

**BUILDING ENTREPRENEURIAL COMMUNITIES:  
THE APPROPRIATE ROLE  
OF ENTERPRISE DEVELOPMENT ACTIVITIES**

**By Gregg A. Lichtenstein, Thomas S. Lyons, and Nailya Kutzhanova**

**ABSTRACT**

This article examines the concept of building entrepreneurial communities as a strategy for community economic development. It begins by attempting to define what is meant by the term “entrepreneurial community” and to clarify how economic developers go about trying to create such places – using activities known as the “enterprise development” to help entrepreneurs grow new business. The article then analyzes the current approach to enterprise development and explains why it is incapable of producing entrepreneurial communities. The authors conclude by calling for a systemic and transformational approach to enterprise development that can truly yield community-wide economic development.

**Key-words:** community economic development, entrepreneurship, entrepreneurial communities, enterprise development

**LOCAL ENTREPRENEURSHIP:  
A DEVELOPMENT MODEL BASED ON  
COMMUNITY INTERACTION FIELD THEORY**

**By Peter F. Korsching and John C. Allen**

**ABSTRACT**

Local entrepreneurship shows great potential as an economic development strategy for rural communities with stagnating or declining economies. However, nascent entrepreneurs often lack knowledge of ways to actualize their ideas, and communities often lack the social infrastructure to help entrepreneurs achieve success. Educational programs supporting entrepreneurship can play a vital role in rural community economic development. The Nebraska Enhancing, Developing and Growing Entrepreneurs (EDGE) educational program is community based, with organizing principles derived primarily from community interaction field theory. More than 1,600 nascent and active entrepreneurs have participated in EDGE since 1993. The authors draw on community interaction field theory and eight community case studies to explore an action model for delivery of an educational program of locality-based entrepreneurship. The EDGE model has implications for the delivery of long-range community development programs.

**Key-words:** rural community development, community leadership, economic development, entrepreneurship, interaction field theory

## **BONDING SOCIAL CAPITAL IN ENTREPRENEURIAL DEVELOPING COMMUNITIES – SURVIVAL NETWORKS OR BARRIERS?**

**By Yael Levitte**

### **ABSTRACT**

This paper focuses on the interaction between social capital and entrepreneurship in Aboriginal communities in Canada. Using statistical and interview data from three First Nations communities in northern Ontario, I examine if and how bonding networks turn into tangible resources for business development. The paper also highlights ways in which community relationships hinder entrepreneurship and turn into barriers to economic development. The paper concludes with examples of how insight into the interaction between public policy and social networks can help understand the barriers and opportunities facing community developers in marginalized communities around the world.

**Key-words:** economic development, entrepreneurship, social capital

## **COMMUNITY INNOVATION THROUGH ENTREPRENEURSHIP: GRANTMAKING IN CANADIAN COMMUNITY ECONOMIC DEVELOPMENT**

**By Edward T. Jackson**

### **ABSTRACT**

This paper examines the relationships among community innovation, entrepreneurship, knowledge, and grantmaking in the field of community economic development. The paper assesses the experience of the Community Economic Development Technical Assistance Program (CEDTAP), a bilingual grantmaker operating in rural and urban Canada, in combining small-grant funding with knowledge management methods to support community innovation. The CEDTAP experience illustrates how the multiple roles played by individual entrepreneurs and the *social* entrepreneurship of the local CED organization combine to drive the innovation process. Mature CED organizations are found to pursue innovation in order to achieve performance gains to better achieve their mission. While information technology is of some interest to these groups, they are increasingly active in applying new *production* technologies to strengthen their business enterprises. The CEDTAP experience highlights the potential of grantmakers to enhance their impact and reach through such knowledge-management tools as electronic portals, action-research and mutual learning within thematic clusters of grantee projects. The paper calls for practitioners and scholars to better understand the nature of, and interrelationships among, community innovation, entrepreneurship, knowledge and grantmaking in community economic development.

**Key-words:** community economic development, entrepreneurship, grantmaking, innovation, knowledge management, social entrepreneurship

**FROM THEORY TO ACTION:  
ENERGIZING ENTREPRENEURSHIP (E2), STRATEGIES TO AID  
DISTRESSED COMMUNITIES GROW THEIR OWN**

**By Mary Emery, Milan Wall, and Don Macke**

**ABSTRACT**

The Heartland Center for Leadership Development and the Center for Rural Entrepreneurship propose a new approach to helping distressed communities build on their assets to grow their own jobs and businesses. Using lessons gleaned from case studies in rural areas, data collected on the nature of entrepreneurial activity, strategies emerging from the study of entrepreneurial communities, and research on community capacity building, the partners developed a flexible approach for encouraging entrepreneurial activity. The approach helps communities build on business and community assets through focused strategic interventions at the community, business, and organizational levels. This paper reports on preliminary results of how elements of our approach are at work in several communities where leaders engage community members in working toward a prosperous future.

**Key-words:** entrepreneurship, economic development, rural, community, social capital

**MICRO BUSINESSES AS AN ECONOMIC DEVELOPMENT TOOL:  
WHAT THEY BRING AND WHAT THEY NEED**

**By Glenn Muske and Michael Woods**

**ABSTRACT**

Micro businesses, defined as having ten employees or less, represent a substantial sub-segment of all small businesses. As such, they are credited as a significant contributor to economic growth of a community. This research focused on understanding the micro business owner, their contribution to the local economy in terms of profits, jobs, and their ability to bring outside dollars into a local economy. As the major economic engine in many areas, especially in rural areas, the success of the micro business is important to a local community's development and progress. The research also evaluated the support needs of the micro business owner during start-up and on-going operation. Most often, the business owners expressed a need for help with marketing and financing. The research also analyzed what agencies these micro business owners have turned to for help. The study supports the idea that a local economic development strategy must include development of the micro business segment and suggests ways to tailor such assistance efforts and programs.

**Key-words:** micro business, small business, economic development, community development, business development

## **PROMOTING THE 'CIVIC' IN ENTREPRENEURSHIP: THE CASE OF RURAL SLOVAKIA**

**By Mildred Warner and Christine Weiss Daugherty**

### **ABSTRACT**

The literature on entrepreneurship emphasizes the importance of the characteristics of individual entrepreneurs, their social networks, and the broader economic, cultural and political institutional landscape. In Slovakia and many of the emerging market economies of Eastern Europe, attention to social and cultural concerns and the institutional framework to support economic development was given insufficient attention at the beginning of the transition to capitalism. This paper shows the importance of social and cultural norms and experiential learning in providing the foundation for entrepreneurship and economic development. It presents a successful rural development model from Slovakia, which used mini-grants to build individual and community capacity for civic entrepreneurship as a precursor to economic entrepreneurship.

**Key-words:** entrepreneurs, market economy, experiential learning, economic development, mini-grants, civic trust, post-Socialism, social network

## **FAMILIAL NETWORKS AND REGIONAL ENTREPRENEURS IN NORTHEAST MISSISSIPPI'S UPHOLSTERED FURNITURE INDUSTRY**

**By Albert B. Nylander III and Ralph B. Brown**

### **ABSTRACT**

Using a sample of 75 owners, we examine the role of familial networks in the establishment and proliferation of the upholstered furniture industry in Northeast Mississippi. Our data show that strong familial and associational ties are linked to the original furniture plant and its owner—approximately 70 percent of our sample. Owners have used these strong-ties typical of rural regions to facilitate a regional development outcome where owners do not see each other as competitors, but they share in knowledge resources. There is a general feeling that, "There is plenty to go around, just let me get my fair share." When local competition represents one's friends and/or family, competition moves to a more distant, less intimate focus thus facilitating even more local entrepreneurial opportunities.

**Key-words:** familial networks; inertia; nepotism; Northeast Mississippi; strong ties; upholstered furniture industry

**DEVELOPMENT OF LAST RESORT:  
THE IMPACT OF NEW STATE PRISONS ON SMALL TOWN ECONOMIES  
IN THE UNITED STATES**

**By Terry L. Besser and Margaret M. Hanson**

**ABSTRACT**

Many rural communities desperate for economic development have turned to formerly resisted options, such as influencing the state to locate prisons in their area to revitalize their local economies. Without a vital economy, they fear a continuation of declining population and a diminished quality of life. This study uses 1990 and 2000 census data to examine the economic and demographic impact of new state prisons on small town economies compared to changes that occurred during the decade in all other small towns. The analysis shows that when 1990 economic and demographic factors and region are controlled, new state prison towns experienced less growth than non-prison towns except that prison towns had a greater increase in unemployment, poverty, and percent of minorities. The assumption that prisons represent a solution to distressed small town economies and a boost for community development should be reexamined by community leaders.

**Key-words:** state prisons, prison towns, distressed economies, economic development

**COOPERATIVES IN RURAL COMMUNITY DEVELOPMENT:  
A NEW FRAMEWORK FOR ANALYSIS**

**By Kimberly Zeuli, David Freshwater, Deborah Markley and David Barkley**

**ABSTRACT**

Although cooperatives are viewed as an important vehicle for community development, the relationship between cooperatives and communities is a neglected research issue. Because of this neglect, no framework for analysis of the relationship between cooperatives and communities exists. We present case studies of non-agricultural cooperatives in rural areas that provide some general insights into the innovative activities of successful cooperatives in rural community development. The case studies help define a new framework for analyzing the complete impact and efforts of cooperatives as community development agents. In contrast to the typical unifunctional and multifunctional categorization of cooperatives, our framework identifies two main categories of cooperative community development activities: unintentional, by simply organizing a business as a cooperative, and intentional, by creating community development programs. Cooperatives in this latter group are further sub-divided according to how closely the development activity is related to their core function.

**Key-words:** community development, cooperative theory, non-agricultural, cooperatives, rural communities

**AMENITIES, NATURAL RESOURCES,  
ECONOMIC RESTRUCTURING, AND SOCIOECONOMIC OUTCOMES  
IN NONMETROPOLITAN AMERICA**

**By Don E. Albrecht**

**ABSTRACT**

This article explores the changing role of natural resources in community development in the United States. At one time, nonmetropolitan communities were dependent on traditional natural resources such as forests, minerals, and the soil, water, and climate necessary for agriculture. Where those resources were more abundant, populations were greater and life could be lived more abundantly. Amenity resources mattered little. It is apparent that circumstances have changed significantly. Data analyzed in this article explored the extent to which the presence or absence of amenity versus traditional natural resources influenced community development in recent years. A model was developed and tested to guide the analysis. It was found that from 1980 to 2000, communities with extensive amenity resources had a much greater increase in service employment. As a consequence of increased service sector employment, amenity rich counties had more extensive population growth. At the same time, high amenity communities also experienced a lower proportion of both adult males and females who are employed, an increased proportion of female-headed households, and higher poverty rates. These findings have significant implications for community leaders and community development specialists, which are discussed in this article.

**Key-words:** amenity resources, service sector employment

**BUILDING COMMUNITY THROUGH COMMUNICATION:  
THE CASE FOR CIVIC COMMUNION**

**By David E. Procter**

**ABSTRACT**

This essay makes the argument for the centrality of communication in studying and developing community. Following a discussion of general theoretical arguments affirming and advancing the case for communication's connection to community building, the essay moves to an examination of a specific type of community, communicative event: "civic communion." Civic communions are communicative and performative community events that function to draw people into a shared identity, shared visions of community, and codes of conduct. Civic communions are episodes of community interaction that function as rhetorical and performative civic sacraments bonding citizenry around the social and political structures of a specific locale. These powerful community moments offer community development practitioners a pragmatic and scholarly vehicle to assist and study the construction and maintenance of community.

**Key-words:** civic communion, symbolic interactionism, communication as performance, social interaction theory, civic engagement theory

**COMMUNITY ATTACHMENT, SATISFACTION, AND ACTION****By Gene L. Theodori****ABSTRACT**

The effects of community attachment and satisfaction on community-level action were examined using data collected in a general population survey from a random sample of individuals in two rural communities in Texas. Substantial support was found for the hypothesis that attachment to the community is associated positively with community action. Bivariate and multivariate logistic regression analyses reveal that higher levels of community attachment result in increased levels of community action. Virtually no support, though, was found for the hypothesis that community satisfaction is negatively associated with community action. The multivariate findings also suggest that certain sociodemographic variables (i.e., education, marital status, race, and length of residence) are important predictors of community action. Possible implications of the findings are advanced, as are suggestions for future research.

**Key-words:** Community action, community attachment, community development, community satisfaction, measurement

**SUSTAINABLE COMMUNITY DEVELOPMENT:  
A SOCIAL APPROACH FROM VIETNAM****By Michael Hibbard and Chin Chun Tang****ABSTRACT**

Sustainable development has emerged over the past few decades as an important paradigm for community development. In searching for ways to achieve a balance among the social, economic, and ecological health of communities, Western scholars and practitioners concerned with sustainable development have generally given priority to environmentally-oriented frameworks. However, in places with different cultural and political characteristics and material conditions compared to the industrialized West, a human-oriented, social approach to sustainable development can be observed. This article describes and analyzes how sustainable development is being approached using a non-Western, non-environmentally-oriented approach. We present a case study of a mangrove management program in Southern Vietnam to illustrate such a social approach to sustainability – through collaborative efforts among government, quasi-governmental organizations, non-governmental organizations, and local communities. We emphasize the role of women in development efforts.

**Key-words:** human-oriented development, international community development, sustainable development, Vietnam, women in development