

© Kamla-Raj 2016

J Economics, 7(2,3): 169-178 (2016)

## Rural Entrepreneurship and Welfare in South Africa: A Case of Nkonkobe Municipal Area in the Eastern Cape Province

Grace P. K. Ngorora\* and Stephen Mago\*\*

University of Fort Hare, Department of Development Studies, Alice 5700, South Africa \*Email: gpkngorora@gmail.com

KEYWORDS Wealth Creation. Income. Capability. Opportunity Recognition. Poverty. Rural Areas

ABSTRACT This paper presents findings on the role rural entrepreneurship plays in improving welfare in South Africa's Eastern Cape Province. Qualitative and quantitative research methodologies and survey designs for data collection were used. Questionnaires were used to collect data from 53 rural entrepreneurs. Findings showed that 83 percent depended mainly on entrepreneurial activities for income. Rural entrepreneurship positively affects the welfare of families and communities in the Nkonkobe Municipality. It enables individuals to access basic needs such as health facilities. Entrepreneurial families had more income to acquire assets. Entrepreneurs' earnings made it possible for them to enrol their children in good schools and contribute to the welfare of their relatives by providing food, shelter and paying educational expenses. Rural entrepreneurship is a major source of employment in the Nkonkobe Municipal area. It brings the alienated and marginalised youth into the economic mainstream, giving them a sense of meaning and belonging. There was a significant positive correlation between rural entrepreneurship's role in generating income and the rural dwellers' ability to send their children to good schools (r = 0.46, p < 0.01). These findings suggest that rural entrepreneurship improves the quality of livelihood in rural areas through the creation of wealth and employment.