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“Reconcile land system changes
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Understanding network formation of rural entrepreneurial households in sub-saharan Africa

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Abstract

Rural agricultural households make daily decisions about whether and where to access or provide credit, seek or offer business advice, or engage in additional income-generating activities. Understanding these decisions requires analysing not just household and contextual characteristics but also the social networks in which these households are embedded. Social networks play a particularly important role in rural, informal contexts. In rural Sub-Saharan Africa, informal networks can replace institutions by providing financial and informational resources, but may also impose social and economic liabilities.

To understand how rural households create personal and business relationships, we take a multidimensional view of social relationships. We distinguish between different types of ties, examine the underlying reasons for network formation as a key to understanding network outcomes, and consider the cultural context in which these interactions occur. We ask: Which context-specific mechanisms, anchored in socio-cultural factors, give rise to different types of positive and negative network ties and network structures among rural entrepreneurial households in Tanzania?

To answer the research question, we conducted a survey of 789 rural, agricultural households in six villages and two regions in rural Tanzania, Morogoro and Dodoma, which differ in terms of ethnic diversity, wealth, climatic and agro-ecological conditions. These households rely on both agriculture and entrepreneurial activities, some farm-related and others not, reflecting the common pattern of pluriactivity in rural SSA. We collected data on demographics, education, religion, ethnic group, occupation, and wealth, as well as personal network data on positive and negative affective (discuss personal matter | make you upset), behavioural (provided credit to | would never provide credit to) and cognitive (discussed important professional matters | difficult professional relationship) ties. Preliminary results suggest a higher prevalence of negative ties than typically reported in Western contexts, as well as the frequent occurrence of multiplex relationships—where positive and negative ties (e.g., behavioural support and cognitive conflict) coexist within the same relationship.

This paper contributes to the literature on rural development, entrepreneurship, and social networks by offering a more nuanced view of networks and by examining how cultural factors shape local social realities—factors often overlooked in existing research.

Keywords: Ethnic networks, Necessity Entrepreneurship, rural development, Social Network Analysis, Sub-Saharan Africa, Tanzania