

Policy Brief

Availing ICT platforms alone for enhancing rural entrepreneurship is not enough!

“ICT as business and marketing tool”

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Technology is nothing. What is important is that you have faith in people, that they are basically good and smart, and if you give them tools, they will do wonderful things with them.

Steve Jobs



Executive Summary

How can we provide rural entrepreneurs with tools that help them do wonderful things? In this policy brief I argue that a resource centre can help provide tools to entrepreneurs so that they can profit from Information and Communication Technology (ICT). An experiment with such a resource centre showed that the combined use of an FM radio station, business information centre, and SMS/ general mobile phone applications that provide ICT- based information improved the performance of businesses.

1. Introduction

The Government of Uganda has continuously made tremendous efforts to improve its rural Information and Communication Technology (ICT) infrastructure by currently implementing ICT-related initiatives in the areas of e-Infrastructure (Research and Education Network Uganda). Rural entrepreneurs are the most targeted in this endeavour through government programmes such as the District Business Information Centres (DBICs), Reflect ICT Resource Centres (RIC-TRCs), and the Village Phone Project (VPP). Such endeavours have largely focused on generating and enhancing uptake of entrepreneurs' adoption and use of ICT Platforms that include SMS/mobile phone applications, computers, business information centres, and internet facilities. These are aimed at providing rural entrepreneurs with access to markets, prices, finance, improved production and business development information. However,

despite these government efforts, adoption and use of ICT among rural entrepreneurs has remained low. In this brief we share results and discuss policy implications from Mindra and Lokeris (2017). This brief throws more light on this by highlighting findings from Mindra and Lokeris (2017)'s work on “Muppets to Gazelles (MTG) project resource centres post evaluation survey report”.

The “Changing the mindset of Ugandan entrepreneurs: from Muppets to Gazelles” that was funded by the Dutch Organization of Scientific Research explored how ICT adoption of Ugandans' rural entrepreneurship can be stimulated by installing resource centres in already existing and active information centres that serve wider communities within and beyond the districts of Nakaseke and Mpigi. To ensure rural entrepreneurs adopt and use the infrastructure that was set up, a number of factors that included skills training in handling and use of ICT platforms were incorporated.

2. Approach and Results

The project collaborated with already existing and active information centres that serve wider communities within and beyond the districts. A first step in the project was to get a better view of the needs and problems faced by rural entrepreneurs by interviewing more than 1000 entrepreneurs in a number of studies. Entrepreneurs basically needed better ICT equipment and training, they reported that they were often cheated by the middlemen in the area who bought their products. Based on the information provided by the entrepreneurs, four interventions were undertaken.

These were:

1

Renovating the existing centres. This entailed a facelift of the Nakaseke centre, purchase of items such as computers (8), generators (2), office furniture, and hire of support staff (2) on a one-year contract to assist the resource centres in the project activities. These were divided equally between the resource centres.

2

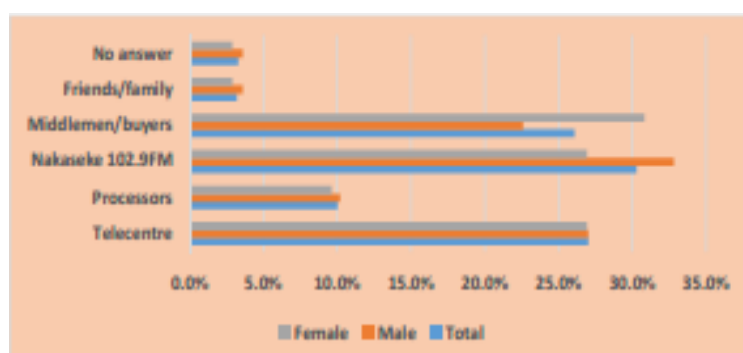
Establishment of a technological marketing platform system. The aim of the system was to boost entrepreneurs' access to information and to connect sellers and buyers (demand and supply). The platform was developed with entrepreneurs' and potential buyers' information built into a system that allows for dissemination of information while providing an opportunity for interactive responses to the providers of the information in a timely manner. The system was intended to consequently break through those high-potential rural environments in order to bridge the information gap, especially with external connections.

Upgrade of the radio signal coverage. We extended the coverage from a 5km to a 30km radius, so that more entrepreneurs could be provided with information. This involved training of personnel on operating the new machines and installation of several radio devices. A one-time purchase to upgrade the radio from 100 Watts to 1 kilo Watt (kW) was made. Radio coverage was to increase from one district to five districts (Nakaseke, Luwero, Wakiso, Kiboga and Mityana) and increase outreach to the far parishes within the district that were facing challenges of bad radio signal.

3. Findings and discussion

Based on the interventions undertaken, the evaluation of the resource centres' effects on entrepreneurial success showed promising results. An estimate is that 90% of the entrepreneurs acknowledged that the information provided by the marketing platform (Figure 1) and radio (Figure 2) has helped them initiate more value-added processes on their products before sale. The large majority of entrepreneurs also indicated that complaints from customers about the quality of their produce was decreased. The marketing platform helped entrepreneurs reach out to other markets: 61.0% entrepreneurs acknowledged access to new and better markets as a result of the marketing platform. Hence, we conclude that ICT-platform usage is of critical importance in enhancing enterprise growth. However, findings also show that rural entrepreneurs have almost no education to understand what was being asked or communicated to them, which hampers the adoption and use of ICT. The lack of basic ICT-related skills somewhat limited the use of the ICT platform, such as the usage of computers and the technological marketing platform systems that were set up in the telecentres. In addition, despite the project's initiative of creating and equipping telecentres, bad signals from radio stations were still prevalent because the new equipment requires the radio stations to acquire a different category of operating licence which the centres cannot afford. Thus, while the resource centres are promising, without additional investment, they will have limited impact on rural entrepreneurship in the country.

Figure 1:
The entrepreneurs' most trusted source of business and agriculture information in Nakaseke District, %



Source: Mindra and Lokeris, 2017.

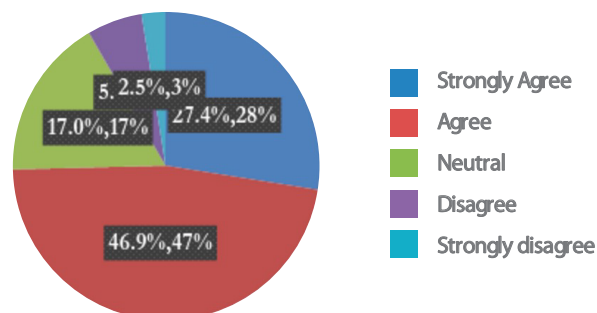
4. Conclusion

Our experiment shows that a resource centre is a promising way to provide rural entrepreneurs with the tools they need to profit from ICT. Resource centres can thus play an important role in enhancing enterprise growth. However, the effectiveness of resource centres is limited by a general lack of education and ICT navigation skills. Moreover resource centres are not self-sustainable yet without actively investing in resource centres, they will not be sustainable and hence will have limited impact on rural entrepreneurship in the country.

This is an output from the project Changing the Mindset of Ugandan Entrepreneurs, which is part of the research agenda of the Knowledge Platforms on Inclusive Development Policies and funded by the Netherlands Ministry of Foreign Affairs through NWO-WOTRO.

Providing training and business information. Entrepreneurs were trained in the use of the marketing platform. The project also provided training in mobile phone use, mobile money application and entrepreneurship training.

Figure 2:
The entrepreneurs whose crop quality improved because of the Nakaseke 102.9 FM radio, %



Source: Mindra and Lokeris, 2017.

5. Policy Implications and Recommendations

In order to generate viable avenues to ensure that ICT- platforms are adopted and used in the rural resource centres by the targeted users:-

- Private and public institutions should investigate how resource centres can be installed that are self-sustaining. One could imagine that the involvement of businesses (like for instance Mobile Money agencies) could help finance part of the resource centre.
- Government should establish rural business literacy programmes and encourage ICT capacity building at parish level: There should be an embedded literacy programme to enhance rural entrepreneurs' knowledge for sustainability of their business, to ensure that they are able to identify, access, read and understand the information provided to them through these ICT platforms. In addition, government should encourage development of ICT-based interventions that fit the needs and context of the intended users and encourage their high diffusion rates.
- Deliberate efforts should be made to promote initiatives that increase awareness, access, adaptation and use of ICT-platforms/technologies. This should be done especially with regard to adoption and use of simplified, customized, and tailor made ICT/mobile phone platforms for the rural communities and most especially for the entrepreneurs who have low skills and limited time to interact with the availed ICT-applications.
- Government should create a conducive environment for the private sector to expand their investments in telecommunications infrastructure into rural areas where adoption and use of ICT is still low due to low penetration and high SMS and internet costs.

Reference:

Mindra R. K. and M. Lokeris (2017). MTG Project Resource Centres Post Evaluation Survey Report. Makerere University Business School, Kampala.