

# THE RURAL ENTREPRENEURSHIP WITHIN THE CONTEXT OF TERRITORIAL DEVELOPMENT. A CASE STUDY

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The analysis of rural entrepreneurship by means of managerial culture, processes of innovation and enterprise networks gains special relevancy because it reflects the capacity of the companies to relate, to transfer innovations with major rapidity and to support links both of market and of transmission of information, a set of variables that take on a leading role in the frame of the territorial dimension of the development. The first conclusions here presented are the result of the application of qualitative research methodologies and field work, supported by the current statistical information, to the analysis of the processes of innovation and the role of enterprise networks in the Manchuela Conquense county.

Our case study, the Manchuela Conquense county, is located in the southeast of the province of Cuenca at an average altitude of between 700 and 800 metres. It has a continental-Mediterranean climate characterised by seasonality of temperatures, cold winters and hot summers, drought in summer and irregularity of annual precipitation. Notable natural resources are the rivers, given that this is a district through which the rivers Júcar and Cabriel flow. The latter, whose course runs over a rocky substrate, has created an individual landscape: a canyon connecting two natural regions of the peninsula. In addition to its natural beauty Las Hoces del Cabriel is also of interest in that it is a habitat of exceptional quality for a large number of flora and fauna. The area populated by forest species is approximately 32,000 ha, 12.1% of the total surface area of the district.

The main activity in the area is non-irrigated agriculture (cereals – vines – olives – almonds). 62.42% of the land in the district is cultivatable land, 45.8% of this area being occupied by herbaceous crops (cereals), 37.79% by woody crops (vines) and 16.72% fallow

or other unoccupied land. The irrigated area amounts to 10.9% of the total irrigated area in the province. Horticultural crops (onions, tomatoes, garlic, peppers, green beans, cucumbers and lettuce) being grown. The edible fungi production sector is of great importance with an average output of 40 million kg of mushrooms and 6.5 million kg of field mushrooms being produced in recent years. The most important livestock is poultry and sheep, distributed over 217 and 69 farms. These are followed in importance by rabbit farming, pig farming and goat farming. The beekeeping and saffron cultivation sectors are also prominent. The industrial sector is located in areas close to the main axis of road communication (Motilla del Palancar, Minglanilla, Quintanar del Rey, etc) along the Madrid-Valencia axis and other roads connecting with the Andalusia motorway at Manzanares. The services sector has achieved importance.

The Manchuela Conquense places in a region which persistent economic lag turned it during the decades of the economic boom of the 60s into source of basic resources and workers for the strong demand of Madrid (specially the bordering provinces) and the coastal industrial regions. This trend was reflected into a population extremely low density which increase the gap with the national average, as well as into the shaping of a rural region with serious limitations in the population structure of good number of small and very aged municipalities; all of them of great impact on the policies of economic rural recovery that have been implemented from different programs promoted by the ERDF (The European Regional Development Fund) and the remaining structural European funds.

The statistical sources handled in the first part of the research on rural entrepreneurship have served as starting point to be able to take to end the second stage that answers more precisely our hypothesis and for which the testing possibilities and methodological innovation were turning out to be much more promising. First, we proceeded to the design of the questionnaire of the interview for a target sample of 11 key-informants due to their special role in the origin and evolution of the innovative effort in the different municipalities we studied or because the responsibilities of theirs respective employments and / or positions provide them with a vision of set enriched in many cases with the capacity of diachronic analysis. The key informant method is based on obtaining information, over time, from somebody who is in a position to know the community well. The person or persons selected to be key informants must therefore have a broad knowledge of the community, its services, and its people. Moreover, the advantages of the methodology are clear, it offers the opportunity to establish rapport and trust and thus obtaining the insiders' view, it provides depth of information concerning causes or reasons, it permits continual clarification of ideas and information, and it can be combined effectively with other techniques such as participant observation, life history, community impressions, survey, etc.

To be precise, among the 11 key-informants interviewed, five of them were businessmen of certain power in the zone, two of them the founding and owners / major shareholders of both main companies by volume of invoicing, Nagares, S.A. (Motilla del Palancar) and Julián Soler, S.A. (Villanueva de la Jara), both of local origin local and dedicated to the manufacture of electronic components for cars, the first one, and juices of fruits and vegetables, the second one. The other three key-informants interviewed were the person in charge of Manchuela Seeds, S.L. (El Peral), and Vicente Carrillo (Casasimarro), owner of the company of the same name, both enterprises of familiar origin, the first one dedicated to

the production, sale and distribution of seeds for agricultural use and the second one, whose origin goes back to 1836, dedicated to the handcrafted construction of guitars, and thirdly the director of a company of hardware store, distribution and transport settled in Iniesta. The businessmen's sample completed with the interviews conducted to the territorial Manager of Castilla La Mancha Savings bank in the county (Motilla del Palancar), the manager of the Woman Advising Center (Iniesta), the Manager of the Development Action Group of the Manchuela confluence ADIMAN (Casasimarro), the mayor of Iniesta and former senator for the SLPS, the Director of the Manchuela Study Centre and the Manager of the Mushroom Research, Experimentation and Service Centre (C.I.E.S.), that is located in the municipality of Quintanar del Rey and was settled to offer technological and scientific support to the mushroom professional sector.

In some cases, the same key-informants played the role of conductors into the areas, fulfilling in certain way a role of intermediation that facilitated the acceptance of others so that some survey or interview was realized. We included the businessmen's provincial/regional associations as well as independent businessmen who belonged to a major productive sector in the county and/or who were leading a company of big economic weight or who have become a certain reference for other, the Service Centres giving support to the companies: Technological Centres or Laboratories, political representatives, the municipalities, economic actors with deep knowledge of the managerial environment, in some cases trade unions and, last but not least, the managers of Development Action Groups founded by Leader programs.

With regard to the structure of the questionnaire, we tested an organization of contents similar to that of other surveys on rural entrepreneurship used in previous researches, though with a major development of the questions related to the managerial culture and its special relation with the territory. In this case, so much importance like the accomplishment of surveys to businessmen, which offer a vision slanted for limiting themselves to only one of the actors of the process, though the most important, they have had the interviews to the remaining local actors involved into the system.

Bearing in mind that the strategy had to adapt to the type of institution represented by the interviewed and the framework in which he wanted to put the conversation, and even to his own mood, we tried to keep a coherent sequence of questions beginning with those dealing with general considerations on the local entrepreneurship background, going then towards questions focusing on their innovation capacity to finishing with matters relative to the managerial and information networks in the territory.

The fact of rejecting in this case an interview constructed like a survey where to all the same questions are formulated and in the same order, explains that the applied methodology could be identified as standardized not programmed interview or semiconstructed interview, in which there is no an identical sequence of questions for all the interviewed ones and these must be formulated in a changeable way to do it in colloquial terms to the interviewed one, giving him the opportunity of freely express any kind of ideas.

The combination of statistical/quantitative sources and qualitative/semiconstructed interviews, gave us the following conclusions. The Manchuela might be characterized as a county featured by the presence of microcompanies (less than 5 workers) which appear

as a complement of other essentially agricultural revenues as well as for local mimetism. The current small and medium enterprises have a dominant familiar origin or they belong to an individual owner, they show good viability and they are linked to sectors adapted to the resources and potential of the region. Generally speaking we detected a lack of «managerial culture» and a scanty promotion of the investment, with complaints of some interviewed with regard to the shortage and the need to create new industrial parks. Nevertheless, and in spite of this critical vision that our key-informants offer, the truth is that the Manchuela shows ratios for certain association or juridical forms of economic activity (stock corporations and limited stock corporations, as well as autonomous labour and co-operative societies), in relation with the population and with the whole of records in the Economic Activity Tax register, which they give idea of an environment in which there exist certain inter-enterprise relations (mercantile or extra-market) and forms of cooperation compatible with the maintenance of a competitive atmosphere. We would be analysing a territorial substrate of local area that supports certain features of internal homogeneity and behaves as space of life and work for the majority of its residents, and a set of actors (companies, public institutions, trade unions and associations, educational and research centres...) with capacity of decision, which are identified with this space, where we can distinguish a set of material resources (industrial and service companies, technical infrastructures, urban heritage...) and non-material ones(know-how, cultural heritage...), which are common and which they try to individualise and activate.

In other words, a relatively dynamic county like it is proved, on one hand, by the pace of creation of economic activities in the region (from 3,844 records in the Economic Activity Tax register at the beginning of 2003, only 617 -16 %- have a creation date older than 1992, that is to say 84 % of the economic activities had less than thirteen years of antiquity) and, for other one, the number of bank offices that offer their services in different municipalities, 11 in whole belonging to four big banks: Banesto, Popular, BBVA and Zaragozano, specially if we compare it with the under-developed bank structure that appears in other areas, and that is complemented by a meaningful number of entities linked to Saving banks and Land banks (45 offices).

Saying this, and with the intention of not contributing to an idyllic vision of the territory lacking in solid bases, also we would like to remember that we face what we feel as a productive local system that survives, not only but mainly, by means of the competition in low costs inside traditional sectors, supported on low wages and, even, a certain presence of informal economy, a model which Castillo (1994) identifies as «*industrial detritus*», whose growth associates to some of the undesired effects of the new flexible decentralized and specialized production patterns.

The interviewed sentence that in the Manchuela there are no formal networks of managerial information, they search individually the information, though the informal cooperation is very frequent, those who are successful like to show to the rest the mechanisms they are applying. We have identified a strong tendency to speak about business in the social relations of many municipalities. As for commercial information it can be the talk of the town and the need to increase the levels of ICT technologies (Internet) literacy and penetration is a fact recognized by all the key-informants interviewed.