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Rural Team-Entrepreneurs: An Answer to Innovative, Multi-Disciplinary Human Capital Education

*Global Networks, Global Perspectives and Global Talent
Discussions on the Development of Human Capital in Agribusiness¹*

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Abstract

The authors map out a pathway to developing human capital in rural regions through a concept called Rural Team-Entrepreneurs (RTE). The idea originated from the author's research in rural development and through becoming a team-coach at the Team Academy (TA) Debrecen, Hungary.

Keywords: Rural Team Entrepreneurs, human capital, knowledge-based society

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What is RTE?

Rural Team-Entrepreneurs (RTE) is a concept to describe a group of stakeholders including farmers dedicated to addressing and advancing rural development in local communities. Members find common values, mission and vision through dialogue and problem solving. Stakeholders develop survival strategies through finding new ways to reach customers, developing creative markets and innovation. The process involves team learning, mentoring and educational components.

Why RTE is Needed

A Changing Environment

The nature of farming is changing rapidly and agriculture now produces a variety of special end products that include: food, feed, fibre, fuel, feelings (public goods, experiences), pharmaceuticals—the so called “F”s. A significant proportion of the personal consumption expenditures within the “F”s pay for activities taking place beyond the farm gate. The revolution of a knowledge-based society has prompted new ideas in agriculture and business. Combining business and culture is also a part of this process and highlights the potential to develop the creative sector as one important driver in an emerging knowledge-based economy.

The complexity of this model can be seen in Figure 1. A wide range of actors with varying expertise are linked to agriculture and allow us to see why building a learning organization, in the form of RTE, is needed. Companies that are not able to adapt to rapid change will not be able to remain competitive (Marquardt 2011).

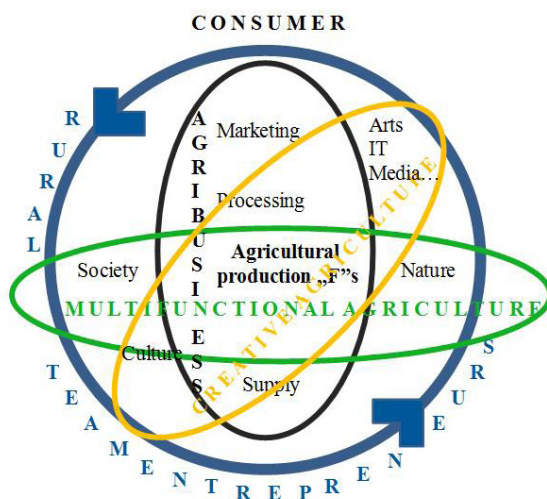


Figure 1. Rural Team-Entrepreneurs, an answer to the complex system linked to agriculture
Source: Katona-Kovács

Learning as a Strategic Driver

As the food system becomes increasingly global and standardized, farmers and other stakeholders have some doubts about the impact of horizontal networking. The research of Jokinen et al. (2010) found that farmers' networks are driven more by survival strategies focused on production methods rather than the competitive strategies needed to compete in today's markets. Farmers, involved in another study, Katona-Kovács et al. (2006), are also aware of the importance of customer demand, but feel themselves isolated from customers and believe they do not possess the marketing knowledge needed.

Opinions vary on how to best tackle the issues. While some farmers feel that a versatile skill set is necessary to be successful as a rural entrepreneur (Jokinen et al. 2010), Godin (2007) suggests it is better to be a master in one market.

Tykkyläinen (2005) showed that the decline in primary sector and reorganization of the public service sector are pushing people out of the countryside. Grassroots efforts such as the emergence of small rural enterprises are not strong enough to survive. Rural communities are subjected to a resilience test where both individual performance and community support matter to novel entrepreneurship.

Van der Ploeg and Renting (2004) describe three ways for farmers to shift their businesses: reground, deepen, broaden. Farmers must be aware of resources at their disposal. Becoming a member of a RTE would allow farmers and other team members to navigate through this complex system.

RTE Strategies

The model for Rural Team-Entrepreneurs includes the above mentioned issues while considering the following:

- Examine the unique dynamics and market chains in local rural communities
- Find new ways to reach customers, market penetration and success
- Rural entrepreneurship requires diversity and versatile skills, but individually require a mastery in one
- Focus on developing new enterprises in rural areas, novel entrepreneurship, creative solutions and innovative thinking
- More can be accomplished through teamwork and the group will be more resilient.

The Finnish Team Academy education, an innovative Finnish model for developing team entrepreneurs was founded by Johannes Partenen in 1993. His model could form the basis of this new rural education concept of Rural Team-Entrepreneurs. Team Academy is based on a learning triangle: *theory*, *learning by doing* and *team learning*.

1. Team members learn the *theory* from books. They begin with a recommended reading list on themes related to learning, community, entrepreneurship, customer relationship, etc.
2. Teams operate as independent cooperative companies. Utilizing the *learning by doing* approach, members are assigned real-life projects. Learning is a process that is not divided into modules or subjects, such as marketing or leadership. Projects offer opportunities to apply studied theory directly into practice and also provide a platform for students to reflect on theory in the light of their own experiences while studying.
3. Teams use dialogue as a tool to share knowledge and think together, *team learning*. The purpose of *dialogue* is to go beyond one individual's understanding – the whole organizes the parts, rather than trying to pull the parts into a whole. In dialogue, people become observers of their own thinking.

Peter Senge highlights the challenge of taking network-type educational models, like Team Academy, to different cultures. He states that Team Academy is 90% universal, but 10% depends on culture and, in our case, an added issue is rural. He stresses that an entrepreneurialism culture is needed for the future. Instead of learning by doing, he uses "*learning for doing*", emphasizing that learners care about what they want to learn. Models, such as the Lukesch model (Katona- Kovács et al. 2011), could be used as a tool to explore local partnership, local needs and local socio-cultural environment so as to find the best tools for implementation of RTE.

How to Implement RTE

The complex system of agriculture necessitates the involvement of multiple stakeholders. RTE's can be members from the same region, with different interests, talents and ages. The community of RTE has to develop naturally. One approach to community development is through identifying rural inhabitants who are pro-active, have good ideas, and are able to mobilize people around them who care about the idea. They must find common values, mission and vision through dialogue and then find a product for their RTE. The process needs a mentor or a rural team-coach. Universities could fill this important role by providing these actors and toolkits (Katona Kovács et al., 2011).

Creating a library for RTE books is also an important element. The case of Kamkwamba (2009) from Malawi is a good example of why books are needed. Mentors or even students from universities could organize dialogue events in rural areas based on a given book and knowledge needed. Networks for rural development such as European Network for Rural Development in the European Union could create supporting policies. Mentoring could come from universities, keeping in mind that RTE needs coaches instead of teachers. RTE could serve also as catalyst for change and filter throughout the region where it starts.

The authors have learned through experience that creating RTE's can be challenging, as the entrepreneurial culture and social capital is low, even at universities and in urban areas of Hungary. Some people encountered do not believe that they can influence the future. On the other hand, the Teams must trust the process and feedback from local actors who have an interest in finding the most effective way to implement RTE.

Research on how to use this theoretical model is still under development. The authors would like to make contact with those who have an interest in developing RTE, and with those who have good examples utilizing similar tools.

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