

# THE ROLE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN THE DEVELOPMENT OF RURAL AREAS

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## Abstract

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Apart from the indisputable importance of SMEs to the national economy, they also provide social and economic benefits for regions they operate in. In this context, the rural areas seem to be interesting because currently there can be seen a reappraisal and emphasizing of their importance. Between 2015 and 2016 there were carried out surveys in two different regions (Hodonín and Holešov) in order to define the role of SMEs in rural areas. The aim of these surveys was to determine how the particular players of the regional development subjectively perceive the role of SMEs in rural areas, particularly how is the role subjectively perceived by SMEs themselves and also by local representatives in the given regions and how SMEs perceive doing business in such regions. The analysis of survey results together with the analysis of secondary data on the important characteristics of these two regions provided the basis for comparison of subjective perception of SMEs; economic and social benefits in these two different regions. According to our findings the role of SMEs in rural areas in the Czech Republic is determined by the creation of competitive environment, the deepening of ties between apprentices and practice, the use of local resources, the increase in rural area attractiveness, the financial benefits for municipalities, the creation of vacancies, the sustaining of positive relationships within the local community and the development of infrastructure.

Keywords: rural development, the role of SMEs, local representatives, benefits and negatives, entrepreneurship in rural areas

## INTRODUCTION

The aim of this paper is to define the role of small and medium-sized enterprises in rural regions of the Czech Republic, which are largely influenced by agriculture (the fertile Haná region under the district of municipality with extended competence Holešov and the important wine-growing region within the district of municipality with extended competence Hodonín). This paper presents the results of preliminary research in the complex issue of rural development. It was necessary to firstly define the role of enterprises in the rural regions and describe how they perceive doing business in such regions in order to follow their role in rural development in further research. This

paper's conclusions cannot be generalized across the board to all rural regions in the Czech Republic, since in the Czech Republic there are many different rural areas that can differ significantly in their focus, which substantially affects the predominant business activity in the area. These findings should therefore be taken more as case studies, which can be a valuable basis for a deeper examination of the impact of regional specifics on the roles of SMEs in rural development.

Expert studies point to the importance of SMEs from a social and economic perspective. In this paper, we subject both viewpoints to deeper examination and having defined the specific benefits of SMEs for the given areas, we define their role in rural regions.

But what are the key factors of the economic growth or general regional development within the national and international scale? Does it make sense that the attention of state or community policies has been focused solely on the development of economically developed large cities, or is it worth to take into account also the less developed areas with a hidden but maybe considerable growth potential? Last but not least it is important to answer the question, which factors do actually affect the regional development, whether it is possible to generalize them across differently developed regions or whether each region has its own unique growth factors? These topics are currently discussed not only at the level of international institutions and institutions of the European Union but also within the national policies and other interest groups.

The Organization for Economic Development and Cooperation promotes in its publications (OECD, 2012; 2009a; 2009b) the support for less developed regions which are believed to have a significant contribution to national economic growth accounting for up to 43 % between 1995 and 2007 measured as aggregate growth across OECD countries (OECD, 2012). Apart from the interest in geographic areas and their typology also regional development policies and factors contributing to the economic growth of the regions are discussed.

Following the first mentioned issue, i.e. the definition of less developed areas, it has to be mentioned that there are many of across-the-board methodologies used for the typology of regions which are similar to each other because of their features. For example the OECD uses the three-step process which divides the NUTS 3 regions into predominantly urban regions, mixed regions and predominantly rural regions based on the share of population living in areas with a population density less than 150 inhabitants per km<sup>2</sup>. Moreover the mixed and the predominantly rural regions can be further divided into four other categories (OECD, 2012) while using an additional method where the additional criteria – the driving distance of a certain proportion of the population to the nearest centre with at least 50,000 inhabitants – is used.

There are also some other studies dealing with the typology of rural areas which is based on more sophisticated indicators such as climatic and environmental ones (Van Eupen *et al.*, 2012) or social and geographical ones (Perlín, Kučerová and Kučera, 2010; Klufová, 2016). Various methodologies on the national level (the National Strategic Plan for Rural Development of the Czech Republic) use the term rural municipality. Rural municipality is defined as a municipality with less than 2 000 inhabitants. Moreover other approaches to the definition of rural area according to different territorial and administrative units are also used on the national level (ČSÚ, 2008). For the purposes of this paper as a result of preliminary research a population indicator was chosen and

municipalities with less than 3,000 inhabitants were considered as rural municipalities.

There are also many studies (Martinčík and Šloheferová, 2014; Živělová and Jánský, 2008; Hlavsa, 2010; Bernard, 2011) discussing growth factors within the Czech Republic. In some of them (Martinčík and Šloheferová, 2014; Hlavsa, 2010) are the development factors (as named by the authors) used at the same time as the main criteria of typology of rural areas itself and based on these factors some model examples of rural areas are defined. Other studies (OECD, 2012) firstly identified some areas according to the above mentioned methodology together with the GDP of the particular region in relation to the average GDP of the state. After that the growth drivers which contribute the most to aggregate growth were chosen. Very important is also the question of the definition of development itself. Therefore also the selection of suitable factors and indicators of the development became problematical. The Solow model of economic growth (Solow, 1956) is considered to be the basic theoretical model of growth and later also models of endogenous growth were developed (Lucas, 1988; Romer, 1990).

However, most of these models are based on the criterion of GDP. Due to the holistic approach there are also attempts to detect complex development in particular areas not only in terms of economic but also in terms of social, cultural or infrastructural point of view. Despite the fact that in aforementioned studies different indicators representing the key development factors of the region are used the general consensus can be found, i.e. the development of individual areas can not be based only on the growth of one particular factor but on many factors which represent various areas of the development such as social, economic, cultural, geographic, etc. Due to the absence of a clear definition of the development of rural areas and with respect to the objectives of this paper the entrepreneurship was chosen as a basic development factor. Entrepreneurship as a growth potential is taken into account in studies such as Matejovsky, Mohapatra and Steiner (2014), Acs *et al.*, (2012), Ferreira, Fernandes and Ratten (2017), Schumpeter, (1934).

Already Josef A. Schumpeter (1934) in *The Theory of Economic Development* considered entrepreneurs as the primary drivers of economic change, in particular as the driving force of economic growth in areas such as job creation, competitive pressure, dissemination of innovation and knowledge spillovers. Matejovsky, Mohapatra and Steiner (2014) regarded entrepreneurship as the essential force for economic growth as well as Ferreira, Fernandes and Ratten (2017). This idea of entrepreneurship could be supported by the following facts for the region of the European Union and the Czech Republic as well. The definition of small and medium sized enterprises can be found in Commission Recommendation 2003/361/EC of 6 May 2003.

According to this recommendation are micro, small and medium sized enterprises (SMEs) considered the entities with less than 250 employees and with assets not exceeding the equivalent of EUR 43 million or turnover equivalent of EUR 50 million (EC, 2003).

More specifically, a small entrepreneur is considered to be an entrepreneur employing fewer than 50 employees, with assets or turnover/revenues not exceeding the equivalent of 10 million EUR. A micro-entrepreneur or micro-enterprise is considered to be an entrepreneur employing fewer than 10 employees, with assets or turnover/revenues not exceeding the equivalent of 2 million EUR (EC, 2003).

In the Czech Republic, according to the European Commission report for 2015, there were 955,046 (96.1%) micro-enterprises, 31,140 (3.1%) small enterprises, and 6,430 (0.6%) medium-sized enterprises. Large enterprises represent approximately 0.1% of all enterprises, i.e. 1,492 out of all companies. The data includes non-financial businesses and do not include enterprises active in the sectors of agriculture, forestry and fishing, neither educational establishments nor health-care facilities. Other major economic indicators are the numbers of persons employed, whereby small and medium-sized enterprises in 2015 employed a total of 2,416,661 inhabitants, i.e. 68.2% and the gross value added, where SMEs contributed 54.9% came to 48.8 billion EUR (EC, 2017). Also in the EU 28 prevail SMEs among enterprises. In 2015/2016 SMEs represented in the non-financial business sector almost 99.8% of all enterprises (23 million subjects), 57.4% of the value added (EUR 3.9 trillion) and 66.8% of employment (90 million people) (EU, 2016).

The above mentioned theoretical background is connected with the main issue of this paper, namely entrepreneurship, which is taken as an important development potential and is in this paper viewed through the role of SMEs in particular area. Because of the unclear definition of rural development the paper tries to identify the general roles played by the addressed subjects in rural areas and in the daily activities of the inhabitants living there. The roles are defined based on the subjective views of various actors involved in rural areas, i.e. representatives of SMEs and local authorities.

## MATERIALS AND METHODS

The paper takes into account enterprises with fewer than 250 employees (in this paper the enterprises will be referred to as SMEs).

The results in this paper are drawn based on secondary as well as primary data. Secondary data were obtained mainly from Czech Statistical Office and they were used for depicting the situation in two different regions, namely Hodonín and Holešov. Primary data were obtained by questionnaire surveys among SMEs in these two regions and

also by semi-structured interviews with both local representatives and SMEs while only municipalities with less than 3000 inhabitants were included. These municipalities are in this paper considered as rural areas.

Questionnaire surveys were performed among SMEs regardless of economic activity operating in the Hodonín and Holešov regions. In the first questionnaire survey, which was conducted in Hodonín, a total of 79 respondents took part. The response rate of the first survey was 11.1%. The second survey, in which 73 respondents were involved, was carried out among SMEs operating in Holešov. The response rate of the second survey was 12.4%. The links to electronic questionnaires were distributed via e-mail.

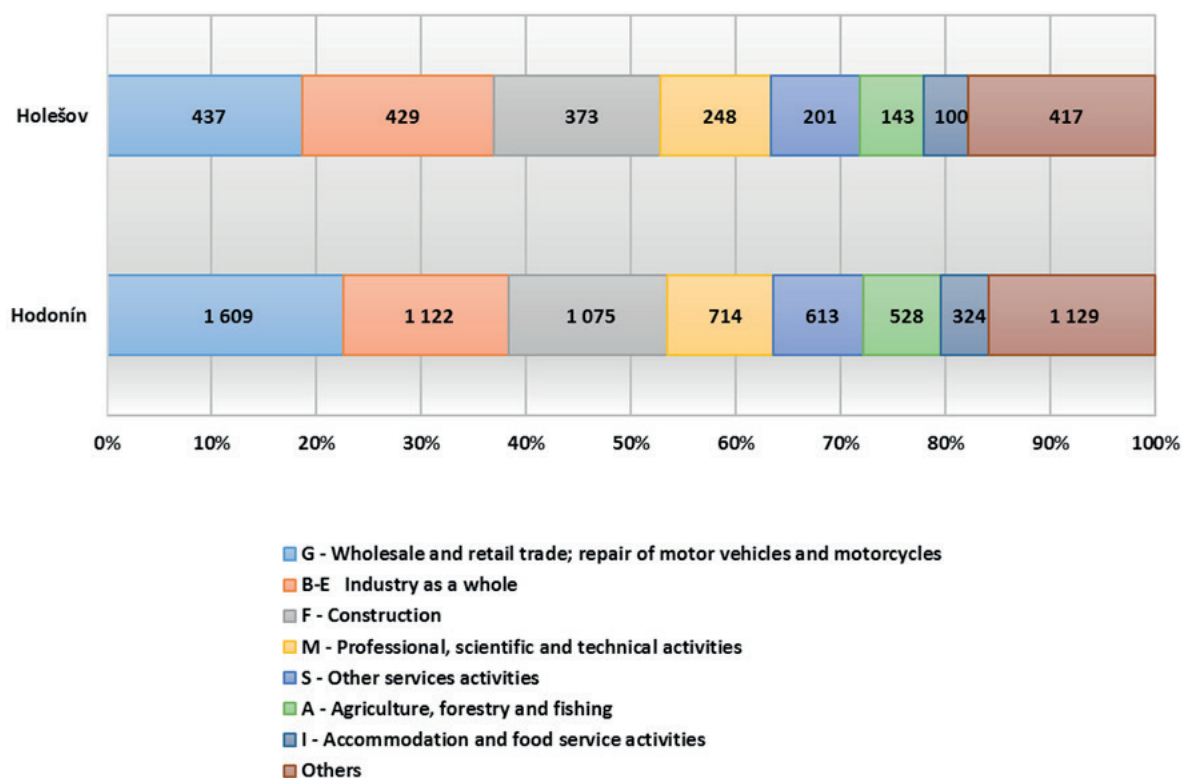
Semi-structured interviews were performed in order to provide a comprehensive overview on the role of SMEs in particular areas. The qualitative interview surveys encompassed a total of 14 municipal representatives, 4 small and medium-sized enterprises, of which 6 interviews were carried out in the Municipality with extended competence Hodonín, 12 interviews in the Municipality with extended competence Holešov.

When processing the outputs of the questionnaire survey, descriptive statistics were applied. For better depiction of the results of questionnaire survey also the mind map (Fig. 2) was used. The semi-structured in-depth interviews were rewritten and analyzed by the method of Grounded Theory, which can be classified as a classical qualitative method. The whole process of collecting and analyzing the data was based on the search for concepts that were related to the phenomenon being investigated and the subsequent revelation of the relationships between them. The data was analyzed by various topics and sub-topics based on what the respondents mentioned in interviews. The outputs from interviews were then graphically presented by mind maps (Fig. 3), created in the Xmind program.

## RESULTS

Municipality with extended competence (abbreviated to MEC) Holešov is situated in the region of Zlín and MEC Hodonín is located in Jihomoravský region. Although both administrative districts contain municipalities with less and more than 3,000 inhabitants, the primary research was oriented only on SMEs from municipalities with less than 3,000 inhabitants that are in this paper considered as rural areas.

MEC Holešov has 61,042 inhabitants and MEC Hodonín 21,381 inhabitants (data from 2015). Both regions consist of smaller administrative districts, namely 19 municipalities in Holešov and 18 municipalities in Hodonín. The area of MEC Hodonín exceeds the area of MEC Holešov. Whereas MEC Hodonín covers the area of 28,604 km<sup>2</sup>, MEC



1: The number of enterprises according to their economic activity (CZ-NACE) (Source: ČSÚ, 2017)

Holešov covers only the area of 13,261 km<sup>2</sup> (ČSÚ, 2015 a, b).

The number of SMEs in Hodonín reaches 7,220 entities and in Holešov 2,414 entities. The highest number of enterprises are those without employees, in Hodonín 60% of SMEs are self-employed and in Holešov 65% of SMEs are self-employed persons (ČSÚ, 2015 a, b).

With regard to the structure of economic activities (according to NACE classification), in both regions prevail the enterprises operating in wholesale and retail trade (G) or industry as a whole (B-E), see Fig. 1. Although the farming land accounts for the prevailing area in both regions (60% in MEC Hodonín, 74% in MEC Holešov) the number of agricultural SMEs is not as high as expected (in comparison with SMEs from other sectors). The explanation may lie in the common structure of agriculture in the Czech Republic, i.e. dual entrepreneurial structure of agricultural enterprises. It means that great area of land is farmed

only by small number of rather bigger enterprises. The category 'Others' in Fig. 1 incorporates enterprises operating in sections K, H, R, L, Q, P, J, N, O of CZ-NACE classification.

As part of the questionnaire survey for SMEs from both administrative districts (MEC Hodonín and MEC Holešov) we examined what they considered as the advantages as well as the disadvantages of doing business in rural areas, because these significantly affect the decisions taken about establishing a company's registered office or business premises within these areas. Among the most important advantages and disadvantages of doing business in the selected MECs, as viewed by those SMEs surveyed (based on the highest relative frequency) were included those that are listed for convenience in Tab. I and Tab. II.

A comparison of the responses of businesses from both the MECs gave a framework within which to determine the factors motivating or discouraging the enterprises to start doing business in

I: Five of the biggest advantages of doing business in rural areas

As seen by SMEs from MEC Hodonín	As seen by SMEs from MEC Holešov
No need to commute	Popularity of local products
Work environment (in calm and clean natural surroundings)	Lower rents than in town
Scope to grow spatially with the business	Social links with the locals
Being locally known	Low competitive pressure in the sector
Prospects for long-term cooperation with the locals	Proximity to raw materials

## II: Five of the biggest disadvantages of doing business in rural areas

As seen by SMEs from MEC Hodonín	As seen by SMEs from MEC Holešov
Lack of purchasing power among the locals	Excessive administrative burden
Excessive administrative burden	Public transportation shortcomings
Pressure from urban retail chains	Shortage of skilled workers
High financial burden (State taxes and duties)	Poor connections to the transport network
Few options to find outlets	Shortcomings in municipal services

the agriculturally-oriented rural areas of the Czech Republic. A comprehensive look at the issue helped to complete the subsequent findings from in-depth interviews with representatives of small and medium-sized enterprises active in the MEC Hodonín and MEC Holešov, giving a deeper understanding of the results obtained from the questionnaire survey. For convenience, the most important pros and cons of doing business in rural areas are shown in the mind map in Fig. 2.

### The advantages of doing business in rural areas

Aspects from which SMEs in rural areas derive business benefits can include:

- community support,
- existence of natural resources,
- competitive environment
- conditions for use of space to conduct business.

The benefits collectively labelled as **community support** may include, in particular, *the bond between the enterprise and the local community*, which brings entrepreneurs such things as assistance if they have problems, and helps with obtaining business orders. Local residents are often willing to offer to step in to work e.g. during periods of increased demand, which may be of use mainly for seasonal work, or give assistance in the event of a disaster or some other problem with the business. Municipality representatives are acquainted with local entrepreneurs and in the interests of municipal development keep local entrepreneurs in mind when allocating contracts. This can be shown for example in the case of one village from MEC Hodonín, where the local officials gave preference to what is for them the more organizationally challenging option, to split a repair contract for a public building between several smaller local business owners instead of entrusting the entire



2: Advantages and disadvantages of doing business in rural areas



repair job to only one company, yet one without closer ties to the village.

Furthermore, community support can include *the advantage of the enterprise or entrepreneurs being known among the locals, i.e. potential customers*. This advantage is, however, paradoxically more pronounced in larger municipalities (over 1,000 inhabitants). Also associated with this is the fact that in rural areas enterprises have greater prospects for long-term cooperation with their customers, mainly local residents, both because they know their customers and therefore know their needs, as well as due to the fact that for the locals it is more difficult to switch over to the competition, since there is not so much of it in rural areas. Another advantage that can be categorized under community support is the fact that people work nearby and don't have to commute to work every day to more distant places. For many people from these areas it is precisely the proximity of their place of work to their homes that counts as the greatest benefit of working in rural areas.

Among the benefits termed as **natural resources** we include mainly the *easy access to raw materials* in the countryside and the business being located *in a low-stress environment and pleasant natural surroundings*. Nowadays the use of local produce (especially of food and agricultural products) is gaining in importance, since there is a rising demand for 'quality' products. Locally sourced ingredients are indeed generally perceived as better and so their use contributes to a growing appeal of the products offered among customers.

Another beneficial aspect associated with SMEs in rural areas can be referred to in terms of the **competitive environment**. Entrepreneurs engaged in rural areas perceive *less competition than in cities*. This is due to both the size of rural municipalities where there are naturally fewer companies engaged in the same activities as compared with the cities, but also due to the fact that thanks to mutual social ties entrepreneurs try to cooperate, rather than engage in harsh competition. In one village of the MEC Hodonín district we can show such cooperation between enterprises using the example of two entrepreneurs running grocery stores, who said that if a customer switches from one to the other, they both try to speak about the ensuing situation and analyse the reasons for the transition.

A positive factor for businesses in rural areas is also the *growing popularity of local products among consumers*. This favours small entrepreneurs from rural areas against the competition from large companies or hypermarkets operating in cities. Rural entrepreneurs can well take their share of the fringes of the market through offering local products unavailable in the major store chains, and especially capture the interest of consumers oriented toward quality and local produce from the regions.

The last aspect from which SMEs in rural areas draw substantial benefits can be collectively designated as suitable **conditions for the use of**

**space to conduct business**. Most businesses from rural areas welcome *low cost rental of premises* they use for establishing their places of business or registered offices, but also *the option of buying back municipal space to extend the enterprise* at better prices than in the cities. Even the municipal officials have mentioned in the interviews that the municipalities try to buy up the kind of land and unused buildings that can then be offered on favourable terms to enterprises looking to expand.

### The disadvantages of doing business in rural areas

Among the negative aspects for SMEs doing business in rural areas we can include:

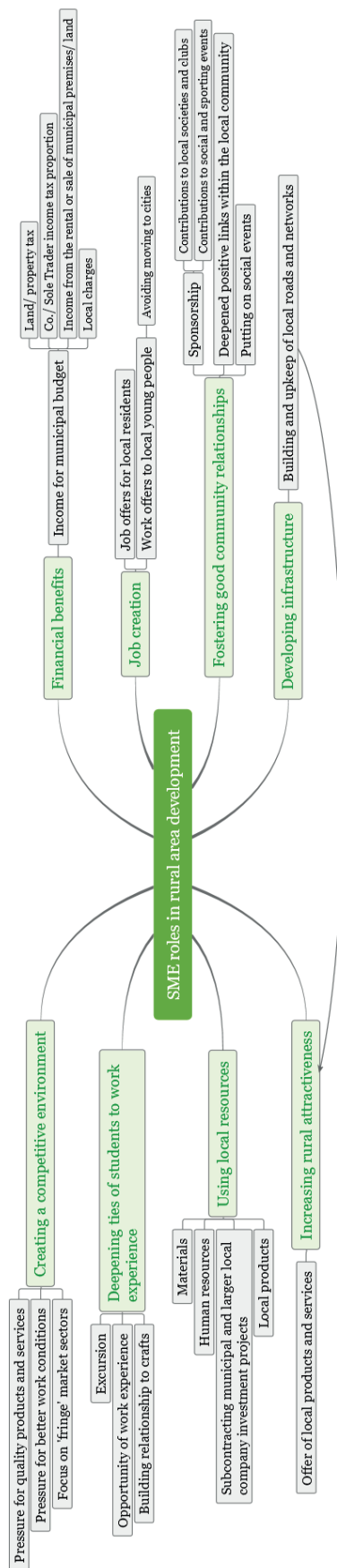
- the level of infrastructure,
- the administrative burden,
- scope for product sales,
- shortage of skilled labour.

**The level of infrastructure** when comparing rural areas with cities is a significant disadvantage, especially for business operations. This aspect can include the *lack of transport links* between the municipalities themselves and between the municipalities and cities. According to the business respondents the situation is at its worst especially in the off-peak hours, that is, early in the morning and late in the evening and at weekends. This greatly complicates operations for companies employing shift workers, because they have to take care of transporting their staff to work and back home at time when there is no public transport in the municipality. Indeed, two of the respondent companies have stated that they have introduced their own transportation for their staff.

Another problem in terms of infrastructure is the *standard of local connections and the access of rural areas to the backbone road network*. The poor condition of the roads affects the transport costs of goods inwards and the shipping of goods produced by companies located in rural areas. There is also the problem of insufficient parking zones in the municipalities.

An oft mentioned drawback of doing business in the country is the excessive **administrative burden**. Entrepreneurs from rural areas considered the worst aspect to be the complexity and time consuming nature of filling out tax returns and other forms required in connection with their activities. Although this administrative burden is considered a drawback by all SMEs, not only those from rural areas, some entrepreneurs in the countryside find the administrative burden even more onerous due to the absence of legal and tax advisor services in smaller communities.

Even though weak competition is considered an advantage of doing business in the country, a significant disadvantage is the lesser **scope for product sales** in rural areas, primarily because of the *weak purchasing power of the local population, the low number of potential customers* in the vicinity and



3: The role of SMEs in the development of rural areas

the growing presence of large retail chains in the cities, to which the local residents can commute. The weak purchasing power of the population is associated with lower average wages in rural areas. The low number of customers stems from the population density in rural regions. Although some of the surveyed enterprises do not regard the retail chains as their competitors, for some they are indeed significant competitors in the battle for potential customers, not only because of their ability to affect the purchase price of raw materials and goods and to reduce costs, but also because of the wider choice they offer, even despite the people from rural areas having to commute often many kilometres to reach them.

A significant drawback especially for enterprises whose profile requires a certain expertise among the staff is the **shortage of skilled labour**. Young people move to the larger cities for their studies and then do not return to rural areas because there is not a broad enough range of available jobs for them to choose from, unlike the cities.

### The role of SMEs in the development of rural areas

In Fig. 3 we see a summary outline of the role of SMEs in the development of agriculturally-oriented rural areas of the Czech Republic. The respective component roles of the SMEs in the development of rural areas have been defined based on an assessment of responses by representatives of local authorities (mayors, deputy mayors and rank-and-file members of local councils), who are considered key players in the development of the region, both because of their overview of the territory, clear ideas about the prospects for its development and at the same time their active role in the running of the municipality (see, e.g. Chromý *et al.*, 2011; Binek *et al.*, 2011). The next group of respondents were the SMEs themselves, and their self-evaluation also contributed to the definition of their role in the development of rural areas.

Key to the economic development of the municipality is the **financial contribution** that SMEs represent for the community, by contributing to the municipal budget in the form of taxes on real estate or the payment of local fees set by the municipalities. The municipal budget also to some proportionate degree reflects the payment of income tax by natural or legal persons. There are also revenue streams for the municipality from the rental or sale of premises and land the municipality owns.

Businesses contribute in their place of operation to social and sporting events, through material donations for raffles, or financial contributions towards it. Larger firms can also put on their own social events. Some businesses try to financially support local clubs and associations (e.g., by providing equipment for sports teams), which has a positive effect on **maintaining good relations in the local community**. The support for – or direct putting on of social events by local entrepreneurs

enriches the social life of the citizenry, helps to maintain local traditions (Fairs, Mardi-gras, Easter, raising the Maypole, etc.) and at the same time help to promote local products, which are often on offer at the socially focused events (Craft fairs, Easter fair).

SMEs have an irreplaceable role in **job creation**. SMEs provide employment for municipal residents and this, of course, relates to providing income for the population. SMEs also try to employ graduates and young people to keep them in the village and so prevent their departure to the towns. Businesses are inclined to **use local resources** in preference, not just human resources, but also materials and accessible local products and services. The use of local raw materials and products is reinforced by the fact that lately we are seeing a rise in the popularity of local high-quality fresh products, in itself an opportunity for smaller regional suppliers. At the same time, the businesses are involved in subcontracting arrangements when it comes to the investment projects of communities or larger local businesses. The deployment of local resources and the cooperation of local players is also relevant to the upkeep of mutually beneficial interpersonal relations.

By operating in the given area, **businesses build a competitive environment** and set the quality level of products and services that set the 'norm' expected and demanded in that location. If some new entity wishes to start a new business, it must offer products and services of at least the same or

higher quality. The natural competitive environment then pressures businesses to keep up the product quality and to keep innovating. SMEs often focus on 'fringe' sectors of the market such as may be of no interest to large enterprises, thereby filling a gap in the market and at the same time increasing their competitiveness against bigger businesses. Moreover, by offering local products, these businesses build up the image of the area ('HANA regional product'), and are thus instrumental in **raising the attractiveness profile of the rural areas** with tourists. This is of course also facilitated by their participation in the construction and **maintenance of basic infrastructure** (mainly the building and maintenance of local roads) and networks (e.g. assistance to businesses in the reconstruction of the water and sewage network). Indeed, the construction and maintenance of local roads and the existence of basic functional infrastructure is a prerequisite for the development of tourism in the area.

Another aspect manifesting the importance of SMEs for the area comes from **strengthening ties between students and practical application**. Businesses offer local schools excursions and provide students with work experience opportunities. Through their activities the local SMEs often follow on from traditions of the region, and in this way seek to bring students closer to the respective crafts.

## CONCLUSION

The aim of the paper was to define the role of small and medium-sized enterprises in rural areas in the Czech Republic and to describe how they perceive doing business in such regions in order to follow their role in rural development in further research. The importance of these small entrepreneurs in rural areas was demonstrated by examples of two rural areas in the southeaster part of the Czech Republic, namely MEC Holešov and MEC Hodonín, which are to the great extent influenced by agriculture.

In order to understand the motivation of entrepreneurs to set up their business in rural areas in this paper explored the benefits as well as negatives of having located their premises in these areas. As the greatest benefits are considered mainly the social background, natural resources availability, competitive environment and the favourable conditions for the rent or construction of business premises. Contrary, the level of infrastructure, administrative burden, sales opportunities and the lack of qualified labour force are mentioned as the crucial negatives of operating in a rural area.

According to the results of primary research the role of SMEs in rural areas in the Czech Republic is determined by the creation of competitive environment, the deepening of ties between apprentices and practice, the use of local resources, the increase in rural area attractiveness, the financial benefits for municipalities, the creation of vacancies, the sustaining of positive relationships within the local community and the development of infrastructure. These aspects are in accordance with the main literature stream on rural development, which highlights mainly the economic and social contribution of enterprises to rural development (see for example Fink, Loidl and Lang, 2014).

Steiner and Atterton (2015) also explored the contribution of rural enterprises from Australia to the rural development and divided them into economic, social and environmental categories. In accordance with our results they highlighted these aspects of rural enterprises: the creation of vacancies, product/service delivery and promotion of location (in our paper incorporated under the increase in rural area attractiveness), engagement with local community, training opportunities (in our paper called the deepening of ties between apprentices and practice), financial benefits in terms of sponsorship of local events or sport clubs etc. Moreover, beyond our results they also identified as the important role of rural enterprises for rural development in Australia the environmental



awareness and the contribution to protection of natural environment. These aspects may point to the higher environmental responsibility in Australia.

The issue of enterprises contribution to the rural development was dealt also by Nguyen, Lebailly and Nguyen (2015) from Vietnam who highlight mainly the employment creation as the role of these firms in rural areas. These authors stressed that rural enterprises are the key actors in securing jobs for disadvantaged workers such as women raising children, middle-aged workers and disabled workers. Despite the fact that the main conclusions of the paper cannot be generalized, the paper can serve as a basis for further research on rural development incorporating the influence of other local actors apart from SMEs (such as local clubs, voluntary associations etc.) or taking into account the differences between rural areas (for example in terms of the region's focus).

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