



## Asian Productivity Organization “The APO in the News”

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### FNU to promote rural entrepreneurship



Participants at the rural entrepreneurship workshop

Insufficient enabling of the environment (ecosystem) for rural entrepreneurship to start, flourish and graduate to higher levels is one of the findings from a recent training workshop on Rural Entrepreneurship Development hosted by the Fiji National University.

The weeklong workshop held in March in Nadi was organised by the National Training and Productivity Centre of the FNU in partnership with Asian Productivity Organisation (APO).

24 participants from 13 countries, i.e. Bangladesh, Cambodia, Republic of China, Fiji, India, Indonesia, IR Iran, Mongolia, Nepal, Pakistan,

Philippines, Thailand, and Vietnam, and five local observers attended the training course at Hexagon International Hotel.

The objective of this training was to enhance participants' knowledge and understanding of the concepts and principles of entrepreneurship development.

*"The execution of this course was timely and relevant if we reflect that tradition and the norm have been unable to arrest or improve our rural areas through the past generations."*

Director NTPC, Kamlesh Prakash said FNU will endeavour to do its best to enhance the activities promoting rural entrepreneurship in the country which in turn will help in creating a sufficient environment for all.

"The execution of this course was timely and relevant if we reflect that tradition and the norm have been unable to arrest or improve our rural areas through the past generations. It is therefore prudent to incorporate entrepreneurial skills to positively impact our rural communities to bring about improved sustainable production, economic growth and improved standard of living.

"We at the Fiji National University strongly support this initiative and are in the midst of strengthening and developing our programmes and facilities that would promote entrepreneurship in the country through the five Colleges and the NTPC," said Mr Prakash.

This finding further stated that there are insufficient sectoral programs to create opportunities for rural entrepreneurship to develop and no horizon (Time) tracking of rural enterprises.

Another key finding stated that shortage of labour in rural areas is becoming more common. Population in rural areas, particularly of the younger generation was declining as a result of outmigration from rural areas due to lack of jobs, inadequate basic amenities of life, and absence of opportunities to expand experience.

*(Continue on pg 5)*

# Workshop outcome



Workshop key facilitators during discussions

## Findings (Opportunities, Challenges & Impediments)

1. Rural Communities are resilient
2. People have the innate capacity to survive, evolve and develop despite obstacles
3. People respond more to participation rather than intervention
4. Too many government agencies are involved in SME and entrepreneurship development. There is lack of an Integrated Framework on Rural Entrepreneurship [Government programs are implemented based on vertical (silo) mandates and not whole of government approach;
5. Spatial (Community) integration and coordination are lacking while no Private-Public Partnership (PPP) is in place for Rural Entrepreneurship though there are some isolated efforts.
6. Insufficient enabling environment (ecosystem) for Rural Entrepreneurship to start, flourish and graduate to higher levels. There are insufficient sectoral programs to create opportunities for Rural Entrepreneurship to develop; No horizon (Time) tracking of Rural Enterprises; Support Mechanism (Soft and Hard) not easily accessible to graduate Rural Enterprises; Inadequate sources of funding from financial institute.

7. Prospective and current rural entrepreneurs have limited access to holistic purposive capability and capacity building programs [Business Support Services do not match scope of requirement of rural entrepreneurship; Geographical Accessibility of Support and Training Mechanisms]

8. Shortage of labor in rural areas is coming more common. Population in rural areas was declining as a result of outmigration from rural areas due to a lack of jobs, inadequate basic amenities of life, and absence of opportunities to expand experience. While the minimal wages in many countries are increasing and people are feeling more comfortable to look for job as employee in urban areas and not really want to start up their own enterprise, in particular, since young generation is migrating from rural areas to big city.

9. Lack of KPIs for measuring effectiveness and achieving outcomes of programs
10. Lack of Transparent system in case of advancing grants, loans, etc., for entrepreneurship development
11. Political instability, lack of entrepreneurship culture, severe shortage of energy, and limited capacity to absorb technology were cited as constraints.
12. Knowledge and skill gaps (Limited exposure to business; lack of management experience and business skills) were highlighted as constraints
13. Lack of market access was another impediment
14. Most of the rural entrepreneurs fail to get external funds due to absence of tangible security and credit. Besides this, the pro-

cedure to avail the loan facility is very time consuming that its delay often disappoints the rural entrepreneurs

## Recommendations

1. Convene consultative dialogue with Ministries / Departments/ Chambers/Associations for devising rural entrepreneurship policy to encourage convergence and directed focus to promote entrepreneurship culture.
2. Establish and strengthen the rural technology-based incubation centres promotion programs. International organizations like APO could take the lead.
3. Develop productivity enhancement and entrepreneurial management skills, including soft skills, in the existing enterprises.
4. Encourage and develop the public-private partnerships (PPP) for policy implementation at the central, provincial and local levels.
5. Develop Dedicated Financial Instrument (DFI) as a "Challenge Fund" for promoting rural entrepreneurship.
6. Identify sectors based on the local needs and establish on an immediate basis Global Value Chain Analysis Program.
7. Promote on priority basis the rural entrepreneurial culture and change in the mindset of local people/communities as those are critical for promoting rural entrepreneurship implementation.
8. Need for comprehensive program (institutional and programmatic) on capacity building on rural entrepreneurship in terms of knowledge, skills and attitude.
9. Rural entrepreneurship development requires strong role of Business Development Service (BDS) Providers. APO should consider developing a program on 'BDS and its strategic consideration' for those member countries that consider BDS development as their national priority.
10. Develop training manual and reading materials on Rural Entrepreneurship Development.