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ENTREPRENEURSHIP IN RURAL AREAS - CURRENT CHALLENGES

Elaborated by Growthcoop

COURSE DESCRIPTION

The aim of this course is to help women in rural areas to understand what rural entrepreneurship is and what are the specific challenges faced by this particular type of entrepreneurship.

Participants in this course will acquire a broad vision of rural entrepreneurship and will be encouraged to look for new opportunities for rural entrepreneurship as a way to create employment in rural areas.

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1. RURAL ENTREPRENEURSHIP

Rural entrepreneurship is defined as the ability of rural people to identify and take advantage of economic opportunities to create profitable and sustainable businesses within their community. This implies the ability to innovate and create value through the use of the natural, cultural and ethnographic resources of these areas by applying the skills and knowledge that you have about entrepreneurship and enterprise.

It is possible to create businesses in multiple sectors, such as agriculture and livestock farming, as well as in the tourism and service sectors. Thanks to this entrepreneurship, you will collaborate with the community and its economic development by creating employment and helping to stop migration to larger population centres.



Thanks to the policies and programmes of the different public administrations, the development of businesses and their creation in rural areas will be boosted, with full access to financing and management training so that entrepreneurs can overcome their barriers and grow their businesses in rural areas.



2. WOMEN AND RURAL AREAS. CHALLENGES TO BE FACED.

Women, due to the historical and cultural idiosyncrasies of rural areas, tend to have fewer job opportunities than men. With unemployment levels 25% higher, entrepreneurship is often the best way out.

The problem is that women who decide to start a business in rural areas often have to face a series of problems that can undermine their chances of developing and growing their businesses.

The main obstacles to be faced are the following:



ACCESS TO FINANCE.

Mainly due to lack of access to financial resources and lack of collateral to back up loans.



CONCILIATION AND CO-RESPONSIBILITY

56.8% of women living in rural areas are solely responsible for domestic and family work, where 96% of men do not participate



LACK OF BUSINESS SUPPORT

Difficulty in accessing business support programmes prevents them from developing their basic entrepreneurial skills. More than half of the employment in rural areas is created by women, betting on services and products lacking in their environment.



GEOGRAPHICAL ISOLATION

This prevents them from connecting to business networks or establishing synergies with other entrepreneurs in the sector.



GENDER DISCRIMINATION

These are deeply rooted in society, limiting decision-making and access to economic and social resources. The so-called "glass ceiling" prevents many rural women from being influential at a social, economic or political level.



ACCESS TO TECHNOLOGICAL DEVELOPMENTS.

60% of municipalities in rural areas do not have broadband or fibre internet connection, which limits their ability to learn about and use digital tools with which to promote and grow their business projects.

Women have demonstrated the capacity to enter into all economic and productive spheres, leaving as proof of their capacity, the results of the same. They are the great potential to prevent the depopulation of rural areas and, although there is still a long way to go, entrepreneurship can guarantee and improve the quality of life in rural areas as well as access to services and products that are normally beyond their reach.

3. DIFFERENCES BETWEEN RURAL DEVELOPMENT AND ENTREPRENEURSHIP



Rural development and entrepreneurship are concepts that are interrelated and can be complementary. They are distinct concepts that focus on different objectives and approaches.

Rural development focuses on improving the quality of life of rural communities and entrepreneurship focuses on creating profitable and sustainable businesses.

These differences can be classified into several types:



FOCUS

Rural development focuses mainly on improving the economic, social and environmental conditions of rural areas and their communities, while entrepreneurship focuses mainly on the creation and development of new businesses and ventures.



OBJECTIVES

The main objectives of rural development are to improve the quality of life and well-being of people living in rural areas. This is often pursued through policies and programmes that encourage economic growth, job creation and improved public services. In contrast, the goal of entrepreneurship is the creation of profitable and sustainable businesses that generate profits and contribute to economic development.



SCOPE

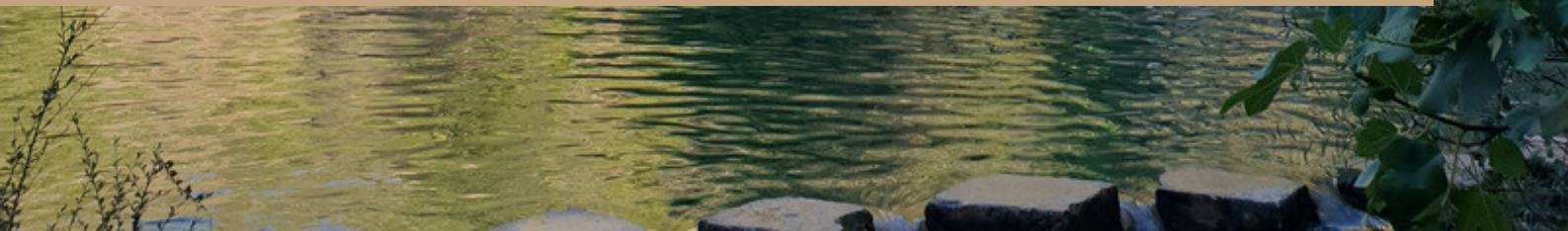
Rural development can involve a wide variety of actors, including governmental, non-governmental and community-based organisations, while entrepreneurship focuses primarily on individuals and private businesses.



INNOVATION

Entrepreneurship often focuses on innovation and creativity to develop new products or services that address specific market needs or problems, while rural development often focuses on more traditional and long-term solutions to social and economic problems.

4. SECTORS FOR ENTREPRENEURSHIP IN RURAL AREAS.



There is a huge variety of business ideas that women could consider when starting a business in a rural area, thus overcoming the problems and challenges they face on a daily basis. The specific needs of each community in which you want to start a strong and sustainable business must be taken into account in order to be successful.

Some of the activities could be:



SUSTAINABLE AGRICULTURE

Producing organic food to address environmental challenges and the lack of access to healthy food in rural areas.



LEISURE, ENTERTAINMENT AND SPORTS ACTIVITIES

Thanks to more affordable prices, it can be a good option, such as a crossfit room, which needs little investment in machinery or personal training services in nature, with elaboration of nature trails and adventure sports.



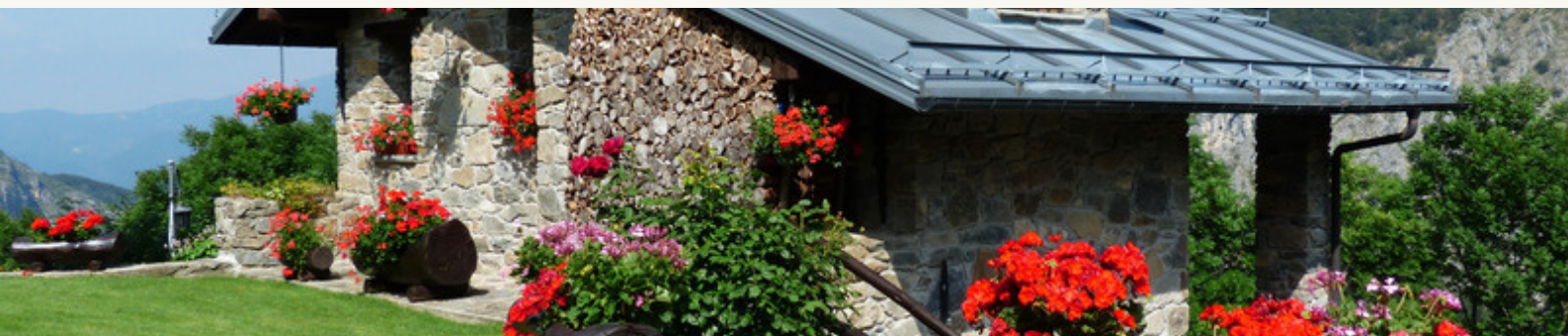
HANDCRAFTS AND TEXTILES

Using local materials and traditional local techniques, creating unique and quality products that can be sold locally, nationally and internationally thanks to online commerce.



RURAL TOURISM

Creating businesses that promote the culture and natural, ethnographic or artistic heritage of the area, thus generating benefits for the community and for itself.



TELEWORKING OR FREELANCE PROFESSIONAL

With a good internet connection it is possible to develop the activity from anywhere.



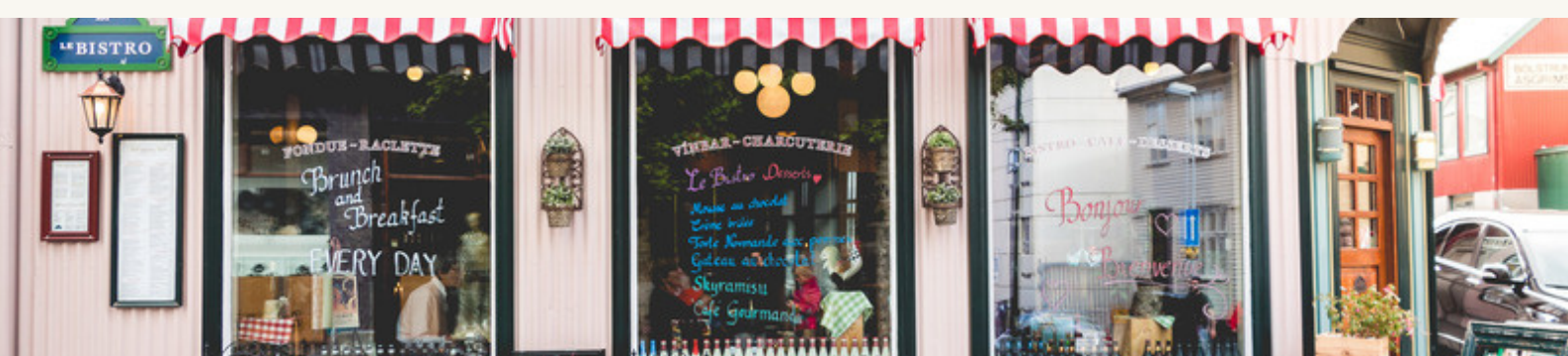
HEALTH AND BEAUTY SERVICES

Creating businesses such as mobile clinics and wellness centres or caring for the elderly as social services in their own homes.



FAIR TRADE

Women can set up fair trade businesses that promote fairness in the trade and production of local products, helping to ensure that local farmers and producers receive a fair price for their products.



RENEWABLE ENERGY

By creating businesses that promote the use of renewable energy, such as solar and wind power, addressing the lack of access to electricity and environmental challenges in rural areas.



5. DEVELOPMENT OF BUSINESS MODELS IN RURAL AREAS.

This can be a challenge largely due to the complexity of the environment and the severe lack of resources and business support. With proper planning and the use of the right strategies, rural entrepreneurs can create successful and sustainable business models that meet the needs and demands of the rural community.



Identify market needs and demands:

Before starting any business model, it is important to understand the needs and demands of customers in the rural area. This may include agricultural services, rural tourism, transport services, health services, among others. By understanding the needs and demands of the market, entrepreneurs can design business models that meet the needs of the rural community.

Leverage the competitive advantages of the rural area

Rural areas have certain competitive advantages that can be leveraged to develop a successful business model. For example, agricultural enterprises can take advantage of the availability of arable land and natural resources to create a food production business. In addition, rural tourism can take advantage of the area's natural landscapes and cultural heritage to attract tourists.

Establish strategic alliances

Strategic alliances with other entrepreneurs and organisations can help rural entrepreneurs access additional resources and expertise. For example, farmers can work together to create a cooperative and share the resources needed to produce and market their products.



Seek funding and business support

Funding and business support can be difficult to obtain in rural areas, but there are governmental and non-governmental organisations that offer resources and support programmes for rural entrepreneurs. These programmes can include loans and grants, business counselling, training and other resources.



Use technology and digital tools:

Technology and digital tools can be very useful for rural entrepreneurs in terms of improving efficiency and productivity. For example, mobile apps can help farmers monitor the growth of their crops, while e-commerce can help rural businesses reach a wider audience online.

6. THE PROBLEMS OF SMES IN THE RURAL ENVIRONMENT

Small and medium-sized enterprises (SMEs) in rural settings often face a number of challenges and obstacles to their own growth and development. To address these problems, it is important that SMEs receive adequate support and resources, such as financing, training and business development programmes, as well as government policies and programmes that encourage economic development in rural areas.



Access to finance:

SMEs in rural areas often find it difficult to access finance and capital for growth and expansion, due to the lack of financial institutions and investors in these areas.

Lack of infrastructure:

Lack of infrastructure, such as roads, transport services, communication services and access to energy, can make it difficult for SMEs to operate and limit their ability to reach new markets and customers.

Difficulties in finding skilled workers:

SMEs in rural areas may have difficulty finding skilled workers due to a lack of training and education programmes, which limits their ability to compete in the market.



Competition from large companies

SMEs in rural areas often face fierce competition from large companies and chain shops, which have more resources and the ability to offer lower prices and a wide variety of products and services.

Demographic and social changes:

Changes in population and demographic trends, such as the ageing of the rural population and migration of young people to urban areas, can limit the market and demand for SMEs in rural areas.





Lack of government support:

Lack of government support, such as policies and programmes that encourage business development in rural areas, can limit the ability of SMEs to grow and develop.



PROJECT WOBIS INFO

**Enhancement of
Rural Women's Associations
as a Chance for
Growth of Women
Entrepreneurship**

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www.wobis2022.eu**

**FACEBOOK PAGE
WOBIS**

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NA SLOVENSKU



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