

ENTREPRENEURIAL ACTIVITY OF AGRICULTURAL PRODUCERS AND MEASURES OF ITS PROMOTION

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The aim of the research is to measure entrepreneurial activity and related deciding factors, and to propose measures to encourage productive entrepreneurship. With this objective in mind, the article introduces the concept of entrepreneurial activity, analyses common factors deciding entrepreneurial activity, which are described in Lithuanian and foreign scientific literature and uses a questionnaire survey to perform the analysis of the entrepreneurial activity of agricultural producers and related deciding factors and reveals the impact of support on the entrepreneurial activity of agricultural producers and the economic performance of their farms.

Research results. The concept of entrepreneurial activity was explored and the common factors predetermining entrepreneurial activity discussed in Lithuanian and foreign scientific literature were analysed. Consolidated data of the questionnaire survey were used to analyse the entrepreneurial activity of agricultural producers and related deciding factors and to reveal the impact of support on the economic performance. Entrepreneurship development prospects were defined by offering a framework of entrepreneurial activity promotion.

Key words: *agricultural producers, entrepreneurship, entrepreneurial activity, internal and external factors, promotion of entrepreneurial activities.*

JEL classification: O13, Q19.

Introduction

The research into the entrepreneurial activity of agricultural producers and the pursuit of entrepreneurship promotion tools was influenced by the fact that people engaged in agriculture are not only changing the environment in order to produce competitive products but they also need to change themselves. Traditional Lithuanian introversion precludes quick adaptation to the constantly changing environment that keeps posing new requirements. However, after the accession to the European Union, the free movement of goods opened up possibilities of working in a larger and more dynamic market and using the EU export support instruments. Consequently, in order to take advantage of the support, agricultural producers

must act faster, i.e. they must demonstrate a higher level of entrepreneurial qualities.

According to P. Markevicius, who has undertaken extensive analysis of entrepreneurship, the entrepreneurial activity of farmers represents the key driving force in the modernization of agriculture. However, various public opinion polls and surveys in this area (Markevicius, 2002; Jasinavicius, 2007) indicate that Lithuanian farmers are insufficiently active while soviet thinking stereotypes are still in existence among our citizens. The use of support measures among the farmers is slack; they reject innovations for fear of risk. Given the rapid development of science and technologies, the agricultural producer must also change. However the well-established traditions are like a barrier, which the agricultural producers of Lithuania slowly go through only by virtue of extrinsic motivation.

According to Z. Lydeka (1996) and P. Markevicius (2002), entrepreneurial activity can be learnt and it is commonly achieved through special trainings (Ekonomio..., 2004) and upgrade of the farmers' qualification. However the trainings and the development of competence can be undertaken only after the key factors of entrepreneurship of agricultural producers are identified and the impact of the existing entrepreneurship promotion measures is analysed in order to help the agricultural producer understand the internal and external environment and to seek increasingly productive entrepreneurship, which definitely affects the national economy.

Research object: entrepreneurial activity and measures of its promotion among agricultural producers.

Research aim: to measure the entrepreneurial activity of agricultural producers and to suggest tools for promoting it.

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Research tasks:

- to analyse the factors affecting entrepreneurial activity;
- to analyse the agriculture producers's entrepreneurial activity and measures of its promotion;
- to create a model about factors and measures of entrepreneurial activity promotion and provide model's realization opportunities.

Research sources and methods: analysis of scientific literature is employed to investigate the concept of entrepreneurship and the deciding factors; statistical publications, data provided by regional offices of the Lithuanian Agricultural Advisory Service, and consolidated research reports are used for secondary data analysis; a questionnaire survey of agricultural producers is used to identify their entrepreneurial activity; to systemise and present information, the methods of clustering, ratios, and comparison are applied; the affirmations and facts are illustrated using special software packages and methods of visualization and logical thinking; the data of the questionnaire survey are processed and systemised in *SPSS for Windows*.

Empiric Research Method

The empiric research aimed at measuring the entrepreneurial activity of agricultural producers and identifying its development prospects. Marijampole County was chosen for the empiric research into the entrepreneurial activity of agricultural producers. The empiric data were derived using the questionnaire survey method, which is known to be one of the most popular methods in sociological research.

Aim of the Research: to measure the entrepreneurial activity of agricultural producers and to suggest tools for promoting it.

Selection Criterion: entrepreneurial agricultural producers. The fact of consulting the Lithuanian Agricultural Advisory Service was recognised as the criterion of entrepreneurship of an agricultural producer.

Information on agricultural producers who sought consultations in 2008, provided by regional offices of the Lithuanian Agricultural Advisory Service (LAAS) in Marijampole County (i.e. the offices of Marijampole Municipality, Kalvarija Municipality, Kazlu Ruda Municipality, Sakiai Region Municipality, and Vilkaviskis Region Municipality) was used to determine the *research sample*. In 2008, there were 477 persons, who consulted the LAAS (*general population*). The probability sampling method was used to select 207 respondents from all the municipalities of Marijampole County who participated in the questionnaire survey of the entrepreneurial activity of agricultural producers. The equation for *sample size* calculation (Kardelis, 2002) was based on a finite population.

$$n = \frac{z^2 * S^2}{\left(1 - \frac{1}{N}\right) * \Delta^2 + \frac{z^2 * S^2}{N}} \quad (1)$$

where: N – general population (477);

n – sample size;

Δ - margin of error (5%), 0.05;

z – value from Student's t -distribution tables at 95% confidence (1.96);

S – sample mean root square deviation (here 50%, due to the absence of information on the incidence of the phenomenon);

After the values were entered into the formula, the calculation showed that 207 respondents had to be surveyed to achieve research results with a 95% confidence level. The research data are presented in working of 207 questionnaires. This is nearly 44 percent of the whole general population.

The respondents of the survey were given an original anonymous questionnaire specially designed for agricultural producers. The questionnaire consists of three parts: and introduction, social questions, and the main part. The introduction of the questionnaire gives the aim of the questionnaire, completion instructions, and a guarantee of the anonymity of the questionnaire. The questionnaire contains 16 questions. The social questions address the gender, age, education, the main source of income, and the farm size of the respondent. The main part is made up of questions aimed to determine the factors affecting the entrepreneurial activity of agricultural producers and to examine the level of personality traits.

The document analysis focused on documents, which can guarantee the reliability and validity of information: it used official statistical documents (from the Department of Statistics under the Government of the Republic of Lithuania) on the number of farms operating in Marijampole County. Such data were linked to the data of the conducted research.

Entrepreneurial activity concept and factors

The National Lisbon Strategy Implementation Programme for 2008-2010 (National..., 2007) identifies the key economic growth factors affecting competitiveness: labour force, capital, knowledge, and *entrepreneurship*. The understanding of entrepreneurship comes from an English word, which is associated with the capability of rediscovering possibilities, self-realization, and creating economic and social value.

Entrepreneurship can be understood in a narrow and broad sense. In the narrow sense, entrepreneurship is seen as the capability to create economic value added. "Entrepreneurship means the propensity and ability to start economic activities by combining the capital, labour, and other economic resources in attempt to generate profit and to take all the related risk," - this rather narrow definition of entrepreneurship is given in the Dictionary of Economic Terms (Vainiene, 2005). In the broad sense, the concept of entre-

preneurship is still subject to debate, however, it is recognized that it is a set of innate and acquired personal traits, which allows creating economic, social and other values.

Entrepreneurship is more than the ability to understand the opportunities and secure the resources required to exploit them. When entrepreneurship is described as a possibility it is emphasised that such possibility does not have to be equally accessible to all. It can be learnt and taught. While learning entrepreneurship, specific skills are developed. Entrepreneurship is not just a capability of seeing the possibilities that are not seen by others but also the competence of using the existing resources. A good entrepreneur needs not only skills but also the ability and knowledge to see what resources will be required in the future (Kwiatkowski S., 2004).

According to P. Drucker (1985) entrepreneurship is primarily seen as an idea, then as financial resources to pay the incurred expenses, and lastly it means risk-free innovations, since entrepreneurs do not print money themselves. That results in introducing innovations to business. P. Drucker interpreted the perception of the new economy as revolutionary. He noted that the disbalance created by an innovative entrepreneur is a "standard" of a healthy economy as opposed to a balanced and optimal economy (Drucker P., 1985).

A rather controversial concept of entrepreneurship was offered by H. Stevenson, et al (1989). They see entrepreneurship as behaviour rather than as a personality trait. According to the authors, entrepreneurship is based on the idea and theory rather than intuition. Entrepreneurs see changes as a normal and useful phenomenon. An entrepreneur always seeks changes, responds to them, and uses them as an opportunity (Stevenson H. H., Roberts M. J., Grousbeck H. I., 1989). The authors describe entrepreneurship as the pursuit of opportunities disregarding the control of available resources. Opportunities have no objective identity. If they had it, most economic operators would probably use resources without relevant control. However, this could lead to negative consequences. Therefore, the authors, who support H. Stevenson's ideas, expanded this definition and supplemented the theory by saying that although the factor of opportunities can function in the absence of the resource control, the employment of opportunities is nevertheless based on experience (Hart M., Stevenson H., Dial J., 1995).

The concept of entrepreneurship predominant in foreign literature emphasises: a) entrepreneur-specific traits or characteristics, including the ability to take risks, leadership, motivation, etc.; b) definitions, related to the entrepreneurial process and its outcomes, which embrace the fusion of innovative resources in the environment of new changes; c) definitions focusing on entrepreneurial activities, such as entering into new markets, overcoming market deficit, and satisfying the needs.

According to R. Jasinavicius (2006), entrepreneurship is the capacity of making a personal impact on the quality and development of public needs satisfaction, i.e. under-

standing of what and how should be done, achieving valuable results through effective action, and getting a lucrative reward. In other words, entrepreneurship is a measure of leadership of a creative, active and responsible personality.

A set of traits of an entrepreneurial person was offered by L. Minciene (2004). Similarly to the aforesaid foreign authors, the scientist distinguishes two components of the entrepreneurship concept: a) entrepreneurship is a unique combination of solutions, pursuit of innovation, and risk, which contributes to fostering business; b) entrepreneurship is a set of acquired and innate personality traits, which lead to innovative thinking and proactive and risky undertakings.

In the investigations of the entrepreneurial activity, it is important to perform analysis of the entrepreneurial factors. Depending on the nature and impact of the factors, entrepreneurship may be enhanced or slowed down. Some factors affect entrepreneurship as a driving force, while others impede it. Therefore it is necessary to analyse as many factors as possible. V. Gronskas (1995) primarily categorises entrepreneurial factors into two major groups: external and internal, whereas Z. Lydeka (1996) classifies entrepreneurial abilities into innate and acquired.

According to V. Gronskas (1995), external factors of entrepreneurship are basically found in the market itself, in its permanent change, its "pulsation". Market changes seem to favour the entrepreneur with an order for creativity. V. Gronskas points out the following external factors of entrepreneurship:

- *changes in customer demand and prices;*
- *pseudo-business incidence rate in the field where the entrepreneur works;*
- *ratio of profit from entrepreneurial creativity to costs and its uncertainty.*

The internal factors of entrepreneurship include internal capabilities of entrepreneurs to organise and operate a business. The success of each entrepreneur depends on his/her education, gender, age, work experience, religious beliefs, and other personal factors (Markevicius, 2002). On the other hand, Z. Lydeka (1996) considers that the internal factors include acquired and innate traits of a person that lead to innovative thinking and proactive and risky undertakings. The attitude towards entrepreneurship is changing constantly and it is highly dependent on the existing heritage. For instance, the Americans (Kuratko, 2008; Robert, Scott, 2007) tend to suggest that entrepreneurship is rather an inherited personal quality, which cannot be developed unless there are certain personality traits. Whereas a large number of Europeans believe that subject to some innate traits entrepreneurship can be developed up to a certain extent (Pruskus, 1997; Sudzius, 2001). On the other hand, researchers point out the existence of essential/critical entrepreneurship factors in specific cases and suggest to take them into consideration on a first priority basis (Nah FFH., Lau LLS., Kuang J., 2001).

It should be noted that a person is actually encouraged to act independently by certain inner defiance, a conflict with the

existing situation. That shapes the attitudes of an entrepreneur with a strong emphasis on social activities: willingness to satisfy the unmet needs of the society by providing goods or services; to promote regional economic and social development; to create needs for new products and services and thus to promote the receptivity to innovations (Pruskus, 1997).

In contrast to external factors, the internal factors of entrepreneurial activity describe the driving forces or impediments of entrepreneurial activity, which are directly dependent on the activities of an individual entrepreneur. V. Gronskas (1995) points out the following key internal factors of entrepreneurship:

- *entrepreneurial power of observation;*
- *ability to quickly respond to a changing business situation;*
- *ability to predict/forecast changes in business and to take advantage of them.*

The level of entrepreneurship, i.e. the future vision and a bold walk toward it, is greatly influenced by personal traits that depend on the business environment which affects all economic operators in the market to a certain extent. As pointed out by D. Zukauskaitė, who conducted research into the entrepreneurship factors among the young Lithuanian farmers (Zukauskaitė, 2009), an agricultural producer must be proactive, creative, capable of communicating and collaborating, solving problems, understanding innovations, competent to manage a farm, to make a professional assessment of the internal and external business environment, and to have negotiation skills.

People with entrepreneurial qualities use their best effort to create something “uplifted” intended for a specific target group to use/consume it and to reach an effect exceeding the expected (Robert, Scott, 2007).

The external factors of entrepreneurship and the efforts to rely on them or to counteract their negative impact encourage entrepreneurs to develop the internal factors of entrepreneurship, while the latter enable to effectuate the external factors. V. Zilinskas (Zilinskas et al., 2004) outlines that, in economic terms, an entrepreneur finds it essential to be able to combine the production factors in a way that results in increased total value.

Most theories describing entrepreneurship lay emphasis on the possibility to learn and teach entrepreneurship, while the entrepreneurship is described as an opportunity. This suggests that entrepreneurship is not equally prevalent among people. According to D. F. Kuratko (2005), entrepreneurship is neither magic nor mysticism, and they are not great geniuses who launch businesses; entrepreneurship is just a discipline and, like all disciplines, it can be learnt. This is also confirmed by R. Adamoniene (2009), who emphasises the importance of managerial decisions on entrepreneurship education.

Given the analysed concepts of entrepreneurship and pursuant to the Economic Literacy and Entrepreneurship Development Strategy (2004) issued by the Ministry of Education and Science of the Republic of Lithuania, which says that entrepreneurship is a person's way of thinking combined with

social, managerial, and personal competences that enable to apply the existing knowledge in the everyday life, i.e. specific capabilities, which give the means not only to organise one's business but also to take the risk for the decisions, it is something entrepreneurs, including agricultural producers, need.

Entrepreneurial activity of agricultural producers

The questionnaire survey (**socio-demographic analysis** of the research sample), showed that:

- mostly men work on farms (87%), while women just help them with farming;

1. most of the farmers in Marijampole County (63%), who use the services of agricultural advisory agencies are aged under 30. 17% of the participants of the research are 30-39 years old, a slightly smaller number of the respondents (13%) are 40-49, and only 7% of the interviewed farmers are 50 and older. The research established the dependency on age: the younger the respondents are, the more interest in business they demonstrate;

- the education level of the interviewed agricultural producers of Marijampole County is rather high. Almost 7% of the respondents had general secondary education and nearly 9% had vocational education. Slightly more than 13% of the interviewed farmers had vocational secondary education and over 70% had higher education. This might have been dictated by the EU programs and projects, which require the farmers to have relevant education in a certain field to be eligible for support. Therefore such requirements make agricultural producers study and pursue higher levels of education;

- most of the farmers who participated in the research (84%) stated that the main source of their income is their own agricultural business;

• the average size of a farm in Marijampole County is 13.4ha (the Department of Statistics under the Government of the Republic of Lithuania). The research findings show that the services of agricultural advisory agencies are more frequently used by the owners of larger farms. The research included 43.4% respondents with farm sizes ranging from 50ha to 100ha and 24.1% said that their farm size is over 100ha. Only 2.2% of the interviewed farmers own farms under 10ha and 8.7% have farms of 10-30ha. Almost 22% of the respondents said that their farms are 30-50ha. Thus, it can be assumed that agricultural producers owning larger farm areas are more entrepreneurial than land-poor farmers.

- Marijampole County is mainly dominated by crop farms (65%).

The analysis of the entrepreneurial activity of agricultural producers shows that:

- the most popular organisations and institutions offering consultations to the farmers include the Lithuanian Agricultural Advisory Service (100%), the Municipalities (70%), and education institutions (24%). As many as 69% of the research participants use the services of the Agricultural Advisory Service four or more times per year, almost 24% of the respondents seek advice 2-3 times per year and about 7% of the respondents turn to this institution once per year.

- organisations and institutions offering business training or advisory services to agricultural producers are both necessary and useful. According to the respondents, the obtained information had the following impact on their business development: improved quality of their products (86%), increased business revenues (51%), easier to compete with other manufacturers (39%), higher productivity (28%).

- it was noted that there is dependency of the attitude towards the start-up situation on the education background: compared to higher educated farmers, lower educated respondents are more pessimistic about the situation in our country for those who want to start their own business;

- the Rural Development Programme 2004-2006, the Rural Development Programme 2007-2010, and SAPARD measures were among the most frequently used by the farmers who took part in the research, 30%, 28%, and 6.3%, respectively;

- according to the respondents, the support had the most significant impact on the acquisition of new equipment (profound impact: 13%, insignificant impact: almost 63%), increase in production volumes (profound impact: 1.6%, insignificant impact: 14.4%), new construction or renovation (profound impact: 1.6%, insignificant impact: 11.4%), new types of production (insignificant impact: 13.3%), increase in the number of farm employees (insignificant impact: 9.2%).

Following the analysis of factors determining the entrepreneurial activity of agricultural producers it can be assumed that:

- the most important personality traits of an entrepreneur are responsibility, determination, self-motivation, self-confidence, penchant for innovation, and a strong emphasis is placed on the importance of knowledge and skills, access to the latest information, and the desire to get richer;

- the higher level of education an agricultural producer has, the more importance is attached to the factor of knowledge and skills, and although respondents with lower levels of education also emphasize the importance of skills,

they nevertheless consider that the key factors are the desire to get richer and the endeavour to be independent;

- higher educated respondents tend to make decisions faster, while the lower educated are prone to think longer or they are too indecisive for fast decision making;

- the external factors that make the greatest contribution to the development of the personal qualities of agricultural producers include business-friendly environment, promotion of entrepreneurship, assistance by business information centres, and legal protection of entrepreneurs;

- the respondents claim that the main obstruction is the lack of legal, business management, and accounting skills;

- most problems in the development of business are caused by the lack of venture capital, whereas business consultations are found acceptable by agricultural producers and the respondents do not point them out as a weakness.

In order to assess the current performance and future business prospects of agricultural producers, the impact of the financial and structural support on the business performance of the farms of agricultural producers, data on agricultural land owned by the respondents of the research, and their farm sizes in European Size Units were collected in cooperation with Marijampole County regional offices of the Lithuanian Agricultural Advisory Service.

The analysis of changes in farm sizes shows that the agricultural producers of Marijampole County used the received support to increase the agricultural areas. In terms of the age of the respondents (Table 1), the agricultural areas of younger agricultural producers show a bigger increase than those of older farmers.

The agricultural holdings of agricultural producers in the age group under 39 increased by nearly 6%, while in the age groups under 30 and 30-39 the average farm size in European Size Units swelled by 9.60% and 8.33%, respectively. The farm holdings of older agricultural producers changed insignificantly, although the average farm size in European Size Units of farmers aged 50 and older increased by more than 10%.

Table 1. Dependence between the farmer's age and farm size (made by the authors)

Age group	No per group	Changes in 2006-2008			
		Agricultural land (ha)	Agricultural land (percent)	ESU	ESU (percent)
under 30	127	4.17	5.79	2.54	9.60
30 - 39	41	3.37	5.90	1.20	8.33
40 - 49	27	4.63	3.15	1.26	6.50
50+	12	2.33	2.36	2.16	10.24
Total	207	3.96	5.27	2.08	8.98

It can be concluded that in pursuit of higher incomes older agricultural producers place a stronger emphasis on changing the structures rather than increasing the agricultural holdings. Thus, it can be assumed that agricultural producers were successful in using the opportunities offered by the support and adapting to the competitive environment.

The analysis of changes in farm sizes and the education background of agricultural producers reveals that the farm

holdings of the farmers with a higher level of education are growing faster than those of farmers with lower education levels (see Table 2). In 2006-2008, the farm holdings of agricultural producers with a university education increased by 6.43%, while the farm holdings of farmers with vocational education did not undergo any changes.

Table 2. Impact of education background on the farm size (made by the authors)

Education background	No per group	Changes in 2006–2008			
		Agricultural land (ha)	Agricultural land (percent)	ESU	ESU (percent)
secondary	14	2.12	4.91	1.24	9.72
vocational	18	0.00	0.00	0.91	5.05
vocational secondary	27	5.63	6.26	1.21	7.00
higher non-university	88	3.51	5.31	1.63	9.34
higher university	60	5.50	6.43	3.68	10.35
Total	207	3.96	5.27	2.08	8.98

In the course of the analysis of support impact on economic performance, the respondents were grouped according to the number of times they used structural support. It appeared that during the analysed period the largest increase in the size of an average farm holding was observed in the farms that used the support once (the number of such farmers comes up to approximately 3% per year or 9.1% in 2006 through 2008), while the average farm size in European Size Units enjoyed the largest increase when the support was

used twice (5.51% per year or 16.52% in 2006 through 2008). The analysis of changes in the farm size by the number of times the structural support was used reveals that increase in both the average farm holding and the average farm size in European Size Units of the agricultural producers, who did not use structural support for other purposes than direct payments, was rather insignificant (respectively 0.77% and 4.2% during the 3 year period) (Table 3).

Table 3. Dependence of farm size on the number of times the structural support was used (made by the authors)

No of times the structural support was used	No per group	Changes in 2006–2008			
		Agricultural land (ha)	Agricultural land (percent)	ESU	ESU (percent)
1	107	6.26	9.01	3.07	12.03
2	12	8.33	4.99	3.50	16.52
3	1	0.00	0.00	0.80	7.77
0	87	0.59	0.77	0.69	4.20
Total	207	3.96	5.27	2.08	8.98

The data in Table 3 suggest that regardless of the farm specialisation, the frequency of support has a major impact on the farm size. The farm size of agricultural producers with stronger entrepreneurial characteristics (i.e. those, who used the support more than one time) is growing faster than that of more passive farmers: the average increase in the farm size in European Size Units of the agricultural producers specialising in crop growing, who used the support twice, accounted for 5% per year, as compared to an average of 3.8% per year among those, who used the support only once (5.24% and 3.31% in livestock husbandry farms and 10.61 and 4.5% in mixed-type households). That suggests that regardless of the farm specialisation, the frequency of support has a major impact on the farm size.

Subject to the analysis of the support impact on the economic performance of agricultural producers (as regards the economic operators in Marijampole County), it can be basically said that:

- the support received by agricultural producers of Marijampole County led to a significant increase in the areas of their farming land;
- although the agricultural land plots owned by younger agricultural producers increased more than those of older farmers, during the analysed period the average farm size in European Size Units owned by older agricultural producers was increasing faster since the latter are more

focused on changing the structures rather than increasing the farm holdings;

- older agricultural producers with secondary education increased the average farm size in European Size Units by changing the structures and only slightly expanding their farm holdings, whereas younger agricultural producers increased the average farm size in European Size Units by materially changing the farm size;
- regardless of farm specialisation, the frequency of support has a major impact on the farm development.

In summary, subject to the analysis of the factors affecting the entrepreneurial activity of agricultural producers (as regards the economic operators in Marijampole County), a model of efficient entrepreneurial activity development is proposed (Fig. 1). The implementation of the model would create essential conditions for increasing the level of entrepreneurship among agricultural producers. The model includes the following key stages:

2. identification of factors affecting entrepreneurial activity (i.e. WHERE the emphasis should be placed in order to boost the entrepreneurial activity of agricultural producers);
3. identification of measures (i.e. WHAT should be done to promote entrepreneurship);
4. selection of institutions capable of promoting the development of factors (i.e. WHO should implement it).

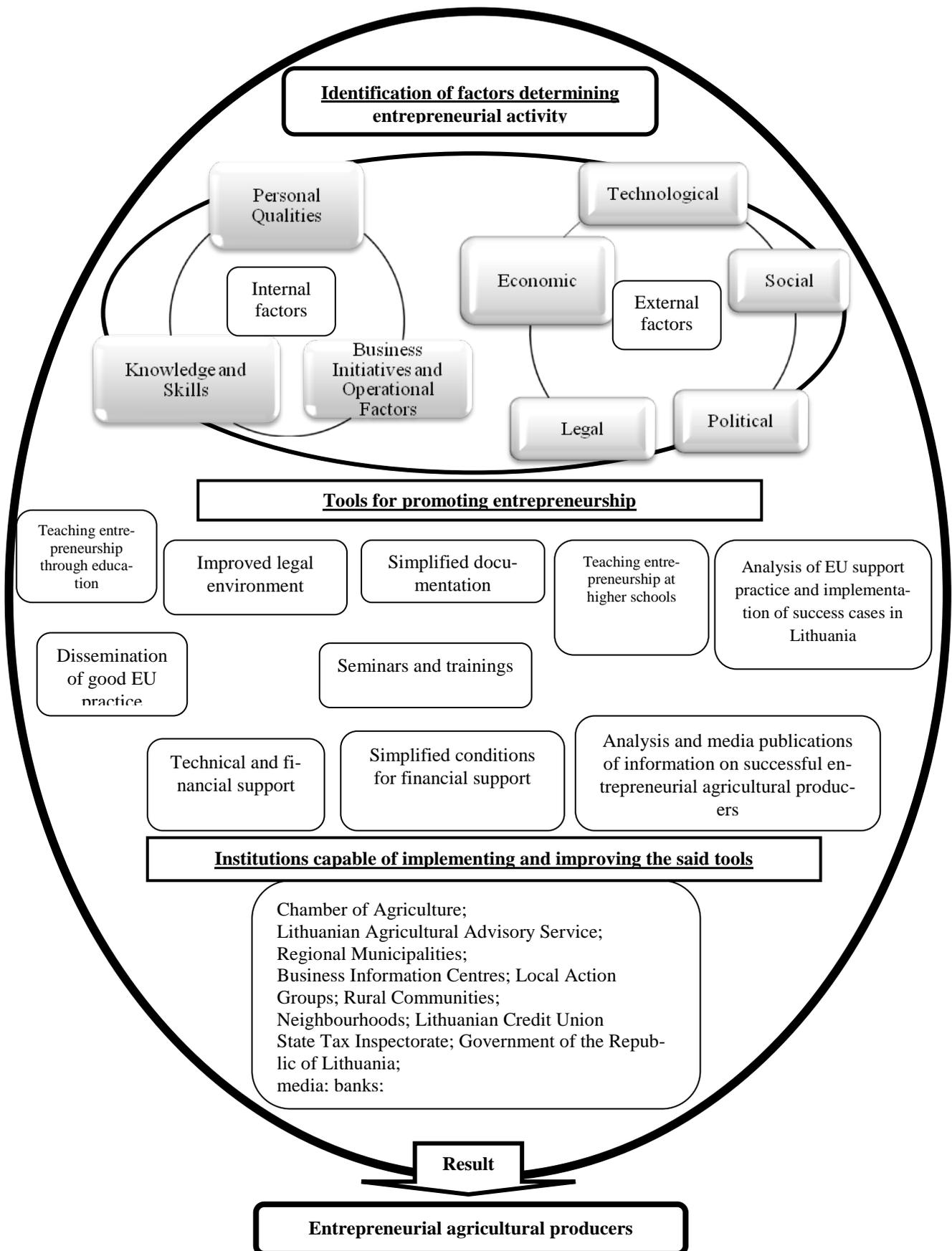


Fig. 1. Factors and measures of entrepreneurial activity promotion (made by the authors)

As pointed out above entrepreneurship is a production factor, the content whereof is the ability of persons to combine capital, labour, natural resources, to organise business, implement innovations, and to risk their property for profit. Each person, whether an agricultural producer or an entrepreneur in a different field, should assess his/her personal qualities and cultivate precisely those that are important to an entrepreneur.

The model of entrepreneurial activity development is produced to identify the ways for fostering entrepreneurship among agricultural producers. The model is based on a detailed analysis of the concept of entrepreneurship, which takes into account the approach of different scholars. Furthermore, an empiric research was conducted. The research aimed to identify the key factors determining the entrepreneurial activity of agricultural producers and to reveal the impact of support on economic performance. The model is based on the processed results of the research and it reflects the essential tools for promoting entrepreneurship among agricultural producers, which call for improvement.

The research of the entrepreneurial activity of agricultural producers conducted among Marijampole County economic operators revealed that the most beneficial qualities in the business of agricultural producers are knowledge, skills, responsibility, activity, self-motivation, self-confidence, penchant for innovation, managerial abilities, determination, access to the latest information, and desire to get richer. Agricultural producers operate in a relatively harsh environment and they are very vulnerable.

Lithuanian agricultural producers receive quite a lot of information on farm economy and farm financial accounting. However, according to the findings of the research, they get insufficient specialized consulting and training in marketing and issues of economic diversification, they lack business management and legal knowledge, even though such trainings are available in Lithuania. In all probability, relevant information simply does not reach the agricultural producers. Therefore it is highly important to ensure the dissemination of information and appropriate professional advice to agricultural producers. This is especially relevant now, when the farmers want to take advantage of the Rural Development Programme 2007-2013. There is no doubt that specialized knowledge and skills are the most important steps in successful development of the farm.

Conclusions

Every person, whether an agricultural producer or an entrepreneur in a different field, should assess their personal qualities and cultivate precisely those that are important to an entrepreneur. Entrepreneurship is mostly affected by the following personal characteristics: responsibility, determination, self-motivation, self-confidence,

penchant for innovation and a strong emphasis is placed on the importance of knowledge and skills.

The higher education level an agricultural producer has, the more importance is attached to knowledge and skills, and although respondents with lower education also emphasise the significance of skills, they consider that the priority factors are the willingness to get rich and independent.

Big ambitions of agricultural producers require more than just personal characteristics and experience. Every business is highly affected by external factors, which are beyond the entrepreneur's control but which the entrepreneur can adapt to. The external factors with the most positive effect on business include business-friendly environment, promotion of entrepreneurship, assistance by business information centres, and legal protection of entrepreneurs.

The analysis of the range of problems and key factors affecting entrepreneurship highlights the importance of government measures and the financial sector. In pursuit of improved financial environment for agricultural producers, a strong focus should be put on start-up support measures: formation of venture capital, terms and conditions of soft loans, guarantees.

A model of efficient entrepreneurial activity development among agricultural producers is proposed. It reflects the main tools for promoting efficient entrepreneurial activity among agricultural producers, which call for improvement, i.e. simplification of financial support conditions, development of entrepreneurship through education, simplification of paperwork, analysis of EU support practice and transfer of success cases to Lithuania, analysis of information on successful business of entrepreneurial agricultural producers and relevant publications in the media, dissemination of the good EU practice, cooperation between schools/universities and entrepreneurial economic operators and consulting agencies.

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