

Evaluation of the factors affecting the entrepreneurship adoption among rural communities (Case study: Kan-Souleghan)

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Extended Abstract

Introduction

The study is to examine the entrepreneurship as a factor affecting rural development in Iran. Generally, rural development is seen as a process by which community is able to maximize its control and use of the material resources to change quality of their life. Changes in people standard of living, particularly upwardly, is often considered as an indication of a government success in reaching rural development, particularly in traditionally rigid structures.

Many rural families need to diversify their sources of income and employment in increasingly smaller parcels of land, low agricultural productivity, volatile weather conditions and soil erosion. Entrepreneurship promoting strategies to diversify rural economic activities, including the development of non-farm economic activities and facilitating the transition of informal activities into the formal growth sector is a very important tool for development of the rural communities in Iran. Local communities often show different reactions to the extent and speed of adoption of an innovation. These reactions depend on the characteristics of innovation and the people who accept these innovations. Basically, these factors affect the rate of diffusion and acceptance of entrepreneurship between target populations.

Recognition of the facilitating factors and constraints for adopting the innovation has an important role in accelerating the process of development in the society. Thus, this study intends to use this aspect to study the diffusion of entrepreneurship in rural communities.

Methodology

The aim of the empirical research is to evaluate the main factors affecting extension of innovation and finally to apply a certain entrepreneurship in a rural areas. The research has been conducted in Kan-Souleghan rural district located in North –West Tehran. This is a descriptive and analytic research.

The research is mainly concentrated on the villages such as Ksharolya, Ksharsofla, Souleghan, and Kan with considerable amount of entrepreneurs. The data for the study have been collected by questionnaire with Likert model, the documentary method, and interviews with sample respondents to complete the questionnaire. All entrepreneurs in the research have been examined by random selection.

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The research statistical population is 2,713 people, which include 667 households in the study area. All people with entrepreneurship and innovation, about 102 households, that living in the 4 villages of Kan- souleghan are included in the sample population of the research. The data have been analyzed by SPSS using multiple stepwise regressions and combined model.

Results and discussion

Innovation is the basis of entrepreneurship that can lead to changes in the society. But the innovation must have some features that make it attractive for people to accept the new activity. However, people also need to have some characteristics to accept a new phenomenon.

Entrepreneurship in the rural area is mainly based on local knowledge and living conditions of the villagers and their livelihood. The gardening in the area was started about 50 years ago, and it developed over time. In this study, two categories of factors along with admission's elements have been investigated: characteristics of entrepreneurship and characteristics of entrepreneurs. To determine the contribution of each factor in accepting entrepreneurship by rural people, regression analysis was used to analyze the characteristics of entrepreneurship using stepwise regression method. Among all the characteristics of entrepreneurship, attractiveness and simplicity have the greatest impact on the adoption. Other characteristics of entrepreneurship such as compatibility with the experience and needs of entrepreneurs, start-up costs for market sales and profitability and availability have secondary importance.

In relation to the characteristics of an entrepreneur, entrepreneur's motivation is more effective on the adoption of entrepreneurship. Entrepreneurial characteristics that affect the amount and rate of its acceptance by local people are easiness and attractiveness of innovation, its compatibility with local people's experience and the level of skills required for entrepreneurs, cost of application, profitability (economy) and well selling in market. The entrepreneurial characteristics influencing the rate of innovation's acceptance by entrepreneur are Achievement Motivation, Confidence and self-esteem and the spirit of modernism. In general, there is a systematic relation between the characteristics of local people so each character has led to the emergence of the next character and finally it caused the acceptance of an innovation.

Conclusion

It is suggested that seminar sessions and participatory approach method should be used to explore the problems and potentials of the local community for discovering and creation of an entrepreneurship and innovations in the rural community. The entrepreneurship should be adjusted with natural and human nature of the countryside, rural activities, facilities and local knowledge. Under such conditions the speed and entrepreneurial acceptance will be increased.

Keywords: Innovation, Entrepreneurship, Acceptance, Rural development, Iran.