



A Conceptual Model of Entrepreneurship Development and Employment of Rural New Approach

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ABSTRACT

From layout and extraction of structural and functional experienced patterns from other countries in rural development and entrepreneurship, it can be achieved to a perspective of comprehensive and integration picture from intervention in these areas. This view like a strategy has performance capability to achieve the goals and especially functions like entrepreneurship, empowerment, capacity building, poverty, and etc. In this article, in addition to a brief review of relevant literature and documentation about entrepreneurship and job creation in rural, it explained definitions and goals, and offered a model to develop rural entrepreneurship and job creation. Finally, these cases are summarized and presented as a pattern of discussion and conclusion, managerial implications, and related recommendations to follow similar researches.

Keywords: Rural Entrepreneurship, Rural Employment, Entrepreneurial Culture.

Introduction

Nowadays there is discussion about sustainable development in different aspects of economic, social, cultural, political, characteristic, and ecological, like as a principle and the necessity for policy makers, planners, government, politicians, non-governmental development agencies in different countries and also

international forces. One of the areas of sustainable development is rural development. Studying plans, strategies, politics, various developing procedures besides practical experience of different countries in the field of rural development and entrepreneurship development and job creation in rural areas, provide us

many important issues. However it is not possible to use these experiments and approaches, but considering them and learning them correctly, will clarify the issue of entrepreneurship and job creation in rural areas and facilitate the process of policy making in this field. Furthermore in many cases with localization approach, with utilization of other notions innovation and knowledge, implement the local plans efficiently. In this study, in addition to a brief review of relevant literature and documentation about entrepreneurship and job creation in rural, it explained definitions and goals, and offered a model to develop rural entrepreneurship and job creation. At the end of paper, these cases are summarized and presented as a pattern of discussion and conclusion, managerial implications, and related recommendations to follow similar researches.

Definitions

In fairly comprehensive definition with emphasis on the quantitative and qualitative aspects of life it comes out that rural development is a process of developing and utilization of natural resources, human resources, technology, infrastructure, institutions, organizations, policies and its programs to encourage and facilitate the quantitative and qualitative growth of human life from unfavorable material conditions to favorable spiritual conditions (Zamanipour, 2002). From another aspect rural development is the set of activities, actions, and actions of several agents, including individuals, organizations, and groups which the result of all together is lead to improve the situation in rural areas. Rural development is a multi-dimensional process that improving the quality of life in rural communities is its subject. The process which is using mechanisms such as

planning, organizing, promoting individual and collective self-reliance and making suitable changes in subjective and objective structures of peasant, struggles to encourage among them the power, strength, and authority to use the capabilities and resources offered due to that could be modify existing situation to desirable situation (Hasanzadeh and Izadi jiran, 2003).

In general referred to the definitions mentioned, rural development essentially define as fundamental transformation of all aspects of economic, social, and human relation in rural which is gradually improve the living conditions of rural people and the benefit from that donations (Bahrami, 2000).

Objectives

However rural development in different areas in depends on situations includes various goals and procedures; nevertheless the major objectives of rural development mentioned as the following items:

- Increase productivity and production
- Equitable distribution of resources for gender equality and poverty reduction
- Providing for basic human needs of the population
- Employment and entrepreneurship
- Effective public participation in decision-making
- Self-reliance and capacity building
- Development of local institutions

Several studies in the world indicate that the major objectives of rural development are in order to generating income, create a job, and the most major mechanism and tools of that is entrepreneurship. Entrepreneurship reduces unemployment, increase productivity and create jobs for other people, and to increase rural incomes. It is noteworthy that entrepreneurs is not the only solution for

job creation and increase rural income, but it can be the best way in alongside of other strategies. Despite the ongoing support of rural entrepreneurship, developing the appropriate infrastructure (in terms of social, cultural and economic infrastructure) in rural areas, promote rural entrepreneurship and ... could make from entrepreneurship the practical solutions for rural development objectives which is mean useful job creation, increase income and rural participation and self-reliance (Shahhoseini, 2003). With a little reflection, it is clear that it covers the concept of a sustain umbrella in all areas of development. Generalization or interpolation the sustainable to the rural development in the light of paradigm development will bring the plan of sustainable rural development. The main difference of sustainable rural development with other theories of sustainable rural development is due to the time factor (overall attitude and long-term objective) and the belief in equality of intergenerational and intra-generational in rural development. We can see several successful measures taken in relation to rural development (Izadi, 2002).

Problem Statement

Whereas in most parts of the world, rural areas are the poor areas which being eroded, scientists and policymakers from all over the worlds focused particular attention to rural development and eliminate problems and issues they have. Today international experts believe that apart from the grand strategies and policies of development and economic development (which are important) it must specifically precede to rural development and eradication the wide poverty which affected on them. The basic problems of rural areas in all regions of the world are two issues: The first one is lack

of social and economic infrastructure and second one is lack of income and economic weakness. As a social facilities and infrastructure it cloud be mentioned to healthcare, education, insurance and social security, communication facilities, water, electricity and ... However most of governments have done many extensive and costly programs to improve the infrastructure, but observations indicate that this function could not solve the problems of the rural economy and increase their income and decrease their poverty, and finally could not reduced immigrate them to cities (Grifin, 2002). Low income is an important factor which if could not find an alternative for that, it does not allow for rural development projects to fruition and rural development would cease moving to big cities.

Low-income of rural population has caused several problems:

Rural population growth (in absolute value)

Employment (full or quarterly)

Low productivity of people and resources

Lack of attractiveness for investment

Weak business environment

Although it should not be said that the only way to create jobs and increase incomes of rural people is private entrepreneurs, but we can definitely say it is the best and the most efficiencies type. Economists call it the most important pioneer of rural economic development, politicians make it a key strategy to prevent riots and unrest in the country, farmers and villagers consider it a means of improving their income, and women considered it as a possible situation to work in the vicinity of their residence that can lead to autonomy, independence and reduce the social needs (Ti, 2004).

Rural Entrepreneurship

In the first half of the twentieth century, Schumpeter, economist and social theorist, wrote extensively subjects about entrepreneurship and its impact on the economy. Schumpeter's thesis was that innovative entrepreneurs caused in the form of dynamic imbalance in which the economy. He assigned an entrepreneur as a creative destructive who disturb the economic equilibrium with replacing the commercialization of innovation in an environment where had previously been lacked (Boshehri, 2001). One of the most important factors in the rural development is entrepreneurship, because entrepreneurs with creating new opportunities for employment and income may play an effective role in improving rural economy and livelihood situations. Therefore, evaluation of rural entrepreneurship and effort for developing and corroborating rural entrepreneurship in rural development process through providing the initial context has a particular importance (Rezvani and Najarzadeh, 2005).

The Role of Entrepreneurship in Economic Development in Rural

Entrepreneurship development strategy is not the only appropriate strategy for economic development of rural areas, but is less expensive than other strategies and is suitable for the rural environment. With the development of entrepreneurship and establishing the small business entrepreneur, rural would achieved the goods and services which required and it has an impact on economic growth and reduce rural migration to the cities. Villages as well as towns are full of new opportunities that are not discovered, which timely detection and exploitation of these opportunities and create new businesses and competitiveness based on its significant economic could bring

impressive benefits for rural people. Entrepreneurship in rural development practitioners emphasize on two main activities (Fakhraei, 2003):

Encourage and support rural entrepreneurs to create new businesses
Encourage existing businesses to expand operations and move toward the realization of new ideas and efficient
Entrepreneurship development in rural areas as well as cities, it is necessary to focus on three basic prerequisites:

Development of Entrepreneurial Culture

Social entrepreneurship culture is a culture that encourages and supports entrepreneurial behavior. In developing entrepreneurial culture several essential purposes is followed: Create the requirement conditions for rural entrepreneurship education, encourage villagers to participate actively in rural entrepreneurship plans, persuade the governmental and nongovernmental organizations to support entrepreneurship activities in rural areas.

Entrepreneurship Education

Entrepreneurship courses and consulting are the major policies entrepreneurship development in rural areas. In these programs, the four groups of entrepreneurial skills will be emphasized: Scientific and technical skills, based on the type of industrial activities, management skills, including financial management, marketing, administrative and staff matters, entrepreneurial skills, including the ability to recognize and utilize new opportunities in the market and offer innovative solutions to the challenges of the article, staff skills, including self-reliance, self-confidence, creativity, responsibility.

Infrastructure Development, Entrepreneurship

Providing access to the capital specially venture capital, loans to entrepreneurs, the development of transport facilities and the development of information and communication systems, connect to the data resources and general knowledge, expansion of rural life, and some of these cases, providing the context for entrepreneurship development in rural areas.

Conceptual Model

In recent decades, the cluster approach is to look at issues from a holistic is put the new methods in front of the planners. Planning for the production, dissemination, sharing and use of knowledge, are the based attitude clusters knowledge. Giving priority to knowledge instead of other issues (such as natural endowments, equipment, capital, etc.) in many parts of the world has brought successful experiences. Main feature of this watch is that it is not necessarily that utilizes advanced technologies in the field, but it can also be used as a successful way of medium and low levels of technology (even in traditional industries and handicrafts). World Bank studies(2003) explicitly propose to develop third world countries to try using their natural endowments to build knowledge-based organizations, means that continuously record and improve the required skills, experience and competencies, provide the mechanisms of sharing and distribution of knowledge in organization have a continuous learning, and improve their products and technologies through continuous innovations. In short, organizations and companies of developing countries strive based on

natural, traditional industries and competencies existing, built their knowledge management to enable faster and easier move towards technologies and future advances (Edwards, 2000). In this regard, recently we are witness the emergence of the idea of rural knowledge clusters as a model for rural innovation. The main objective of policy makers and planners in this field is avoiding the lag of rural areas from convoy of the global society of Knowledge based. By definition, rural knowledge clusters, refers to a set of innovation and correlate firms located in rural areas (Non-Urban) which are attempt by the collection, storage and uptake of knowledge among players and local institutions, build and strengthen competitive advantage. For example, this rural knowledge clusters could formed around wood, agricultural products, leather, handicrafts, etc. and take place by plan administrators to take over their own development path(Vaillant, 2007).

Key Findings and Strategies for Developing Rural Entrepreneurship

The analysis and exploration of theoretical studies (case studies) can be applied to the key findings and key lessons are as follows: There is a clear economic development strategy and overall development.

Creation a rural development strategy, combining hierarchical approach to structure settlements, integrated rural development and sustainable development.

Regarding employment income for rural people and accelerate their cultural development (as opposed to cultural attractions - Social towns).

The appropriate economic and social services in the interface of rural areas such as the central village and towns and small

towns to avoid direct migration of rural to big cities (Dobie, 2004).

Tourism Industry

Planning, design and implementation of various schemes for the provision of public services in rural areas

Cluster approach to the development: Developing the industrial clusters, technology clusters and rural knowledge clusters,

Creation of knowledge based society, learning community and information society: Plan to strengthen the infrastructure information of rural communities (and improve their information literacy) and the effective management of knowledge in this area (to engage in urban areas)

Development and dissemination of appropriate technologies in rural areas.

Integration of traditional technologies in rural areas with advanced and new technologies.

Development of participatory management in rural areas.

Culture: Ability of detecting changes and opportunities, participation and teamwork, creativity and innovation, the spirit of independence and responsibility, risk-taking and risk-seeking, they are all the elements of a constructive culture. The best strategy for developing a culture of entrepreneurship in rural areas is promoted extreme efficient education of villagers through various educational programs and advocacy.

There are three essential strategies for the development of rural entrepreneurship: The first one is attracting businesses from other areas (especially urban areas) to rural which are not very helpful from national view. The second one is retention and expansion of existing businesses through the supportive policies that policymakers and managers generally doing not pay attention to that country.

And the third one is support the creation and production of new businesses from the heart of rural areas that is usually considered which is needed long-term planning (Panda, and Pattnaik, 2003).

Conclusion

Rural development is considered in terms of a major national sustainable development in developing. Review of existing experiences in field of initiatives and interventions which is done in rural development is counted as the reflection of valuable knowledge and teaching in structural, institutional, and the functional aspects. If the viewed to the sustainable rural development would be the perspective of learning approach with practice, more proactive, a system, and collaborative and oriented process improvement, be aware of the lessons learned and experiences, current theory and criticism of executive and options proposed in organizing and promoting rural development programs would always be an undeniable necessity. Several studies have shown that one of the main objectives of economic development (whether in urban or rural), is job creation and the main mechanisms and tools of that is entrepreneurship. Entrepreneurship leads to reduce unemployment and increase the productivity of people and resources, and consequently will increase the income of the population. As mentioned in the article the entrepreneurship development and rural employment are as the national aspirations of all countries. In this regard, access to higher stages of entrepreneurship development and rural job creation in every state, county, city or any area primarily need to measure and evaluate the current situation and compare it with the relevant standards, in order to be able to think and try to

upgrade it. Based on the material presented in this paper, it can be serve as a starting point for studies related to rural development, entrepreneurship and job creation which would be used by researchers and other experts and will supported by the managers and administrators.

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