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Block 2 - Module 1

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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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.

1. RURAL ENTREPRENEURSHIP





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.





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:

1. Access to finance. Mainly due to lack of access to financial resources and lack of collateral to back loans.

2. WOMEN AND RURAL AREAS. CHALLENGES TO BE FACED

2. 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 intervene.





3. Lack of business support. Caused by the difficulty of access to business support programmes that allow them to develop their basic business skills and knowledge. It should be borne in mind that more than half of self-employment in rural areas is created by women, who are also committed to entrepreneurship in services and products that are lacking in their environment.

4. 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.

5. Access to technological developments. 60% of municipalities in rural areas do not have broadband connection, which limits their ability to learn about and use digital tools to promote and grow their business projects.

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



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:



1

Focus: rural development focuses primarily on improving the economic, social and environmental conditions of rural areas and their communities, while entrepreneurship focuses mostly on the creation and development of new businesses and ventures.

2

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.

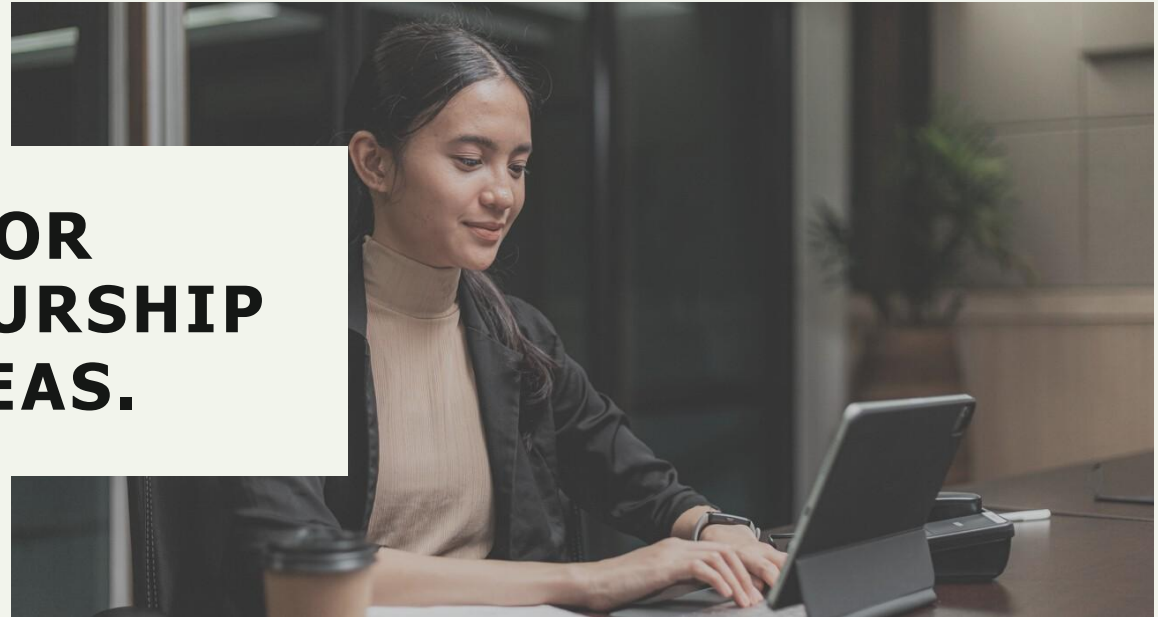
3

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.

4

Innovation focus: 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 have to face on a daily basis. The specific needs of each community in which they wish 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.

HANDICRAFTS 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 issue can be a challenge in large part due to the complexity of the environment and the great 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.



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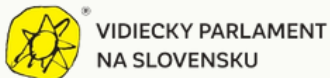
Identify market needs and demands: Before starting any business model, it is important to understand the needs and demands of customers in the rural area. This may include agricultural services, rural tourism, transport services, health services, among others. By understanding the needs and demands of 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. 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.

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.

Use technology and digital tools: these can be very useful for rural entrepreneurs to improve efficiency and productivity.



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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.

The main problems they encounter are as follows:

6. THE PROBLEM OF SMES IN THE RURAL ENVIRONMENT





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.

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.

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.





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.

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.

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.





PROJECT WOBIS

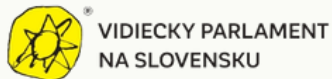
Enhancement of
Rural Women's
Associations as
a Chance for
Growth of Women
Entrepreneurship

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