

Rural Entrepreneurship Development: findings and recommendations

The APO, in partnership with the Ministry of Employment, Productivity and Industrial Relations and National Training & Productivity Centre of Fiji National University, organized the training course on Rural Entrepreneurship Development (RED) in Nadi, Fiji, 2–6 March 2015. Twenty-three participants from 13 countries and five local observers attended. Three resource persons from India, Pakistan, and the USA conducted the course. In addition, one local resource person made a special presentation to share her research findings on the rural entrepreneurship system of Fiji.

The topics covered in the training course included: concepts and principles of and problems and challenges in entrepreneurship development and unique features of RED; managing the business cycle including supply chain process, value chain analysis, and marketing strategies; policy framework development and how to engage sponsors and other institutions; process of highlighting problems and their solutions/project cycle management; formulation of development plans and projects; monitoring and evaluation of RED projects; and successful examples of rural entrepreneurs.

In addition to lectures, case studies of successful rural entrepreneurs, and sharing of country experiences in RED, the participants visited a farm and nursery operated by the Pacific Harvest Co. Ltd., which produce and export papayas and other fruit to Australia and Hong Kong, among other markets. Participants from each country separately summarized their findings from the course, identified issues and challenges in furthering RED in their national environments, and formulated action plans to address them. The participants also identified individual follow-up action plans they planned to undertake after returning home. On the final day, resource persons, participants, and implementing organizations evaluated the course. The participants also drafted the following set of findings and recommendations for promoting rural entrepreneurship in developing APO member countries and elsewhere.

Findings

1. Rural communities in Asia and the Pacific 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.
5. An integrated framework on RED is lacking. Government programs are implemented based on vertical (silo) mandates and not on a government-wide approach.
6. Spatial (community) integration and coordination are lacking, while no public–private partnerships (PPPs) are in place for rural entrepreneurship, although there have been some isolated efforts.
7. There is an insufficient enabling environment (ecosystem) for rural entrepreneurship to start, flourish, and graduate to higher levels. There are few sectoral programs to create opportunities for rural entrepreneurship to develop and no horizon (time) tracking of rural

enterprises. Support mechanisms (soft and hard) are not easily accessible to build up rural enterprises, and sources of funding from financial institutions are inadequate.

8. Prospective and current rural entrepreneurs have limited access to holistic, specific capability- and capacity-building programs, e.g., business support services do not match the scope of requirements for rural entrepreneurship and geographic access to support and training mechanisms is difficult.
9. Shortages of labor in rural areas are becoming more common. Populations in rural areas are declining as a result of outmigration due to a lack of jobs, inadequate basic amenities, and absence of opportunities to expand experience. As the minimum wage in many countries is increasing, people feel more comfortable as employees in urban areas and do not really want to start up their own enterprises, in particular since young people are migrating from rural areas to big cities.
10. Key performance indicators for measuring the effectiveness and achieving outcomes of RED programs are needed.
11. Transparent systems are not in place for offering grants, loans, etc., for entrepreneurship development.
12. Political instability, lack of an entrepreneurship culture, severe shortages of energy, and limited capacity to absorb technology are constraints.
13. Knowledge and skill gaps (limited exposure to business; lack of management experience and business skills) are additional constraints.
14. Lack of market access is an impediment to RED.
15. Most rural entrepreneurs fail to obtain external funds because they do not have tangible security and credit histories. Procedures to take advantage of loan facilities are very time-consuming, and delays often disappoint potential rural entrepreneurs.

Recommendations

1. Convene consultative dialogues with ministries/departments/chambers of commerce/associations to draft rural entrepreneurship policies that will encourage convergence and a directed focus to promote an entrepreneurship culture.
2. Establish and strengthen rural technology-based incubation center promotion programs. International organizations like the APO could take the lead.
3. Develop productivity enhancement and entrepreneurial management skills, including soft skills, in existing enterprises.
4. Encourage and develop PPPs for policy implementation at the central, provincial, and local levels.

5. Develop dedicated financial instruments as “challenge funds” for promoting rural entrepreneurship.
6. Identify sectors based on local needs and immediately establish a global value chain analysis program.
7. Promote a rural entrepreneurial culture on a priority basis and change the mindset of local people/communities as these are critical for promoting RED.
8. A comprehensive program (institutional and programmatic) for capacity building in rural entrepreneurship in terms of knowledge, skills, and attitude is needed.
9. RED requires that business development service (BDS) providers play a major role. The APO should consider developing a program on BDS and its strategic considerations for member countries that consider BDS a national priority.
10. Develop a training manual and reference materials on RED.

The participants resolved that they would do their utmost to promote RED in their countries by utilizing the knowledge, skills, and insights gained from this course and to disseminate them for multiplier effects.