

# Chapter 15

## Theoretical Opportunities for Rural Innovation and Entrepreneurship Research

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### ABSTRACT

*Even though rural entrepreneurship and rural innovation have been studied for decades, the advent of social media, mobile, analytics, cloud computing, and internet of things—also referred to as digital technologies—has provided new opportunities and challenges for this vast discipline. As a result of the advent of digital technologies, we see new business models, new processes, products, and services emerging in the market. Such opportunities challenge the orthodox view of IT use and innovation, opening new avenues for researches, and challenges the existing theoretical understanding. This chapter is an attempt to understand the existing literature on rural innovation and entrepreneurship in information systems discipline and to identify opportunities for rural entrepreneurship and innovation in the digital era.*

### INTRODUCTION

The advent of digital technologies has provided unprecedented opportunities for all organizations across the globe, including those that could not afford to invest extensively in technologies that lead innovations (Nambisan 2013; Nylén and Holmström 2015; Sedera et al. 2016; Yoo et al. 2012). The innate characteristics of digital technologies such as cost effectiveness, ease of acquisition, ease of learning, ease of deployment and ease of management have made it easy for any organization to innovate using technologies (Lokuge and Sedera 2018; Nylén and Holmström 2015; Sedera and Lokuge 2017). Similarly, the advent of such technologies has created myriad opportunities for innovation and entrepreneurial activities in the rural areas (Cui et al. 2019; Li et al. 2019; Lokuge et al. 2016). While researchers such as Salemink et al. (2017) highlight the disparities of rural versus urban with regard to digital infrastructure, less attention has been paid to the opportunities available for minimizing the fundamental disadvantages in rural

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communities using digital technologies. As per Newbery et al. (2017), studying rural innovation and entrepreneurship will not only be valuable to academia, but it will add value to the practitioners such as rural communities, governments, small business holders and not-for-profit organizations in alleviating poverty, empowering women, improving economic conditions and minimizing the power disparities. Considering the advantages of contributing to such an interdisciplinary research area like rural innovation and entrepreneurship, the objective of this book chapter is to investigate the theoretical frameworks utilized in rural innovation and entrepreneurship studies in information systems (IS) context and thereby identify possible future research areas for IS researchers.

While researchers have studied the use of digital technologies in the developing countries context (e.g., Thaker et al. 2017; Venkatesh et al. 2016a; Venkatesh et al. 2016b), the context rurality is different to the context of developing countries. Therefore, it is important to define rurality in order to understand rural innovation and rural entrepreneurship. Most of the studies attempt to define rurality through social, economic and ecological components. For example, according to Dabson (2005) rurality can be defined through the differences in economy, values, environment and atmosphere. Further, studies such as Cloke (2006) conceptualize rurality using areas where most of the agricultural activities happen. While dissenting to the conceptualization of Cloke (2006), Newbery et al. (2017) proposes conceptualizing rurality through contextual factors such as peripherality from the center, uneven levels of development in terms of poverty, inequality and access to resources. Considering the prior conceptualizations, in this book chapter, rurality will be theorized by following the view of Stathopoulou et al. (2004), whereby rurality is determined through the three components such as geographic, social and economic.

According to Newbery et al. (2017), rural innovation and entrepreneurship plays a key role in promoting economic advances, providing more job opportunities and enhancing the livelihood of communities in the rural areas. Considering its importance, this book chapter is an attempt to contribute to the academia by providing an analysis on the extant theoretical frameworks on rural innovation and entrepreneurship. Through an archival analysis of major IS journals, this book chapter attempt to provide future research areas for IS researchers.

The remainder of this book chapter proceeds as follows. First, an overview to rural innovation and entrepreneurship is provided. Then, details of the literature review process are provided under the research methodology section. The analysis section provides the results of the literature review and a summary of theoretical foundations utilized in extant literature on rural innovation and entrepreneurship. Then, the theoretical framework for future research is provided. Finally, this article concludes by paving a path with an outlook on our next scholastic direction.

## **RURAL INNOVATION AND ENTREPRENEURSHIP**

This section provides an overview to rural innovation and rural entrepreneurship literature. In order to provide an overarching view of rural innovation and entrepreneurship, not only IS research, but also management, innovation and entrepreneurship disciplines have been studied in this section.

### **Rural Innovation**

Prior research alludes innovation to be a complex subject due to its mystical nature of its creation and adoption within an organization (Van de Ven 1986). Considering its importance and relevance, innovation

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