

# A Perspective about Rural Entrepreneurship in Belgium and Spain

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## Abstract

*Rural areas present now a double challenge is: improving competitiveness by adding value to agricultural products and finding alternative activities such as forms of rural tourism. Dependence on a limited number of products in some regions may make them vulnerable to economic crises or restructuring threats.*

*The purpose of this article is to present some aspects of rural entrepreneurship. The method used is based on a comparative analysis between two countries considering the population involved in rural activities and the rural development programs applied in these countries.*

**Key words:** Rural entrepreneurs, rural areas, rural infrastructure

**J.E.L. classification:** Q01, Q10, Q56, Q57

## 1. Introduction

Rural entrepreneurs make a significant contribution to the economic growth of communities in which they live and develop their own businesses.

The rural entrepreneur is no longer the traditional farmer, He engages in a variety of activities far wider than agriculture. Rural entrepreneurs are dynamic, and the reduction to agrarian activities that are undoubtedly important, but certainly not the only entrepreneur's expression, would be an error. In this context it is necessary to define the rural areas, because there is a whole variety of types (Van Hecke & Luyten, 2001):

1. the basic rural area, with a high potential for rural activities and without real pressure from urbanization or people leaving the area.
2. remote and disadvantaged rural areas which are peripheral both geographically and socio-economically.
3. the peri-urban rural areas which are in the immediate vicinity of urban areas and are therefore urbanized under pressure

European Commission define a rural area as "an area where more than 50 % of its population lives in rural grid cells, as used in the degree of urbanization" (European Commission).

There are several real and perceived advantages that can attract people to live in (some) rural areas: reduced housing and living costs, more space, better social structure, less pollution, closeness to nature, or lifestyle less stressful. There may also be a few disadvantages, for example: fewer opportunities for development; difficulties in accessing public services or transport services; or lack of cultural / social places for leisure activities requiring infrastructure.

## 2. Literature review

Modern society causes major changes in the rural area, appearing in the need for recreation, entertainment and recreation areas. In this context, agricultural activities tend to be reduced, especially as incomes earned directly from agriculture are generally low. Because of this, very strict rules are imposed in rural areas on the protection of the environment and the efficient use of

resources. (Van Hecke, Meert and Christians, 2000).

The subject of rural entrepreneurship reflects a certain environment limited to local and regional conditions and their revitalization. The proposed change addresses the typical problem of rural entrepreneurship / adequate and effective policies that support in rural areas (Avramenko and Silver, 2010).

The importance of rural entrepreneurship lies in the fact that entrepreneurs can quickly identify solutions to the local problems of the community by offering goods that meet local requirements and create jobs adapted to the local people's skills. In addition, they become involved in the life of the local community, becoming models to follow in the community (Fourtunato, 2014).

According to studies conducted by Eurostat, young farmers in the EU have a reduced share of the total number of farms, higher levels of professional qualifications than older farmers, lower than average earnings, high levels of net investment and high return on assets (FSS, 2013).

Rural entrepreneurship is still not the number one priority for decision-makers in rural development and practitioners. A priority task should be to identify opportunities for change in attitudes and policies at institutional level. Research on agricultural enterprises shows the nature of the relationship between the dynamics of agricultural restructuring and the emergence of new businesses in rural areas (Carter, 2006, p. 345)

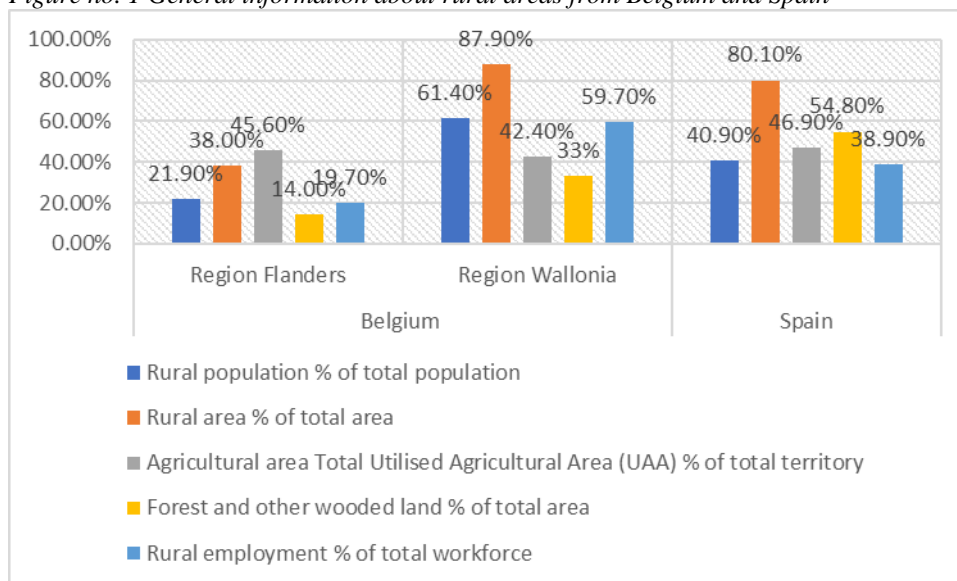
### 3. A comparative analysis between Belgium and Spain regarding rural entrepreneurship

The EU's rural development policy aims to support rural areas to successfully meet the economic, social and environmental challenges. For the 2014-2020 period, three strategic objectives were identified: increasing the competitiveness of agriculture; the sustainable management of natural resources and the balanced territorial development of rural areas.

Belgium belongs to the countries with the highest population density of nearly 350 inhabitants per km<sup>2</sup>. This is even more pronounced in the north of the country (Axa Walloon, Brussels and Flanders). Therefore, based on the parameters used by the EU to measure the rural area, only a few rural areas are in Belgium.

Within the countries of the European Union there are significant differences in the size of the population living and working in rural areas. Spain and Belgium are among the European countries where the largest proportion of the population lives in urban areas, as it can be seen in Figure no.1.

Figure no. 1 General information about rural areas from Belgium and Spain



Source: Elaborated based on data from:

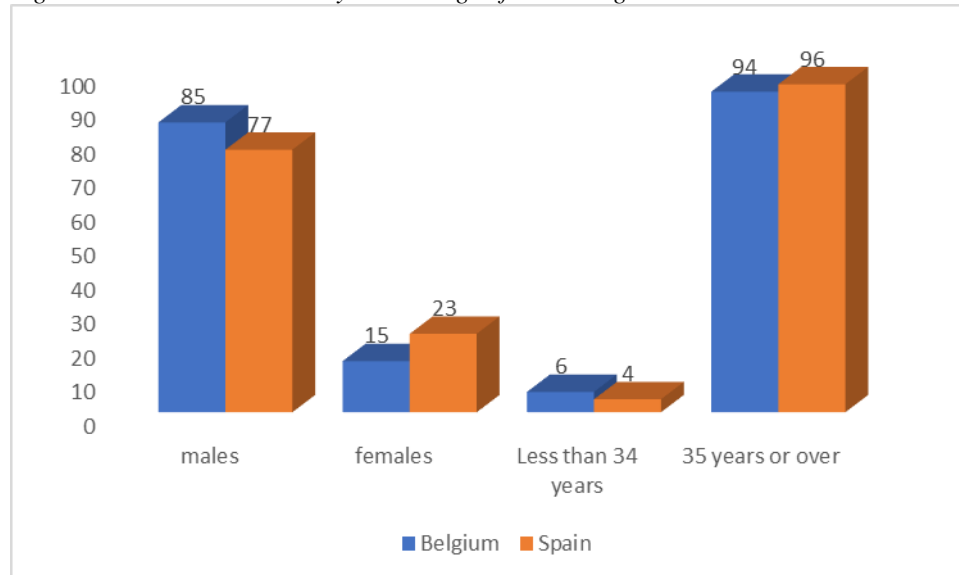
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[https://enrd.ec.europa.eu/sites/enrd/files/be\\_wl\\_qnt\\_summary\\_v1.pdf](https://enrd.ec.europa.eu/sites/enrd/files/be_wl_qnt_summary_v1.pdf)

The analysis of the farms in Belgium and Spain, according to the manager's age and gender, highlights several issues. The share of women holding a farm is rather low compared to men. Only 15% of Belgian farms have a female manager, the share being higher in Spain (23%). As for age, we can see that in both Belgium and Spain, most farms have a manager at least 35 years old (Figure no.2)

Figure no.2 Farm indicators by sex and age of the manager



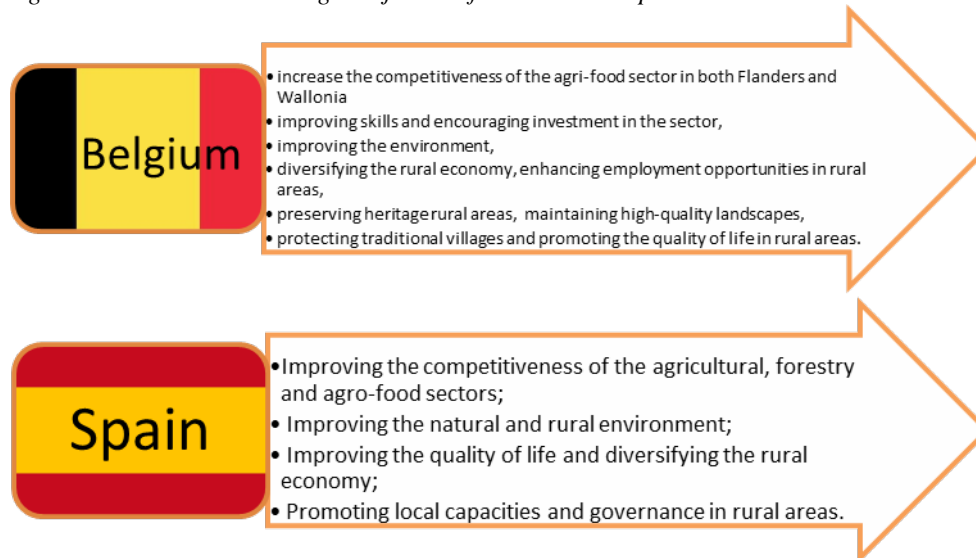
Source: Elaborated based on data from Eurostat, 2018, [ef\_m\_farmang]

In Spain, only 4% of farms have a manager up to 35 years old. Stopping rural depopulation is the biggest challenge for Spain. The primary sector (agriculture, hunting and forestry) is the main source of population maintenance and employment in rural areas. Demographic aging is another challenge that exacerbates the impact of depopulation. Although they have great potential, rural areas in Spain are facing a decline in their economic importance. This economic downturn is mainly driven by the fact that an increasing number of young people working in agriculture leave these areas to large cities, so that the employment rate in rural areas of Spain is the less and less. This aspect is quite impressive because the entrepreneurial initiative mainly belongs to young people. The phenomenon of depopulation of rural areas is a real threat to entrepreneurial initiative.

In order to improve this situation, we identified several solutions that could help increase the attractiveness of Spanish rural areas for the establishment of new businesses and the manifestation of the entrepreneurial initiative. A first solution is to stop migration of young people in these areas by improving the infrastructure and services offered. Another solution is to increase the attractiveness of rural areas by promoting and capitalizing on the cultural heritage specific to each area and by giving real support to those willing to start a business on their own. Another solution is the realization of competitive products using new production methods. An opportunity for entrepreneurship is the practice of organic farming. Another solution for increasing the importance of rural areas is the practice and promotion of alternative forms of rural tourism, namely agritourism. The agritourism is an authentic and efficient entrepreneurial opportunity for the growth of Spanish rural areas because rural tourism also includes culture, history traditions existing in the rural area which, together with the specifics of the farmhouse, are defining components of the tourist offer. Therefore, the entrepreneurial initiative in the field of agritourism is both a challenging but especially an opportunity for the people in the community.

The main strategic objectives pursued through rural development programs in Belgium and Spain can be synthesized as in Figure no. 3:

Figure no. 3. The main strategic objectives for rural development



Source: Elaborated based *The European Network for rural development*, (2015), 2014-2020 Rural Development Programme

A key challenge in terms of land development and farm management is the promotion of organic production methods such as organic production, integrated farming and extensive farming systems. These are promoted in all regional rural development programs, with a view to preserving and protecting biodiversity and landscapes.

#### 4. Conclusions

Vulnerabilities of rural areas are related to regional differences, accessibility difficulties and poor infrastructure quality, lack of industrial innovation, river and coastal damage, and the prevalence of some traditional industries with low technology intensity. These factors can make setting up new businesses less attractive and contribute to rural depopulation.

Participating in rural promotional fairs and training human resources could be an important source of innovation and knowledge transfer in this sector.

It is necessary to increase the attractiveness of rural areas by offsetting high production costs, improving the provision of rural infrastructure and services, strengthening links between production and marketing stages, promoting entrepreneurship and helping enterprises adapt to new circumstances and challenges.

#### 5. Acknowledgement

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