



Rural entrepreneurship

TOMASZ KUSIO

Krakow University of Economics, College of Economics, Finance and Law, Department of Economic Policy and Development Programming, ul. Rakowicka 27, 31-510 Kraków, Poland

✉ kusiot@uek.krakow.pl

 orcid.org/0000-0003-0508-6520

Abstract

Motivation: The issue of rural development is an important topic from the perspective of the science of territorial development for several reasons. First, from the perspective of the growing importance of cities, with which the depopulation of the countryside is associated. Secondly, from the point of view of the development opportunities of non-urbanized areas, whose position in the context of fund distribution is weak. Finally, from the point of view of the possibility of diversifying food production, to which much attention is currently being paid in Europe and around the world. However, as studies show, not only the existence, but the development of rural areas is a determinant of the development of urban areas.

Aim: The purpose of the article is to demonstrate that rural development continues to be a significant challenge, while especially important for this development is the involvement of people — entrepreneurial leaders.

Results: As a result of the study, it was possible to gain input in the form of knowledge regarding the differential impact of the rural development factors identified in the study.

The phenomenon of the possibility of digitization of social and business life, which has emerged as globalization has progressed, and quite clearly as a result of the pandemic, has shown that it is a factor of great importance in leveling the marginalization of rural areas. What's more, the entrepreneurship of rural leaders is a key element in building strategies for the development of these areas, even outweighing the factor of a financial and administrative nature.

Keywords: entrepreneurship; innovation; innovativeness; development

JEL: A11; A14; B16

1. Introduction

Urbanization is a process that will intensify (Selod & Shilp, 2021), and the increased interest in urbanized areas is not only evident in the context of migration to cities. Considerable difference between economic potentials of peripheral areas and metropolis remains to be an important factor determining migration from those areas, especially with reference to young people who frequently have high qualifications and extensive knowledge (Cymanow & Florek-Paszowska, 2014). Neither is it in the context of entrepreneurship: the urban one is also given more attention in the literature than rural entrepreneurship, which, among other things, is due to the fact that modern businesses and those emerging in developing fields of knowledge are concentrated precisely in urban centers, and a similar trend may be normative. An explanation for rural depopulation and urbanization is the difference in living standards between rural and urban areas and the bigger the economic and social differences, the higher outmigration from rural areas can be expected. Depopulation, particularly the migration of young adults, is the main reason of the shrinkage of rural communities. However, considering non-urbanized areas with geographic proximity to large urban centers, what is also characteristic in the context of migration changes is that the outflow of young people from these very areas is in turn accompanied by an inflow of people from cities, whose economic situation is better and stabilized. Their settlement (newcomers) in rural areas is associated with the intention to increase leisure comfort, and at the same time not too high a level of risk of locational peripheralization. This is because they can still benefit from the richer medical offerings of large cities, as well as cultural and resource offerings, while having free access to forests, parks and distance from the hustle and bustle of the city, which seems to be a value of growing importance and a factor supporting rural development. Sustainable rural communities should be characterized by rural resilience, enhancing villagers' business through changes in their behavior and adaptation to the changing external environment in such a way that a satisfactory standard of living is maintained. In this process, the endogenous development capability of communities is strengthened and the local social capital is enhanced when increased cooperation and trust are developed among the villagers.

Urbanized areas are characterized by a high intensity of human, financial, intellectual, often industrial resources (Czarnecki, 2008). This intensity is conducive to the creation of innovative solutions, particularly aimed at the further development of urbanized areas. Non-urbanized, rural areas are characterized by a different kind of resource wealth, the capitalization of which is the result of entrepreneurial initiatives. Therefore, resources whose concentration in rural areas can be considered insufficient include human, technological, infrastructural or financial ones. In addition to the fact that financial resources are limited in non-urbanized areas, what further hinders entrepreneurial initiatives are difficulties in accessing these resources due to limitations in their distribution.

Rural entrepreneurs are used to the lack of institutional financial support. This is evidenced by the results of surveys, which show a self-sustaining behavioral preference of entrepreneurs. In turn, it is the result of the previous lack of tradition of institutional support, to which rural entrepreneurs have simply become accustomed. Limited access to resources is one of the main reasons for rural depopulation and, consequently, lower levels of entrepreneurship, in which, after all, rural development is predicated. On the other hand, the issue of resource density, or simply the concentration of resources, provides an incentive for entrepreneurial activities, which, in turn, means that their scarcity is associated with a lower propensity to undertake entrepreneurial activities. (Malecki, 2018). As for the factors affecting the level of entrepreneurial development in non-urbanized areas, one can also mention the limited possibility of good practices, examples of such entrepreneurial activities that would lead to an increased interest in starting businesses, especially among young people. (Deller et al., 2019). The lack of a sufficient supply of examples may be due to the generally reduced number of businesses, which, compared to the wealth of diversity of businesses that open in urban areas, is due, for example, to the smaller and shrinking population living in rural areas. The issue of depopulation, therefore, may be one of those factors that significantly affect the reduced level of rural entrepreneurship.

There is a view that it is necessary to create mechanisms to support the development of entrepreneurship in rural areas, (Olmo-Garcia et al., 2023), taking into account the resources that exist in these areas (Barber et al., 2021). In terms of pro-entrepreneurial activities, the role of business entrepreneurship is important, which results in the generation of jobs, supported development or innovative activities (Amoros & Bosma, 2014). In the context of discussing business entrepreneurship in relation to rural areas, it is considered to be resource-oriented (Tabares et al., 2022), and it seems that a similar mode of addressing this topic is also more feasible in rural areas, which mainly focus on resource-based activities such as natural resources, flora and fauna, and the uniqueness resulting from natural beauty and the distance from the hustle and bustle that characterizes urban centers. However, entrepreneurship in rural areas that is geared towards capitalizing natural, unique resources in these areas needs financial support, which in this case flows more to cities. The issue of disadvantage in the allocation of funds for local, or regional, development is not equally recognized in relation to rural areas, noticeably rural areas which are characterized by much greater impoverishment than in the cases of those villages, or non-urbanized areas, where investment is more visible (Heffner & Rosner, 2009). Suburbanization to a large extent may involve these peripheral areas, whose location may favor their later incorporation into large agglomerations, thereby causing further metropolitan sprawl. In a similar mode of development of peripheral agglomeration areas, including rural regions bordering metropolitan areas, investment directions are oriented towards activities of a complementary nature, supplementing agglomeration demand in terms of accommodation,

restaurants, services, among others. An interesting view of business location is presented by Shrivastava and Dwiveli (2021) according to whom there are great advantages by virtue of doing business not in the center of urbanized or non-urbanized areas, but on the periphery of these areas. It appears that a similar mode of perceived benefits may be related to, for example, tax preferences that exist in special economic zones or other favored areas of economic activity located remotely. Thus, for this reason too, rural development issues are an important factor, given the supply-service nature of rural areas.

Rural communities for many years combat challenges and develop in a growing pattern, which is the result of entrepreneurial local people, with their attitude, knowledge, capability, willingness, and resolutions that successfully have developed new economic activities to respond to potential (urban) market demand. To do so, these communities often go through a social management transformation from individual to a more collective based system. In this process, communication and dialogue among individuals are improved and collaborations between different stakeholders also get strengthened. Villages of this type will establish and maintain effective interactions to the external environment, which provide access to financial and political capital that can have beneficial development outcomes. These communities are often discussed while food supply chains are mentioned. The question of food production and supply is usually one of main directions of rural entrepreneurship though it also emerges. Against food production as one of the main entrepreneurial activities there are more and more often raised the issues of urban farming, which find reference to rural depopulation, or “rural decay” in general. Rural decay is not only the depopulation of villages, leading in extreme cases to their disappearance, it is also the abandonment of agricultural activities, the discontinuation of the use of buildings and structures previously built for agricultural activities, including cultivation of the land and raising farm animals. Due to the projection of population formation in the 2050 perspective and related food challenges, commercial urban agriculture (CUA) is also a current issue that has been considered and studied (Campbell et al., 2023). In addition to the purely commercial focus of the production of agricultural commodities in cities, similar types of behavior by urban residents are also aimed at providing a partial supply for their own needs. In the context of urban agricultural production for commercial use, the fundamental benefit is locational proximity to customers, which research shows (Campbell et al., 2023) allows supplies to arrive quickly even if customers make sudden follow-up orders. It’s also easier to find employees, who don’t have to travel outside of cities in search of work.

According to the considerations carried out, the issue of entrepreneurship is a topic of constant relevance, and in the context of current socio-economic changes, including those related to rural depopulation and the changing role in terms of resource offerings, the importance of rural entrepreneurship is growing. The essence of local entrepreneurship has already been addressed in the literature (Borowska, 2013), among other things, in the context of social

entrepreneurship which in rural areas has a special significance which was also the subject of an empirical study whose results were used in some part in this work. Entrepreneurship can therefore be considered this type of competence (Gąsiorowska & Witeczak-Roszkowska, 2002), which leads to self-employment that is an effective means of counteracting unemployment (Szepelska, 2013), as well as stimulating the economic and social development of the region of regions.

Considering the issues of demographic changes in rural areas, the overall trend of which is negative, but against which backward migration trends are observed, also bearing in mind the natural wealth of resources, the capitalization of which distinguishes rural entrepreneurship and which is associated with the development of the leisure industry, and also bearing in mind the issues of distribution of resources, the purpose of the article was to demonstrate that rural development continues to be an important challenge, while especially important for this development is the involvement of people — entrepreneurial leaders.

2. Literature review

2.1. The growing importance of urbanized areas

Rural development is primarily concerned with strategies aimed at raising the quality of life of the people living in these areas. Taking into account the prioritization of the group of stakeholders who are the residents of rural areas, it is the highest level of satisfaction of this group, resulting from raising the level of quality of life that can be considered the primary factor for assessing the development of rural areas. In this context, one may also be tempted to say that it is the dynamics and the level of its elevation as far as quality of life is concerned that will be the leading factor in shaping activities aimed at raising the living standards of residents. Moreover, it may be that a higher level of quality of life will be perceived as a target for different groups of residents.

However, in rural areas characterized by a large increase in tourism, despite signs of economic recovery and positive growth effects, there are also signs of dissatisfaction among residents (Kachniewska, 2015). According to the survey, more than $\frac{1}{4}$ of the residents do not express satisfaction with, for example, hosting tourists from their stay in the locality and the personal relations related to this, but also with the inconveniences that relate to everyday life including parking, congestion of car and pedestrian traffic, as well as shortages of goods in stores caused by mass purchases by tourists. Similar signals of dissatisfaction among rural residents who are also providers of services to tourists are also coming from other European areas and are even more pronounced. The quality and level of development of business ventures in rural areas is lower than in urban areas, characterized by higher population densities, among other factors (McDaniel, 2002). Rural entrepreneurs place less importance on developing

business ventures on an ever-increasing scale, while their activities focus more on relating and adapting to the prevailing rural culture and lifestyle (Lamb & Sherman, 2010).

As research shows, access to capital in rural areas is difficult. In order to develop economic ventures, business ventures, access to diverse forms of financing is needed. It's not only about the start-up and early growth phases, but also the subsequent phases of business development. Among the greatest difficulties identified, barriers to business development in rural areas, the encouragement of venture capital funds to invest funds in early-stage businesses is mentioned first (Lamb & Sherman, 2010). Among small businesses, a greater number of jobs are created by start-ups (Kirchoff, 1994) against those characterized by longer periods of operation. A similar regularity, especially with regard to rural areas, may indicate the high importance of the business form of activity. As indicated by studies carried out in Poland (Kusio & Olszówka, 2020), it is business that is most clearly recognized when it comes to creating innovative changes in non-urbanized areas. However, the role of social organizations is also clearly perceived. In this context of the great importance of startups for building the local labor market, it should be emphasized that a greater propensity to create new social or economic entities is characteristic of local entrepreneurs, living precisely in rural areas (Stawasz, 2007). On the other hand, the entrepreneurial potential in rural areas should be considered lower compared to that in metropolitan areas. At the same time, this can be attributed to demographic, economic and historical factors. Lower population density, which is currently further aggravated by depopulation, determines a lower labor force potential, which represents a smaller range of potential competencies, including entrepreneurial ones. Moreover, rural areas are also characterized by a lack of entrepreneurial traditions, which does not mean that these areas are not characterized by a demand for entrepreneurial behavior and attitudes. Unfortunately, with regard to rural areas, it should be pointed out that there will also be fewer opportunities for advice.

2.2. Leaders of rural entrepreneurship

Rural development is related to the ability of rural residents to identify business opportunities that will have an impact on generating jobs, increasing the level of prosperity, and raising the quality of life (Baumgartner et al., 2013). A distinction is also made in this context between rural enterprises and enterprises in rural areas (Korsgaard et al., 2015). Some authors even believe that the question of not so much development as survival of rural communities, especially in poorer countries, will and to a large extent will depend on the ability of members of these communities to identify such opportunities to establish businesses that will respond not only to local demand, but rather to demand understood in a broader, even global, sense (Kolawole & Ajila, 2015) which poses new en-

entrepreneurial challenges for communities living in non-urbanized areas, which may have the character of so-called “forced” entrepreneurship.

Entrepreneurship is referred to in the literature, among other things, as creating change as a result of value at both the individual, organizational and societal levels (Zampetakis & Moustakis, 2007). Not every entrepreneurial initiative in rural areas has the same source of activity. Some entrepreneurial activities are the result of perceived opportunities, while some are the result of necessity, those who undertake these activities have no other choice (Reynolds, 2005), so they pursue the assumptions of forced entrepreneurship. However, notions of entrepreneurial attitudes aimed at spotting new opportunities include approaches such as (Fortunato & Alter, 2018): (1) the perspective of creation (creator), (2) the perspective of discovery. These are different from the forced entrepreneurship approach and focus more on attitudes aimed at seeing opportunities — to discover something new, or to create something new.

People living in rural areas, who until now were mainly engaged in farming and cattle breeding and whose status as farmers was undisputed, are beginning to be treated no longer as farmers, but rather as rural entrepreneurs (McElwee, 2006). Similar trends are increasingly beginning to affect rural areas in Europe, although there are also voices advocating for rural entrepreneurship to relate more to rural traditions, culture and lifestyles as they have been (Carter et al., 2017). According to some scholars, conceptualizing farmers as entrepreneurs means that agriculture should not be viewed as a way of life, but as a type of business venture implementation, making it possible to change the conditions of rural life. Agricultural entrepreneurship, as a term, is not strictly related to activities focused solely on cultivating land and raising livestock. Activities that are an expression of the entrepreneurial attitudes of rural residents are not necessarily limited to land cultivation and cattle breeding. They may currently be a rather rare form of earning an income, rather these activities are directed towards the leisure industry, managing tourists’ free time with attractions that may only be available in rural areas (Naminse et al., 2018). Perhaps for this reason, too, the difference between farm entrepreneurs (farm entrepreneur) and farmers (farmers) actually seems to concern only the element of innovation that can be applied to the conduct of daily activities of an agricultural nature. Farmers are considered to be those people whose large part of professional activity is related to agriculture, i.e. land cultivation or animal husbandry. It is from this form of activity that they earn income (McElwee, 2006). Actually, according to current trends, it should be considered whether also in agriculture there is a need to implement innovative solutions, which would have a great impact on the need for farmers to take the risk of introducing entrepreneurial solutions. The definition of a rural entrepreneur points to him as a person who manages ventures in rural settings (Henry & McElwee, 2014). In addition to the issue of the rural entrepreneur’s belonging to the local environment, with which his social capital is mainly associated, such a person is, to a far greater extent than an entrepreneur traditionally understood, oriented to local condi-

tions that he can influence through entrepreneurial activities. Hence, according to some scholars, research relating to rural entrepreneurship should focus more on individual rural farms and rural communities (Carter et al., 2017).

The orientation of entrepreneurial activity to local markets and, above all, to the needs of local communities also determines the social nature of activities. In the agricultural context, the ideas of social entrepreneurship relate to the reduction of pollution, produced by agricultural machinery, as well as the utilization of land for the benefit of local communities. The object of activity of agricultural social entrepreneurs is not only product and destination development (Nasrolahi Vosta & Jalilvand, 2014) (product and destination development), but also increasingly the tourism and leisure industry (tourism and hospitality industry) (Heidari et al. 2018), the characteristics of which have both social and business dimensions. Among the issues related to the development of tourism in rural areas, we can also mention destination leadership (Probstl-Haider et al., 2014), the essence of which is activities of a strategic nature aimed at intensifying and developing specific tourism destinations in rural areas. Anyway, in the perspective of rural development, it is important to focus on the areas of economic planning, spatial planning, vocational training and tourism marketing. Within the above four areas, the following activities are distinguished (Kachniewska, 2015): continuous observation of the socio-economic consequences of tourism development, systematic and holistic penetration of local tourism markets, diversification in terms of the local economy, identification of the tourism potential of rural areas, networking services provided in local structures and their providers, creation and support of pro-tourism legal, tax and business solutions, selective development of tourism infrastructure, adaptation of road infrastructure for rural tourism and for developing recreational services, improving the promotional offer of rural areas, increasing prioritization of the benefits derived from tourism by rural residents, improving communication with local stakeholders regarding planned and implemented development activities, prudent and responsible promotion of cultural diversity in rural areas, taking measures to increase the duration of the tourist season by, among other things, modifying tourism products from short-term to long-term, promoting tourism as a source of income in rural areas, improving employment potential for tourism service and provision of tourism services in rural areas.

The activities listed, which fit into the four areas of rural development planning, represent a possible option for targeting development policies that local authorities can use. What is missing here, however, is the perceived element of digitalization, which has stood out particularly strongly in recent years. From the point of view of the impact of digitization and informatization on entrepreneurship in the agricultural environment (Ratten, 2018), it is possible to identify the factor of direct access to a selected audience as having a significant impact on the development of this form of entrepreneurship. It is also for this reason that technology facilitates competition to a significant degree, and for this reason it can be considered more as an instrument that integrates and drives



development in the aforementioned four areas. In addition to economic or spatial planning, in which the focus on rural tourism is becoming increasingly apparent, training activities seem to be a different factor. Vocational training, in turn, allows precisely for entrepreneurial bottom-up impulses to occur, to facilitate the implementation of other development activities. The implementation of training activities, in turn, can contribute to a decidedly large extent to strengthening entrepreneurial attitudes. Vocational training in building a foundation of knowledge in agro-tourism or agricultural waste management, and at the same time building entrepreneurial attitudes, seems to be necessary in rural areas. Pro-training activities are served by surveying the existing level of knowledge, skills and attitudes of residents of non-urbanized areas. Because of the individualized nature of the skills, knowledge and attitudes possessed, training activities should also be individualized to the greatest extent. Measurement of the set of skills for the development of rural entrepreneurs in the formula of individual training — coaching, is difficult (Lyons et al., 2020) so there are also difficulties in the individual selection of the training set for raising the level of skills. For this reason, it is necessary to build financial capacity for the formula of the most individualized training program for rural entrepreneurs in the context of their material resources, but also in terms of the skills they already have for capitalizing on these resources through agritourism, among other things.

2.3. Resource-based entrepreneurship

Rural entrepreneurship, the understanding of which focuses on local leaders and the local environment, is claimed to be about resources: historical, natural, cultural, human, social, financial. Tourism is seen as a suitable and effective means of development in rural areas, so far already popular with tourists, phenomena of a negative nature indicate the need for consideration of this topic. Among the negative effects of tourism are infrastructural activities that negatively affect the image value of rural areas. This is particularly evident and noticeable in areas rich in tradition and culture. Buildings that are not only incompatible with the landscape of culture, tradition and even the environment do not necessarily serve the full development of an area, where often it is the values of tradition that have a great impact on the power to attract tourists.

It is believed that the increase in the dependence of rural areas and activities in these areas on tourism is due to declining agro-cultural opportunities, the declining importance of industry in rural areas, and little infrastructure development (Probstl-Haider et al., 2014). Rural tourism is even considered an imperative for rural development, including increasing local prosperity, as well as raising the quality of life of rural residents. An interesting phenomenon that can be observed considering the development of rural tourism is not only the increase in competition between rural tourism regions, but also the expansion of the customer base to include those from abroad. Cultural heritage and tra-



ditions are identified as components of rural tourism, while such niche types of tourism as agricultural tourism, nature tourism, adventure tourism and ecotourism have emerged under the umbrella of the rural tourism concept (Lane, 2009; Probstl, 2010).

Rural tourism includes (Bramwell & Lane, 1994): heritage, nature, art, health, education, sports, adventures, activities of an agricultural nature and refers to the implementation of these activities in rural areas. The above definition can be further supplemented with folklore, daily customs, traditions, values and beliefs. The indicated factors that characterize the destination of trips to rural areas can be equated as the so-called tourism qualities of these areas. Rural tourism product development depends on a number of factors, among which can be distinguished (Medlik, 2003): quality of human resources, entrepreneurship of villagers, hospitality of villagers, basic skills relating to tourism service and marketing competence, awareness of the elements that determine the attractiveness of rural areas, ability to cooperate and form mutually beneficial relations with their environment. It also depends on the influence of stakeholders, who can be divided into three main groups (Kachniewska, 2015): tourists, providers of tourism services, residents who do not directly benefit economically from tourism. In turn, on the subject of the tourism product itself, which is offered in rural areas, it can be said that it is defined in a narrow perspective and in a broad perspective. In the narrow perspective, the tourism product includes individual products or services, while in the broad perspective it includes the overall offer for the tourist including accommodation and catering services. From the point of view of the growing importance of the so-called “leisure time” industry, or leisure industry, it seems that the comprehensive service defined in the category of the broad approach will increasingly strengthen, additionally in a more dynamic manner in areas where a higher volume of tourist traffic can be observed. However, what is also important, the dynamics of tourism product development is also influenced by entrepreneurship understood very broadly, namely any manifestation of it (Kachniewska, 2015). Manifestations of entrepreneurship, or entrepreneurial activity, are all the more important because, as experience shows, tourism needs are growing and tourists are showing increasing demand for diverse, complementary services that can not only satisfy their realized, but also unconscious needs. Issues of increasing adaptation of rural areas for the organization of the leisure industry are expressed, among other things, in the context of the creation of new infrastructure. Buildings being erected in rural areas, as well as in non-urbanized areas, are aimed at receiving tourists and are largely out of keeping with local building characteristics. In turn, local authorities only take initiatives to improve the infrastructure of rural regions when the nuisances and deficiencies in this area are largely perceived. Thus, it is possible to characterize what is happening in some regions, in the context of infrastructural development determined by the growth of interest in rural tourism, as unplanned and not fully coinciding with existing patterns that are embedded in culture and tradition. This is further compounded

by the shortcomings and gaps in legislation in the field of agritourism, among others.

What also currently concerns the characteristics of rural tourism is the question of the specificity, so to speak, of the tourist assets of rural areas. Either these assets are a stagnant resource or these assets are newly created, which, of course, is not necessarily applicable to all categories of assets. As an example of existing or stagnant qualities, we can use spring waters, which are a natural resource, their competitive strength is associated with the search for factors that improve health. On the other hand, there are newly developed rehabilitation facilities, which may not be related to the therapeutic effect of mineral, deep-sea waters. Agritourism can be distinguished from rural tourism, taking into account the issues of agritourism's focus on small households, offering accommodation and additional services such as catering, or those equipping visitors with knowledge of local culture, rural life in general. Rural tourism can be characterized as that which refers to spending leisure time in deforested areas, which can be largely identified with rural areas. However, the nature of the service offered differs from that provided by agritourism farms. Facilities that are built and identified with rural tourism to a much greater extent serve the realization of activities more associated with the leisure industry, such as sports, entertainment and fun including activities of an extreme nature, but not of the nature with which agritourism is associated, i.e. developing knowledge of rural life.

Among the features that can be considered important for tourism development are the developing fields of wine cultivation (Galindro et al., 2021). However, on the one hand, the tourist qualities of these areas represent values, and on the other hand, the environmental impact that can result from intensive activities is a counterbalance to the overexploitation of rural areas attractive for tourism. As shown by studies conducted at the European level (Dallhammer et al., 2020), one can see a large discrepancy in spending at the local level versus the regional level. Spending on investment, among other things, which applies to small centers and villages versus funds that are spent at the regional level. Similarly, one sees a strong disparity at the European level in terms of legal frameworks for local and regional responsibilities including spatial planning, the size of municipalities and their resources (financial and expertise).

3. Methods

Apart from the introductory literature, analysis of the survey questionnaire has been applied for this study. An analysis of the results of an empirical study, which is a part of a broader study aimed at assessing the impact of social economy on rural development. Within the framework of the above mentioned research, carried out in 2020, data were collected as a result of answering closed questions. The answers were graded according to a descriptive five-point scale (strongly agree, rather agree, difficult to say, rather disagree, strongly disagree).

The survey was based on questions sent to more than 50 respondents (representatives of PA units-communes, NGO units — Lokalne Grupy Działania, dedicated to support regional development initiatives and businesses) from Małopolska region with a request to answer the questionnaire but also for their further redistribution within their organization, so the exact number of people who were targeted with the survey questions has been unknown. These target group were chosen among those from rural or rural-urban areas and at the same time professionally involved in the development of these areas. There were also people from outside these areas representing knowledge on rural development, adults, representing NGOs as mentioned above (LGDs).

Based on the expertise of survey target group, it can be assumed that the people taking part in the survey were people with expert knowledge of rural development. The survey was conducted using the CAWI (Computer Assisted Web Interview) method. The respondents were first sent information about the research by e-mail. Then some of them were interviewed by telephone, which resulted in obtaining feedback on the questions contained in the online questionnaire. The survey was answered by 43 people, all answers were correct and complete, and therefore each of them was qualified to undergo statistical processing.

Statistical analysis was performed using SPSS software. The tools used in the statistical analysis were comparisons of data contained in graphs, as well as data from cross tabulations in which selected data were compared. The questionnaire study, whose data are the basis of analyses for this paper, was called *Study of the impact of social economy on rural development* and was aimed at obtaining the necessary information from areas of Małopolska.

It is difficult to accurately estimate the number of people who were asked to take part in the survey due to the general nature of sending a link to the survey. People who were deemed to have adequate knowledge of rural development in the Małopolska province, as well as knowledge of financing innovative projects in rural areas, such as municipal offices and local action groups in the Małopolska region, were asked to complete the survey. Due to the above inaccuracy, it is difficult to give an exact answer to the participation rate. Moreover, it is also difficult to indicate representativeness due to the number of answers, however, the cognitive value of the survey results from the group of people who responded to the problems raised in the questionnaire.

4. Results

Selected results of the 2020 *Study of the impact of the social economy on rural development* show that mostly business units are recognized as key stakeholders for rural development (Chart 1). According to the respondents, microenterprises were considered the most active entities operating in rural areas. The total cumulative value of positive answers is ca. 90%. Small enterprises were assessed as equally active, followed by medium enterprises and associations. According

to the respondents, the activity of social enterprises and foundations is hardly visible. The role of medium enterprises is more strongly perceived at the same level of significance as that of micro businesses, as indicated by the percentage of strong affirmative answers (“definitely yes”). However both the activity of microenterprises and associations whose presence is recognized and considered to have a positive impact on the development of rural areas may mean that the activity of social enterprises may also be recognized over time, as it now seems to be hardly noticed.

When asked which of the aforementioned sectors can have the greatest impact on rural development, the answers are similar, as business is again indicated first, while what seems to differ in the experts’ opinion is the level of impact on the development of these areas by different sized entrepreneurs (Chart 2).

In this context, small companies (up to 50 employees) are indicated here first, followed by medium-sized companies (up to 250 employees) and large companies (over 250 employees), and only in third place did respondents indicate micro-entrepreneurs. The differences in this prioritization are not large, but show an idea of the possible scale of impact on rural development.

This business impact on rural development does not however mean that the third sector is not noticeable. Thus, the business sector has the greatest influence on the development of rural regions. The above regularity can be deduced from the answers of respondents whose cumulative affirmative answers (“rather yes” and “definitely yes” were given to questions about the influence of medium, large, small and micro businesses.

Among the entities of the social economy sector, only the impact of associations on the development of rural areas was assessed in cumulative affirmative answers at more than 50%. A smaller half only sees the possibility of foundations and social enterprises determining change in rural areas so not only business is the most visible, but also the most effective. Foundations and associations were rated lower, although both these legal forms at a comparable level of significance.

There is also an interesting convergence between the recognition of the role of micro-entrepreneurs in rural development and the direct recognition of their impact on this development (Table 1).

In the opinion of the respondents, the impact of micro-enterprises on the development of rural regions in Poland is presented in a quite decisive way. Of the majority who cautiously but positively (“rather yes”) believe that micro-enterprises operate dynamically in their region, all of them, as well as strong supporters, believe that micro-enterprises have an impact on the development of rural regions. Micro-enterprises can therefore undoubtedly be considered an important development factor in the context of building rural development strategies.

Of the factors influencing rural development, respondents by far the most pointed to infrastructural development (Chart 3).



This is the factor that experts believe “definitely” has an impact on rural development (49%) and “rather has an impact” on rural development (also 49%). This means that virtually all respondents were unanimous about the positive impact, and half of them ranked this particular factor as the most important in a directly polarized manner. Further down the relevance rankings were such factors as subsidizing start-up businesses and subsidizing existing businesses. In both cases, the combined positive responses account for the vast majority — between 80 and 90%. There is a less polarized approach here to the recognition of these factors as very important, compared to infrastructural development. The attention of respondents to the factor of subsidizing both the establishment and development of businesses may reflect the needs that exist in this regard in non-urbanized areas.

What is also important, and seems to find justification in the results of the empirical research conducted, the main focus when it comes to the development of rural areas is seen in entrepreneurship, which offers the creation of mainly small businesses. This may also mean that business entrepreneurship is recognized as the one with the greatest impact on rural development. In addition to factors of an institutional nature, such as support for financing, business formation and development in rural areas, it also seems important to address factors of a personal nature, i.e. to residents of non-urbanized areas and their possible impact on local and regional development. In the overwhelming opinion of experts (70%), training offered to rural residents can have the expected pro-development effect on this environment. Similarly, it is recognized that social inclusion can have a positive effect (73%) on local or regional development in rural areas. On the other hand, when comparing expert responses with regard to both social inclusion and training offerings, a low level of correlation can be observed (Table 2). Thus, it can be concluded that these factors have little correlation with each other.

However, what is noteworthy is the high percentage of respondents’ answers regarding the impact of (1) including the social involvement of rural residents and (2) offering training for rural residents, on the development of these areas. Comparing the results of the impact of the trainings of rural residents and the barrier of low public involvement (Table 2), it is possible to see a concordance of statements, which, in relation to the stated greatest recognition of functioning micro-entrepreneurs in rural areas, may indicate just such a need to target activities, or development policies in rural areas.

5. Conclusion

The purpose of the article was to show the still great importance, in the context of economic development, of rural development, and especially the importance for this development of the involvement of people — entrepreneurial leaders. With regard to the categorization of entrepreneurship as that driven by the propensity to take advantage of opportunities and the so-called forced

entrepreneurship, the latter type is mentioned precisely when discussing rural entrepreneurship.

According to surveyed respondents, the entrepreneurship of rural leaders is a key element in building strategies for the development of these areas, even outweighing the factor of a financial and administrative nature. This may be due, for example, to the fact that among the business entities that were mostly recognized by the respondents as actively operating in rural areas — micro-enterprises were pointed out as those operating in the most noticeable way. Their role in the functioning and development of these regions is to the greatest extent significant and therefore perceptible. Small businesses are those entities that generate economic values on an ongoing basis in non-urbanized areas. In turn, bearing in mind that micro-enterprises as a rule are startups at the initial stage of their operation, it can also be presumed that also those entrepreneurs who start businesses in rural areas are noticed and their role and importance are equally important.

The specifics of regional development changes include the distinction between urbanized areas and non-urbanized areas, the qualification of which is also subject to further differentiation. The level of peripherality of non-urbanized areas is also very high, as literature studies based mainly on the resource factor show. Peripherality can be greater or lesser depending on the proximity of non-urbanized areas to large cities or metropolises, proximity to valuable and attractive resources of a natural or cultural wealth nature, also to industrial resources. Proximity to resources can thus be considered a factor influencing the level of regional peripheralization. Of course, we are talking about areas that are inhabited, with varying degrees of density.

While metropolitan proximity for rural areas may mean their potentially greater development opportunities that result from the agglomeration's demand for certain products or services, thereby generating funding streams for the development of these areas, areas far from the metropolis may be subject to development, but based on other determinants. To a large extent, currently the resources whose attractiveness has increased are scenic qualities, recreational opportunities, such as proximity to forests, lakes, mountains, which have an impact on the development of agritourism, or leisure tourism. The demand of busy city dwellers for communing with nature and relaxation from the hustle and bustle of the metropolitan area has resulted in the desire to provide the expected services and offer them in the manner expected by tourists, i.e. at the appropriate level of comfort, thus causing the development of rural areas.

Given the natural proximity of rural areas to growing major urban centers, as well as the proximity to natural natural and scenic resources that influence the development of the leisure industry, it seems that the development of these particular areas should not be burdened with great barriers. On the other hand, there are areas characterized by a lack of direct proximity to resources, whether metropolitan or scenic. The issue of the importance of discussing the development of non-urbanized areas has many underpinnings. Among the rele-



vant factors are the fact that there is a far greater percentage of non-urbanized and undeveloped land, and because it is in non-urbanized areas that food is produced. Moreover, as indicated by projections related to so-called population megatrends, by 2050 the world's population will reside in large cities (European Commission & Eurostat, 2016). However, what is also important in view of the outflow to cities, mainly of the younger generations, there is a so-called “backward migration” of people moving in their old age to quiet beautifully landscaped non-urbanized rural areas (Li et al., 2019). This raises the issue of the need for development in these regions. While some development economists have argued that agriculture is the key to rural development, others have argued that it is only by industrializing rural areas that development can ultimately be achieved. However, the most successful development strategy exploits creatively the synergies between both sectors by developing their complementarities and enhancing their dynamic linkages (Kay, 2009). In each of the cases mentioned, it seems that rural development is an important and relevant topic, and even more important are the issues of creating opportunities for local leaders to implement entrepreneurial activities. Micro-entrepreneurship, while it may not be the most widely recognized for generating breakthrough change, is the most important development factor in rural areas. In addition to the issue of distribution of financial resources, which disadvantages rural development, “soft” training activities for rural residents are also important. Awareness-raising activities on the possibilities of capitalizing on the unique rural resources held in the medium and long term can be of significant importance for rural development, given the dynamic development of digitalization in the world, regardless of the level of urbanization.

The article managed to collect information and carry out considerations in the field of the importance of entrepreneurship in rural areas. It was possible to confirm not only based on the analysis of the literature, but also on the analysis of the results of research, that entrepreneurship is the primary driver of rural development. Empirical data confirmed that individual entrepreneurship, but institutionalized in the form of microenterprises, is the most noticeable and thus has the greatest impact on local development. Unfortunately, the results of the research that served as empirical material are part of a broader study and not exclusively the results of such serving that the creation of this work. It seems that in order to obtain more detailed answers regarding microenterprises, it would be necessary to prepare research in terms of at least which microenterprises from which industry currently have the greatest impact on local development. Agrotourism or, more broadly, the leisure industry is currently the direction of investment of rural resources which is considered increasingly significant. Similarly, a major constraint that has accompanied the conduct of deliberations in this work is the threads of increasing digitalization and its impact on rural development. Entrepreneurship in rural areas, as indicated in the research, is related to digitization and its dynamics depend on the level of digitization development and its familiarity among residents. It also seems that among the future

directions of research relating to the assessment of the level of entrepreneurship is the assessment of the diversity of the structure of current rural residents taking into account the backward migration from cities to the countryside which results in the appearance of so-called newcomers

References

- Amoros, J.E., & Bosma, N. (2014). *GEM 2013 global report*. Retrieved 03.07.2023 from https://www.spiritslovenia.si/resources/files/doc/publikacije/GEM_Global_Report_2013.pdf.
- Barber III, D., Harris, M.L., & Jones, J. (2021). An overview of rural entrepreneurship and future directions. *Journal of Small Business Strategy*, 31(4), 1–4. <https://doi.org/10.53703/001c.29468>.
- Baumgartner, D., Putz, M., & Seidl, I. (2013). What kind of entrepreneurship drives regional development in European: a literature review on empirical entrepreneurship research. *European Planning Studies*, 21(8), 1095–1127. <https://doi.org/10.1080/09654313.2012.722937>.
- Borowska, A. (2013). Przedsiębiorczość społeczna warunkiem rozwoju lokalnej gospodarki. *Ekonomia i Prawo. Economics and Law*, 12(1), 105–114. <https://doi.org/10.12775/EiP.2013.009>.
- Bramwell, B., & Lane, B. (1994). *Rural tourism and sustainable rural development*. Channel Kiew Publications.
- Campbell, C.G, DeLong, A.N., & Diaz, J.M. (2023). Commercial urban agriculture in Florida: a qualitative needs assessment. *Renewable Agriculture and Food Systems*, 38(e4), 1–8. <https://doi.org/10.1017/S1742170522000370>.
- Carter, S., Kuhl, A., Marlow, S., & Mwaura, S. (2017). Households as a site of entrepreneurial activity. *Foundations and Trends in Entrepreneurship*, 13(2), pp. 81–190.
- Cymanow, P., & Florek-Paszkowska, A. (2014). Migration potential of college graduates from rural areas. *Ekonomia i Prawo. Economics and Law*, 13(1), 163–174. <http://dx.doi.org/10.12775/EiP.2014.013>.
- Czarnecki, A. (2008). *Rola urbanizacji w wielofunkcyjnym rozwoju obszarów wiejskich*. IRWiR PAN.
- Dallhammer, R., Mollay, U., & Tordy, J. (2020). *The EU's notification procedure under the Services Directive: implications for local and regional authorities in the light of the January 2018 ECJ ruling*. Retrieved 03.07.2023 from <https://cor.europa.eu>.
- Deller, S., Kuresb, M., & Conroya, T. (2019). Rural entrepreneurship and migration. *Journal of Rural Studies*, 66, 30–42. <https://doi.org/10.1016/j.jrurstud.2019.01.026>.
- European Commission, & Eurostat. (2016). *Urban Europe: statistics on cities, towns and suburbs*. <https://data.europa.eu/doi/10.2785/91120>.

- Fortunato, M.W.P., & Alter, T.R. (2018). Culture and entrepreneurial opportunity in high and low entrepreneurship rural communities: challenging the discovery, creation divide. *Journal of Enterprising Communities: People and Places in the Global Economy*, 10(4), 447–476. <https://doi.org/10.1108/JEC-04-2015-0026>.
- Galindro, A., Matias, J., Cerreira, A., Santos, C., & Marta-Costa, A. (2021). Prediction of viticulture farms behaviour: an agent-based model approach. In A. Thrassou, D. Vrontis, Y. Weber, S.M. Riad Shams, & E. Tsoukatos (Eds.), *The changing role of SMEs in global business* (pp. 155–178). Palgrave Macmillan. https://doi.org/10.1007/978-3-030-45835-5_8.
- Gašiorowska, E., & Witczak-Roszkowska, D. (2002). Portret osób przedsiębiorczych. In K. Piech, & M. Kulikowski (Eds.), *Przedsiębiorczość szansą na sukces rządu, gospodarki, przedsiębiorstw, społeczeństwa* (pp. 285–309). Instytut Wiedzy.
- Heffner, K., & Rosner, A. (2009). Disparities in socio-economic development of rural areas vis-a-vis transformation dynamics in the pre-accession period. In A. Rosner (Ed.), *Globalization and rural development: Chinese and central European perspectives* (pp. 11–24). Polish Academy of Sciences.
- Heidari, M., Salaudeen, S., Dutta, A., Acharya, B. (2018). Effects of process water recycling and particle sizes on hydrothermal carbonization of biomass. *Energy & Fuels*, 32(11), 11576–11586. <https://doi.org/10.1021/acs.energyfuels.8b02684>.
- Henry, C., & Mc Elvee, G. (2014). Defining and conceptualizing rural enterprise. In C. Henry, & G. McElvee (Eds.), *Exploring rural enterprise: new perspectives on research, policy and practice*. (pp. 1–8). Emerald.
- Kachniewska, A.M. (2015). Tourism development as a determinant of quality of life in rural areas. *Worldwide Hospitality and Tourism Themes*, 7(5), 500–515. <https://doi.org/10.1108/WHATT-06-2015-0028>.
- Kay, C. (2009). Development strategies and rural development: exploring synergies, eradicating poverty. *The Journal of Peasant Studies*, 36(1), 103–137. <https://doi.org/10.1080/03066150902820339>.
- Kirchoff, B.A. (1994). *Entrepreneurship and dynamic capitalism: the economics of business firm formation and growth*. Praeger.
- Kolawole, O.D., & Ajila, K. (2015). Driving local community transformation through participating rural entrepreneurship development. *World Journal of Entrepreneurship, Management and Sustainable Development*, 11(2), 131–139. <https://doi.org/10.1108/WJEMSD-06-2014-0016>.
- Korsgaard, S., Muller, S., & Tanvig, H.W. (2015). Rural entrepreneurship or entrepreneurship in the rural: between place and space. *International Journal of Entrepreneurial Behavior & Research*, 21(1), 5–26, <https://doi.org/10.1108/IJEBR-11-2013-0205>.
- Kusio, T., & Olszówka, A. (2020). The role of social economy in rural development. In V. Domanovic, & D. Zlatanovic (Eds.), *Contemporary issues in economics, business and management* (pp. 163–173). University of Kragujevac.

- Lamb, W.B., & Sherman, H.D. (2010). Developing high-growth businesses in rural areas: a study of four US States. *New England Journal of Entrepreneurship*, 13(2), 9–19. <https://doi.org/10.1108/NEJE-13-02-2010-B001>.
- Lane, B. (2009). Rural tourism: an overview. In T. Jamal, & M. Robinson (Eds.), *The Sage handbook of tourism studies* (pp. 354–370). Sage.
- Li, Y., Westlund, H., & Liu, Y. (2019). Why some rural areas decline while some others not: an overview of rural evolution in the world. *Journal of Rural Studies*, 68, 135–143. <https://doi.org/10.1016/j.jrurstud.2019.03.003>.
- Lyons, T.S., Lyons, J.S., & Jolly, G.J. (2020). Entrepreneurial skill building in rural ecosystems: a framework for applying the readiness inventory for successful entrepreneurship (RISE). *Journal of Entrepreneurship and Public Policy*, 9(1), 112–136. <https://doi.org/10.1108/JEPP-09-2019-0075>.
- Malecki, E.K. (2018). Entrepreneurs, networks, and economic development: a review of recent research. In J. Katz, & A. Corbett (Eds.), *Reflections and extensions on key papers of the first twenty-five years of advances* (pp. 71–116). Emerald.
- McDaniel, K. (2002). Venturing into rural America. *The main street economist: commentary on the rural economy*, November, 1–4.
- McElwee, G. (2006). Farmers as entrepreneurs: developing competitive skills. *Journal of Developmental Entrepreneurship*, 11(3), 187–206. <http://dx.doi.org/10.1142/S1084946706000398>.
- Medlik, S. (2003). *Dictionary of travel, tourism and hospitality* (3rd ed.). Routledge. <https://doi.org/10.4324/9780080521862>.
- Naminse, E.Y., Zhuang, J., & Zhu, F. (2018). The relations between entrepreneurship and rural poverty alleviation in China. *Management Decision*, 57(9), 2593–2611. <https://doi.org/10.1108/MD-11-2017-1153>.
- Nasrolahi Vosta, L., & Jalilvand, M.R. (2014). Examining the influence of social capital on rural women entrepreneurship. *World Journal of Entrepreneurship Management and Sustainable Development*, 10(3), 209–227. <https://doi.org/10.1108/WJEMSD-10-2013-0054>.
- Olmo-Garcia, F., Domínguez-Fabi, I., Crecente-Romero, F.J., & Val-Núñez M.T. (2023). Determinant factors for the development of rural entrepreneurship. *Technological Forecasting & Social Change*, 191, 122–487. <https://doi.org/10.1016/j.techfore.2023.122487>.
- Probstl, U. (2010). Strategies for tourism development in peripheral areas in the Alpine area. In C.A. Brabbia, & F.D. Pineda (Eds.), *Sustainable tourism IV* (pp. 3–11). WIT Press. <https://doi.org/10.2495/ST100011>.
- Probstl-Haider, U., Melzer, V., & Jiricka, A. (2014). Rural tourism opportunities: strategies and requirements for destination leadership in peripheral areas. *Tourism Review*, 69(3), 216–228. <http://dx.doi.org/10.1108/TR-06-2013-0038>.
- Ratten, V. (2018). Social entrepreneurship through digital communication in farming. *World Journal of Entrepreneurship, Management and Sustainable Development*, 14(1), 99–110. <https://doi.org/10.1108/WJEMSD-07-2017-0045>.



- Reynolds, P. (2005). The global entrepreneurship monitor: implications for Europe. In D. Andretsch, H. Grimm, & C. Wesine (Eds.), *Local heroes in the global village: globalization and new entrepreneurship policies* (pp. 173–188). Springer. https://doi.org/10.1007/0-387-23475-6_9.
- Selod, H., & Shilp, F. (2021). Rural-urban migration in developing countries: lessons from the literature. *Regional Science and Urban Economics*, 91, 103713. <https://doi.org/10.1016/j.regsciurbeco.2021.103713>.
- Shrivastava, U., & Dwivedi, A. (2021). Manifestations of rural entrepreneurship: the journey so far and future pathways. *Management Review Quarterly*, 71, 753–781. <https://doi.org/10.1007/s11301-020-00199-1>.
- Stawasz, E. (2007). Why butterflies don't leave: locational behavior of entrepreneurial firms. *Economic Geography*, 83(1), 27–50. <https://doi.org/10.1111/j.1944-8287.2007.tb00332.x>.
- Szepelska, A. (2013). Samozatrudnienie jako forma wspierania rozwoju przedsiębiorczości regionów. *Ekonomia i Prawo. Economics and Law*, 12(1), 69–80. <http://dx.doi.org/10.12775/EiP.2013.006>.
- Tabares, A., Londono-Pineda, A., Cano, J.A., & Gomez-Montoya, R. (2022). Rural entrepreneurship: an analysis of current and emerging issues from the sustainable livelihood framework. *Economies*, 10(6), 142. <https://doi.org/10.3390/economies10060142>.
- Zampetakis, L.A., & Moustakis, V. (2007). Entrepreneurial behavior in the Greek public sector. *International Journal of Entrepreneurial Behaviour and Research*, 13(1), 19–38. <http://dx.doi.org/10.1108/13552550710725165>.

Acknowledgements

Author contributions: author has given an approval to the final version of the article.

Funding: this research was fully funded by the Krakow University of Economics.

Note: the results of this study were presented at *12th International Conference on Applied Economics Contemporary Issues in Economy* (June 29–30, 2023, Poland).



Appendix

Table 1.

The opinion of people who consider micro-enterprises in their region to be dynamic, on the impact of these micro-enterprises on rural development

Micro-business can be described as dynamic in my region (municipality/powiat)	Microenterprises have an impact on the development of my region (municipality/powiat)					total
	rather no	rather yes	hard to say	definitely no	definitely yes	
rather no	1	1	1	0	0	3
rather yes	3	16	4	1	2	26
hard to say	0	0	2	0	0	2
definitely yes	1	4	0	0	7	12
total	5	21	7	1	9	43

Source: Own preparation.

Table 2.

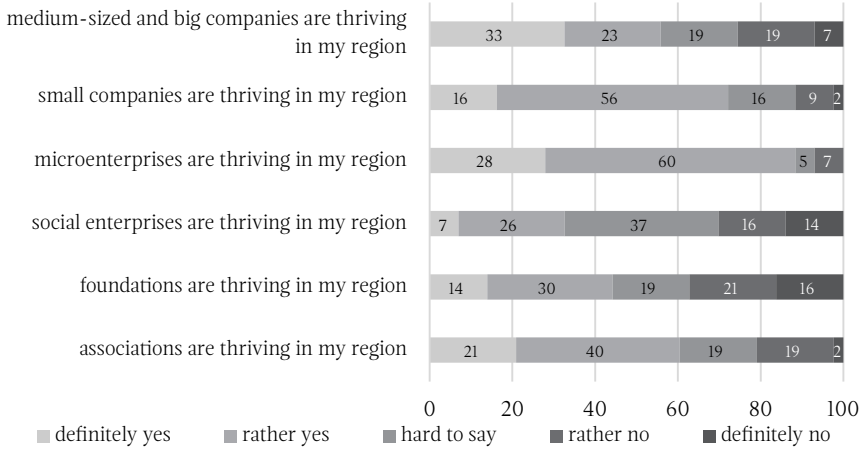
Opinion of people who recognize the positive impact of social inclusion of residents on the development of rural regions, on the impact of social enterprises on this development

I believe that social enterprises can be described as having an impact on the development of my region (municipality/powiat)	I believe that social inclusion of residents has an impact on the development of rural regions (municipality/powiat)					total
	rather no	rather yes	hard to say	definitely yes	total	
rather no	1	4	2	1	8	
rather yes	0	7	2	2	11	
hard to say	1	7	3	4	15	
definitely no	0	3	1	1	5	
definitely yes	0	2	0	2	4	
total	2	23	8	10	43	

Source: Own preparation.

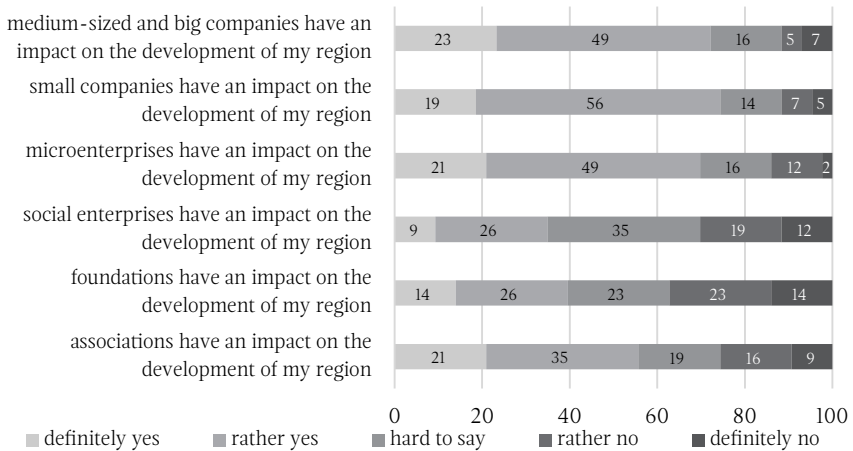


Chart 1.
Most active entities in rural regions (%)



Source: Own preparation.

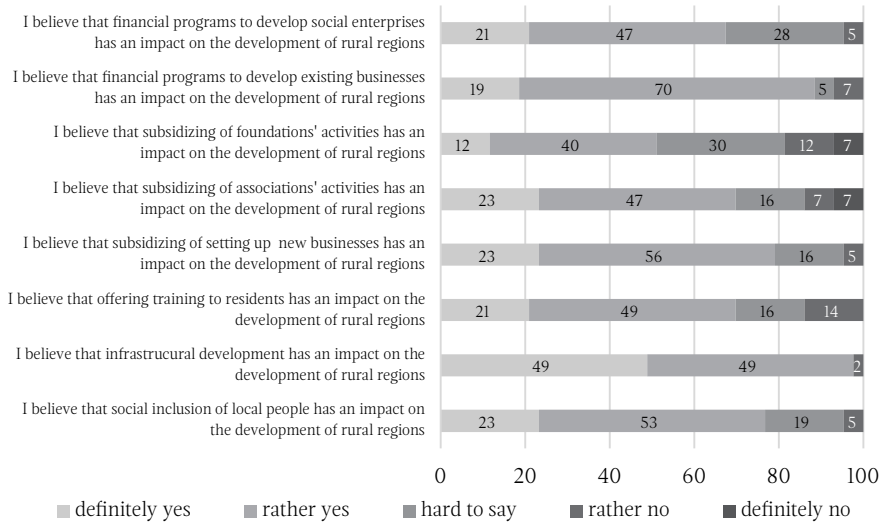
Chart 2.
The opinion on the impact of different entities on the rural development (%)



Source: Own preparation.



Chart 3.
Factors determining rural development (%)



Source: Own preparation.

