_\_\_\_ (full name) on this day of \_\_\_\_\_ (date) agree that the interview for the above research project, can be audio-recorded for research purposes at a later stage in the research report.

Name of participant:	
Signature of participant:	
Date:	

**CONTACT DETAILS OF RESEARCHERS:**

**Email:** 201701057@ump.ac.za.

**Mobile Number:** 079 546 5861

**SUPERVISOR:**

Prof. TS Madzivhandila

The University of Limpopo

Tell: 013 002 0198/[thanyani.madzivhandila@ul.ac.za](mailto:thanyani.madzivhandila@ul.ac.za);

**CO-SUPERVISOR:**

Dr. M Musara

The University of Mpumalanga  
The School of, Development Studies  
Tel: 0130020268/[mazania.musara@ump.ac.za](mailto:mazania.musara@ump.ac.za)

Please tick the appropriate box:

YES

NO

I consent to participating in the semi-structured interview in a place that is convenient to me.		
--	--	--

I\_\_\_\_\_ (Full names of participant)  
hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in this research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature of Participant

Date

---

Name of Participant	Date
---------------------	------

---

**THANK YOU FOR YOUR CONTRIBUTION.**

## **Annexure D: Iforomu Lesivumelwano**

**ISIHLOKO SEPHROJEKTH:** The Impact of Service Delivery on the Development of Rural Entrepreneurship, KwaMhlanga in Thembisile Hani Local Municipality, Mpumalanga Province

**UMRHUBHULULI:** Pertunia Mahlangu

**INOMBORO UMFUNDI AZIWA EYUNIVESITHI:** 201701057

Master's degree in development studies, University of Mpumalanga.

**UBUDE BESIKHATHI:** Ngibawa wazi bona ihlokhono (interview) izokuthatha imizuzu ematjhumu asithandathu.

Lotjha,

Ngingumfundi eYunivesithi yeMpumalanga, ngenza iMaster's degree. Ngenza irhubhululo ngesihloko esithi: *The Impact of Service Delivery on the Development of Rural Entrepreneurship, KwaMhlanga in Thembisile Hani Local Municipality, Mpumalanga Province*

Bengisabawa irhelebho lakho erhubhululweni leli. Ukurhelebha akukakateleleki. Lokhu kutjho kobana uyazikhethela ukurhelebha begodu uvumelekile ukwala. Omunye nomunye umuntu okhetha ukuzibandakanya kilelirhubhululo angakghona ukutjhugulula umqondo alise ngesinye nesinye isikhathi. Lokha nawubuzwa imibuzo, uvumelekile bonyana ungahlala ungaphenduli imibuzo ongafuniko ukuyiphendula, ngibawa ungazise nawuhlanga nemibizo ongafuniko ukuyiphendula. Kilabo abazozibandakanya erhubhululweni sibawa bazi bonyana umrhubhululi nomhloli wakhe bazokwazi ngokuzibandakanya kwabo erhubhululweni. Ukuze emphakathini kuvikeleke iimfihlo neempendulo zalaba abazibandakanyako kuzokusetjenziwa amagama ekungasingewabo lokha nakwethulwa umbiko nofana imiphumela yerhubhululo.

Iinkulumiswano zizokugadagiswa begodu idatha ingasetjeziwa ngokukhamba kwesikhathi embikweni werhubhululo.

Zalisa iforomo elingenzasi nangabe unetjisakalo yokuzibandakanya erhubhululweni.

Ungasabi ukubuza imibuzo. Ungabuza ngesinye nesinye isikhathi ofisa ukubuza ngaso.

Ibizo lomrhubhululi:	
----------------------	--

Umtlikitlo womrhubhululi:	
Ilanga:	

### **IMVUMO YOMHLANGANYELI KUHLOLOKHONO**

Mina u\_\_\_\_\_ (ibizo ngokuzeleko) ngomhlaka\_\_\_\_\_ (ilanga) ngiyavuma bonyana ngizokubuzwa imibuzo emayelana nerhubhululo. Ngiyazwisisa kobana ngizokubuzwa imibuzo umrhubhululi ayibona iqakathekile ngokuya ngekwerhubhululo. Ngiyazwisisa bonyana iimpendulo zami zizokubekwa ngendlela ephephile begodi zingaberegiswa nanyana kunini embikweni werhubhululo. Ngiyazwisisa bonyana nginelungelo lokuzikhipha erhubhululweni leli nanyana kunini.

Ibizo laloyo ozibandakanyako:	
Umtlikitlo waloyo ozibandakanyako:	
Ilanga:	

### **IMVUMO YOKUGADAGISWA KWAMAPHIMBO WEHLOLOKHONO**

Mina u\_\_\_\_\_ (ibizo ngokuzeleko) ngomhlaka\_\_\_\_\_ (ilanga) ngiyavuma ukuthi ihlolokhono yephrojekthi yerhubhululo engehla le, kungagadagiswa amaphimbo ngehloso yokurhubhulula ngokukhamba kwesikhathi embikweni werhubhululo.

Ibizo lomhlanganyeli:	
Umtlikitlo womhlanganyeli:	
Ilanga:	

### **IMININGWANA YOMRHUBHULULI:**

**Email:** 201701057@ump.ac.za.

**Mobile Number:** 079 546 5861

### **UMPHATHI:**

Prof. TS Madzivhandila

The University of Limpopo

Tell: 013 002 0198/[thanyani.madzivhandila@ul.ac.za](mailto:thanyani.madzivhandila@ul.ac.za);

**ISEKELA LIKAMPHATHI:**

Dr. M Musara

The University of Mpumalanga

The School of, Development Studies

Tel: 0130020268/[mazania.musara@ump.ac.za](mailto:mazania.musara@ump.ac.za)

Faka itshwayo ebhoksini elifaneleko:

IYE

AWA

Ngiyavuma ukuzibandakanya kuhlolokhono enesakhiwo esincane endaweni engifaneleko.		
---	--	--

Mina u\_\_\_\_\_ (amabizo ngokuzeleko) ngiyavuma bonyana ngizwisisa koke okumumethwe liforomo leli. Ngiyavuma ukuzibandakanya kuphrojekthi yerhubhululo le. Ngiyazwisisa bona ngikhululekile ukuhlela nanyana kunini nangifisa njalo.

Umtlikitlo womhlanganyeli

Ilanga

---

Ibizo lomhlanganyeli

Ilanga

---

**Siyathokoza ngokuhlanganyela.**

## Annexure E: Permission letter



Enq: WS Msiza

Ref: 11 /3/2/1  
5/11/2021

## THEMBISILE HANI LOCAL MUNICIPALITY

PRIVATE BAG X4041  
EMPUMALANGA  
0458

TEL: (013) 986 9100  
FAX: (013) 986 0995  
E-MAIL: [themb@mweb.co.za](mailto:themb@mweb.co.za)  
[www.thembisilelm.gov.za](http://www.thembisilelm.gov.za)

Ms PB Mahlangu

Po Box 594  
KwaMhlanga 1022

Dear Madam

Attention: Ms P Mahlangu

### RE: PERMISSION TO CONDUCT A RESEARCH STUDY ON ENTREPRENEURIAL CONTRIBUTION

The above mentioned topic bears the following reference:

1. Thembisile Hani Local Municipality LED Unit hereby grants Ms Petunia Busisiwe Mahlangu, a Master's student (Student no 201701057) at the University of Mpumalanga, permission to conduct a research study within Thembisile Hani Local Municipality (THLM).
2. The research study will be conducted on the contribution of entrepreneurship towards the development of livelihood strategies.
3. The research will be conducted within Thembisile Hani Local Municipality in general and around Kwamhlanga and surrounding in particular.
4. The student is also free to interact with officials of the local municipality mentioned above, particularly the LED unit and or the Department of Development and Town Planning Services (DTPS) whenever she feels so.

Should there be any further enquiry regarding the above mentioned matter, please feel free to contact us at the abovementioned email address and or cell phone no at 0829672175.

Yours faithfully

ON NKOSI

MUNICIPAL MANAGER



### Vision

*"To better the lives of our people through equitable, sustainable service delivery and economic development."*

## Annexure F: University of Mpumalanga Ethical Clearance Letter

Research Ethics Clearance Letter

UMP



### RESEARCH ETHICS CLEARANCE LETTER

**Ref:** UMP/Mahlangu/MDev/2021

**Date:** 8 November 2021

**Name of Researcher:** Pertunia Busisiwe Mahlangu

**Student number:** 201701057

**Supervisor:** Dr TS Madzivhandila

**Co-supervisor:** Dr M Musara

**School / Department:** School of Development Studies

**Faculty:** Faculty of Economics, Development and Business Sciences

#### RE: APPROVAL FOR ETHICAL CLEARANCE FOR THE STUDY:

**The impact of service delivery on the development of rural entrepreneurship, KwaMhlanga Village in Thembisile Hani Local Municipality, Mpumalanga Province**

Reference is made to the above heading.

I am pleased to inform you that the Chairperson has on behalf of the University of Mpumalanga's Research Ethics Committee, **approved ethical clearance** of the above mentioned study.

#### Please note:

Any alteration/s to the approved research protocol i.e. Questionnaire/Interviews Schedule, Informed Consent form, Title of the project, Location of the study, Research Approach and methods must be reviewed and approved through the amendment/ modification prior to its implementation.





---


**Prof Estelle Boshoff**

**Chairperson: University of Mpumalanga's Research Ethics Committee.**

**Date: 8 November 2021**



## Annexure G: Editing Certificate

EDITING CERTIFICATE	
<p>Lynne Southey <b>Language Practitioner</b></p> <p><b>259 Muckleneuk Street</b> <b>New Muckleneuk Street Pretoria</b> <b>0180</b></p> <p>Email: <a href="mailto:lynne.southey35@gmail.com">lynne.southey35@gmail.com</a> Mobile: 082 2022 090</p>	
<p><b>To whom it may concern</b></p> <p>This is to confirm that I, Lynne Southey, edited the Master's thesis</p> <p><b>The impact of service delivery on the development of rural entrepreneurship in Kwa-Mhlanga, Thembisile Hani Local Municipality, Mpumalanga Province</b></p> <p>by</p> <p><b>PB Mahlangu</b></p> <p>The onus is on the author to attend to the suggested changes. Furthermore, I do not take responsibility for any changes in the document after the fact.</p> <p></p> <p>2 October 2024</p> <hr/> <p><b>Lynne Southey</b> <b>Date</b></p>	

## Annexure H: Turnitin Report



### Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

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THE IMPACT OF SERVICE DELIVERY ON THE DEVELOPMENT OF RURAL  
ENTREPRENEURSHIP IN KWA-MHLANGA, THEMBSILE HANI LOCAL  
MUNICIPALITY, MPUMALANGA PROVINCE

Submitted in partial fulfillment of the requirements for the Master's Degree in  
Development Studies in the School of Development Studies, University of  
Mpumalanga

By  
Pertunia Busisiwe Mahlangu  
201701057

Supervisor: Prof. TS Madzvhanda  
Co-Supervisor: Dr M Musara

Submission Date: 25 September 2024

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