

The Urban and Rural Challenges of Entrepreneurship

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ABSTRACT

The decayed in the traditional employment, gave rise to the emerge of entrepreneurs in both the urban and rural locations, this does not implies the feel day for entrepreneurs but is accompanied with several challenges, that vary from urban and rural. This review paper intend to analyzes the various challenges as it relates to environmental locations (urban and rural) and the way forwards, in an attempt to provide possible solution to the challenges of entrepreneurs, the challenges of entrepreneurs in an organizations can be utilizes to be an opportunities for entrepreneurs to explore for better benefit.

Keywords: Urban, Rural and Entrepreneurship

INTRODUCTION

The world struggle today, is on the attempt to break the circle of poverty and create jobs opportunities, as a means of transferring from welfarism to a more viable capital society, to do that effectively, there is a need to build a world of an entrepreneurs. An entrepreneur is one who creates a new business in the face of risk and uncertainty in order to achieve profit, utilizes opportunities and assembles the necessary resources to capitalize on those opportunities. But entrepreneurship is always subjected to several challenges that is anchored to locations which is urban and rural, but most of these challenges are controllable and can be manage to be an opportunities because an entrepreneurship without risk and uncertainty , is not consider to a be a viable entrepreneurship and the means of continuity will be in bleak, but a careful analysis of urban and rural challenges and the possible solution will build a new approach to a better entrepreneurship.

AN OVERVIEW OF ENTREPRENEURSHIP

Entrepreneurship, just like any other management concept has received close attention of scholars and authors because of its importance, yet there is no common consensus on the definition, just like other phenomena has in other related field of studies, that does not implies complete contradiction of the concept but a specializes approach on the concept entrepreneurship but the outcomes is the same. Below are some commonly used definitions of entrepreneurship;

Entrepreneurship is a process involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them (Bygrave and Hofer in 1991).

Jones & Butler (1992) the process by which firms notice opportunities and act to creatively organize transactions between factors of production so as to create surplus value.

Krueger & Brazeal (1994) declares that, the pursuit of an opportunity irrespective of existing resources

Shane & Venkataraman (2000), opined that, the discovery, creation and exploitation (including by whom and with what consequences) of opportunities to bring into existence future goods and services.

From the above definitions as brought to fore by different authors, submitted to the fact that, there is no commonly and generally acceptable definition of entrepreneurship, yet the focus is the same.

The working definition of entrepreneurship by this paper is that of business dictionary; which defined entrepreneurship as the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses. In economics, entrepreneurship combined with land, labor, natural

resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace. This implies the acceptability of responsibility by firm or an individual to create, design, organize and take risk, all in attempt to innovate with a view of making profit in the mix of opportunities utilize.

CHARACTERISTICS OF ENTREPRENEURSHIP

The phenomenon, entrepreneurship, despite it has no generally acceptable definition, it has a common feature, which can easily draw a pointer to what a good entrepreneurship look like, there are as follows:

I. **Creativity** is igniting that drives the development of new products or services, or ways to do business. It is the push for innovation and improvement. It is continuous learning, questioning, and thinking outside of the usual ways, this makes it more unique and result oriented.

II. **Dedication** is what motivates the entrepreneur to work hard, daily or more, even seven days a week, especially in the beginning, to get the endeavor off the ground. Planning and ideas must be joined by hard work to succeed. Dedication is drive that makes it happen.

III. **Determination** is the tremendously strong desire to achieve success. It includes persistence and the ability to bounce back after rough times. It persuades the entrepreneur to make doing one thing thousand times, until achievement is recorded. For the true entrepreneur, money is not the motivation. Success is the motivator; money is the reward.

IV. **Flexibility** is the ability to move quickly in response to changing market needs and the available opportunities discovered. It does not maintain, the status quo, where there is no sign of achieving result in the face competition.

V. **Leadership** is the ability to create rules and to set goals. It is the capacity to follow through to see that rules are followed and goals are accomplished in line with the set goals and objectives and with a frame of time.

THE ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT

Economic development is the positive changes in the economy, that involves an actions in multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development differs from economic growth. Whereas economic development is a policy intervention endeavor with aims of economic and social well-being of people, economic growth is a phenomenon of market productivity, under the direction of entrepreneur, are major contributors to job creation and economic growth. Such view, shared by economists, politicians, and significant part of society is, in fact, the reason why many countries are trying to promote entrepreneurial activity. So far, evidence shows that the establishment of the importance of creation, development and implementation of public policies can influence the level of entrepreneurial activity in a country, much more it is regarding developing economies that are even more affected by unemployment, low productivity and social inequality – problems considered minimized in regions with high levels of entrepreneurship. According to the concept of entrepreneurship, the prime mission of entrepreneur has been to create wealth and business growth. There are various examples of the successful entrepreneurs, created both personal wealth and public

Prosperity and their innovative products greatly affected our society resulting in progress and advancement of an improved civilization (Shahidi, 2008).

THE CHALLENGES OF ENTREPRENEURSHIP IN URBAN SETTING

Entrepreneurship is a drive for economic development, yet the challenges of the entrepreneurship cannot be undermined, the challenges are base on the environmental location, below are the urban challenges of entrepreneurship:

Family Challenges: Convincing to opt for business over job is easy is not an easy task for an individual. The first thing compared is – Will you make more money in business of your choice or as a successor of family business. This is where it becomes almost impossible to convince that you can generate more cash with your passion than doing what your community is doing and has been in existence for ages.

Social Challenges: Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted for entrepreneurship and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where challenge comes.

Technological Challenges: most of the education system, the curriculum set up, lags too much from the Job industry as a whole but then it fall behind others even more when it comes to online entrepreneurship. What technology would be ideal and how to use that technology effectively, the faster changing technology is fast eroding the innovation capability of entrepreneurs.

Financial Challenges: Difficulty in borrowing fund. Financial challenges are a lot different in Nigeria especially for online entrepreneurs. When you are starting out as an entrepreneur you don't opt for venture funding but try to go with funding from small to medium business people. Many such non technical business people don't understand the online business models as a whole and so getting an initial business funding from them becomes challenging. The other option you can think of is loan but bank loan is not at all an option in Nigeria for new online or other entrepreneurs because of higher interest rate and tight conditions attached to the loan procedure.

Political Challenges: the inconsistencies in policy making particularly in the developing countries, is of great injuring to entrepreneurship, in most cases the policy makers are novice to entrepreneurship hence their policy has negative implication on the entrepreneurship. A clear example is the bureaucracy in registering a new

product or but ideas, the policy changes with the change of government or other policy makers, is of great disadvantage to the entrepreneurs.

Cultural Challenges: the belief, value and norms system of a given society is paramount on the existence and pattern of behavior of every member of the society, as matter of fact is binding force on every societal member, it is also the dos and don'ts of the society, their some opportunities for innovative approach to create jobs and new businesses but they fall within the don'ts of the society, it becomes untouchable and unapproachable.

THE CHALLENGES OF ENTREPRENEURSHIP IN RURAL SETTING

This section is concerned with the distinctive challenges and opportunities of developing entrepreneurship in rural locations.

- i. Declining employment opportunities in primary industries (mainly agriculture), as a result of structural change, intensified by changes in policy resulting from increased population. This emphasizes the need to take steps to stimulate economic activity with employment-generating potential in rural areas;
- ii. An aging population, associated with an outmigration of young people and an in-migration of retired people, in some cases, which in combination affects the supply of potential entrepreneurs;
- iii. Difficulties in maintaining a critical mass of facilities to support economic development, including a range of business services.
- iv. Increased demand for rural amenities on the part of urban residents; focus has been shifted from rural development to an increased demand by the urban settlers on the needs for amenities , rendering the rural area without amenities that can facilitate entrepreneurships
- v. Sources of economic success, such as dynamic SME clusters. The more other are seen making can propel an entrepreneur to foster ahead, where there is no challenging situation is setback on the part of entrepreneurs.
- vi. Lack of Technical knowhow; rural entrepreneurs are often without technical expertise of the new area they wish to venture into, this a major challenge.
- vii. Capacity Utilization. The inability to utilize capacity , indicates under utilization for capacity available for the entrepreneurship.
- viii. Poor Infrastructure; those infrastructure readily available, are either obsoletes or is no longer in use.

CHARACTERISTICS OF THE ENTREPRENEURSHIP ENVIRONMENT IN RURAL AREAS

Undersized of local markets:

Plainly, one of the potential disadvantages faced by rural firms in comparison with their urban based counterparts is the small size of the local market that is typical, associated with low population densities, together with low per capita and household incomes,

Rural labor market characteristics:

The limited scope of local product markets is often paralleled by the small size and narrow occupational composition of rural labor markets, which can impose constraints on rapidly growing entrepreneurs.

Accessibility of business premises:

Urban areas are generally characterized by a wide range of business property of different sizes; this is perpetually not the same in rural areas. Evidence suggests that even as the cost of premises in rural locations may be less than in urban areas

Transport and communications infrastructure:

The inaccessibility of many rural places presents transportation challenges to small businesses; because the population is widely scattered and distances to large national markets may be considerable disadvantage to entrepreneurs.

Access to information, advice and business services:

Another potential disadvantage faced by businesses located in rural areas is a greater average distance from business advice and support services provided through the market, such as from banks, accountants and consultants, compared with urban-based enterprises, this incapacitated the innovative ability of entrepreneurs.

Access to finance:

Although finance is a commonly reported constraint on small businesses, wherever, the rural businesses have lacked sufficient access to finance because the types of enterprise that entrepreneurs tend to seek out.

Institutional environment:

One of the key external factors influencing the nature and extent of entrepreneurship is the behavior and orientation of local institutions. Moreover, it can be argued that such factors are particularly important in post-socialist economies. s (Smallbone and Welter, 2006),

THE WAYS FORWARD ON THE CHALLENGES OF ENTREPRENEURSHIP

For entrepreneurship to grow in urban and rural locations, the human capital has to be developed (Chris O. & Francis, C. A, 2012)

- i. Government at all level must have deliberate policies to create a conducive environment for entrepreneurs and entrepreneurship to flourish.
- ii. Social education and reworking of education curriculum at all level by making entrepreneurship compulsory from primary to tertiary level would help encourage entrepreneurship.
- iii. Visionary leadership that would show good examples for others to follow.
- iv. Re-orientation of the Nigerian mind to imbibe hard work, commitment and positive ideas.
- v. Building infrastructures that would support entrepreneurs realize their dreams.
- vi. Provision of training centers and financial support to help entrepreneurs.
- vii. Families should support their wards to embrace entrepreneurship and become entrepreneurs.
- viii. Individuals should not allow handicaps and barriers to undermine their entrepreneurial spirit. They should remain focused and unyielding in realizing their entrepreneurship dream.
- ix. Rewards and recognition to entrepreneurs and entrepreneurship should be encouraged.

Entrepreneurship can also be encouraged through the following

- 1) A free market or capitalist economic system.
- 2) An enabling environment with adequate infrastructure, legal ethical and social support.
- 3) A sound entrepreneurship education that will lighten entrepreneurial spirit and develop and positive personality.
- 4) Accessibility to an adequate fund to finance new ventures or innovation.
- 5) Appropriate management culture that supports entrepreneurial process.

CONCLUSION

The drive toward success as an entrepreneur is to recognize that we acquire enough independence to leave the apparent safety of traditional employment. Another drive is giving ourselves permission to reflect deeply on what we want out of life and out of a particular venture. This can give us a sense of passion, for businesses and careers and the quest for achieving development and advancement, given to the fact that entrepreneurs are often engulfed in a more complex challenges, it has a glooming opportunities. While entrepreneur's dangled between challenges and opportunities, let the opportunities take precedence over the challenges.

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