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Significance of Female Entrepreneurship in Rural Development

Abstract. *The article presents Poland's rural area as a significant social-cultural and economic entity, whose main sustenance, agriculture has declined in recent years. The economic activity of the rural populace, including rural females and their potential for rural development is elaborately discussed. Activating the female population through female rural entrepreneurship is presented in the article as a potential stimulant of rural economic development. The study relies on the analysis of secondary data sourced from statistical records (GUS/CSO), government ministerial publications and findings of empirical studies. The article contributes to research in the field of female entrepreneurship and rural development.*

Keywords: *rural development, female entrepreneurship, rural women, diversification, skills acquisition*

1. Introduction

Agriculture has been acclaimed the most potent and enduring symbols of Poland's rural development and sustainability. The liberalization of economic life, privatization and commercialization, following the systemic transformation of 1989 and Poland's ascension to the European Union in 2004 resulted in some farming families setting up their own businesses. For some, on-farm generated incomes were no more the only or main source of household income, but secondary, having given grounds for the flourishing of non-farming businesses [Szepelska 2014].

Some consequences of the changes are declining agrarianism and rural depopulation. Encouraging development of agribusinesses in rural areas, including the entrepreneurial skills of farmers for a competitive agricultural sector remains a cornerstone of the EU's framework for rural development 2014-2020 under the Common Agricultural Policy (CAP).

There has been increased concern on female entrepreneurship and rural development in the agricultural and social sciences. However, majority of these often concentrate on the roles of women in rural farm households. Very little study has been devoted to understudying the potentials of rural women entrepreneurship for sustainable rural development. Hence the objective of the paper is to draw attention to the abundance of labour reserve, especially females, based on available statistical data from GUS, thus contributing to the debate on investing in female entrepreneurship as a potential driver of rural development and sustainability.

2. Rural Poland: characteristic features

The rural landscape constitutes a key driver of Poland's socio-cultural and economic development, accounting for as much as 93% of Poland's total land area and providing residence for about 40% of the population in 2010 [Terelak 2012; GUS 2012; OECD Poland 2018]. Moreover, over 40% of all unregistered (hidden) unemployment in Poland reside in rural areas, majority (80.2%) of which are men and women, related to agriculture, below 34 years of age [Nurzyńska, Wilkin 2012; FIR 2011]. Table 1 is an illustration of the state of rural labour force compared to overall national data between 2010 and 2018. Hidden unemployment refers to the percentage of the population that do not seek gainful employment

Table 1. Economic activity of persons aged 15 and more regarding employment status and place of residence in Poland in 2010-2018

Years	Poland				Rural areas in Poland			
	Total (thsd)	Hidden unemployment (%)	Employment rate (%)	Unemployment rate (%)	Total (thsd)	Hidden unemployment (%)	Employment rate (%)	Unemployment rate (%)
2010	30955	44.6	50.2	9.3	11904	44.7	50.3	9.0
2012	31050	44.0	50.4	10.1	12062	43.6	50.8	10.0
2014	30970	43.7	51.7	8.1	12144	43.8	51.4	8.5
2016	30696	43.7	53.2	5.5	12171	43.6	52.9	6.1
2018	30411	46.0	54.0	3.8	12148	44.3	53.4	4.2

Source: own elaboration based on OECD Polska 2018; Nurzyńska, Wilkin 2018; Polska Wieś 2018; European Commission 2018.

despite being unemployed and therefore not covered by the official unemployment figure.

Poland's agriculture has been influenced by two predominant features namely, diminishing agrarianism, and intense fragmentation. The diminishing agrarian role of the rural sector is manifested in its inability to generate enough new jobs to cater for the employment needs of rural dwellers. The intensity of farmland fragmentation varies across Poland. The greatest is in Podkarpacie province with average farm size of 3.5 ha compared to Poland's average of 8.3 ha [Stanny, Rosner, Komorowski 2018].

Small scale production impacts significantly on the functioning, profitability and income generation of farm holdings. Poland's rural area with over 2.5 million farm holdings [GUS 2009] contributed 26.3% of the GDP in 2000, diminishing to about 25% in 2009 and 2014 respectively [OECD Poland 2018]. This has encouraged members of rural households to seek employment in non-farm related businesses [McElwee 2005].

3. Economic down-turns

The poor availability of non-farm related businesses in rural areas, coupled with their limited employability has spurred rural-urban migration, especially by skilled working age persons [Nurzyńska, Wilkin 2012]. Studies show that the male population with ready skills moves more readily [Weist 2016; OECD Polska 2018]. The result is rural depopulation, leaving the women and the post-production age (65 and over) behind. The role of females in rural economic life has registered a slow but steady growth from 46.6% in 2006 to 48.4% in 2011. The impact of the three phenomena, declining agrarianism, intense fragmentation and depopulation, has continued to exert pressure on farming households to become more entrepreneurial and multifunctional in approach, diversifying into non-farming rural business to improve the economic attractiveness of rural life. This is corroborated by the view held by the Dutch government that sees diversification in agribusiness as a stimulator of growth and development of the rural area [McElwee 2005].

Traditional agricultural farming business cannot be said to be profitable and attractive enough to sustain farm holdings. Better earning opportunities in urban areas encourage emigration from rural areas or share abandoning of farm holdings. A sizeable percentage of respondents with non-agricultural education in a 2012 survey ($N = 3200$) by Focus Group and Centrum Rozwoju Społeczno-Gospodarczego amongst rural women indicated their willingness to quit on-farm work and/or rural life (Chart 1).

4. Rural entrepreneurship and development

The need to initiate measures to boost economic life for sustainable rural development seem overtly obvious. Studies conducted by Mickiewicz and Mickiewicz [2016: 90] indicate that a sizeable percentage of farm holdings obtained more than 50% of their overall incomes from non-agricultural activities. Various solutions have been suggested in subject literature including diversification of rural economic activity, investing and engaging in non-farming rural business activities, encouraging rural as well as female entrepreneurship.

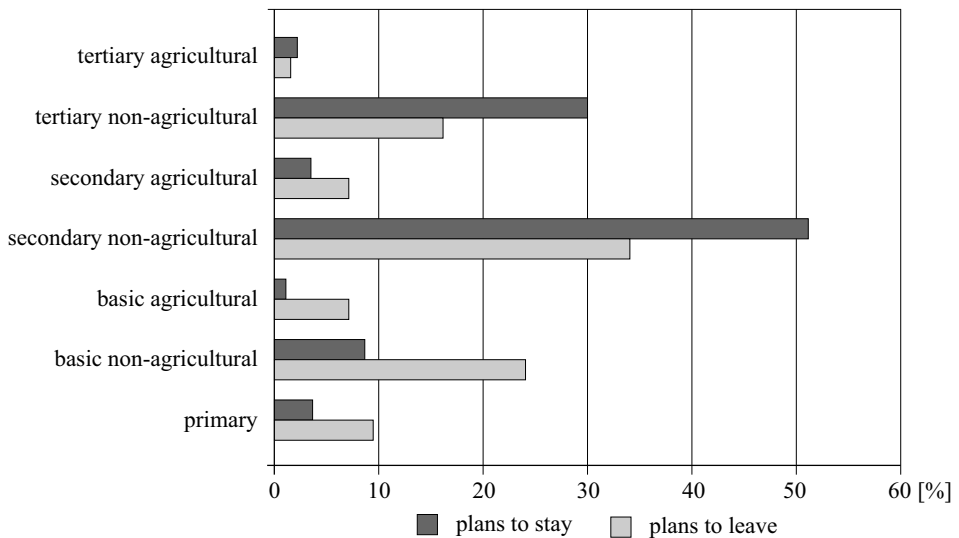
Managing own enterprises or being gainfully employed in rural enterprises is often suggested in literature [Rykowska, Sawicka, Stolarczyk 2013; Grotkiewicz, Peszek 2016; Otłowska, Buks, Chmieliński 2006] and amongst policy makers [OECD, Polska 2018] as a means for sustaining rural development and meeting the 2014-2020 goals of rural development framework. Poland's rural areas boast of abundant, still untapped potential, human resources, in the form of actively unemployed and hidden unemployed persons (Table 1), that could attract investments in non-farming business capable of generating employment and reasonable incomes for the sustenance of rural households. This does not seem to have happened as rural depopulation has continued unabated.

One emerging fact is that despite the low productivity and profitability of agriculture [Szepelska 2014: 151], non-farming business has not flourished to take advantage of the available labour (Chart 1). Indeed, incomes from non-agricultural work ranged between 10-30% for most farming families in 2013 [OECD Polska 2018]. The question that arises at this point is if anything can be undertaken by policy makers interested in rural development and sustenance to unleash the potentials existing in rural Poland? It is the contention of this paper that female entrepreneurship can be the untapped link.

5. Female entrepreneurial potentials

Empirical studies conducted on *Situation of women in agriculture and in rural areas* in 2011 [Terelak 2012] indicated that 51.4 % and 30.3% of females, holders of secondary and tertiary non-agricultural qualifications, respectively want to be attached with rural life, while another 27% aspire to gain employment in non-agricultural businesses (Chart 1). The study also revealed that women constituted more than half of the hidden unemployment in rural areas in 2010. Moreover, only about 30% of women respondents in a study conducted by the Ministry of Agriculture and Rural Development in rural areas declared having a professional qualification [Sikora 2014]. An earlier report put together by the Focus Group in

Chart 1. Rural female population in Poland, aged 15 and more, their education and residence intentions



Source: own elaboration.

2011 indicated that a mere 21.7% of rural women, aged 15-64 years, claimed to possess a tertiary degree. The conclusions from these studies are pointers to two facts. First, there is abundance of potential labour force, females, in rural areas. Second, based on deduction since there is lack of comprehensive data on the issue, is that a large chunk of females in rural Poland may not have the necessary skills and competences to fulfill the employment requirements of in-coming businesses or to efficiently manage own businesses. This is reflected in the EU sponsored study which concluded that women living and working in the countryside would willingly spend their lives in rural communities if provided the opportunity to gain professional experience and raise their qualifications, thus improving their skills, competences and employability, amongst others [European Commission 2000; Grotkiewicz, Peszek 2016].

Rural non-farming employment is achievable via two approaches namely, in-flow of new enterprises or self-employment by rural women. The high rate of women, with non-agricultural qualifications, willing to abandon the rural communities is an indication that job offers from inflowing enterprises have been limited and discouraging. What, then makes the rural area unattractive for business investors? A report put together by Polish Society for Social Policy under the Sectoral Operational Program “Human Resources Development” [Auleytner 2007] provides the following, amongst others, as barriers to rural investments:

- bureaucratic difficulties in registering and setting up enterprises,
- lack of vision and strategy by local government authorities, especially in designing social policies regarding rural women,
- rather passive approach by local authorities in creating employment as well as attracting entrepreneurs,
- limited demand existing in rural markets,
- lack of rural entrepreneurs,
- an entrepreneurial ecosystem that is lacking in advisory and training institutions, information sources as well as service and media providers.

Entrepreneurship is generally accepted as a driver of economic development, rural development and sustainability. In deed the European Commission's Green Paper on Entrepreneurship in Europe which emphasis the need for Europe to encourage entrepreneurial drives for more efficiency [European Commission 2003: 2] defines entrepreneurship as "a mindset and process to create and develop economic activity by blending risk-taking, creativity, and/ or innovation with sound management within an organization" [McElwee 2005; European Commission 2003]. This reflects Man et al. 2002 [Ohimor 2017] competency clusters namely, opportunity, relationship, conceptual, organizing, and strategic and commitment competencies. Two questions arise following the EC definition. First, does the rural woman have the mindset to set up and grow a rural enterprise and provide employment, thus contributing to rural development? Second, does the local environment, political and social institutional frameworks, facilitate females' efforts to develop non-agricultural businesses? The questions suggest activating rural women by demonstrating to them the possibility and benefits of combining family and professional roles.

Table 2. Factors militating against female entrepreneurship in Poland's rural areas

Objective factors	Subjective factors
<ul style="list-style-type: none"> – distance to educational institutions – lack of care facilities for babies and the elderly – difficulties communicating to work places – limited access to the Internet – lack of job offers in their closest localities – inconsistency between qualifications of rural women and labour market requirements – non-availability/ scarcity of training offers (rebranding) for adult rural females – inadequate possibilities of employment with flexible working patterns – limited access to financial institutions 	<ul style="list-style-type: none"> – burdens of family roles as family carers – passive attitudes in seeking employment – lack of motivation to accept job offers – low motivation to undertake lifelong learning – lack of faith in one's capabilities – gender discrimination in work places – insufficient interest in the use of business advice networks – low entrepreneurial culture amongst rural women

Source: own elaboration based on Sikora 2014; Terelak 2012; OECD Polska 2018.

Rural women have, however, faced upheavals in their attempts to marry tasks of household maintenance with working outside their local communities. Some barriers rest within the rural women themselves, e.g., their feeling of embarrassment in new work situation [Sikora 2014], their readiness to ditch ambitious carrier plans for the well-being of their families as well as their passive attitude in searching for work [Terelak 2012]. Women also have the tendency to perceive themselves as deficient in entrepreneurial skills [OECD 2018]. However, the most commonly mentioned hurdles to female entrepreneurship in rural Poland can be grouped into objective and subjective factors (Table 2).

Other factors also mentioned in subject literature include: difficulties in accessing investment capital, almost inexistent or ineffective entrepreneurial networks as well as discouraging tax policies of local governments, access to mentors and cultural ideals of strong women business.

6. Supporting female entrepreneurship for rural development

Female population in rural Poland constitute a significant force that cannot be neglected in matters of improving quality of life for rural development and sustainability. It seems obvious, therefore to implement programs encouraging the development of non-agricultural sources of incomes for rural females. This seems to reflect the opinion of the International Labour Organization [ILO 2016] regarding fostering rural development. This is also supported by an interview-based study conducted by the Development Initiatives Forum (FIR) of the European Fund for the Development of Rural Poland in 2011 [FIR 2011], confirming the need for rural entrepreneurs, including female, to possess key skills and competences as:

- managing, organizing and planning competences,
- capital acquisition skills,
- creativity,
- risk-taking,
- communication and networking skills,
- visionary and opportunity catching skills,
- problem-solving and crisis management skills.

If female entrepreneurship is to enhance development, then measures ought to be taken to eliminate or reduce impacts of some of the listed barriers and also provide skills acquisition opportunities. Such measures, commonly mentioned in relevant literature [MRiRW 2014] include:

- improving access to education and training for skills acquisition. Effective ownership and management of non-agricultural enterprise requires the possession of technical and managerial competences,

- developing rural transportation infrastructures to enhance mobility,
- provision of social infrastructures – care centres for children and dependent aged persons,
- creating business favourable environments through relevant policies to encourage business inflows to rural areas, e.g., preferential lending for rural targeted businesses,
- advancing policies by governments, local and central, taking cognisance of women potentials for efficient rural development,
- encouraging women active participation in establishing rural micro businesses. Women need support in preparing documentations for financial support e.g., EU funds.

Poland has been implementing several programs to address these and other issues. One of such programs is the Rural Development Program for 2014-2020 (RDP 2014-2020), based on EU regulations, e.g., Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013, to provide support for rural, including female entrepreneurial development through the European Agricultural Fund for Rural Development (EAFRD). Also worthy of mention is the National Program for the Prevention of Poverty and Social Exclusion 2020. It is a new dimension of active inclusion by ensuring universal access to high quality education at all levels (including dissemination of lifelong learning, e-education, cultural education) and to culture, increasing the availability and quality of flexible forms of childcare, with particular emphasis on rural areas and small towns.

6. Conclusion

Sustaining Poland's rural areas is strategic, hence implementing development programs is paramount.

Non-farming activities have the potential to revitalize and sustain rural development in Poland. Indicators of rural-urban migration and unemployment, including hidden unemployment especially amongst the female population seem to suggest the opposite. This paper contends, however, that there is need for intensified skills and competence development of females in rural areas to achieve the goals of rural development and sustainability.

Despite the limitations of the paper, being based on secondary data, it contributes to knowledge about the role female entrepreneurship can play in rural development and adds to calls for increased female involvement in rural development.

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Znaczenie przedsiębiorczości kobiet w rozwoju obszarów wiejskich

Streszczenie. *W artykule przedstawiono obszar wiejski w Polsce jako znaczący podmiot społeczno-kulturowy i gospodarczy, którego główne źródło utrzymania, tj. rolnictwo, podlega w ostatnich latach dynamicznym zmianom. Omówiono aktywność gospodarczą ludności wiejskiej, w tym kobiet zamieszkałych na terenach wiejskich. Aktywizacja populacji kobiet poprzez rozwój przedsiębiorczości tej grupy została przedstawiona jako potencjalny czynnik stymulujący rozwój gospodarczy obszarów wiejskich. Badanie opiera się na analizie danych wtórnych pochodzących z rejestrów statystycznych (GUS, CSO), rządowych publikacji ministerialnych oraz wyników badań empirycznych. Artykuł wpisuje się w nurt badań w zakresie przedsiębiorczości kobiet i rozwoju obszarów wiejskich.*

Słowa kluczowe: *rozwój obszarów wiejskich, przedsiębiorczość kobiet, kobiety wsi, dywersyfikacja, zdobywanie umiejętności*