

RURAL COMMUNITY SUPPORT AS ELIXIR OF RURAL BUSINESS & ENTREPRENEURSHIP DEVELOPMENT

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Abstract

current economic reality of the modern society imposes a compulsory search for opportunities existing in the rural society to create absorbing employment capacity. From this, national society needs a kind of elixir, whether from rural or urban, for development, so rural sector economy becomes a relevant corner stone in the national building process. The purpose of this study is to establish the effect of community support on the rural business and entrepreneurship development. From the analysis of data collected and hypotheses tested, the study concluded that (i) the existing community support in the rural areas of Oyo State is gender biased, (ii) Rural business and Entrepreneurship development to some significant extend reflect the tempo of community support level in a given rural setting and (iii) Community social indices support in the rural region of Oyo State, have a kind of significant effect on rural business and entrepreneurship development, based on these conclusion some recommendations were made to the government and the community leaders.

Keywords: Gender, Business, Entrepreneurship, Social crisis, Community support

INTRODUCTION

Necessity, people say, is the mother of all inventions. Does the “necessity” reside in individual or society or both? What is the direction of the forces called “necessity” in our society? Is it from individuals to society or society to individuals? How can we recognize that there is a “necessity”? Necessity denotes a dynamic state of wants or needs in a society, which individuals or collective individuals in the society may recognise for exploits. The extent of its recognition announces emergence of business idea, which has seed of greater opportunity of developing itself into full blown business enterprises. The level of necessity differs at individual or societal level. The kind of individual or society determines type of business innovations being sought, expected and received.

At individual level, needs may be classified into seven groups according to Adeleke (2012), which shows the diversity of individual necessity that entrepreneurs can exploit. But at the societal level, such necessity includes a wide range of needs for security, education, environmental protection, legal framework, economic development, financial services and social infrastructures. From the above the societal necessity is a kind of seed for getting individuals in the society meeting their needs or individual necessity is a response to societal necessity or vice versa.

Rural societal necessity is different from that of urban necessity and yet both dove-tail into national societal necessity. Within the entrepreneurship literature, the general consensus is entrepreneurship is an urban phenomenon as a result of the large scale economy of production that exists there as opined by Adeleke (2010), Florida (2010) and Glaser (2011) and they also have higher competition (see ACS et al, 2011), human proximity (i.e. population density, population growth, and population size) increases entrepreneurship rates (see Sorenson & Audia, 2000; Reynolds et al, 1994; Shane, 2003 and Stenberg, 2009). The seemingly absent of kind of urban necessity from the rural society forces/causes rural- urban migration.

But the current economic reality of the modern society imposes a compulsory search for opportunities existing in the rural society to create absorbing employment capacity that will not only provide solution to nation’s employment plague but aid the expansion of her gross domestic product; reduce complete reliance on non-agricultural sources of her income. From this, national society needs a kind of elixir, whether from rural or urban, for development. Such elixir people thought can readily come from rural sector of the economy. So, rural sector economy becomes a relevant corner stone in the national building process.

Therefore this search should ignite Rural Business and Entrepreneurship Development (RUBED) so that the sought dividend might come from it. How does a rural person or society perceive this (search)? Do they possess personal matched factors that can lead to RUBED? What kind of community support exists as elixir for RUBED?

In this paper efforts would be directed towards identification of existing community support issues (community level and social indices) that could ignite or impact RUBED. The outcome of this paper is expected to inform the government, general public, rural people and researchers on the needs to device a rural tailored program that would align the level of rural community support to the national call for rural development, which would influence the both community level and social factors to be relevant match for RUBED.

LITERATURE REVIEW

An easy way to comply with the journal paper formatting requirements is to use this document as a The level of community support expected for the kind of rural business and entrepreneurship development may include issues such as:

- i. Population Size
- ii. Community Income level
- iii. Culture and norms
- iv. Social value systems
- v. Market for both commodity and finance
- vi. Political system
- vii. Level of technological development
- viii. Security
- ix. Infrastructure
- x. Role model

As submitted by Anderson, (1999); Anderson et al, 2004; Foley, 2003 and Hindle & Lansdowne, 2005) culture is important to rural people and culture affects attitude (see Baskerville, 2003) which include attitude toward new venture creation and development and likewise social value system of such rural community. Cultural values may play a role in the extent of entrepreneurial activity in a country, according to Bygrave & Minniti (2000). For instance in a community where it is forbidden for women to engage in any form of commercial activities, women business idea will not peter out. Likewise opportunity that exists in the rearing of piggery may not be a welcomed one in a Muslim populated area. From this illustration, it is evidenced that individualistic cultures appear to be more supportive of rural business and entrepreneurship development than other type of cultures (see Mueller & Thomas, 2000). So, type of value

societies place on entrepreneurship and innovativeness instil effective societal systems in promoting opportunity driven entrepreneurship (Vesper, 1983).

A rural community whose political system is characterised with violence will never be a good soil for sowing business idea instead it will encourage immigration of entrepreneurs to relatively peaceful community. The existence of specific role model in a rural community can influence entrepreneurship development (Bosma et al, 2004). Role models are persons that by their attitudes, behaviours and actions create and influence the desirability and credibility as choice to become entrepreneurs in a rural community. The status of rural financial market also influences rural business and entrepreneurship development.

The extent of the availability of all these in the community shape the personality factors of rural business owners and entrepreneurs in identification of business ideas, developing it into business ventures that will be accepted in the community and of course assisting or encouraging them to assume associated business risks. The non-inclusion of legal systems does not imply that it has no influence on the individual business owners or entrepreneurs. Since the rural community is a sub set of national community, the legal systems of the nation has reaching effect on the rural community than whatever legal system being operates at rural level that is not in consonant with the national one. Community support has two seeds of equivalent to motivate individual business owners and entrepreneurs to take on opportunity available in the community, likewise it aids business success. Lack of some or all the issues involved in the community support, provide incentives for individuals that are business oriented to come up with innovative ideas that can fill the gap created by deficiency in the community support issues or explore the existing or potential markets of the community. On the strength of this conclusion, the study therefore hypothesizes that:

H1- Given the level of community support existing in the rural region of Oyo State, rural business and entrepreneurship development may be gender tailored.

The predominant forces of social factors influence individual level of business aspiration which is due to home, marital status, peer group influence, membership of social clubs and so on. Home is the first contact point in the life of individual. The home is embodiment of family background and value, family socio-economic status and position in the family tends to tailor individual towards a particular life interest. Parents play an important role as carriers of values, emotions and experiences towards self-employment. The business perception and aspiration of individual cannot jump its influence especially on type of vocation or business choice to pursue. According to Sarasvathy (2004) Entrepreneurial means can best be understood through: (1) Who they are, (2) What they know, and (3) Whom they know. The “number of club

memberships are more important for entry into self-employment in peripheral areas, as increasing club memberships lead to stronger ties. in more dense areas”(see Bauemschuster, 2010) and likewise education and prior experience in business which have been seen as critical success factors for small firms (see Yusuf 1995).

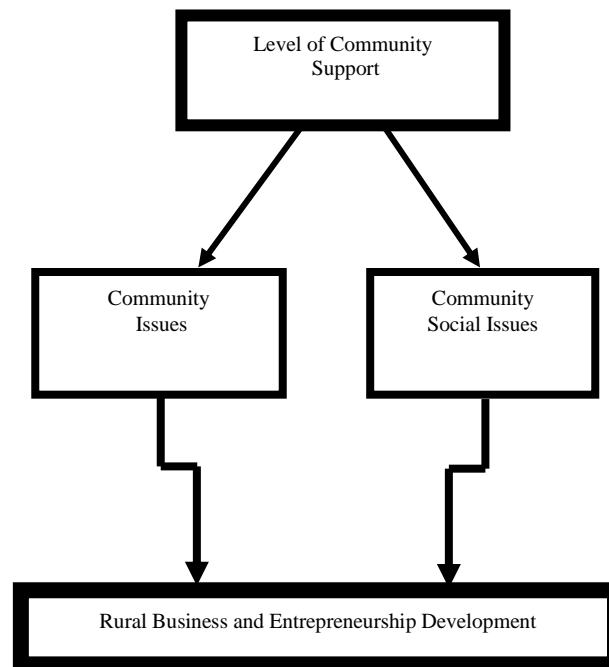
Also there are some previous studies indicating that positive influence of parental role models (see Wijewardena & Tibbits, 1999; Yusuf, 1995 and Fairlie & Robb, 2009), Networks (see Klyver et al, 2007) and peer groups (Gianetti & Simonov, 2009) entrepreneurship education affect decision to go into business and firm success. Likewise the level of community support does in most cases prompt rural business and entrepreneurship into challenging or problematic circumstances. Therefore this paper takes into account rural community support indices in building a model of influence on rural business and entrepreneurship development.

Therefore this study further hypothesis that:

Rural business and Entrepreneurship development to some significant extent reflect the tempo of community support level in a given rural setting.

H2- Community social indices support in the rural region of Oyo State, have a kind of significant effect on rural business and entrepreneurship development.

Figure 1: Influencing Diagram of Level of Community Support on RUBED



METHODOLOGY

Study Area

This study is intended to examine the effect of the level of community support available in a given rural communities on rural business and entrepreneurship development in Oyo State of Nigeria. Oyo State has sizeable rural communities. This study covered Oyo North and West of the State with a total number of six local government areas selected for the study. These local government areas are Ibarapa North, Ibarapa East, Kajola, Iwajowa, Itesiwaju and Atisbo. The predominant occupations here are farming and business.

Study sample

A sample of one hundred respondents was taken from each of the local government areas and the study has a total of six hundred respondents. Stratified sampling procedure was employed in choosing sample representative to cover a wide rural business form.

Research Instrument

The instrument used for this study is a self-structured questionnaire on Rural Business and Entrepreneurship Development. Section A and B contain assessment of the level of Social Indices and Community Support issues for RUBED. In this section, respondents were asked to tick any or combination of social factors that they considered to be sufficient for their involvement in RUBED. In section B, the respondents were asked to provide personal information by ticking options provided against each issue of inquiry.

Pilot Study

In September 2012, the researcher piloted the survey of five selected rural business owners and entrepreneurs not located within the target population, to identify strengths and weaknesses of the instrument and to determine ease of completion in order to develop the final survey.

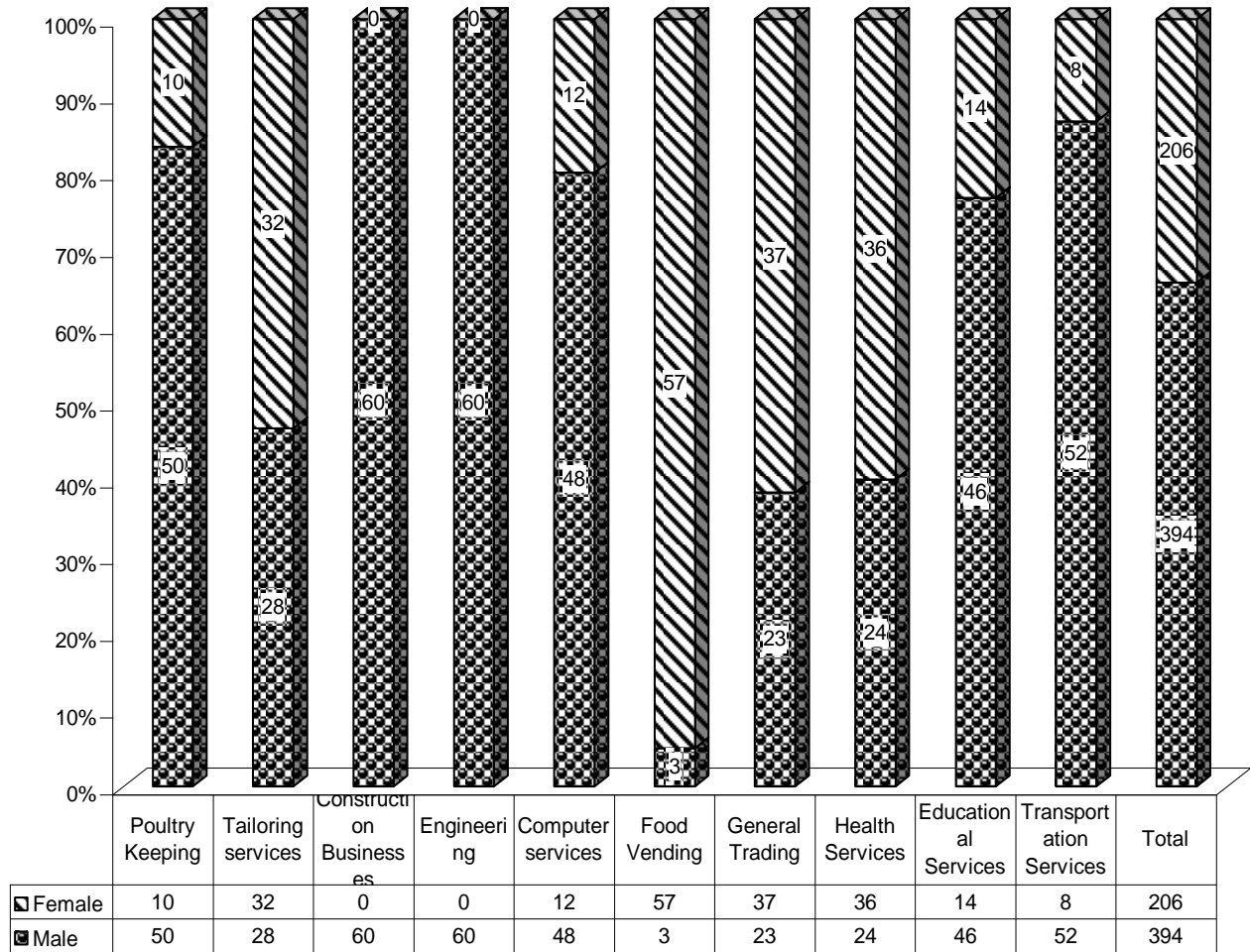
Data Analysis

Since the study is out to know the effect level of community support to Rural Business and Entrepreneurship Development, it becomes necessary to know the level of RUBED from the target population and how the business owners and entrepreneurs consider these – community factors as being sufficient to account for the type of Rural Business and Entrepreneurship Development of the area. On this note, descriptive data analysis would be amply used. And also to test the formulated hypotheses for the study ANOVA “F” test was considered for testing all the hypotheses for explaining the effects of level of community support for RUBED.

ANALYSIS & RESULTS

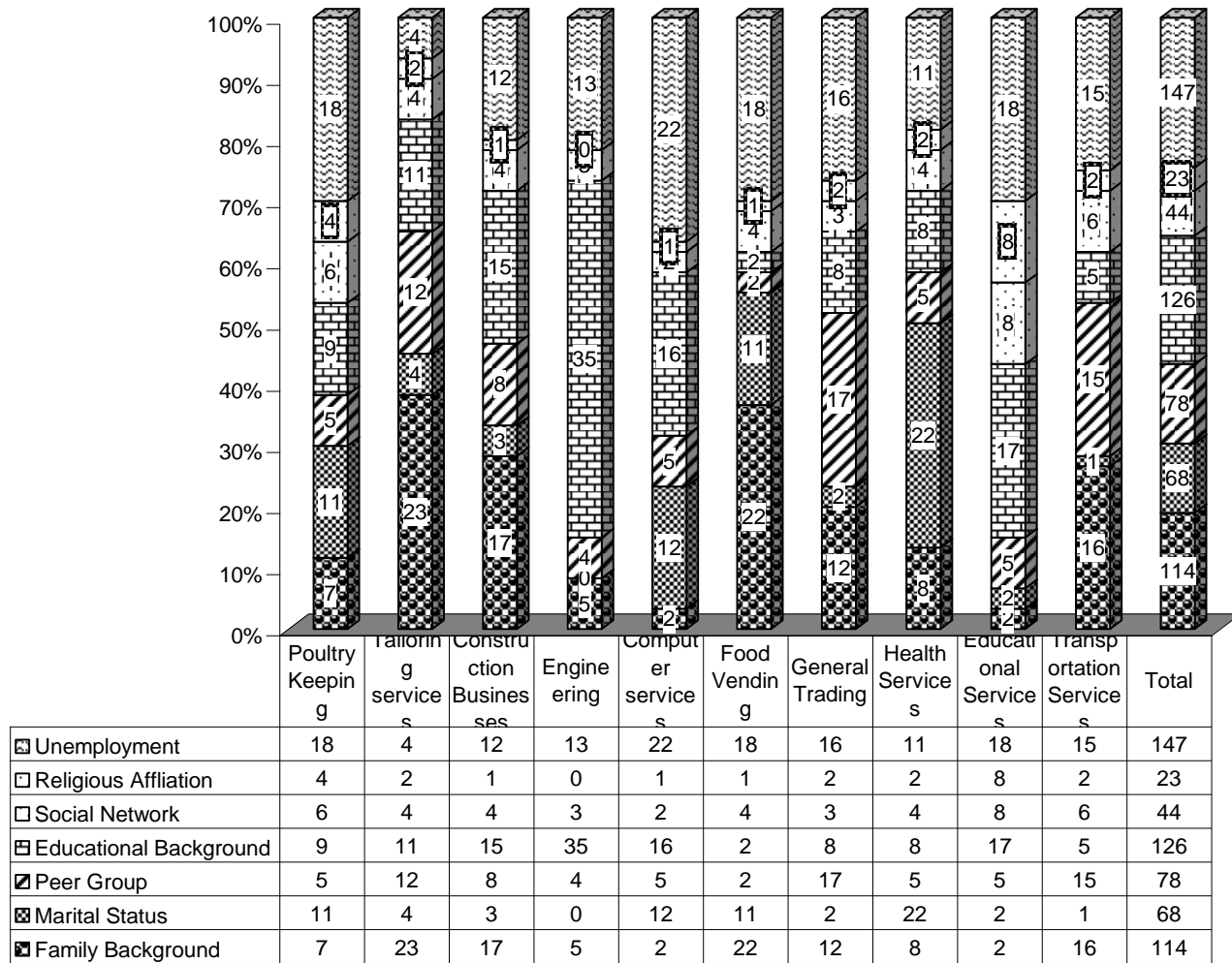
Descriptive Analysis

Figure 2: Gender Analysis of Rural Business Owners/Entrepreneurs from Selected Local Government Areas of Oyo State



From fig. 2, out of the ten sampled business occupations, four types of businesses are female dominated while the remaining six are male dominated. From the above rural business and entrepreneurship are gender sensitive especially for businesses like construction and engineering works. Rural people categorize some ventures as male or female tailored contrary to the majority findings. Therefore gender and place of origin are significant issues in rural business and entrepreneurship development. In a community where some businesses are seen and regarded as taboos for men or women to go into, this will natural alter their pattern of individual interests and attitude to pursue such venture no matter whether such venture is highly profitable.

Figure 3: Analysis of Social Indices Effect on Rural Business and Entrepreneurship Development in Oyo State



From Fig 3 above, majority of the respondents believed that unemployment is the key driver in aiding RUBED followed by Educational Background, Family Background, Peer Group and Marital Status. For example decisions to go into tailoring were as a result of family background and peer group and not as a result of Educational Background. So what we see here is that not all businesses required higher level of education or training. Having a family business background is important for small business outcomes (see 27 for more details) for rural businesses such as tailoring, food vending, construction and transportation. Likewise Educational Background of business owners and entrepreneurs in the rural community in related discipline produces self-sufficient enterprising individuals. Furthermore, they found that entrepreneurship education increases the formation of new, ventures the likelihood of self-employment, the likelihood of developing new products, and the likelihood of self-employed graduates owning a high-technology business.

Testing of Hypothesis

Decision rule followed in testing the three hypotheses formulated for this study is “if F_{crit} is greater than P -value, the null hypothesis is rejected otherwise accepted”.

Hypothesis One

H_{01} : The level of community support existing in the rural region of Oyo State does not make rural business and entrepreneurship development to be gender tailored.

H_{11} : The level of community support existing in the rural region of Oyo State make rural business and entrepreneurship development to be gender tailored.

Table 1: ANOVA on level of community support existing in the rural region of Oyo State, rural business and entrepreneurship development as being gender tailored

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1767.2	1	1767.2	4.97	0.04	4.41
Within Groups	6396.8	18	355.38			
Total	8164	19				

From the table 1, F_{crit} was found to be greater than P -value, hence the null hypothesis that says “The level of community support existing in the rural region of Oyo State does not make rural business and entrepreneurship development to be gender tailored” was rejected ns the study concluded that “The level of community support existing in the rural region of Oyo State make rural business and entrepreneurship development to be gender tailored”

Hypothesis Two

H_{02} : Rural business and Entrepreneurship development to some significant extend does not reflect the tempo of community support level in a given rural setting.

H_{12} : Rural business and Entrepreneurship development to some significant extend reflect the tempo of community support level in a given rural setting.

Table 2: ANOVA on the reflection of the tempo of community support level in a given rural setting on rural business and entrepreneurship development..

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1315.143	6	219.19	5.49	0.00	2.25
Within Groups	2514	63	39.90			
Total	3829.143	69				

From the table 2, F_{crit} was found to be greater than P -value, hence the null hypothesis that says “Rural business and Entrepreneurship development to some significant extend does not

reflect the tempo of community support level in a given rural setting” was rejected ns the study concluded that “Rural business and Entrepreneurship development to some significant extend reflect the tempo of community support level in a given rural setting”

Hypothesis Three

H₀₃: Community social indices support in the rural region of Oyo State, do not have a kind of significant effect on rural business and entrepreneurship development.

H₁₃: Community social indices support in the rural region of Oyo State, have a kind of significant effect on rural business and entrepreneurship development.

Table 3: ANOVA on the effect of Community social indices support on rural business and entrepreneurship development

<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1222.543	6	203.76	5.60	0.00	2.25
Within Groups	2290.6	63	36.36			
Total	3513.143	69				

From the table 3, *F crit* was found to be greater than *P-value*, hence the null hypothesis that says “Community social indices support in the rural region of Oyo State, do not have a kind of significant effect on rural business and entrepreneurship development” was rejected ns the study concluded that “Community social indices support in the rural region of Oyo State, have a kind of significant effect on rural business and entrepreneurship development”

DISCUSSION AND RECOMMENDATION

From the sample representatives used for this study, we found that in the rural areas, some businesses are gender biased based on the rural people’s belief and custom. This affects the ability of the genders making a choice in the area they could excel better. Also from the three null hypotheses tested, the analysis of the data and F test carried out, subsequently rejected them and concluded that:

- i. The level of community support existing in the rural region of Oyo State make rural business and entrepreneurship development to be gender tailored
- ii. Rural business and Entrepreneurship development to some significant extend reflect the tempo of community support level in a given rural setting
- iii. Community social indices support in the rural region of Oyo State, have a kind of significant effect on rural business and entrepreneurship development

To improve on the current level of support especially social and gender biasness, the rural community people need to be oriented on the effect of gender disparity and discrimination on business development and launching. The thinning veil of divide between male and female should not inhibit any serious minded individual to pursue a business idea where (s)he can perform. And also to let them know that social crisis inhibit the ability of people to invest, identify good business idea and launch it. The attack of Fulani on farms serves as a serious negative indication for the large scale farmers to establish in the rural areas of Oyo State. The absence of effective occupation of law enforcement agents in the rural areas should be reviewed. This will moderate the effect of social crisis.

On the provision of basic infrastructure, both the community leaders and local government should doggedly involved in finding solid solution to the absence of these basic infrastructure so as to boost rural business and entrepreneurship development. The provision of and access to Health, Electricity, good network or road and etc. have a kind of role to play in aiding rural business and entrepreneurship. And lastly, the rural financial market should be worked upon. The absence of orthodox banks and as well as microfinance or development banks in the rural areas places the rural financial market on the hand of SUSU operators, thereby limiting the size of fund available to business men and women.

LIMITATION OF THE STUDY

There are few limitations of this study. In the first place, the study is gender bias as more female respondents were involved in this study than their male counterpart. Also the sample size is small. So in the nearest future, large sample of respondents should be used from each local government areas and more local government areas be involved. And if possible in the nearest future, interstate study be carried out.

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