

Strategies of Rural Development in Shoushtar Township of Iran (Applying SWOT method)

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Abstract: The purpose of this research was using SWOT for identifying strategies of rural development in Shoushtar township of Iran. SWOT technique used for clarifies strengths, weaknesses, opportunities, and threats of rural area in Shouahtar Township, Iran. The population of study was people of rural area of Shoushtar. The sample size (n=110) determined by Cochran formula and selected by random sampling. Based on the results, external (opportunities and threats) and internal (strengths and weaknesses) factors that affected on situation of rural area were evaluated. Based on the participant's idea, each item ranked and importance ratio coefficient identified. Based on the results the score of external and internal factor were 2.05 and 1.71. Also, SWOT results indicated important strategies for rural development were: SO₁: Using new technology for increasing productivity, SO₂: Planting new crops with high economic value, ST₁: Designing developmental plan for development markets, ST₂: Environmental and natural sustainability, ST₃: Development of agricultural policy regarding efficiency use of possibilities, WO₁: Using new technology for public services, WO₂: Development of extension program for HRD, WT₁: Development practices for contracting equality in social and economical condition and WT₂: Development of agricultural policies for productivity in poor farmers practices.

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1. Introduction

A new method for strategic programming is applying SWOT (Strengths, Weaknesses, Opportunities and Threats) matrix. Rural practices analysis is a critical part of the strategic management planning process. The strengths, weaknesses, opportunities, and threats (SWOT) framework is proposed by many as an analytical tool which should be used to categorize significant factors both internal and external to the rural development practices (Ommani, 2010., Pickton and Wright, 1998., Zoller and Bruynis, 2007).

A SWOT analysis can help researchers gain insights into the past and think of possible solutions to existing or potential problems. For a SWOT analysis to work well, every member of team (family and/or employees, lawyer, accountant, and insurance agent) should be involved in the process (USDA, 2008).

The SWOT analysis is used to provide a clear assessment of the situation. It identifies the fields and activities that have higher potential for further development and improvement for Shoushtar Township. This technique is considered as a simple, yet effective, mean to assess the current situation by analyzing four key points:

S: What are the strengths and advantages of rural area of Shoushtar?

W: What are the weaknesses and disadvantages?

O: What are the opportunities that of rural area of Shoushtar can exploit?

T: What are the threats and obstacles that can negatively affect the development of rural area of Shoushtar ?

Riston (2008) pointed out benefits of external and internal analysis include:

- Increasing managerial awareness of environmental changes.
- Improving resources allocation decisions.
- Facilitating risk management.
- Acting as an early warning system.
- Focusing attention on the primary influences on strategic change.

2. Material and Methods

SWOT technique used for clarifies strengths, weaknesses, opportunities, and threats of rural area in Shouahtar Township, Iran. The population of study was people of rural area of Shoushtar. The sample size (n=110) determined by Cochran formula and selected by random sampling.

In the study, following phases were used:

- I) Designing external and internal factors matrix.
- II) Analyzing SWOT matrix.
- III) Designing Quantitative Strategic Programming Matrix (QSPM).
- IV) Priorities identified strategies.

3. Results

Analysis external and internal factors: At this phase of research, external (opportunities and threats) and internal (strengths and weaknesses) factors that affected on situation of rural area were evaluated. Based on the participant's idea, each item ranked and importance ratio coefficient identified. Based on the results the score of external and internal factor were 2.05 and 1.71.

External Factor Evaluation (EFE): EFE matrix method is a strategic-management tool often used for assessment of current business conditions. The EFE matrix is a good tool to visualize and prioritize the opportunities and threats that a business is facing.

The EFE matrix process uses the five steps :

List factors: The first step is to gather a list of external factors.

Divide factors into two groups: opportunities and threats. Assign weights: Assign a weight to each factor. The value of each weight should be between 0 and 1 (or alternatively between 10 and 100 if you use the 10 to 100 scale). Zero means the factor is not important. One or hundred means that the factor is the most influential and critical one. The total value of all weights together should equal 1 or 100.

Rate factors: Assign a rating to each factor. Rating should be between 1 and 4. Rating indicates how effective the firm's current strategies respond to the factor. Rating captures whether the factor represents a major threat (rating = 1), a minor threat (rating = 2), a minor opportunity (rating = 3), or a major opportunity (rating = 4). If you use the rating scale 1 to 4, then strengths must receive a 4 or 3 rating and weaknesses must receive a 1 or 2 rating.

Multiply weights by ratings: Multiply each factor weight with its rating. This will calculate the weighted score for each factor.

Total all weighted scores: Add all weighted scores for each factor. This will calculate the total weighted score for the company.

Internal Factor Evaluation (IFE) matrix: IFE matrix is a strategic management tool for evaluating strengths and weaknesses in functional areas of a business. The IFE Matrix together with the EFE matrix is a strategy-formulation tool that can be utilized to evaluate how a company is performing in regards to identified internal strengths and weaknesses of a company. The IFE matrix can be created using the following five steps:

Key internal factors: The first step is identify strengths and weaknesses.

Weights: IFE matrix, assign a weight that ranges from 0.00 to 1.00 to each factor. The weight assigned to a given factor indicates the relative importance of the factor. Zero means not important. One indicates very important.

Rating: Practitioners usually use rating on the scale from 1 to 4. Rating captures whether the factor represents a major weakness (rating = 1), a minor weakness (rating = 2), a minor strength (rating = 3), or a major strength (rating = 4).

SWOT is the first step of planning and helps planners to focus on key subjects. SWOT method is a key tool for businesses to formulate strategic plans.

SWOT matrix including four strategies groups: How are used strengths to take advantage of opportunities?, How are reduced the weaknesses by taking advantage of opportunities?, How are used strengths to reduce the impact of threats? and How are addressed the weaknesses that will make these threats a reality?

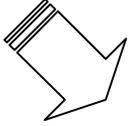
Table 1: Internal Factors Evaluation Matrix (EFEM) and External Factors Evaluation Matrix (IFEM) regarding rural area of Shoushtar Township

Internal Factors		Weight	Rating	Weighted Score
Strengths				
Favorable geographical position		0.12	4	0.48
An environment rich in natural resources		0.09	4	0.36
The capacities and experience in developing the agriculture industry		0.10	3	0.30
Availability of own machinery		0.09	3	0.27
Weaknesses				
A weak infrastructure		0.16	1	0.16
The lack of expertise in managing		0.15	1	0.15
Low level of public services		0.14	1	0.14
Low level of human resources management activities		0.15	2	0.30
Total Weighted Score		1		1.71
External Factors		Weight	Rating	Weighted Score
Opportunities				

Implementing new technologies	0.10	3	0.30
The development of the tourism industry	0.11	4	0.44
Planting new crops	0.12	3	0.36
The development of agricultural industry	0.12	3	0.36
Threats			
Lack of, or uncertain, market	0.14	1	0.14
The migration of local intellectuals	0.13	1	0.13
Poor agricultural policies and the high level of bureaucracy	0.13	1	0.13
Inequality in social and economical condition	0.15	1	0.15
Total Weighted Score	1		2.01

1: How are used strengths to take advantage of opportunities?

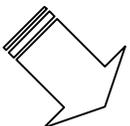
SO Strategies



Opportunities (O)	Strengths (S)
Implementing new technologies	Favorable geographical position
The development of the tourism industry	An environment rich in natural resources
Planting new crops	The capacities and experience in developing the agriculture industry
The development of agricultural industry	Availability of own machinery
	SO ₁ : Using new technology for increasing productivity
	SO ₂ : Planting new crops with high economic value

3: How are used strengths to reduce the impact of threats?

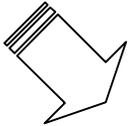
ST Strategies



Threats (T)	Strengths (S)
Lack of, or uncertain, market	Favorable geographical position
The migration of local intellectuals	An environment rich in natural resources
Poor agricultural policies and the high level of bureaucracy	The capacities and experience in developing the agriculture industry
Inequality in social and economical condition	Availability of own machinery
	ST ₁ : Designing developmental plan for development markets.
	ST ₂ : Environmental and natural sustainability
	ST ₃ : Development of agricultural policy regarding efficiency use of possibilities.

2: How are reduced the weaknesses by taking advantage of opportunities?

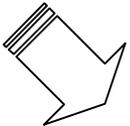
WO Strategies



Opportunities (O)	Weaknesses (W)
Implementing new technologies	A weak infrastructure
The development of the tourism industry	The lack of expertise in managing
Planting new crops	Low level of public services
The development of agricultural industry	Low level of human resources management activities
	WO ₁ : Using new technology for public services
	WO ₂ : Development of extension program for HRD

4: How are addressed the weaknesses that will make these threats a reality?

WT Strategies



Threats (T)	Weaknesses (W)
Lack of, or uncertain, market	A weak infrastructure
The migration of local intellectuals	The lack of expertise in managing
	Low level of public services
	Low level of human resources management activities
	WT ₁ : Development practices for contracting equality in social and economical condition.

intellectuals	WT ₂ : Development of agricultural policies for productivity in poor farmers practices.
Poor agricultural policies and the high level of bureaucracy	
Inequality in social and economical condition	

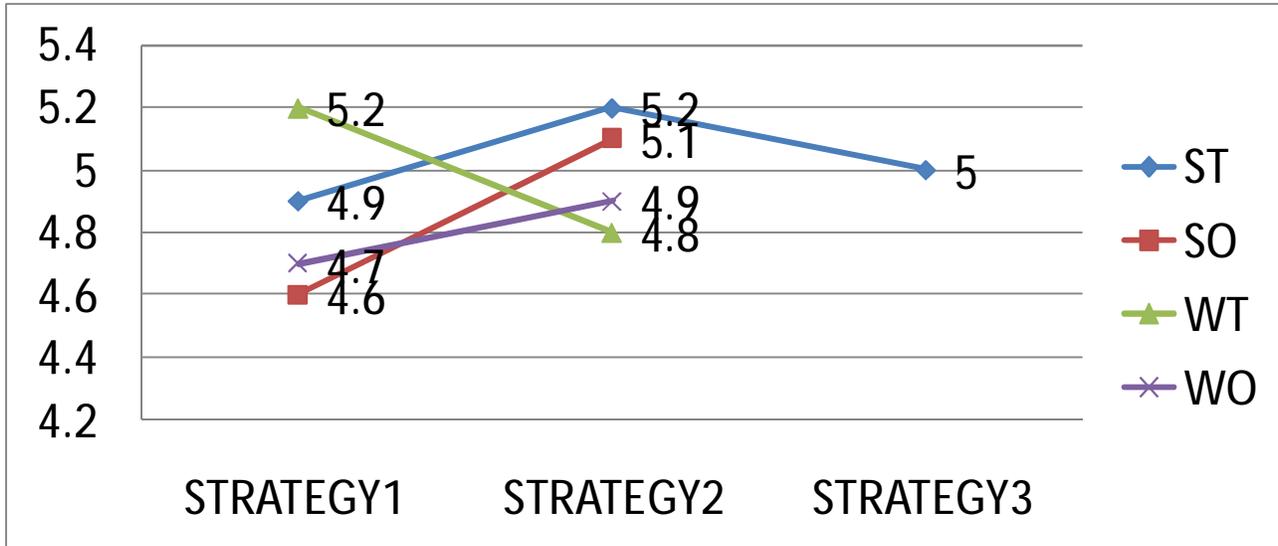


Figure 1: Prioritize of strategies based on Quantitative Strategic Planning Matrix score (QSPM)

SWOT results indicated important strategies for rural development were: SO₁: Using new technology for increasing productivity, SO₂: Planting new crops with high economic value, ST₁: Designing developmental plan for development markets, ST₂: Environmental and natural sustainability, ST₃: Development of agricultural policy regarding efficiency use of possibilities, WO₁: Using new technology for public services, WO₂: Development of extension program for HRD, WT₁: Development practices for contracting equality in social and economical condition and WT₂: Development of agricultural policies for productivity in poor farmers practices.

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