

Chapter 10

Entrepreneurship in Small-Scale Farms: From Production to Commercialization

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ABSTRACT

This chapter aims to relate a case of rural entrepreneurship developed in Portuguese small-scale farms promoted through the European Project PROVE. The Project PROVE appears in 2007 inside European Program EQUAL; several local partners and development agencies work together with small farms to solve a problem. Parts of these farms do not have enough scale to sell large quantities in markets or to arrange agreement with national and international distributors. However, they have agricultural surplus and difficulties in selling their entire surplus in the local markets. Parts of the first farms are also in urban regions and suffer urban pressures, are familiar explorations, and the number of women is relevant. This entrepreneurial solution was spread to different regions in Portugal and also in other European countries and endures beyond the end of the European project.

1. INTRODUCTION

Although many economic changes have happened since Schumpeter (1934) wrote “The Theory of Economic Development” the appropriateness of the relations between the actors involved in the entrepreneurial process, become indispensable develop the entrepreneurship studies. Entrepreneurship is not only the act of creation and development a new business to survive and compete, is also, according to Schumpeter (1934), innovate and create conditions for a radical transformation or

an action capable to disrupt with the past (creative destruction). But, entrepreneurship could include also new combinations of economic resources that promote economic development.

Prevails today the tendency to approach entrepreneurship and innovation as integrated topics. Entrepreneurs are considered as agents of change and growth of an economy, and may act to accelerate the generation, dissemination and application of innovative ideas. In this sense, entrepreneurship and innovation are complementary. Since innovation is the specific tool of entrepreneurs, the means

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by which they exploit the changes as opportunities for supply a new products or services.

Thus, the individual (entrepreneur) is the basic unit of analysis in the relationship between the economy and entrepreneurship. Accordingly, entrepreneurship is the process of creating and/or expanding businesses that are innovative or that arise from opportunities identified by the entrepreneur. Empirical studies provide evidence that some entrepreneurs acquire most of their skills, especially those associated with attitudes through practice (Raffo et al. 2004).

In this context, the entrepreneur assumes particular emphasis on entrepreneurial process. Miner (1997) proposes a typology of entrepreneur based on tests conducted on a sample of one hundred successful entrepreneurs and emphasizes the following profiles:

1. Entrepreneur – Type real manager:
 - a. Desire to exercise power;
 - b. High communication skills and supervision;
 - c. Strong need to promote;
 - d. Desire to perform routine management tasks;
 - e. Positive attitude towards authority
2. Entrepreneur – Type generator of ideas:
 - a. Innovative;
 - b. Solve problems;
 - c. Clever;
 - d. Averse to risk
3. Entrepreneur – Type emphatic super-seller:
 - a. Denote empathy and cognitive style;
 - b. Reveal ability to build strategic alliances;
 - c. Desire to help the others;
 - d. Value the social process and has a strong need for relationships of harmony, believes that the sales force is a key strategy.
4. Entrepreneur – Staff researcher or personal achiever:
 - a. Strong personal initiative;

- b. Internal control;
- c. Strong commitment with the venture;
- d. Desire to learn and to obtain information;
- e. Desire to plan and set goals for the future;
- f. Desire for feedback on their achievements;
- g. It places great value in careers in which the objectives, achievements and individual job requirements are exalted.

Entrepreneur is the main element of the entrepreneurship process. Consequently entrepreneurship is seen as a systemic process that results from the interaction of the entrepreneur/opportunity and project. This process highlighted the role of the individual entrepreneur as a key element that identifies opportunities and turns them into concrete projects. Entrepreneurship is not therefore a purely individual phenomenon, the entrepreneur not act alone. This is also a social process where individual perceptions are influenced the individual profile but also for the economic, social and cultural contexts. Given the fact that entrepreneurship is a process that is influenced by the contexts in which the entrepreneur is inserted. Bruin and Dupuis (2003) describes several types of entrepreneurship:

- Entrepreneurship by necessity;
- Ethical Entrepreneurship;
- Entrepreneurship capital;
- Electronic Entrepreneurship;
- Family Entrepreneurship;
- Community Entrepreneurship;
- Municipal Entrepreneurship;
- State Entrepreneurship;
- Local Entrepreneurship;
- Entrepreneurship in old age;
- Entrepreneurship in young.

Based on the various aspects or types of entrepreneurship, the next section introduces rural entrepreneurship.

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