



## **Rural development based on expand of business environment: On clusters approach**

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Attention to the concept of knowledge and competitiveness is more important for rural economic survival while industrialization and urbanization are strongly extension. Because many living firms of rural families or whom living in remote areas removed with urban industrial due to lack of competitiveness. Therefore, negative side effects of new economic growth on local (rural) economic development should be disposal and removal with adopt a regional approach by national or local government. Rural Development requires the use of a variety of agricultural and non-agricultural industries and rural land use, rural jobs and higher income per capita. Rural clusters are one of the most important tools to eliminate shortcomings and obtaining rural development through competitiveness of rural firms. Cluster is a concept that has been the attention by researchers and policy makers from two past decades. The clusters have been much attention in regional development programs of Europe Union to 2020. With Clusters ability remove the negative externalities of economic development in rural areas and every types of activity such as agricultural and non-agricultural business boomed. This propose achieve through attention to knowledge transfer and innovation as indicators that clusters caused them. As yet numerous studies by researchers or commissioned by international organizations on explaining and expanding of clusters concept and structure have been conducted. The propose of our investigation is reviews on last study and Explaining the features and functions of clusters in order to make optimum use of economic factors, natural resources and rural infrastructure of increase rural employment and improving the business environment, the prevention of irregular migration to cities, increasing awareness of the potential opportunities and talent in rural natural and man (men and women) with an emphasis on knowledge and innovation.

**Key Words:** rural development, rural clusters, knowledge transition, competitiveness, innovation