

DEVELOPMENT OPPORTUNITIES OF RURAL ENTREPRENEURSHIP BY PARTICIPATING IN TRAINING PROJECTS

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Abstract. *Rural entrepreneurship is a recent topic of great interest to the public agenda, due to the ability to generate and support sustainable jobs in rural areas. For Europe Strategy 2020 on smart, sustainable and favorable growth of inclusion to be successful, it is necessary that at European Union level entrepreneurship to be stimulated, especially among young people, to encourage innovative business start and promote a positive culture of entrepreneurship and development of small and medium enterprises. The important role of education in promoting attitudes and behaviors specific to entrepreneurial spirit, either in formal education or within typical activities of training through projects, is now generally recognized. The present paper aims to showcase the importance of training and development activities of entrepreneurial skills among the rural population to lead to a sustainable development of the areas and to the optimal enhancement of human rural potential. The methodology meets the specific requirements of a project based on training activities on entrepreneurship in rural areas. The paper is based on the results of the project "Promoting entrepreneurship for increasing the employment degree in rural areas", which was cofinanced by the European Social Fund through the Sectoral Operational Programme Human Resources Development, Priority Axis 5 "Promoting active employment measures", Key Area of Intervention 5.2 "Promoting long-term sustainability of rural areas in terms of human resource development and employment". The project involves stimulating the development of knowledge, skills and entrepreneurial behavior of potential entrepreneurs in rural areas, addressing the three target groups, namely: people looking for a job, inactive persons and employed people in subsistence agriculture, which are able to generate local development and employment opportunities by developing their own businesses.*

Keywords: *entrepreneurship, rural area, project, target group, training, entrepreneurial skills*

INTRODUCTION

Entrepreneurship is a multi-facet phenomenon, shaped by social and economic conditions. Entrepreneurship can be treated as an attitude or as a process. Being an attitude, entrepreneurship corresponds to a trait in people's character and stands for the readiness to face new challenges, to improve the existing components of the human environment and to take an active and creative stance towards one's surroundings. In turn, entrepreneurship understood as a process means the creation and development of a business entity (enterprise) (BABUCHOWSKA & MARKS-BIELSKA, 2013).

Entrepreneurship is recognized as a primary engine of economic growth. Without it other factors of development will be wasted or frittered away. Entrepreneurship stimulates economic growth through the knowledge spill over and increased competition of the entrepreneurs (CARREE & THURIK, 2005).

The accumulation of factors of production per se – be they knowledge, physical or human capital – cannot alone explain economic development. They are necessary inputs in production, but they are not in themselves sufficient for economic growth to occur. Economists, however, thought so for a long time and in centrally planned economies and many third world countries massive investments in human and physical capital did not produce much

prosperity. Human creativity and productive entrepreneurship are needed to combine these inputs in profitable ways, and hence an institutional environment that encourages free entrepreneurship becomes the ultimate determinant of economic growth. Thus, the entrepreneur and entrepreneurship should take center stage in any effort to explain long-term economic development (ELLIASON G. et al., 1998).

Rural entrepreneurship is acknowledged as an important component that contributes to the economic development of a country (AHMAD ET AL. 2011; STATHOPOULOUS S. ET al. 2004).

Rural entrepreneurship has become one of the significant supportive factors for rural economic development and agribusiness (WORTMAN, 1990). In opinion of Wortman rural entrepreneurship generally can be defined as creation of a new organization that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment.

Entrepreneurship in rural areas include widening the base of a farm business to include all the non-agricultural uses that available resources can be put to or through any major changes in land use or level of production other than those related solely to agriculture (Petrin, 1994). Many examples of successful rural entrepreneurship can already be found in literature. Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. as well as diversification into activities other than those solely related to agricultural usage, for example, the use of resources other than land such as water, woodlands, buildings, available skills and local features, all fit into rural entrepreneurship. The entrepreneurial combinations of these resources are, for example: tourism, sport and recreation facilities, professional and technical training, retailing and wholesaling, industrial applications (engineering, crafts), servicing (consultancy), value added (products from meat, milk, wood, etc.) and the possibility of off-farm work.

One of the way to develop rural entrepreneurship is represented the projects financed by European Social Fund (ESF).

Projects co-financed by ESF are focus on the employment of vulnerable target groups through two modalities: either as entrepreneurs or as ordinary employees in a social enterprise. The research of the profile of Romanian entrepreneurs emphasized a more negative perception of economic environment. Three main difficulties confronted with at European level were analyzed: the lack of financial support when willing to set up a business, the complexity of administrative procedures, and the lack of information on business. These results showed a higher pressure on the shoulders of Romanian entrepreneurs in comparison with other European countries and the USA. In comparison with other EU member states, especially the newly member, Romanian entrepreneurs perceived the national context as less friendly and supportive (STĂNESCU S.M., 2013).

MATERIALS AND METHODS

The methodology of this study deals with the specific challenges of a project based on training activities on the topic of entrepreneurship in rural areas. The paper is based on the results of the project "**Promoting entrepreneurship for increasing the employment degree in rural areas**", which was cofinanced by the European Social Fund through the Sectoral Operational Programme Human Resources Development, Priority Axis 5 "Promoting active employment measures", Key Area of Intervention 5.2 "Promoting long-term sustainability of rural areas in terms of human resource development and employment".

The project was conducted in the Western Region of Romania in the period 01.02.2012- 01.31.2014. At the level of each of the four counties that compose the Western

Development Region (Arad, Timis, Caras -Severin and Hunedoara), it was selected one rural microzone based on the intensity of corrective intervention need through occupational incentive programs. The applied criteria for selection of these micro-areas were similar for each of the four counties. Attempts have been made in cutting some rural areas relatively compact, consisting of communes of similar profiles in terms of labor market indicators selected and which also meet the criterion of belonging to an area recognized as having a common history and, as possibly, a network of inter-communal relationships traditionally functional.

For **Arad County**, the rural micro-area selected for implementing the project was the *Upper Valley of White Cris (Valea Superioară a Crișului Alb)*, for **Timis County**, rural area known as *Timis-Torontal*, for **Caras-Severin County** has emerged as a priority area for the project so called *Almaj Land (Țara Almăjului)* and for **Hunedoara County** area known as *Hateg Land (Țara Hațegului)*.

The used methods were multiple. Depending on the place occupied within the investigative process, there were for the beginning *data collection methods* for assessing the current economic and social status of rural areas of the four component counties of the region to select micro-regions of project implementation, followed by *data processing methods* (statistical and mathematical methods used in monitoring and assessment process of project indicators, as well as in general information on national or regional level on the concept of entrepreneurship (or comprehensive analysis methods in assessment of learners, of the final business plans) and finally, *data interpretation methods*, which were based on inductive techniques, deductive, comparative or based on causal explanation.

Observation method resulted in careful observation and accurate and systematic recording of relevant information coming from the present actors in the project, as the situational context where they occur, in the view of referral some key aspects of rural business environment.

Statistical method was used in conjunction with other methods to illustrate a general framework of the rural dimension and entrepreneurial trends that mark it, thus providing a coherent overview of the diversity of approaches and current situation.

Content analysis method was used in the course of drafting and reviewing business plans of learners and their use as a central element in the final assessment.

RESULTS AND DISCUSSION

Presentation of stimulating activities of rural entrepreneurship through the project "Promoting entrepreneurship for increasing the employment degree in rural areas"

The overall objective of the SOP HRD Project on the topic of "**Promoting entrepreneurship for increasing employment degree in rural areas**" set "*to promote long-term sustainability of rural areas in terms of human resource development and employment and to promote some active employment measures to lead at rerouting of persons employed in subsistence agriculture from rural areas to non-agricultural activities*".

The specific objectives of the project are:

- *improving the quality of human resources in rural areas in order to facilitate the access to employment in non-agricultural activities;*
- *promoting entrepreneurship culture in rural areas and encouraging employment for self workers from rural areas;*

- *ensuring long-term sustainability in rural areas by creating conditions for the development of profitable non - agricultural enterprises and thus to increase employment opportunities.*

The main eligible activities of the project are:

- Research on the current situation of unemployment and of persons employed in subsistence agriculture in rural areas;
- Information and awareness campaign on employment opportunities in non-agricultural fields;
- Training program through courses in the view of developing entrepreneurial skills aimed at supporting the emergence and development of some companies in rural areas in non-agricultural fields;
- Training program through courses with the view of developing entrepreneurial skills aimed at supporting the emergence and development of some companies in rural areas in non-agricultural fields;
- Professional training, through which people from the target group interested in taking a leadership position in a company or develop a business, have attended management training courses with the topic of management- starting businesses, courses that aimed to develop entrepreneurial skills;
- Advice and assistance to start an independent activity or starting a business;
- Facilitating employment and supporting rural businesses through ICT through a portal to promote rural businesses and providing information on employment requests and offers in rural areas.

The project "*Promoting entrepreneurship for increasing the employment degree in rural areas*" addressed the three target groups, from the selected micro-areas of the four component counties of western development region, namely:

- people looking for a job;
- inactive persons;
- employed people in subsistence agriculture.

The number of target group which was set by the project for the **activity of information and awareness on employment opportunities in non-agricultural fields** was of 280 people, the indicator being made at a rate of 102.86%, with a total of 288 people participating, of which 128 students in final years, 100 people employed in subsistence agriculture and 81 females. The target group participated at an information and awareness campaign on employment opportunities in non-agricultural fields conducted by the project leaders through 11 seminars within the four selected areas of the Western Region.

A target group of 80 people interested in starting a business was selected to participate at the **training program through courses to develop entrepreneurial skills** (indicator made of 100%). The courses have had as theoretical basis the course supports designed in a modular structure of seven modules, with a theoretical dimension and practical one. These course modules covered the following topics: **law, marketing, management, financial planning, ICT, business models of rural non-agricultural type, business plan**. The modules have been included in a set to facilitate updating of information in the future and thus to ensure a constant reservoir of knowledge for the participants.

The wide range of disciplines aimed to cover the requested skills for a successful entrepreneur and had two specific components to general categories of skills (Higher Education Registry):

a) professional skills, which considered the ability to select, combine and use adequately the integrated whole, coherent, dynamic and opened of knowledge and skills (such as: cognitive skills, actionable, relational) and other acquisitions (values and skills) specific to entrepreneurship activity and of business management in order to successfully solve the issue-situations in terms of effectiveness and efficiency;

b) transversal skills related to capabilities that transcend the management knowledge of business and having a transdisciplinary nature: teamwork skills, oral and written communication skills, respecting and development of professional values and ethics, IT use, problem solving and decision making, openness to lifelong learning, etc.

Within the process of teaching, lecturers have used both traditional methods and modern methods of teaching, harmoniously combining theoretical aspects with practical ones. The teaching methods were: interactive lecture of PowerPoint based presentations, lecture, explanation, heuristic conversation, demonstration, practice and case study.

Another important activity of the project was the **professional training activity** in which 36 people from the target group interested in taking a leadership position in a company or to develop a business, have attended training courses in management, business initiation, courses that are aimed at developing entrepreneurial skills (indicator accomplished by 112.5%).

The business initiation course included the following modules: marketing, management, planning and financial management, business development in the context of sustainable development. There were organized two series of training courses in Arad and Caras-Severin counties.

The courses have been certified based on the evaluation of participants receiving diplomas accredited by the National Council for Adult Vocational Training stating obtained entrepreneurial skills.

Activity no. 5 of the project was to provide the target group **advisory and business support to start an independent business or to start a business**. The services were individually provided to a number of 170 people, the progress rate of the indicator was 283%. The counseled people were supported to develop business ideas, drawing up the development strategy, support for identifying funding sources (loans and grants) and support after starting the business. Following this activity there were developed 20 business plans and 14 new business were established (achievement degree of the indicator 100%). It has also been organized a contest between those who developed business plans, the 10 best business plans being honored at the closing conference of the project.

An important activity of the project concerns the **realization of the portal** with the address www.antreprural.ro. This website was created **to facilitate the employment and to support rural businesses through information and communication technology (ICT)**. The business portal that was created gives the opportunity to all assisted persons through the project but to other rural entrepreneurs too to promote their business and business opportunities. The portal has also a section dedicated to electronic mediation of labor, where the enterprises can promote their job vacancies and those interested can post their resume. However, the webpage provides current information on the progress of project, the project research and various information relevant to the project. Through the website it aims at fructification of many opportunities provided by technological progress that may lead to a more value in terms of binomial results - invested resources.

Quality assessment, of program results and entrepreneurial training activities took place based on feedback came from the learners and by performing measurements of impact, for example measuring knowledge and entrepreneurial intentions before and after participation

at the program. If long-term impact, two actions are awaited with great interest: starting as well new businesses in those areas and the net income of established businesses and their survival rates.

A summary of the project in numbers is translated by the achievement of indicators to overcome the values, the coefficient achievement of designed indicators according to Instruction no.71 of 04.06.2013 for regulating the way to reduce grants when indicators and/ or target group fail to be accomplished, Instruction issued by Managing Authority for SOP HRD, which is of **1.0039**.

CONCLUSIONS

Starting from the hypothesis that entrepreneurship leads to economic growth and creating of new jobs, the need to implement some concrete measures to contribute to the development of entrepreneurial spirit of rural population, especially among young people, is obvious. We consider that in this way it can stimulate local initiative to exploit the existing potential.

Stimulation of rural entrepreneurship by means of the project "*Promoting entrepreneurship for increasing the employment degree in rural areas*" resulted in actions of information, advice and assistance for starting an activity or initiating a business. Thus, a target group of 288 people participated in informing activities and awareness of employment opportunities in non-agricultural fields, 80 people attended courses of entrepreneurial skills development and 170 people received business counseling and assistance services. Following these activities, 36 people have gained qualifications accredited certifying entrepreneurial skills, 20 business plans were developed and 14 new businesses were established. The functional portal it resulted in helping within the employment of 17 people.

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