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Do European Nations have Different Issues When it Comes to Rural Development? EU Rural Leaders' Perspectives on Social and Economic Contexts

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In Europe, rural development has grown to be a major policy concern. Rural areas are continuously declining in terms of both population and economic growth as a result of the concentration of more job opportunities in urban areas. In this regard, more general social or structural policies at the European level are incorporated into rural entrepreneurial activities that benefit rural communities. In five rural regions of Europe—Croatia (Slovenia), Germany (Münsterland, Saxony-Anhalt), Poland (Małopolska), and Portugal (Alto Minho)—the article's goal is to examine societal and economic issues and their creative solutions. Using a multi-case approach, this study examines the range of problems and solutions in several rural regions of Europe. The comparative analysis shows that the most important initiatives to alleviate the development issues in rural areas are: educating local communities; enhancing digital and economic infrastructure; promoting local product production and promotion; encouraging collaboration between producers and local communities; and strengthening local policy's focus on providing financial support for farms and production enterprises. In the context of creating entrepreneurship strategies in rural areas, the study's conclusions are used to formulate suggestions for rural policies.

Key words: Economics, Entrepreneurship, Rural development, Social innovations

JEL code: O1, Q01, L26, L31, R11, R23, R58.

INTRODUCTION

Despite years of efforts to reduce and harmonize, there are still differences in sustainable economic growth, employment prospects, decent workplaces, and the overall well-being of European nations. Depopulation, especially the movement of young adults to cities, is the most frequent problem facing rural communities. There are, nevertheless, numerous instances of rural villages thriving in the face of adversity and expanding. It appears that rural residents have effectively created new economic enterprises to meet the prospective need of the (urban) market thanks to their entrepreneurial mindset, knowledge, capability, willingness, and resolutions. These societies frequently experience a shift in social management from an individual-centered system to one that is more collectively based. Individuals' interaction and communication are enhanced during this process, and various stakeholders' cooperation also intensifies. As a result, rural areas' social capital becomes a major concern. In order to gain access to financial and

political capital that can lead to positive development outcomes and potentially be the answer to problems in their communities, rural residents are willing to build and maintain productive relationships with regional stakeholders and the outside world (Li et al., 2019).

In light of this, regional, national, and European policymakers have been attempting to enhance the business environment in order to lessen the gaps between prospects for rural and urban development. To address rural development issues at the national and regional levels, the European Union launched various rural development policies and programs, such as the European Social Fund, the European Cohesion Fund, and the European Regional Development Fund (Van der Ploeg et al., 2017). However, entrepreneurship-focused rural solutions are generally lacking, especially in rural areas that are becoming older and less populous.

Producing agricultural products for direct consumption or to meet the demands of the food and agriculture sectors is a customary practice in rural communities. Rural communities continue to play a vital role in this activity, which is essential to preserving food security. However, rural communities are no longer only linked to agriculture and the food industry due to social and economic changes. Rural communities now carry out a variety of non-agricultural tasks, enabling its citizens to look for work in more profitable industries.

Diversification of economic activities raises household earnings, according to empirical research (Gautam and Andersen, 2016; Hoang et al., 2014). While some development economists continue to maintain that agriculture is the primary driver of rural development (Irwin et al., 2010), others contend that growth can only be attained through the industrialization of rural areas, which is also comparable to rural urbanization, which is the term used to describe the conversion of a rural area into an urban one (Liu et al., 2010). Agritourism, organic farming, landscape management, the preservation of new nature values, and the production of high-quality, locally produced goods are other contemporary rural development projects. Other practices that family farms are rapidly implementing include direct marketing, creative cost-cutting strategies, and novel approaches like incorporating caregiving into the farm. Participation in these kinds of activities leads to new kinds of social cohesiveness and, frequently, a range of activities are integrated (Van der Ploeg et al., 2017). However, by building a robust business environment and encouraging rural entrepreneurship, the most effective development plan is the one that innovatively capitalizes on synergies among regional players (Berglund et al., 2016). Through stakeholder participation and lifelong entrepreneurial learning (Brandt et al., 2018; Hercz et al., 2021; Leonidou et al., 2020), this emphasizes and alludes to the concept of rural development rooted in entrepreneurship (Barrett, 2015; Fortunato, 2014; Markey et al., 2010). According to national characteristics, rural entrepreneurship is any type of entrepreneurship that occurs in places with a small population and lots of open space (Korsgaard et al., 2015). Rural entrepreneurship is heavily influenced by territorial concerns. However, synergies between different regional players, including governmental agencies, rural enterprises, higher education institutions, rural inhabitants, and rural entrepreneurs, play a crucial role in the growth of entrepreneurship in rural areas. The core of the conversation about rural entrepreneurship is the involvement, cooperation, and nature of these individuals' endeavors. This is due to the fact that localized stakeholders are the most knowledgeable.

Of regional socioeconomic issues, and the social backdrop of rural entrepreneurship is deeply ingrained. Although fostering rural entrepreneurship is essential to expanding the possibilities for sustainable economic growth and well-being (Muñoz and Kimmitt, 2019; Sá et al., 2018), a deeper comprehension of how entrepreneurship might revitalize rural areas from an EU standpoint is required.

This study intends to fill this vacuum by examining social and economic issues as well as creative solutions in five rural areas of Europe: Portugal (Alto Minho), Germany (Münsterland, Saxony-Anhalt), Poland (Małopolska), and Croatia (Slovenia). This will make it possible to better grasp the potential for rural development and to create

recommendations and public policies that will encourage it. Specifically, this study addresses the following issues:

- What challenges can be identified in rural regions in Croatia, Germany, Poland, and Portugal?
- What are the similarities and differences between European regions?
- What are possibilities for bridging existing development gaps in rural areas?

This study examines the variety of problems and solutions in a few chosen rural areas of Europe using a multi-case approach (Yin, 2009). In order to identify and debate particular problems and solutions, one focus group was set up in each region. Each focus group comprised about 20 representatives from rural enterprises, public bodies, higher education institutions, and rural inhabitants. As a result, information might be gathered from those who are most knowledgeable about the social and economic issues facing rural communities and who are sincere in creating best practices to address them.

By highlighting the parallels and discrepancies in the problems and solutions faced by rural regions across Europe, this research makes significant contributions to igniting interest in rural entrepreneurship among scholars and practitioners. The study is structured as follows: the theoretical backdrop of rural difficulties and development directions is presented in the introductory section. The adopted methodologies used to carry out the investigation are then presented. Presenting and discussing the findings is the next stage. Lastly, it offers findings and recommendations for additional study.

Literature review

All EU nations continue to have serious concerns about rural development, an issue that has been the subject of literature since the early 1980s. The emigration of young people to urban areas, the population's lower levels of formal education, the older age structure, the lack of access to financial capital, the rapid decline in employment, the dominance of the agricultural sector, the poor socioeconomic environment, and the distance to markets and services are some of the major issues facing rural regions (Deller et al., 2019). In this regard, entrepreneurs in rural areas encounter distinct obstacles. Rural entrepreneurs build profound social capital (Wilkinson, 1991) because many rural towns are geographically isolated from large business networks, as highlighted by Dabson (2001). It is quite challenging for rural entrepreneurs to attain economies of scale since local demand is low in rural areas with low population densities. Sector-specific hazards are higher because agriculture or one industry dominates the local economy (Goetz, 2006). Due to their remoteness, rural towns frequently have limited access to institutional support systems and human resources for small and medium-sized businesses (SMEs), as well as limited financing opportunities—both of which are essential for start-up survival. Conventional norms and values are merged with innovation (Lichtenstein and Lyons, 1996). According to Artz (2003), brain drain is a significant issue for rural communities since young, educated individuals frequently move to cities in search of higher-paying jobs. Local employees feel "economically disadvantaged" and powerless over their own careers as a result of this power imbalance (Fortunato, 2014: 393). The service, retail, and construction industries employ

the majority of entrepreneurs in rural regions (Henderson, 2002). They are also present in the extractive industry and agriculture. Supporting activities and policies appear to be essential given that there are fewer high-growth enterprises in rural areas and that rural earnings are 31% lower than those in urban areas (Henderson, 2002). Additionally, the disparity between urban and rural growth is becoming more pronounced.

These issues were not successfully addressed by previous policies and initiatives that aimed to draw investment from metropolitan regions. In order to manage production and guarantee the food supply in EU nations, policies in the 1960s focused investments on rural areas. The primary purposes of investments were infrastructure improvement, business relocation, and the establishment of new firms. The anticipated growth in business and reinvestment of revenues in agriculture, however, were not always realized. Many businesses were forced to close as a result of the 1970s recession. This rural development concept was unable to produce the anticipated economic outcomes in the early 1980s. However, because of the significant concentration of specialized small and medium-sized businesses that were unaffected by the industrial crisis, the prosperous economic development of regions like Tuscany and Emilia-Romagna garnered public attention at the time (Patarchanova, 2012). Businesses are increasingly choosing more flexible organizational patterns over models focused on vertical integration and economies of scale (Van der Ploeg et al., 2017). SMEs are better equipped to deal in dynamic and volatile markets than large enterprises because of their flexibility in terms of supply quantity and quality. The rural development model was changed to support local enterprises, boost local capability, support local projects, and diversify the economy as a result of their experience. Based on the higher degree of local resources, this new model assumes that local impulses are the primary source of local growth (Patarchanova, 2012).

Numerous investigations have come to the conclusion that rural development needs a more thorough analytical concept. Although many policy goals for rural areas are still focused on traditional "growth" goals, it is recommended that new perspectives be used much more broadly and that societal issues be addressed more specifically (Dax and Fischer, 2018). The social and cultural identity of rural areas within the EU determines their unique character. Every rural area is different in terms of its geography, natural resources, history, ethnic makeup, religion and customs, urban network, and economic possibilities. They have a unique lifestyle, stronger interpersonal bonds, and direct access to nature, which is a sign of a healthy living space. Their perspectives on multifunctional agriculture, farm economic diversification for environmental protection, landscape conservation, cultural heritage preservation, and customs and traditions are all part of understanding their nature (Patarchanova, 2012). Among the major issues facing rural development strategies are sustainability, ecological modernization, public goods, multifunctionality, rural restructuring, networks and globalization, endogeneity, and the circular economy. The well-being of the local population, the potential of migrants, newcomers, and returning individuals, the substantial shift in the function of spaces (e.g., toward living space and areas for leisure), a revitalized identity that implies the innovative use of social innovation changes, and, generally, the ability to innovate for regions, which increases regional attractiveness,

are therefore more important criteria to suggest for future options of rural strategies (Dax and Fischer, 2018).

Rural entrepreneurship became the focus of both researchers and policymakers (Drabenstott and Henderson, 2006). All types of business ventures in rural regions that employ locals, consume and supply local services, and produce revenue in rural areas are referred to as rural entrepreneurship (Korsgaard et al., 2015; Pato and Teixeira, 2016). Changes and crises in rural society heightened awareness of this topic and stoked interest in this field (Wortman, 1990). Entrepreneurship has been shown to secure welfare and increase employment in rural areas (Chun and Watanabe, 2012). In addition, Van der Ploeg et al. (2000) discovered that all development initiatives in rural regions were initiated by entrepreneurship. Without a suitable research topic, however, rural entrepreneurship theory is still in its infancy (Fuller-Love et al. 2006; Kulawczuk, 1998; Pato and Teixeira, 2016; Vaillant and Lafuente, 2007). The position in less developed countries, particularly undeveloped ones, is often ignored in the empirical literature on rural entrepreneurship, which mostly pertains to industrialized nations like the US, Spain, Finland, and Greece (Pato and Teixeira, 2016). Rural businesses must integrate traditional resources with local characteristics while also glean new values from them (Anderson, 2000). There isn't much agreement on whether entrepreneurship in rural and urban settings differs greatly (Fortunato, 2014). Rural entrepreneurs have never been interested in creating creative regions. Simply put, they want to make life and the area better (Korsgaard et al., 2015).

Entrepreneurship and immigrant enterprises have recently been linked in literature (Fortunato, 2014). Immigrants are 30% more likely than non-immigrants to start a business, and their endeavors have revitalized rural communities, according to U.S. studies (Fortunato, 2014). The study's findings are especially significant for all of the European nations dealing with the biggest migration flows. Another noteworthy conclusion is that people who prefer to live in rural areas are more likely to start their own business, and that rural entrepreneurs make far more money than urban workers (Yu and Artz, 2019). Rural entrepreneurship boosts the local economy by improving the standard of living in rural areas, generating jobs, and offering a range of goods and services (Yu and Artz, 2019).

Due to factors including (anticipated) depopulation, aging, digital isolation, school closures, unemployment, underemployment, high mobility costs, and shifting consumption needs, rural places have a greater need for individuals to participate in service delivery than do urban areas. Thus, it is crucial to understand how citizens' initiatives, social entrepreneurship, and community-led development contribute to the provision of services (Haan et al., 2019). Furthermore, living in a rural area does not directly lead to poverty; rather, it exacerbates the associated conditions that make people more vulnerable and reduce their chances of escaping it. Disadvantages include being far from marketplaces and having few resources, while social and economic remoteness can also bring problems that are neglected due to relative isolation and dispersed people. Because entrepreneurial solutions present chances to bring about positive change, rural areas appear to be a suitable setting for social enterprise (Andersen and Lent, 2019). By proposing the removal of state services and encouraging community togetherness, a study of two rural communities in Scotland (Steiner and Teasdale, 2019) suggests that social business could be a means of addressing the regional issues of sustainable economic development. Since national

policies do not always translate into practice at the national rural level, the authors explain that while social enterprises can provide locally responsive services, it might be necessary to look beyond traditional policy options that address economic development, community cohesion, and public services separately. Economies of scale can result from cooperation between social enterprise groups and between social enterprises and government agencies, especially when solid relationships based on trust are established.

According to some research, citizen initiatives, especially in rural regions, have the ability to take the place of strained services and promote the resilience and self-determination of these communities (Haan et al., 2019). Nevertheless, lifestyle entrepreneurs, digital nomads, and social entrepreneurs have found that rural areas are the best locations for their businesses, even with all of their drawbacks. Their primary objective is to balance the quality of life with the desire to follow

their own thoughts and goals. Rural communities have benefited from this transition from traditional industries to services (Acs and Armington, 2006). Many rural business owners prioritize following their own concepts, aspirations, or objectives (personal, social, or cultural) over making a profit. To accomplish their objectives, they are prepared to make concessions regarding the financial growth of their company (Achtenhagen et al., 2010). By integrating the distinctive qualities of a place with locally accessible resources, they will maximize their use and generate new value from conventional resources while offering services or goods (Anderson, 2000).

Rural development models should not overlook the participation of all local stakeholders. Because the use of external information makes innovation easier and faster for enterprises regardless of their size and industrial environment (Giacomarra et al., 2019), the participation of stakeholders in innovation processes is very important (Fiore et al., 2020). In order to accomplish social responsibility objectives and sustainable innovation results, it is necessary to manage stakeholder connections both internally and outside in order to draw in and exchange knowledge (Giacomarra et al., 2019). Empirical research in the context of rural development showed that stakeholder organization and collaboration opened up new opportunities for clever social innovations. Furthermore, managing food safety hazards requires the cooperation of all parties involved in farming, including farmers, processors, transporters, distributors, retailers, consumers, officials, and legislators (Fiore et al., 2020). The rural community's diversity of values and knowledge must be taken into account, and stakeholder engagement in decision-making and execution must be guaranteed. By including stakeholders, it is feasible to find out what they think and how each of them might help address the issues that have been identified. However, the necessity to appease numerous stakeholders makes the execution of rural development initiatives intrinsically difficult (Usadolo and Caldwell, 2016). The co-benefits of collaboration may be viewed and assessed differently by various stakeholders; ignoring these variations could result in conflict and, consequently, mechanisms of policy resistance (Giordano et al., 2020). Therefore, for a process to be effective, the public administration and other knowledge structures should support the stakeholders' initiative, and the stakeholders themselves should coordinate and collaborate for mutual benefit (Messely et al., 2013).

Research Methods

This study follows a multi-case method (Yin, 2009), which investigates the diversity of challenges and solutions in selected European rural areas.

According to Eisenhardt (1989) and DeMassis and Kotlar (2014), case study analysis is one of the most often used qualitative techniques in organizational and management studies. According to Yin (1981), an empirical investigation might be single or multiple, meaning that findings drawn from patterns in different situations can be applied generally.

Taking into account the significance of rural development prospects, the literature (Šťastná et al., 2020) compares rural communities in a regional context. Taking into account the development of rural areas is important due to the continuous transformation, which is transforming the areas' character from agricultural-economic to cultural-touristic (Soma et al., 2021). Due

to the fact that they work to support urban regions, the professional qualities of the rural people are also increasingly changing.

In the first empirical phase, a comparative analysis of the chosen locations was conducted from the standpoint of fundamental parameters like population, area, population density, or access to the Internet and unemployment rate in order to accomplish the study's goals. The purpose of the analysis is to gather data regarding the degree of comparability of specific socioeconomic traits of the regions under consideration.

In order to identify developmental problems, observations have been made in the following EU regions during the past two years: Portugal (Alto Minho), Germany (Münsterland, Saxony-Anhalt), Poland (Małopolska), and Croatia (Slavonia) (Figure 1).

The areas under analysis were not chosen at random. Our goal was to select locations from various EU regions. The entities under analysis are also diverse in terms of their socioeconomic circumstances, terrain, and degree of development. This diversity makes it possible to determine whether or not the challenges and development issues faced by rural areas, which are distinguished by their disparate locations and development issues, are comparable.

The decision to carry out a thorough examination of several European regions from the standpoint of the distinctiveness of rural development was prompted by the commonalities that were found with regard to growth potential and obstacles. The regions presented in Figure 1 are characterised below:

- Münsterland - a region located in the western part of Germany, corresponding to NUTS2 level in the Eurostat territorial unit statistics;
- Saxony-Anhalt - a region located in the eastern part of Germany, corresponding to the NUTS2 level in the Eurostat territorial units statistics;
- Małopolska - a region located in the southern part of Poland, corresponding to the NUTS2 level in the Eurostat territorial units statistics;
- Slavonia – a region situated in the northeast of Croatia, comprising five units corresponding to NUTS3 level in the Eurostat territorial units statistics (Viroviticko-podravska županija, Požeško-slavonska županija, Brodsko-posavska županija, Osječko-baranjska

zupanija, Vukovarsko-srijemska zupanija);

- Alto Minho – a region located in the northwest of Portugal, comprising five units corresponding to the NUTS3 level in Eurostat's statistics of territorial units.

The aforementioned regions are examined for their degree of socioeconomic development, size, and economic distinctiveness. A cross-sectional image of the difficulties encountered by the local rural communities in the examined locations is then provided by the preliminary comparison analysis.

The research material gathered from focus groups of specialists and members of rural councils whose job it was to identify and debate the issues in their communities during workshops organized in certain EU nations is referred to as the second empirical phase.

Each of the five rural councils consisted of about 20 members. The focus group method was used to conduct qualitative research in expert groups in each location. In a specifically designed workshop, the experts convened independently in each of the regions that were examined. Finding and discussing development issues and concerns in the rural areas where they live and work was the aim of the conversation. Proposals for measures that might help to lessen the issues that were highlighted were also developed during the focus group sessions. The selection of specialists was predicated on making sure that public administration, business, and science were represented, as well as NGOs and social leaders. Expert workshops conducted over a comparable length of time—in some cases preceded by an initial questionnaire survey—made it feasible to pinpoint the issues that, in the view of experts, are most critical for a subset of EU rural areas and should be given top priority when implementing the regional development strategy. Following brainstorming in the designated locations, instances that were suitable for analysis from a comparability standpoint were chosen.

A case study approach forms the basis of the empirical portion's second phase. The approach investigates individual items and makes broad generalizations about whole populations. It conducts a thorough analysis of a single case in order to fully comprehend it. Universal phenomena are not always confirmed by the chosen case. The authors aimed to answer the following research questions:

1. What rural development problems were identified in the analysed regions?
2. Are rural development problems similar or different in these regions?
3. What are the possibilities for bridging existing development gaps in rural areas?

The case studies were examined using qualitative analysis techniques. A comparative analysis of the findings in the five EU regions under investigation is presented in the following step of the second empirical study. It results in findings about rural development issues and solutions in different parts of Europe. A search for similarities and

differences between them was undertaken. The qualitative study was conducted in 2020 between January and June.

Results and discussion

The socioeconomic factors of the analyzed regions' diversity

Germany's Münsterland had the highest level of development among the areas examined. According to Table 1, the GDP per capita in 2019 was 33,270 EUR. The region's high population density (379 people per km²) demonstrates how desirable it is for people to settle there. Its comparatively low unemployment rate (4.5%) is one of its defining characteristics. About 14% of all businesses in the area are medium-sized and big businesses, which is a comparatively high number. In terms of tourism, the Münsterland region is known for its numerous churches, monasteries, and castles, some of which are still in excellent architectural condition. Bicycles are a popular mode of transportation because of the comparatively level terrain, particularly in the northern and western regions. The two most important industries are agriculture and mechanical engineering. Companies in Münsterland have long spent less on research and development than the national average. Research activities in the Münsterland region are started by the Westfälische Wilhelms-Universität Münsterland, the Münsterland University of Applied Sciences, and the Westfälische Hochschule. This is partly due to the medium-sized sector structure, where R&D activities are frequently owner-driven and not institutionalized in R&D departments of science. More than 62,000 students attend these three universities alone. Compared to densely populated areas, Münsterland's rural areas have a lesser inclination to launch a business. The state of the labor market at the moment is also to blame for this. In Münsterland, there were 3.9 start-ups for every 1000 people in the 18-64 age range. Despite Münsterland's extremely low start-up rate, the likelihood of success is marginally higher than the national average. 41.6% of businesses established in 2010 were still operating in the market as of 2015.

The second German region, Saxony-Anhalt, likewise stands up favorably among the entities under study. Despite being a significantly less populated area than Münsterland (107.9 people per km²), the GDP per capita achieved there was considerable, at 27,972 EUR. Additionally, the comparatively high unemployment rate (7.1%) indicates that it is somewhat disadvantaged in terms of employment. Additionally, the area contains less large and medium-sized businesses, which account for 3% of all businesses. 3.6 million tourists visited it in 2019. Saxony-Anhalt is the German state with the greatest concentration of UNESCO World Heritage sites, aside from the Harz Mountains, which are the most popular vacation spot. The most significant economic sectors are the food industry, automotive supply, renewable energy, logistics, plant engineering and construction, and the chemical and plastics industries. With Martin Luther University in Halle, Otto von Guericke University in Magdeburg, four applied science universities, and a plethora of extra-university research institutions, including five research institutions in the Leibniz-Gemeinschaft, the Max Planck Institute, six Fraunhofer facilities, two Helmholtz Gemeinschaft facilities, and one Robert Koch Institute facility, Saxony-Anhalt is home to one of Germany's most concentrated research landscapes. These institutions work closely with Saxony-Anhalt's businesses as they strive for innovation leadership. The cities of Halle and Magdeburg are home to the startup scene. Halle boasts a sizable technological park with the Weinberg Campus. Through resident (university-based) incubators, startups in Magdeburg and

other cities can also expand on a contemporary infrastructure. this area. The area is one of Poland's most popular tourist Saxony-Anhalt has been categorized as a "strong innovator" destinations because of its unique mood, stunning natural since 2008, according to the Regional Innovation Scoreboard surroundings, and a remarkable quantity of monuments. Among the 2019.

Considering the GDP per capita measure of 15,547 EUR, Alto churches, mineral water spas, thermal springs, cultural events, Minho in Portugal is characterized by an average/mediocre enduring traditions, and delectable cuisine. The region's high degree of development in comparison to the two locations in scientific, research, and educational capacity, the availability of Germany. It should be mentioned, nevertheless, that it is the skilled engineering personnel and labor, as well as its smallest area that was examined. With the longest life advantageous natural and climatic circumstances, have all expectancy of 80.2 years, Minho, on the other hand, stands out contributed to the development of its high-tech, automotive, favorably. This measure has a significant role in determining the tourism, and business services industries. In 2017, the gross inhabitants' quality of life. However, the state of the labor market domestic expenditure on research and development (GERD) is not favorable. At 8.9%, the unemployment rate is indicator stood at 1.85% (Poland: 1.03%). The number of EPCs comparatively high. Alto Minho is the first NUT III in Portugal employed in the R&D sector increased to 14,500 in 2015. Technical Continental to have its entire territory fully awarded by the sciences and energy, biological and medical sciences, agricultural European Charter of Sustainable Tourism, a certificate granted sciences, physical and engineering sciences, and digital research by EUROPARC, the European Federation of National and infrastructure are the domains represented by the research projects Natural Parks. Approximately 30% of its land was designated as in Małopolska. One characteristic of Małopolska is its high degree Natura 2000 for tourism. It boasts ten historical centers of of entrepreneurship. This region was home to 9.0% of Polish excellence for tourists and more listed national monuments than entities in 2018. The number of business entities has grown any other subregion in Northern Portugal. Additionally, it dramatically over the past ten years in comparison to the incorporates the St. James Portuguese Way's primary pathways. population; in 2018, there were 115 firms per 1000 people. Krakow From the standpoint of industrial development, Alto Minho's is home to almost 10% of Polish startups, ranking the regional industry heavily relies on metalworking, shipbuilding and repair, capital third in the nation. With over 150,000 students, Małopolska and automotive components. In addition to this well-known is one of Poland's most significant academic hubs. It has 3,100 regional technology network, the area is home to innovation and more laboratories in addition to 106 recognized research research. The Polytechnic Institute of Viana do Castelo's (IPVC) laboratories (807 of which are housed in scientific institutions Technology and Knowledge Transfer Office (OTIC) serves as a including as universities, Polish Academy of Sciences institutes, platform to assist in the creation of a new higher education and research institutes). culture that aims to approximate the IPVC to the business fabric

while also valuing research and its outcomes economically. By Slavonia, Croatia, has the lowest level of development when offering top-notch services tailored to businesses' needs, this considering the indicators that were examined. There are just 56.7 OTIC hopes to be a deciding factor in corporate innovation in the people per km² in the area. Additionally, the GDP per capita is a area. The Alto Minho Business Confederation (CEVAL), IPVC, pitiful 7,672 EUR. At 20.3%, the unemployment rate is extremely Alto Minho CIM, Incubator of Innovative Business Initiatives high. When it comes to internet connectivity, the area is severely (In.cubo), Integrated Rural Development Association of the Lima underprivileged. The percentage of people with internet connection Valley (ADRIL), and Integrated Rural Development Association is just 18.7%. Regarding tourism, this region of Croatia is most of the Minho Valley (ADRI-MINHO) are all part of an institutional famous for its vast and lush fields, large rivers and marshes, network that aims to create an integrated platform for mobilizing woods, historic cities, wine production, and happy, traditional people, resources, agents, and ideas that support Alto Minho's people. The three most important industries are wood processing, entrepreneurial spirit and culture and aid in the creation and food production, and agriculture. The Josip Juraj Strossmayer execution of entrepreneurial initiatives in the area. In the Alto University of Osijek, the College of Slavonski Brod, the Polytechnic Minho higher education network, IPVC offers the most diverse in Požega, the Virovitica College, and the College of Applied selection of courses. Through its six colleges, it provides higher Sciences "Lavoslav Ružička" in Vukovar are among the five education courses, including undergraduate, graduate, and Slavonian counties' scientific and research landscapes. In 2018-master's degrees (in collaboration with numerous domestic and 2019, the number of students enrolled in higher education international universities), in addition to professional higher institutions exceeded 19,200. At the national level, R&D spending technical courses (CTeSP). Approximately 4,250 students attend was 49.3 EUR per capita in 2017, whereas it was 65.7 EUR per the institution, and 946 of them received their diplomas from capita in 2017. Initiating business endeavors has been less active IPVC in 2018. Supported by a national and worldwide network of than the national average for several years (6.6 and 9.6%, partners, IPVC carries out, disseminates, and transmits applied respectively 2018). Regional variations in attitudes toward research that is financially viable, pertinent to the cultural, social, entrepreneurship were also revealed by the GEM study; in 2018, economic, and commercial tissues of the region, and part of an these variances peaked at 46.7%.

IPVC training program.

Development problems of rural areas in the studied regions

In Poland, Małopolska stands out favorably from the other Synthetic conclusions resulting from the focus group regions under examination due to its extremely high level of discussions in the studied regions, referring to the main internet connection (93.2%) and low unemployment rate (4.1%). development problems identified in rural areas, are presented These favorable trends, however, do not correspond to a in Table 2.

general degree of development as indicated by GDP per capita, which is only 11,935 EUR and significantly lower than in the They raise various issues. The problems were presented in a previously mentioned regions. Large and medium-sized non-uniform manner. In order to systematise the obtained businesses make up just 0.7% of all registered businesses in information and enable its comparison, the identified

development problems were grouped under six thematic areas:

- unfavourable demographic situation;
- low quality of human capital and social capital;
- financial barriers to development of enterprises;
- poorly developed economic and social infrastructure;
- legal and administrative impediments;
- low effectiveness of the implemented development policy.

The development problems of rural areas identified in the studied regions were assigned to separate thematic groups and their occurrence in the studied regions was determined (Table 3).

According to the report, the unfavorable demographic condition and the current financial hurdles to business development are the main causes of development issues in rural areas. In four of the five regions under study, these two problems were identified. Both highly developed and less developed regions are affected by them.

In four regions—Saxony-Anhalt in Germany, Alto Minho in Portugal, Münsterland in Germany, and Slavonia in Croatia—the unfavorable demographic situation was framed as a challenge for rural development. The population of Alto Minho is aging, and there is a discernible decline in the number of people living in rural areas. This has to do with young people's lack of desire to live in rural areas. Young people are leaving Slavonia as well because they don't find agricultural employment particularly appealing. The population of Saxony is also clearly aging. Young families are moving to cities or overseas since they don't want to live in rural areas. Because of this, there is a shortage of skilled labor, which hinders the growth of businesses in rural areas. Similarly, more people are moving to cities in Münsterland thanks to migration.

The current barriers to business development are the second prevalent issue in rural development. Four regions—Slavonia in Croatia, Münsterland in Germany, Alto Minho in Portugal, and Małopolska in Poland—were examined for these kinds of issues. Financial and demand hurdles are linked to company development obstacles in the majority of locations. Business potential in Alto Minho are severely constrained by a lack of funding. One significant issue in Slavonia is the unsuitable system of economic activity subsidies that are unrelated to business revenue. The overpowering import lobby and the dearth of facilities for intelligent agriculture production are other obstacles. The low level of demand and lack of consumer interest in local items are the main causes of Małopolska's businesses' poor development. This increases the dangers of funding particular projects. Furthermore, there aren't enough reliable logistical infrastructure in place to market manufactured goods. The business environment in Münsterland is extremely challenging; a large number of SMEs have shut down, which has negatively impacted the labor market and led to a sharp rise in rural unemployment. Low levels of social and human capital, inadequate social and economic infrastructure, and current administrative and legal obstacles are all significant development issues in rural areas.

Three distinct regions under examination reported issues falling under these categories. Furthermore, both highly developed and less developed regions are affected by similar concerns.

Low levels of social and human capital created barriers in Saxony-Anhalt, Germany; Małopolska, Poland; and Slavonia, Croatia. The population decline linked to high dropout rates is a significant issue in Saxony-Anhalt. The absence of adequate understanding about how to manage a business in rural areas is what is preventing Slavonia from developing. Rural societies also struggle with the loss of their regional identity, which makes it difficult for them to integrate and work together. The absence of local leaders who can unite the community behind a shared objective and mental hurdles that restrict social engagement and willingness to take action for the common good have also been noted by the Małopolska voivodeship.

The rural portions of the regions under investigation have inadequate social and economic infrastructure. These were found in the following regions: Saxony-Anhalt in Germany, Małopolska in Poland, and Alto Minho in Portugal. The physical infrastructure in Małopolska is very underdeveloped. The lack of social services is Alto Minho's biggest issue. It is particularly evident that medical facilities in Saxony-Anhalt are not easily accessible.

The current administrative and legal restrictions are a major hindrance to rural areas' growth. Experts from the following areas reported these issues: Alto Minho in Portugal, Slavonia in Croatia, and Münsterland in Germany. In all of the places highlighted, the expansion of businesses was hampered by the complex legal system and heavy bureaucracy.

Ineffectiveness of the implemented development policy was one of the identified development hurdles, in addition to the issues of rural development that were mentioned, with regard to the majority of the regions that were surveyed. But this issue only existed in two areas: Alto Minho in Portugal and Slavonia in Croatia. There is no well-established agricultural production strategy in Slavonia. On the other hand, Alto Minho lacks a well-developed local development paradigm. It should be mentioned that the regions with the highest level of development—German regions—were not included in the issue of inefficiency in the implementation of development policy.

Recommended actions aimed at alleviating existing rural development problems

The structured guidelines resulting from the focus group discussions in the surveyed regions relating to the recommended actions for reducing the problems in rural areas are presented in Table 4.

The experts' guidelines were presented in a heterogeneous way, and, for the purpose of a comparative analysis, grouped - as in the first part of the comparative study - under six thematic areas:

- education;
- local products;
- medical care;
- policy improvements;
- cooperation;
- infrastructure and digitalisation.

What is noteworthy at this stage is the fact that the characteristics

of the recommended areas are similar to the identified problems, which seems to be a natural direction of the conclusions of workshop participants.

The actions to be considered as recommended in the studied regions were assigned to separate thematic groups (Table 5).

Experts in the designated fields place a high value on education. There was only one instance where the educational direction—one of the most crucial elements supporting rural areas' development—was absent. Regarding the intended development paths, a comparable high degree of commonality was noted in the region pertaining to regional products. All of the experts agree that the growth of these items' manufacturing, marketing, and distribution could increase the importance of rural communities. Since this consensus was only less strongly expressed in one of the examined locations (Münsterland), it should actually be applied to all of the examined European regions. However, there was a prominent mention of entrepreneurship, which may be seen as a reference to the management of local resources, when taking into account other significant development directions found in this area.

When it comes to selecting activities for rural development, the two areas that have been found to be most similar are infrastructure and digitalization. Only Slavonia lacks a direct reference among the expert indications regarding the necessity of efforts in this area. Conversely, it can be said that national and regional policies bear the primary responsibility for addressing the issue of the necessity of infrastructure development and digitalization operations.

Another area of comparative analysis that has been highlighted is the necessity of policy intervention in this instance. Three of the five cases that were examined had clear signs that something needed to be done in this area. The Croatian region has a high degree of activity intensity in this area, and it might be stated that, keeping in mind the element known as "more effective use of EU membership possibilities," there is an indirect reference to the infrastructure and digitalization sector.

"Cooperation" is another area that has been positively verified in terms of the consistency of expert signals and suggested measures. Like the "need for policy action" that was previously examined, this area does not have the strongest indication; only three of the five areas recognize the need for action. However, scientists believe that cooperation is a crucial component for rural development. However, considering the identification of the measure "strengthening entrepreneurial potential," which refers to enhancing, among other things, the social capital as a result of cooperative activities, it may be inferred that it has been implicitly recognized in Münsterland.

The medical care area, which was located in one of the five European regions (Saxony-Anhalt), is the exception that needs to be confirmed as negative. The specificity of the homogeneity of this area appears to be too remote, so there is no reason for a direct reference and correlation

with the area of policy improvement, even though it is implied that there is an indirect reference to the area of policy improvement in terms of health policy.

It is possible to conclude that there is a significant degree of resemblance between the suggested activities by combining the reasons made in the discussion above. The concordance of expert indications was 80% for 50% of the compared locations, and 40% of the areas had a coefficient of 60%, and only in 20% (a 20% similarity level) did the coefficient fall below 50%. In the context of their evolution, the experts advise implementing quite comparable policies in various and socioeconomically distinct European regions.

Notwithstanding their unique difficulties and objectives, the research findings reported in the paper show common issues across all the examined. Regardless of the rural area's location, the research also identifies common issues and development challenges, such as unfavorable demographic factors, low human and social capital quality, financial barriers to entrepreneurship development, inadequate infrastructure, administrative and legal burdens, and low effectiveness of development policies. There are many similarities between the suggested measures and the difficulties that have been identified, according to the comparative study. The study's findings suggest six main areas for policies and targeted actions: digitalization, cooperation and infrastructure, policy improvements, better medical care in rural areas, education, and the promotion of local products. All parties agree that the most critical area for change is education, particularly in the area of entrepreneurial education.

The results are derived from in-depth studies of rural areas and real-world experience gathered by local stakeholders who are familiar with the current state of affairs and the economic climate and who are dedicated to implementing the required changes.

The study was carried out concurrently in rural areas across multiple European regions that differed in terms of socioeconomic characteristics and degree of development. Notwithstanding these variations, comparable outcomes are attained, confirming the universal nature of the issues and difficulties that rural communities face.

The study's conclusions are in line with those of other writers. They support the findings of Deller et al. (2019), who claim that demographic issues and the poor quality of human capital brought on by lower educational attainment in rural areas are two of the main obstacles to rural development. It has also been established that the quality of social capital is another barrier, and that one of the main issues is the requirement for collaboration between stakeholders and entrepreneurs. Some authors emphasize the need to engage all stakeholders (Brandt et al., 2018; Hercz et al., 2021; Leonidou et al., 2020; Messeley et al., 2013), establish cooperation networks (Berglund et al., 2016), and involve local communities in fostering local entrepreneurship (Anderson and Lent, 2019; Steiner and Teasdale, 2019). The identification of the challenges associated with fostering rural entrepreneurship, which is bolstered by the unique items that a particular location offers, is a noteworthy result. Other writers that have been referenced also emphasize the

importance of grassroots initiatives (Haan et al., 2019) and the necessity of promoting and growing rural entrepreneurship (Berglund et al., 2016; Muñoz and Kimmitt, 2019; Sá et al., 2018; Yu and Artz, 2019).

Conclusions and recommendations for future research

Rural development has been a longstanding issue on the EU agenda, but there is no one-size-fits-all solution or uniform strategy. Some scholars and legislators argue that agriculture is the answer to every issue facing rural communities, while others fervently advocate for bolstering local economic ecosystems and residents' entrepreneurial endeavors. There appears to be no agreement between researchers and politicians, and the suggested actions varies greatly.

One of the major issues facing all EU nations is promoting social and economic development in rural areas. Among other reasons, rural places struggle with issues including unfavorable demographic shifts, restricted access to finance, or unfavorable economic arrangements, making them less appealing to residents and enterprises than urban areas. Establishing the conditions necessary to promote growth and raise rural populations' standards of living is a significant task for communities and local government.

This study's primary objective was to pinpoint rural development issues and provide suggestions for solutions that would enable them to be resolved. The study was conducted in certain areas.

having varying degrees of socioeconomic growth within the European Union. The following were the research questions: (1) What issues with rural development were noted in the areas? (2) Do the regions under analysis have comparable or dissimilar issues with rural development? (3) What opportunities exist to close the current gaps in rural development?

According to the report, the unfavorable demographic condition and the current financial hurdles to business development are the main causes of development issues in rural areas. Low levels of social and human capital, inadequate social and economic infrastructure, and current administrative and legal obstacles are all significant development issues in rural areas.

According to the data, the degree of social richness in a particular rural area does not have a significant impact on the nature of the difficulties. This suggests that rural areas' development demands are uniform. Both highly and less developed regions are affected by the main issues with rural development.

Additional research on rural areas indicates a high degree of agreement on the suggested solutions to their development issues. The most crucial responsibilities are thought to be community education, economic infrastructure development and digitization, and the production and marketing of domestic goods. Additional methods that are often suggested include increased focus by municipal policies on the financial support of farms and production enterprises, as well as collaboration between producers and local communities. Social and commercial endeavors are equally vital. Rural dwellers, however, have a more positive opinion of social initiatives that are backed by local authorities.

Regardless of where they are located in the various EU countries and regions, the research shows that there are some common issues and development obstacles unique to rural areas.

The study's findings have practical applications. They make it possible to make suggestions about policies for rural areas that are meant to improve development levels.

Strategies for entrepreneurship development should be created at the regional and local levels. These tactics ought to specify the main objectives of development. The lifetime and ongoing education of society, including entrepreneurial education, is unquestionably one of them. Determining the local potential and sources of competitive advantage (services and distinctive products)—a region's assets that help establish and boost local brand recognition—also plays a big part. Legal, financial, and organizational support should be provided to entrepreneurs in order to support their economic endeavors. Crucially, chances provided to residents and business owners should motivate them to operate in rural regions. Additionally, by informing them of the potential advantages of such collaboration and the streamlined procedures, local firms should be persuaded to participate in cooperative programs. In addition to entrepreneurs, local stakeholders should collaborate with residents, organizations, and representatives of the public government. Nonetheless, establishing mutual confidence and guaranteeing efficient communication are prerequisites for cooperation.

Without taking into account local specificities, development levels, and ecosystems, the question of whether those issues can be resolved with the same strategies emerges. Given that stakeholders in every EU country under analysis recognized comparable issues and approaches to tackling them, the results indicate that there are shared priority recommendations. However, in order to achieve property goals at an operational level, several solutions should be put into place, taking into account local specificities, natural and geographic features, current economic structures, economic activity experience, and the distinctiveness of local products.

The research that has been done adds to the body of knowledge in the sciences that examines the factors and processes that influence rural development. It appears that in addition to providing a positive confirmation of the outcomes attained by other writers, this work's usefulness also comes from confirming the universal nature of particular issues and issues that rural communities experience, irrespective of their location (country or region), degree of development, or socioeconomic circumstances.

The study's limitations are acknowledged by the authors. Research on issues pertaining to rural development challenges and problems is extensive. Several case studies served as the foundation for the considerations that were provided. Both the selected methodological technique and the features of the countries in the sample place limitations on the research study and the suggested findings. None of the rural areas under analysis can be classified as underdeveloped, despite the fact that they reflect varying degrees of development. As a result, the needs and demands of developing nations are not represented in the suggestions and conclusions. Focus groups was used in this study since gathering viewpoints and thoughts from stakeholders in the countries under observation was one of its goals. As a result, this technique makes it possible to analyze socially acceptable viewpoints that are voiced by particular participant

types. Since different moderators in different locations conducted the focus analyses, we had little control over the process and had limited capacity to direct it. As a result, when analyzing the gathered data, these restrictions should be taken into account.

The findings of this study pave the way for more thorough examinations. Additional case studies and comparisons of other EU regions could be used to support future directions. Future studies can also examine how rural areas' growth has changed over longer time periods. Comparative studies on the development of rural areas in Europe and other countries could be a useful addition to this field of study.

The findings of various focus groups conducted in various nations offer information for more study in the area of rural development. Although the recommendations were grouped into six categories, they are too general to be applied to the policymaking process. Additionally, all of the areas that have been identified must be connected in unified policy and tangible action plans. Lastly, the outcomes of the suggested policies and recommendations may serve as the foundation for additional studies using quantitative instruments and techniques.

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