

ENTREPRENEURIAL RESPONSES TO COVID-19 IN AFRICA

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Eburon

Utrecht 2022

ISBN 978-94-6301-432-8

Eburon Academic Publishers, Utrecht, The Netherlands
www.eburon.nl

Cover design: Textcetera, The Hague
Graphic design: Studio Iris, Leende

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Introduction

Entrepreneurial Responses to Covid-19 in Africa

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NVAS and Covid-19 in Africa

Since advent of Covid-19 the world has been captivated by vaccines, conspiracy theories, mouth masks, and hand sanitizers. Social and economic life has been severely affected in every part of the world. Like many academic and public institutions, the Dutch Association of African Studies, hereafter “NVAS” (Nederlandse Vereniging voor Afrika Studies), was forced to move activities online and rethink its institutional role in the context of a global crisis. At the same time, the NVAS board and members grew concerned and unsure about the impact of the global pandemic in Africa, about which a lot is still unclear. Many of our (board) members regularly spend time in Africa both to conduct research and for personal reasons. Due to lockdowns and travel restrictions, however, our members were unable to make professional or personal trips to Africa and instead needed to rely on messages from colleagues, friends, and family to try and understand the situation on the ground.

Being unsatisfied with the limited and inaccurate reporting by Western media of the impact the pandemic has had in Africa, and in line with our mission to build bridges between the community of Africa scholars and a broader audience in the Netherlands, the NVAS aimed to increase awareness about the pandemic in Africa with our membership. To do so, we focused on Covid-19 during the annual NVAS Africa Days in 2020 and 2021. We organised our first virtual Africa Day on 31 October 2020 and invited five speakers from different Sub-Saharan African countries, namely Setargew Kenaw (Ethiopia), Samuel Ntewusu (Ghana), Mariama Mary Fall (Senegal), Kobie Jacobs (South Africa), and Abdallah Ally (Tanzania),

to share their personal and professional experiences with the Covid-19 pandemic and its consequences as it pertained to social and public life. Their stories were very informative and at the same time deeply personal. We learned about the difference in timelines and measurements between countries as well as the difficulties our speakers encountered as they navigated not only lockdowns and travel restrictions, but also misinformation and slow institutional responses.

A recurring theme in their stories was how the Covid-19 pandemic disproportionately affected poorer communities; students who were unable to follow lectures or classes online because they did not have access to internet, for instance, or street hawkers unable to work due to lockdowns and curfews. The speakers also shared their own experiences with the pandemic. Since many of them were either students themselves or were active in the education sector, they had experienced restrictions in academic research or had been forced to work from home and offer or follow online lectures and classes. The mental and psychological consequences of the pandemic were also discussed, such as the loss of close relatives due to the virus and panic attacks caused by widespread non-compliance with preventive measures. Yet, through the diversity in their stories it also became clear that the impact of the pandemic and subsequent interventions has been very different throughout the continent. Therefore, we cannot speak of a collective African experience as it pertains to the Covid-19 pandemic (Faloyin 2022).

In 2021, NVAS zoomed in on the role of entrepreneurship and entrepreneurs in navigating the Covid-19 pandemic in Africa. On 16 October, scholars and practitioners from the Netherlands and Africa came together in a virtual environment to discuss entrepreneurial responses to Covid-19 in Africa. A selection of the research presentations is now published in this volume. After two panels, the conference day was closed with an online showing of a short documentary of anthropologist and filmmaker Laura Molsbergen about the lives of dancers from Arusha, Tanzania, and ways in which the Covid-19 pandemic affected their livelihoods.

An important insight developed during the conference day is that the global pandemic negatively affected entrepreneurs in many ways, while also seemingly working as a driver of innovation and growth. We delve deeper into these seemingly contrasting perspectives in the next section.

Entrepreneurship and Covid-19 in Africa: Necessity or Opportunity?

Globally, small and medium enterprises (SME) entrepreneurs were hit hard by the Covid-19 pandemic and subsequent measures such as lockdowns and market closures. Africa was no exception. Although the economic impact of the pandemic differs greatly both between and within countries, the pandemic and measures employed to contain its spread have taken their toll. Due to Africa's reliance on the global supply chain and the drying up of external financial flows, African economies suffered a lot, disparately impacting SME-dominant sectors such as tourism, trade, and service industries. Entrepreneurial intentions and activities were expected to have a broad downturn due to substantial risks on both demand and supply side (OECD 2020; Okuwhere and Tafamel 2022; Meunier *et al.* 2022), with established entrepreneurs being forced to downsize or quit their businesses, while fewer novel entrepreneurs entered the market and started their own companies. At the same time, entrepreneurship is considered one of few viable options to ensure an income during uncertain economic times, meaning an increase of necessity entrepreneurship was also expected.

Furthermore, it has been argued that “entrepreneurship as a socio-economic activity provides a way for society to recover from the crisis” (Ratten 2020: 6). That is, the crisis may drive innovation and technological advancements globally, and perhaps even more so in Africa due to its young demographic (Ighobor 2020). Indeed, innovations in the realm of healthcare, education, and social protection have proliferated across the continent (Oppong *et al.* 2021). According to a World Health Organization Africa study, 12.8 percent of technologies developed globally in response to the pandemic were developed in Africa (WHO 2020). Entrepreneurs can be seen as agents of change that help to “build back better,” and a crisis such as Covid-19 causes people to turn to entrepreneurship to solve new problems and entrepreneurs to come up with innovative responses to the crisis (Namatovu and Larsen 2020; Andersen 2020).

As a response to these conflicting perspectives on entrepreneurial responses to Covid-19 in Africa, the current volume focuses broadly on answering two questions. The first two chapters pertain to the question of whether the Covid-19 pandemic and its broader consequences increase entrepreneurial intentions. Is entrepreneurship a pathway out of the crisis for individuals, providing an income and financial stability in a stressed labour

market? Or have individuals turned away from entrepreneurship due to the risk and a lack of start-up funds and subsequent investments? The last two chapters contrastingly consider how the Covid-19 pandemic spurred entrepreneurial resilience and innovation. The cases presented in these chapters show that as a result of entrepreneurial resilience – “the ability of an entrepreneur to manage difficult personal and market conditions as well as destabilising events, and be future-oriented” (Fatoki 2018: 3) – the adverse effects of the Covid-19 pandemic ignited entrepreneurial innovation in terms of new products, markets, and strategies.

As the organising member on behalf of the NVAS board, I am delighted to see the diversity in methodologies, contexts, and themes in the contributions to this edited volume. Methodological approaches include survey research (Chapter One by Hanaâ Benchrifa and Steven Kator Iorfa), ethnographic fieldwork (Chapter Two by Magnus Godvik Ekeland), interview-based work (Chapter Three by Lotte-Marie Brouwer), and case study research (Chapter Four by Neema Komba and Chanyoung Park). Furthermore, the volume includes studies that cover diverse areas of the African continent, namely: South Africa, Morocco, Kenya, and Tanzania. The studies discuss entrepreneurial concepts such as intentions, motivations, and resilience as well as broader social science themes such as personhood, fear, and gender.

Finally, the NVAS board is proud to provide space specifically to PhD candidates and early-career scholars from both the Netherlands as well as Africa to showcase and publish their work. The following section introduces the chapters of this volume.

The Contributions in this Volume

In Chapter One, Benchrifa and Iorfa use survey research to study the entrepreneurial intentions of Moroccan university students. They find that negative perceptions of Covid-19 are positively related to entrepreneurial attitudes, subjective norms, and behavioural control. This means that students who due to the lockdown and subsequent scarcity of resources felt threatened about their future, have a more positive attitude towards entrepreneurship and entrepreneurial activities. This relationship is moderated by coping skills (those who are better in coping have less entrepreneurial attitudes) and proactive behaviour (those who are more proactive have less entrepreneurial attitudes). The authors argue that students who have lower degrees of coping skills and pro-active behaviours are more inclined to

develop entrepreneurial attitudes from the perspective of necessity entrepreneurship – the uncertainty surrounding their futures makes entrepreneurship the only viable option.

Taking a very different approach, Ekeland (Chapter Two) conducted extensive ethnographic fieldwork in a South African township to understand the potentiality of increasing entrepreneurial intentions via a Basic Income Grant (BIG). Through in-depth ethnographic accounts we gain an insight into the lives of young residents and how the Covid-19 pandemic and subsequent measurements have impacted their lives and livelihoods. Based on conversations with unemployed youngsters and observations on how they spend a temporary Covid-19 grant (which is recognised as a predecessor of the BIG), Ekeland explains that entrepreneurial intentions are not likely to increase due to contextualised perceptions of personhood and values of exchange, such as the fear of relational dependence on (female) relatives.

Brouwer (Chapter Three) introduces a different perspective. She followed twenty cases of Kenyan female agri-entrepreneurs to understand how the pandemic impacted their businesses and their subsequent response strategies. Whilst identifying many negative effects the lockdown measurements had on their business – such as increased costs and decreased productivity – Brouwer also recognised several strategies of *adaptive resilience* the female entrepreneurs employed to negate the downfalls of the Covid-19 pandemic. She analysed both short-term strategies such as reducing costs and working side jobs, as well as long-term adaptation strategies such as changing target markets and implementing digital solutions. Exemplary is the case of Mercy Mwendu, an agri-business woman who, as export numbers declined, developed a new product (affordable porridge) to appeal to local community and diminish dependence on external markets.

Similarly, Komba and Park (Chapter Four) engage with literature on entrepreneurial resilience to showcase how the Covid-19 pandemic triggered innovation in East Africa. Writing on two cases of medical innovation from Kenya and Tanzania (a low-cost mechanical ventilator from Kenya and an herbal tonic for steam inhalation from Tanzania), Komba and Park argue that the Covid-19 pandemic triggers different kinds of innovation. The Kenyan Tiba-Vent is exemplary of *collective* and *targeted* innovation with a lengthy adoption process due to low policy support. Contrastingly, the Tanzanian Cubic Bupiji Sauna can be considered a *top-down* and *repurposed* innovation with a short adoption process because it received strong

policy support. All in all, Komba and Park find that entrepreneurship at the face of a crisis helps communities cope with the threats of a crisis whilst at the same time highlighting the importance of peer support and institutional support to foster such innovative entrepreneurial responses.

Together, these studies provide a cross-sectional and cross-methodological anthology of entrepreneurial responses to Covid-19 in Africa. To be sure, I do not argue that this collection provides the reader with a holistic or complete base of knowledge on entrepreneurial responses to Covid-19 in Africa. Despite their incompleteness, the upcoming chapters provide novel and interesting insights on the role of entrepreneurship and entrepreneurial responses during the Covid-19 pandemic that urge us to continue to think about how different crises affect entrepreneurship (and vice versa) in Africa, and elsewhere.

Furthermore, the contributions in this volume are not only theoretically revealing, but are also relevant for non-academic audiences. This not in the least because our sample of authors has diverse backgrounds. Whilst all of them are academically embedded and affiliated with different universities, they also showcase relevant practical experience that allows them to offer a practice-based insights into our themes. Lotte-Marie Brouwer (Chapter Three) for example has worked extensively with women entrepreneurs in her role as project manager at Bopinc, a global business development organisation targeting low-income consumers. Similarly, Hanaâ Benchrifa and Stephen Kator Iorfa (Chapter One) not only research entrepreneurship education but are also heavily involved in designing effective entrepreneurship programmes at their respective universities in Morocco and Nigeria.

Based on this expertise, this edited volume offers useful advice and actionable tips for practitioners in the field of education, entrepreneurship training, and regional development. Benchrifa and Iorfa's work highlights the importance of considering differences in motives to pursue entrepreneurship; to seek out opportunity or to prevent unemployment. Their insights have the potential to help entrepreneurship educators in developing programs and supporting their students. Ekeland's work on the proposed Basic Income Grant offers useful insights into how township residents make sense of and intent to use the provisional grant which South African policy makers can use in their planning. The insights on entrepreneurial resilience offered by Brouwer and by Komba and Park are highly relevant for practitioners working in entrepreneurship development. As both authors

show how entrepreneurial resilience yields creative and innovative solutions in times of crisis, furthering our understanding of how to enhance entrepreneurial resilience through institutional support or training programmes would be an interesting future pathway.

The NVAS aims to facilitate and improve interdisciplinary contact between Africa scholars and share knowledge and research on Africa with a broader audience in the Netherlands. We therefore opted to compile an edited volume that is useful and relevant for anyone who is interested in entrepreneurship in Africa and the consequences of the Covid-19 pandemic on the continent. Whether a crisis such as the Covid-19 pandemic diminishes opportunity entrepreneurship and is only a viable option for those that lack secure employment options, or it functions as a catalysator that ignites entrepreneurial resilience resulting in innovative entrepreneurial solutions, is a question that remains unanswered. Perhaps both are the case, and a downturn of entrepreneurial activity exists simultaneously with new, innovative entrepreneurial solutions that play an important role in society's navigation out of a crisis. In any case, we hope this volume shows to the importance of considering how entrepreneurs respond to global crises and how their responses (or lack thereof) can affect many spheres of public life in Africa.

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Chapter One

Entrepreneurial Intentions among Moroccan University Students in Times of Crisis: A Focus on the Impact of the Covid-19 Pandemic

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Abstract

The year 2020 will be forever associated with the Covid-19 pandemic. This health crisis disrupted global interactions with countries closing borders and regions being locked down. In Morocco, according to HCP (Higher Planning Commission), 57% of all companies have stopped their activities. The most affected sectors are the hospitality industry with 89% of companies shut down, the textile industry with 76%, leather industries with 73% and the construction industry with 60%. With the unprecedented nature of the pandemic, it is unclear what its impact on entrepreneurship and entrepreneurial intentions would be. Research has shown that crisis may have a two-edged impact on entrepreneurial intentions. On one hand, crisis may motivate individuals to defend their financial and social status through supporting their entrepreneurial intentions while on the other hand, crisis may limit the available financial resources and negatively impact the psychological and mental states necessary for entrepreneurial intentions to thrive.

The purpose of this study therefore is to investigate the impact of a socio-economic crisis (with a high level of uncertainty as the Covid-19 pandemic) on the entrepreneurial intentions of young people (university students). The paper provides insights about drivers and barriers that affect the intentions of becoming an entrepreneur. Based on the theory of planned

behavior and social cognitive theory, we adopt a quantitative cross-sectional methodology using a survey of university students in Morocco which allows us to analyze whether the crisis had a positive or negative effect on entrepreneurial intentions of Moroccan students.

Findings showed that negative perceptions about Covid-19 positively associated with entrepreneurial attitudes, subjective norms and behavioral control. The ability to cope with Covid-19 moderated the association of Covid-19 perception and entrepreneurial intentions such that students who had negative perceptions about Covid-19 but could cope well had less entrepreneurial intentions. Proactive behavior also moderated the association of Covid-19 perception and entrepreneurial intentions suggesting that having negative perceptions about Covid-19 and being highly proactive led to less entrepreneurial intentions. These findings were discussed along implications for future research and policy implementation.

Introduction

Emergency situations such as natural disasters and pandemics often come along with unprecedented hardships for individuals. These hardships come in the form of disruptions to economic activities as well as lifestyles. The Covid-19 pandemic is an example of a global health emergency which brought disruptions to economic activities as well as lifestyles. Governments all over the world responded to the pandemic by shutting down and declaring lockdowns/quarantines which for most countries lasted into months. In Morocco, these lockdowns posed a great threat to the economy such that they were relaxed after three months (OECD 2020) in order to revitalize the economy. The impact on individual businesses may not have been properly documented but reports show that due to the stay-at-home policy, most businesses experienced great threats (Abouzzohour 2020) while some may have completely shut down (Nachit and Belhcen 2020) before the end of the lockdowns. Coupled with the distress of the pandemic, the crumbling of businesses during the pandemic crises may have influences on entrepreneurial intentions in ways that have not been observed before. For instance, it is unclear if the difficulties encountered during the lockdowns would further challenge individuals to start their own businesses or whether they would further inhibit their intentions to start new businesses. As it is with every crisis, some persons see challenges while others see opportunities.

Previous studies outside the context of a crisis have shown that environmental, psychological and social factors interact in shaping entrepreneurial intentions during crisis (Linan 2008; Liguori 2018; Nguyen 2019). Our survey therefore was conducted to investigate if these factors will yield the same patterns of associations with entrepreneurial intentions among students in the context of a crisis. Our survey provides imminent answers to the following research questions: what is the impact of Covid-19 crisis on entrepreneurial development, particularly entrepreneurial intention? What are the factors that can reconcile the relationship between Covid-19 pandemic perception and entrepreneurial intention? To answer these questions, a quantitative survey using an online questionnaire for Moroccan university students was conducted. This paper is organized as follows: a brief presentation about the context of the survey and the situation of Covid-19 pandemic in Morocco, a literature review providing a theoretical framework about entrepreneurial intention during crisis, the research methodology and then a discussion of the results.

Research Context

Yildirim, Akgül and Geçer (2021) reported that the Covid-19 pandemic, coupled with the strict measures taken to curb its spread were responsible for creating an atmosphere of anxiety, fear, uncertainty and insecurity. Feng *et al.* (2020) also confirmed that fear and anxiety were fast growing among individuals during the pandemic lockdowns. Besides the negative impact on mental and physical health (mortality and morbidity), all the restrictions taken by countries in order to limit the spread of the infection have slowed global economic activities and disrupted global financial markets (McKibbin and Fernando 2020; Morgan *et al.* 2021).

Morocco, like many countries in the world, was not safe from the spread of coronavirus. In order to limit the rapid spread of the virus therefore, several stringent and quarantine measures were taken, including curfews. From March 2020 until the time of writing this article, 929,305 Coronavirus cases had been confirmed with 14,167 deaths recorded.

Regarding its impacts on economic activities, the Higher Planning Committee (HPC¹) reported that 57% of all companies have stopped their activities. The most affected sectors being the hospitality industry with 89% of companies being shut down, the textile industry with 76%, leather industries with 73% and the construction industry with 60%. 27% of companies had to temporarily or permanently reduce their workforce.