

Role of Institutional Innovations on Smallholder Agricultural Entrepreneurship in KwaZulu-Natal, South Africa

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ABSTRACT Smallholder farmers in South Africa are regarded as resource constrained and dogged by a wide range of challenges including weak or absence of vibrant support institutions at local level. However, smallholder farmers still fulfil numerous functions in the agricultural economy, which include food security and income generation. The main objective of the study was to explore the role of both formal and informal arrangements as forms of institutional innovations at smallholder farm level. It was found that, due to weak formal institutions, farmers in KwaZulu-Natal resort to self-regulated institutions to ensure timely access to farming services. Informal groupings are common among irrigators, which have become important means of accessing inputs such as seedlings, irrigation plots and machinery for land preparation as well as output markets. Farmers were selective and participated in some group activities and not in others; hence training farmers should focus on team building activities to ensure consistency and derive maximum benefits from collective action.