



COVID-19 AND ENTREPRENEURSHIP AT VICKISPAN: CHALLENGES AND RESPONSES TO THE LOCKDOWN.

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Abstract:

This article is centred on an entrepreneurial small farm-based enterprise in rural Riebeecksrivier in the Western Cape. It focuses on the impact of the Covid-19 lockdown on the business, its employees and the community that is affected by the enterprise. The data was obtained from a webinar series on lockdown stories hosted by the Economics and Management Sciences Faculty of the University of the Western Cape. The article describes the challenges presented by lockdown and how the pandemic has changed the way they think about the business strategy and context. It also delineates the kind of support measures required for this business to survive and achieve its potential to grow and effect greater positive impact in future. The data which this article is based upon, is from the generous contribution of the Managing Director of Vickispan (Pty) Ltd, who participated in the online webinar series.

Introduction

This article highlights the experiences of the leadership and employees of *Vickispan* (Pty) Ltd during the first national lockdown in South Africa, which commenced on 27 March 2020. The information was provided by Ingrid Lestrade, the Managing Director of *Vickispan*, who participated in the 20 August 2020 online webinar hosted by the Economics and Management Sciences Faculty of the University of the Western Cape. The theme of the webinar focused on identifying how the pandemic affected small businesses, the entrepreneurs and their families. It also sought to identify how the pandemic influenced the strategy, operations and thinking regarding the business idea and its focus, as well as the type of support needed to help the businesses survive the effect of the lockdown and Covid-19. During the course of the webinar, Ms Lestrade provided the business context and gave voice to the unique experiences, challenges and type of support that this rural-based small business needed in order to survive the effect of Covid-19 and the business lockdown. Her contribution is articulated in the sections below.

Background

Vickispan is a small farm-based business that operates from Riebeecksrivier in the Swartland, a rural area typically known as the 'bread basket' of Cape Town. The 60-hectare Middelpoos Farm, where the business is located, is the income-generating arm of the production and development activities. The type of farming operations in the area are mostly wheat, wine grape, and olive production. Farming operations in the area depend on seasonal workers. What makes this entrepreneurial venture unique is that it tries to "create an economy where there is nothing; and no one has ever thought of the importance of an economy within that space" (Ingrid Lestrade, 27 August 2020). Furthermore, the land and buildings are owned by the Department of Rural Development and Land Reform and not by the business itself. This makes it very difficult for the business to obtain bank-financed loans to secure working capital. In addition, it operates in a sector in which women in particular find it very difficult to find permanent jobs (Ingrid Lestrade, 20 August 2020).

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It is for this purpose that the primary aim of the business is to “create an alternative rural economy that creates jobs for rural farm women for longer periods than two months of the year” (Ingrid Lestrade, 20 August 2020). This is in contrast with the norm of women being employed during the harvest season on farms in the surrounding area for only two months, and they remain unemployed for the remainder of the year. *Vickispan* is trying to extend that period to more than three months of the year, and then increase it further to a full year of employment over the longer term. The organisation strives towards capacitating men and women to develop their human capital. Despite the difficulties of providing permanent employment for rural farm women over the past three years, the farm has created forty (40) jobs for women who reside on farms in the surrounding area.

Although the creation of jobs for the female employees who live on other farms has created advantages for them, shortages of accommodation insecurity have also accompanied them. This is because if workers don't work on the specific farm where they live, it creates difficulties for them to continue living on that farm. To provide a richer context of the challenges affecting the workers Ingrid expressed it as follows:

“Unless you live on a farm it's really very difficult to understand the lived realities that farmworkers and the women in particular, go through. I'm very lucky that I live on the farm and the business is on the farm as well. At the beginning of this year, we had sixteen (16) women coming to look for work on the farm. What has happened in the area was that big farmers from Stellenbosch and Paarl started renting farms and vines from the farmers in the area, i.e. the Swartland. As a result, they brought their own workers, who are male workers to the area to come and do the work, which was traditionally done by women who live on those specific farms” (Ingrid Lestrade, 20 August 2020).

She continued by saying:

“Before Covid-19, the women workers had already lost a lot of their assured seasonal farm-work that they had traditionally been doing all these years. So, we employed the women because we have 6 hectares of vegetables, 14,5 hectares of olives, some sheep as well as 1,5 hectares of shiraz grapes. It's a small start to begin with to try and create that vision of an alternative rural economy. Unfortunately, farming today is still not necessarily seen as something that can be done by women. That was part of the hiccups we saw up until right before the lockdown.” Ingrid Lestrade, 20 August 2020.

The business thus faces particular challenges relating to its main aim of providing longer periods of employment to women on farms, in particular those who reside in the surrounding area. The business can therefore be seen as one with a social mission; a key pillar which involves building the human capital of its employees. In order to achieve this, the business needs to operate successfully, and continually invest into the human, social and physical infrastructure. The following section highlights the effects of and the particular challenges faced during the hard lockdown, experienced over the five-month period from March to August 2020.

Effects of and challenges faced due to lockdown

According to Ms Lestrade, “farming is all about timing”. If you prepare to plant a crop at a certain time for a particular season, the core inputs such as seedlings must be available on time. However, at the start of the lockdown, all the seedlings and inputs that had been ordered did not arrive as a consequence of the lockdown. A second challenge was that the workers could not leave the farms that they resided on, as the farm owners closed the gates and thus the women who lived there could not leave the farms. The impact was expressed by Ingrid as follows:

“What was more devastating for us was the conditions that the farm women had to continue to live under. It was almost like sheep being locked in a confined area. For me personally, that was the most devastating occurrence; almost like we were going backwards in South Africa when it comes to farms. Many men have also lost their jobs. This meant that together with their jobs, they also lost their accommodation. This resulted in a lot of women (their partners and siblings) looking for a place for them and their children to stay. The situation was scary” (Ingrid Lestrade, 20 August 2020).

One of the pertinent challenges that *Vickispan* faced was a much-reduced workforce. The business struggled to find a way to get the employees who live on surrounding farms to the Middelpoos Farm so that they could continue working. Consequently, it experienced a seventy five (75) percent decline in its workforce, due to the hard lockdown. The number of female workers drastically declined from forty (40) to ten (10) people. Only those living on Middelpoos Farm from where the business operates, were available to plant the six (6) hectares of vegetables.

Ingrid elaborated by sketching the conditions within which the business and its workers found themselves during the lockdown:

“The lockdown thus created conditions where everyone was scared, although it was understandable why the farmers had closed their gates. Whereas the economy had come to a complete standstill, incidences of alcohol abuse continued and incidences of domestic violence increased more than what had been before because everyone was confined in their terrible little space” (Ingrid Lestrade, 20 August 2020).

Ingrid highlighted what an ‘eye-opening’ experience the importance of *job creation and improving women’s living conditions* has become in the country, notably in the Western Cape, which has a particular culture of excessive drinking and gender-based violence on rural farms.

She emphasised the importance of re-looking at and repeatedly analysing the entire social dynamics and conditions under which women live. She also stated that this was one of the key driving forces behind Vickispan’s goal towards capacitating women and creating jobs through creation of an alternative rural economy. She said, “there’s very little one can do if people don’t have a house in which to live, don’t have food on a daily basis, and don’t have access to nearby medical or health facilities”. She continued:

“During the lockdown all the transport facilities to these places were stopped and some have to walk five (5) kilometres to get there. Apart from that, everything was stopped and everyone was unsure of what to expect. Information was not forthcoming in terms of rural farm areas” (Ingrid Lestrade, 20 August 2020).

Competition from ‘Big Business’

During the Covid-19 lockdown some for-profit businesses that were prohibited from selling their products, set up not-for-profit (NPO) companies. For example, some organisations in the alcohol and beer brewing industries wanted to buy vegetables for virtually ‘next to nothing’ from Middelpoos Farm. The rationale for this was because they thought they were ‘doing good’. Their primary motivation was to use their large-scale resources, among others, to make soup for millions of people per day. Conversely, Middelpoos Farm is a small business struggling to make ends meet, yet sustaining farmworker families in the surrounding community. They were able to achieve this without access to large-scale resources.

Competition from large retailers in the food industry

The food industry is a space where most ‘black-owned’ small businesses function. During the Covid-19 lockdown, the divide between those who have and those who don’t have, has increased faster, particularly in the food industry. This is especially true for small businesses such as Vickispan that are trying to ensure that people do not go hungry. According to Ingrid, Middelpoos Farm grows good quality organic vegetables. Yet, they have sold broccoli for R12 per head to one of the South Africa retailers, who have for example, sold that broccoli for R47 to the public. This type of behaviour by retailers has resulted in food becoming much more expensive in the shops. Furthermore, when Vickispan tried to negotiate prices with big retail organisations, they said that they are able to get a better price elsewhere for organic vegetables. For example, some larger, more established organisations wanted to buy broccoli at R1 per head. At some retail outlets organic broccoli can be sold for R20 or R40. If sold for R1 per head, it means that approximately five hundred (500) families that benefit from the work done at Middelpoos Farm will continue to struggle (Ingrid Lestrade, 20 August 2020).

In summary, the challenges of the Covid-19 lockdown on Vickispan’s operations involved the following:

- A delay in the delivery of seedlings needed to plant the vegetable produce;
- A seventy five percent (75%) reduction of the workforce as they were locked in, unable to leave the farms on which they stayed;
- Increased competition from large retailers, particularly in the food industry.

The effect of the lockdown on the Vickispan employees and their families have resulted in:

- A lack of access to basic accommodation and housing;
- A lack of food on a daily basis;
- An increase in the level of social ills, such as excessive drinking and gender-based violence, as farm worker families were confined to their ‘terrible little space’ behind locked gates;

- No transportation to reach medical facilities;
- Lack of information and uncertainty as to what to expect, which leads to increasing levels of fear and stress.

According to Ingrid:

“The media was advocating and communicating that food parcels were being delivered. I personally sent through a list of all the people, together with their identity numbers and contact details to the Western Cape Department of Social Development. They were going to contact people individually before they handed over the food parcels. That was done in April. We are now at the end of August. To date, no one on the list – on this farm or on the thirty-two (32) farms in the area – has received a food parcel from government.”

Ingrid stated further:

“Up until today, we haven’t had one person come to our area. This is an area of thirty two (32) farms. No one has been here. No one has brought information. No one has sent information. That to me, is sort of, the exclusion of the farming areas, which hold all our land, water; has about 40% of our economy in the Western Cape; and yet, we are not seeing that capacity for informing women, capacitating women, and for creating alternative economies in the region” (Ingrid Lestrade, 20 August 2020).

Response to the lockdown challenges

According to Ingrid, Vickispan is a small business that makes less than R20 000 per month. Consequently, the organisation could not benefit from the Unemployment Insurance Relief Fund. Furthermore, instead of selling their produce as small businesses generally have to do to remain in business, Vickispan had to start giving away their produce so that people on farms in the surrounding area could survive.

“We are a small business trying to make money and pay our bills. But what we had to do is give away our produce – which we should have sold. We had to start handing it out to people. We have given out tons and tons of vegetables to the surrounding farms to make sure that people are healthy, that they are eating, and to make sure that people, especially the sick, elderly, and children – all who are the very, very vulnerable, were eating at that stage” (Ingrid Lestrade, 20 August 2020).

In essence, the organisation became a more social entrepreneur-orientated business during the unforeseen challenges faced during the lockdown. The organisation has fed close to five hundred (500) families with the vegetables grown on the farm. This is due to the personal belief that *“you cannot make or grow a business if the people who are in that business are hungry. Unless they have food they do not have the energy to grow or do anything. So food has become of essence to us” (Ingrid Lestrade, 20 August 2020).*

Following their experience of the Covid-19 lockdown, the management of Vickispan have reflected on the challenges and responses to these occurrences stating that

“there must be something wrong with how we as a small business view the economy and how we operate our business”.

Support needed to sustain the business

In view of the effects of the lockdown on the operations of Vickispan, the following type of support were identified by Ms Lestrade towards helping and sustaining the business, its owners, employees and broader community that are dependent on its operations:

- Government institutions or local universities can help vulnerable communities in geographically isolated areas such as the community that Vickispan serves, by disseminating information. This can be done by printing and distributing leaflets or flyers with very basic information that is required to help farmworkers living on farms to understand for instance, what Covid-19 is, what to expect, the symptoms, and how to manage it.
- Universities can assist by conducting studies which help small businesses understand who holds the power in the food value chain, and how this is manipulated to the extent that small businesses become so desperate that they have to sell their quality organic vegetables for R1 to big, powerful businesses with a wealth of resources.

“It’s a very uneven balancing field that we have. I know that this may sound very emotional, but it has become very emotional to me trying to create dignity; between trying to create dignity on the one hand, and on the other, not begging ‘please can you help us do this?’ There’s nothing worse than for a poor person than

having to accept something from somebody else because they don't have. There's much more dignity in doing stuff for yourself and being able to have something to sell, so that you not only eat for a day, but you can eat everyday" (Ingrid Lestrade, 20 August 2020).

Conclusion

This article has highlighted the main challenges experienced as well as the responses by Vickispan, an entrepreneurial small business, situated in rural Riebeecksrivier in the Swartland area of the Western Cape during the Covid-19 lockdown. Since the level 5 National lockdown started on March 27 up until 20 August (the date of the webinar), it resulted in this organisation reducing its workforce by seventy five percent, despite its dedication towards providing employment to women in rural communities. However, despite these challenges, the business has helped up to five hundred (500) people in farmworker families to put food on the table. This outcome has occurred amidst the bargaining muscle and strong-arm procurement tactics by big businesses, particularly of larger retailers operating in the food and beverage industry. Reflecting on these events, the managing director of Vickispan stated that:

"We need to change our mindsets in terms of handing out food parcels. People on farms shouldn't be hungry – because they have land, water and very skilled people in our country. So where is the dislocation? That's my question that I have been asking since lockdown up until now. We haven't found an answer. We are doing our bit, but it is minute in comparison to what the realities are out there. I can just say from personal experience of dropping off food on farms, and giving it to people, that when you open the cupboards there's really nothing in it. That to me has been the saddest part of all of it – that the real poor people will not stand in line saying, 'I don't have food'. The people who are really hungry have lost their voices. They have lost their faces, and they are unable to say 'I'm hungry'. Those are the ones that we need to find".

"A balancing of the needs of those in the country who have – and those who don't have – is required".
Ingrid Lestrade, 20 August 2020