

Entrepreneurship Development Strategies in Agriculture Cooperatives in Iran

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Abstract: One of the recommended strategies for reducing unemployment is establishing and activating production organizations and developing their entrepreneurial activities. The main problem in Iran is the nonexistence of the programs clear perspective in the field of employment in cooperatives. This research purpose is identifying strategies for developing entrepreneurship in agriculture cooperatives and their classification based on the current circumstance. This research is quantitative and applying. Statistical population is the active agriculture cooperatives managers in Khuzestan province. Data was collected by questionnaire. A panel of experts proved its validity and the reliability was calculated using Alpha Cronbach coefficient (0.70). Evaluating the entrepreneurship development strategies in the cooperatives, respondents believe that training and developing skills are the effective strategies for developing entrepreneurship in agricultural cooperatives. The existing cooperative structure does not provide needed motivation for entrepreneurship. According to interactions between cooperatives, taking patterns from other cooperative is a practical strategy to develop creative plans. Adopted strategies should be formed based on their accessibility level. Factor analysis show that educational - motivational, investing - innovative, supportive, partnership and infrastructure factors explain around 57.3 percent of the factors affecting the development of entrepreneurship in agriculture production cooperatives.

Key words: Agriculture production cooperative • Entrepreneurship • Employment. strategies0

INTRODUCTION

Since the establishment of the first cooperative in 150 years ago, there has been a tremendous growth in developing cooperatives throughout the world. Based on the latest statistics, approximately 800 million people are members of cooperatives in over 100 countries. Cooperatives can accelerate the process of development and participation of rural population in their activities. In many countries, agricultural cooperatives prove to be an important model of enterprise by which small farmers can organize and optimize limited resources to increase their income [1].

Even in the developed countries, the cooperatives continue to play a very important role in their economies. In the United States, agricultural cooperatives are responsible for providing farmers with about one third of their production inputs and credit needs for both short term and long term purchases. Marketing cooperatives are responsible for marketing more than 70 percent of milk and nearly 30 percent of all other commodities.

Considered the society national wealth, human resources are the most important factors in the development of each country and each society's population. Hence, unemployment and abuse of employment in the community, constantly, include risky social and economical consequences; the economical consequences are the loss of production resources and its results would be appeared as self-confidence reduction, social habit of unemployment and social damage [2-4]. Recommended strategies for reducing unemployment are establishing and activating manufacturing organizations in general and, in particular, agricultural production associations in addition to entrepreneurial activities development [5], which, according to the unbalanced income distribution, seems to be a good solution. In order to realize the economical and social justice, manufacturing organizations, in addition to provide employment, are suitable for public participation and creativity/innovation improvement [6].

Agriculture and production cooperatives can process and accelerate the economic growth and solve the employment problems in the agricultural sector and rural regions by collecting small capitals and governmental loan supports [7-9]. In short, if the of cooperative enterprises have the accurate management, they can be involved in communal activities and, by using the government support and peoples little savings, Integrate them into investment and motivate their sense of responsibility to the companies and public capitals which belong to themselves so that it is a basic step due to investment, unemployment solution and increasing national production, which ultimately lead to job providing and entrepreneurship development [10].

There are 3 things done well by entrepreneurs. They identify opportunities, form them and promote them to create a structure shifting them into successful job risks [11]. A new plan can be a starting point. Entrepreneurs, then, analyze this plan to see if it is just a mere plan or a job opportunity. They change or modify the plan and, sometimes in order to have a better plan, it is the best idea to ignore it. When they discover that their plan is commercially accommodating, they start to establish corporation, employ individuals and prepare resources to grab this opportunity [12]. Some fail, some success and some sell their plans to others, but all these people try to create something has not existed previously. Therefore entrepreneurs are creative; they create plans, businesses and economical values [13].

According to observations and research that was done, much information about these entrepreneurs is available. They determine the prices which are not existed before and take great, but evaluated, risks so that they expect great rewards. While failure grant experiences for them, they are eager to fail and they are strongly seek their desires. After this, it is the determination of structure and designing the firm time. Although they have to learn them and live with them, these are things that entrepreneurs hate. When their corporation becomes suspended, most entrepreneurs turn into depression because the organization that oversees them does not let them establish a new corporation. They wish to have the freedom and creativity that once they owned and do not like managers or analysts who focus on their movements.

The real rate of Khuzestan unemployment, according to some unofficial statistics is over 26%. Despite being one of the most important industrial and economical provinces, Khuzestan unemployment rate among youth is

increasing. Compared with other provinces according to the available statistics, employment rates of the 15 years old and more population of Khuzestan particularly the youth is relatively low; this problem is seen mostly in the province's women society. More than a half of Khuzestan's young women aged between 15 to 24 are Unemployed job seekers [14]. Developing the entrepreneurial activities of agriculture cooperatives, According to the cases discussed and the province capabilities in agriculture sector can be one of the job providing strategies in the province.

According to statistics obtained from the Provincial Cooperative Administration, there are 1589 agricultural cooperatives in Khuzestan province, which 494 of them engaged in agricultural activities, 382 cooperatives are inactive, 18 are disbanded and about 692 cooperatives are running. This research is aimed to evaluate the strategies for developing the province agriculture production cooperatives. It is evident that if the cooperatives, financially and commercially, have positive returns for the community, there would be positive economical effects on both the national economy and its members [15].

Fourth economic, social and cultural Development plan state that the government should pay special attention to the entrepreneurship and support self-employment projects. strategies to improve the economical situation are supporting the entrepreneurial centers, growth centers, scientific and research parks and town and industrial areas; some scientific and technological solutions can be mentioned are protecting the privacy of the elite and providing what they need for updated scientific activities and developing their innovation and creativity, improving the scholars self confidence, teaching innovation and research methodology and strengthening the presence of the youth in the fields of science and production and solving the country's problems [16].

The main problem is the nonexistence of a bright prospect of procedures plan in the field of employment in cooperatives. By cooperative development and expansion, would job be provided? The answer is clear, many things are written in this field and all of these cases have emphasized that not every procedure is an entrepreneurial one. For that reason, the present study is aimed to identify the main entrepreneurship development strategies in agriculture cooperatives, categorize them by regarding to context of cooperatives current activities, their strengths and weaknesses and these challenges political, guidance, supervision and support strategies.

It is necessary to consider the followings to solve the problems: considering the importance of agriculture sector in Khuzestan whereas the growth of this sector as a position is important for development goals; the existence of unemployment in the province and in the agricultural sector and pointing this matter that cooperatives are places to provide jobs and regarding the nature of entrepreneurship as a strategy for providing job opportunities.

Existing research clearly indicated that certain regional characteristics are conducive to entrepreneurial development. four key factors that appear to be important is Diverse Capital Sources, An Enabling Culture, Entrepreneurial Networks and Supportive Infrastructure/Effective Public Support [17].

All entrepreneurs have grown up in a social environment and cultural attributes have shaped the individual. If this individual becomes an entrepreneur and starts a business he or she is still situated in a social context which influences his/her business [18].

Research has identified a positive relationship between levels of entrepreneurial activity and economic growth across countries. A similar study found that no countries with high levels of entrepreneurship experienced low levels of economic growth [19].

The promotion of entrepreneurship, its role in society and the opportunities it presents for personal gain, appears to be critical for facilitating economic growth. Policies geared toward enhancing the entrepreneurial capacity of a society will have the greatest impact on the level of entrepreneurial activity [20].

The entrepreneur is also influenced by civil society. Norms and values are often part of the individual's sub consciousness. If starting a new business is unusual in a community, fewer people will think have becoming entrepreneurs compared to a community where many people start and run their own business. If an individual breaks with established practices, the social community may be more or less supportive depending on its norms and values [21].

Data from a study about the role of geography and age on men's and women's attitudes toward entrepreneurship reveal that rural women favored more entrepreneurial education and believed more strongly in the importance of contributing economically to their communities than did rural men. The findings highlight the need for providing additional entrepreneurial training and assistance targeted at women, which in turn may lead to their playing a greater role in economic development [22].

Fostering a culture of entrepreneurship requires the sustenance of the social capital that culture identifies, whilst maximizing trading opportunities for societies to develop. Local cultural tradition is a necessary component in establishing the networking and trust that will provide the solidarity required for the emergence of entrepreneurial activity for self-determining development [23].

In a study about entrepreneurship in the North Carolina rural areas, It was found out that the sense of isolation ranks near the top of concerns expressed by rural entrepreneurs. They believe that their community and state leaders support small business at the rhetorical level, but undertake few actions or initiative to nurture and support these companies [24].

The negative attitude of farmers who were member of local food processing cooperatives in Norway about education implies a discouraging form of social capital that may inhibit entrepreneurship. The results of a study about the interrelationships between entrepreneurship and religion show where religious salience is high, entrepreneurs will tend to use religious criteria to inform their decision making. Religious groups can also provide a resource for the generation of entrepreneurial social capital [25].

In general, more active entrepreneurs have a stronger vision and strategy toward integrated crop protection and lower levels of pesticide use and environmental burden than passive colleagues [26].

The establishment of entrepreneurship cooperatives in Armenia resulted in improving the living conditions of rural population. In addition to job creation, the cooperatives fostered the development of decent working conditions [27].

In a study of farmers in Norway, the results show that community entrepreneurship to develop weak ties that gave access to information. Community entrepreneurship also contributed to a business network with strong ties where this information could be processed and lead to learning in order to evaluate business opportunities [28].

MATERIALS AND METHODS

This study is a quantitative and applicatory one while it is attempted to measure the quantitative variables with a survey centered activities and, in other hand, intend to use the gained results in executive specific plans complementation. Statistical societies of the study are the active agricultural production cooperatives in Ahwaz.

79 cooperatives were active cooperatives in the province in 2010 of which 30 questionnaires, by all cooperatives, were completed successfully. Information is gained through library studies, questionnaire and interview. Data compilation tools, in this study, were statement, questionnaire and from- interviews note taking. In this study, According to comments offered by 15 experts, researchers and also a number of outer related experts, apparent validity, content, criterion and structure were measured. Study `s reliability was calculated using Alpha Cronbach coefficient and its rate was 0.78.

RESULTS

Personal Characteristics of Respondents: Results show that the average age of respondent's is 41.03. Maximum age is 60 and the minimum is 30. Also 93.3 percent of respondents are male. According to the marital status, the 93.3 percent were married. 19 respondents were bachelor, 7 were Secretary Diploma and diploma, 3 were upper diploma and 1 was having MS. most of the educational majors were related to agriculture, 4 related to stock, 2 related to Economics, 2 related to Management, 8 related to other majors and 2 cases did not respond to these items. The work record average in the cooperative is 8.33 years; the most common is 5 to 10 years. The minimum work record is 2 years and the maximum is 20 years. The income average from cooperatives is 4163889 Rials, the minimum and maximum income averages are 3000000 and 6000000, respectively. The total income average is 5017500 Rials, the minimum and maximum total incomes are respectively 3000000 Rials and 10000000 Rials.

Characteristics of under Revision Cooperatives: Most cooperatives are established from 1995 to 2000. The maximum number of cooperatives were established in 2008 and the minimum in 1972. The average number of cooperative members is 37.93. Most common members are below 100, the maximum is 2500 and the minimum is 6. The average number of women is 16.79; most common are without – woman cooperatives, the minimum number of women is 0 and the maximum is 200. Most frequent type of cooperative is the agriculture-crop type. The loss average rate in 2006 and 2008 was 103277777 Rials; the most common is below 10 million and more than 50 million Rials. The loss average rate in 2008 and 2010 was 89875000 million Rials, The minimum loss was 0 and the maximum was 500200000 Rials. Earnings Average in 2006 and 2008 was 62142857/1 Rials and the most common was

Table 1: quantities resulted from KMO and Bartlett tests

Test	Quantities	df	Sig.
KMO	0.788	-	-
Bartlett	2129.3	561	0.00

Table 2: extracted factors with Eigen values, variance percentage and aggregated variance percentage

factors	Eigen values	variance	Cumulative%
1 st	7.32	21.55	21.55
2 nd	4.05	11.93	33.48
3 rd	3.46	10.19	43.68
4 th	2.37	6.97	50.65
5 th	2.25	6.64	57.30

under 10 million Rials. Minimum income was 0 and the maximum was 220000000 Rials. Earning Average in 2008 and 2010 was 89875000 Rials; most common was under million Rials. Minimum income rate was zero and the maximum was 370000000 Rials.

Strategies for Entrepreneurship Development in Agriculture Production Cooperatives: Factor analysis is used for classifying the entrepreneurship development guidelines in the province's agriculture production cooperatives. Thus, at first, 32 entrepreneurship development approaches in agriculture cooperatives were considered. To determine the suitability of data, KMO indicator and Bartlett test were used. The results show that the data is suitable for factor analysis. Results are illustrated in Table1.

Determining the number of factors in this study is based on the Eigen value scale and the variance percentage. The Vary max method is used for the variables' rotation; variables with a more than 0.5 load factor were extracted as the significant load factor. Number of factors, Eigen value and the variance rate explained by each factor are represented in Table (2). The results indicated that five factors illustrate about 57.3 percent of the effective factors in the development of entrepreneurship in agricultural production cooperatives. These factors are discussed below:

First Factor: this factor named Educational - Motivational factor explains about 21.55 percent of the variance of effective factors on the agriculture cooperatives' entrepreneurship. This factor with an Eigen value of 7.32 refers to this matter that incentives and motivations, in addition to entrepreneurial trainings, should be initiated for individuals in order to the entrepreneurship development.

Table 3: Variables related to all affecting factors on the entrepreneurship development and the obtained coefficients rate from the rotated matrix

Factor	Variables	Compound
Educational - Motivational	Create an independent and semi-independent units in order to participate in the research business	0.635
	Entrepreneurial courses establishment at the country's universities	0.664
	Work training courses for employees to create an entrepreneurial courage	0.673
	Government departments concentration on encouraging the entrepreneurial activities	0.816
	Emphasizing on entrepreneurial courage in the private sector strengthening the entrepreneurial courage in public institutions	0.861
	Establishing organizations and institutions for cooperative entrepreneurial consulting	0.820
Investing-innovative	Making simple changes in the corporation by taking patterns from other local and foreign companies.	0.850
	Minimizing financial, team and market risks to stabilize the company	0.846
	Developing new methods and discarding old procedures	0.635
	Evaluating and selecting the available opportunities and making decisions about them investing	0.729
supportive	For the young generations in order to promote their future entrepreneurial courage	0.608
	Developing new processes and procedures to enhance the entrepreneurial courage	0.604
	Preserving resources and facilities and making no risk in risky activities	0.619
	Identifying new opportunities and using them	0.628
Partnership	Contracting with successful companies in order to give innovation	0.673
	Assisting corporations with low entrepreneurial courage	0.605
	Cooperating with other successful corporations to promote the business level	0.675
Infrastructural	Making adequate physical infrastructure for developing the cooperative entrepreneurship	0.769
	Providing suitable facilities for forming a plan	0.694

The Second Factor: this factor named investment - innovation factor explains about 11.93 percent of the variance of effective factors on the agriculture cooperatives' entrepreneurship. This factor with an Eigen value of 4.05, as the second factor, refers to this matter that the cooperative innovation in agricultural production investment, in the entrepreneurship development, is the development factor.

Third Factor: This factor is named supportive factor. This factor with an Eigen value of 3.46 explains about 10.19 percent of the variance of entrepreneurship development strategies changes and refers to material and spiritual support of cooperatives' entrepreneurial plans.

The Fourth Factor: This factor, with an Eigen value of 2.37, named partnership factor explains about 6.97 percent of the related variance. It emphasizes on the partnership of cooperative members, stakeholders and supporters of the cooperatives' entrepreneurial projects and highlights the members' share-taking of the resulted benefits.

Fifth Factor: This factor named infrastructural development factor explains about 6.67 percent of the related variance. This factor refers to the issue that appropriate infrastructure, including markets, transportation, facilities and etc should be provided in order to entrepreneurship development.

Variables related to all affecting factors on the entrepreneurship development and the obtained coefficients rate from the rotated matrix are illustrated in Table 3.

RESULTS

The results showed that the most important factor in the development of entrepreneurship in agricultural cooperatives is education - motivation factor, which a comprehensive system for this purpose, unfortunately, is not available in cooperatives; being available, it is incomplete. Other important factor in agriculture production cooperatives is investment. According to this matter that the agricultural sector does not attract investors, this sector is actually facing capital scarcity so it does not have the power to compete with other sectors. Therefore, this problem must be treated more fundamentally. Cross-sectional and delicate treats are not enough, but the government policies in the agricultural sector should be changed. One of the most important factors influencing entrepreneurship development is the government specifically the Ministry of Cooperation's connection with cooperatives. the government should continue its supportive role while the support is not only related to financial facilities; in the case of various loans given to cooperatives, they, in long term, make many difficulties for them and even lead them to stop their

activities, even though these loans can be helpful for solving the entrepreneurs problems. Entrepreneurs fail in most cases when they define their goals and missions hoping to benefit from the government supports. So the government and the Ministry of Cooperation should seek their supportive role in modifying their laws and regulations, modifying the country's educational system and supporting domestic products. Finally, the share of any sector or individual in cooperatives' entrepreneurial activity should be defined so that the concept of partnership become definable and members would have the needed motivation to participate and, eventually, the infrastructures should act as entrepreneurial activities development facilitators in cooperatives. According to the results obtained, following suggestions are proposed in order to develop the entrepreneurial activities:

- According to the conditions, cooperatives can use different methods for developing the entrepreneurship. In other words, entrepreneurship development model can vary in a corporation toward another. Cooperatives should use the proper techniques based on the available restrictions and facilities at any time and, in fact, there is not such method defined for all pains treatment and there is not a miracle to happen
- As entrepreneurship is very inspiring and its market is extremely active in the world, one should not be easily deceived. In different countries, there are entrepreneurs who turns into overnight- millionaire. They are highly considered. But what is more important than anything, as a priority, is making the entrepreneurial culture. This is always harder than we assume and may means a fundamental change in cultural conditions or changes in the price system and the traditional rewards and incentives undervaluation.
- Cooperatives must have a clear view of the entrepreneurship role in the corporation performance and its upgrading. In cases, corporations talk about cooperative entrepreneurship, but they do not know what are they really looking for?
- Entrepreneurs cooperative is a concept that is currently found at universities not more. There are few guidelines about its execution success. Therefore, managers of entrepreneurial corporations should pay more attention to academic researches and increase their relationship with the Universities and scientific centers if they want to develop the culture of entrepreneurship in their corporation.
- Based on the results of this study, it is suggested that supporting the cooperative entrepreneurs should be multidimensional and real support means providing the cultural context in the community, training the entrepreneurs, consulting services in appropriate technical, legal, financial and management aspects. Consequently, mono-dimensional insight on supporting entrepreneurs should be modified in the minds of officials.
- For increasing the five percent share of the cooperative sector, it is suggested that the cooperatives and productive entrepreneurial corporations should be protected actively by the various methods in all areas of the province such as small cities, districts, villages and large cities in order to unknown talents and potentialities in the province, by required methods in the form of hunting activity, become the factor of the cooperative growth and prosper.
- For cooperatives' entrepreneurship, it is suggested that the variety and necessity of the cooperatives' performance should be considered in supporting programs. So that, based on the potentials in the cooperative region and the form of the cooperative, predicted supports should be conducted with supervising in order to observe the cooperative economic, social and other positive signs in the society.

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