

Identification of the Factors Affecting the Development of Rural Entrepreneurship in the Study of Kurdistan Province Handicrafts

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Abstract

Purpose: Entrepreneurship is considered as the driving force of economic and social growth of societies.

Methodology: The present qualitative study is based on grounded theory, while recognizing the dimensions of the rural business space in Kurdistan Province, has identified the factors affecting rural entrepreneurship in this region. Also, in this study, in order to increase the efficiency of policies and plans of rural entrepreneurship development institutions, a conceptual model of extractive factors has been proposed. For this purpose, a group of fifteen rural entrepreneurs, local experts and officials and extra-local experts were selected and studied using non-probability sampling methods, such as theoretical, purposive and snowball sampling. The data were collected using three tools of interview, field observations and review of archival documents and analyzed using open, axial and selective coding.

Findings: The study results classified the factors affecting the development of rural entrepreneurship in Kurdistan Province into the following categories: individual, social, cultural, infrastructure, natural and ecological, legal, educational, political and economic institutional factors.

Conclusion: In addition, interactive mechanism is reflected according to the structural model of grounded theory with six theoretical components.

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1. Introduction

With the spread of these ideas in different economic sectors, the category of entrepreneurship has gained a special place and prestige as one of the necessities of rural development plans. Also, researchers and statesmen of different countries have increasingly emphasized the necessity of targeted policies and thoughtful planning for the development of entrepreneurship in the rural sector (Movahedi & Yaqoubi Farani, 2012).

According to the census of 2016, the rural population of the country constituted 29% of the total population of the country. During 2011-2016, the growth rate of the country's rural population was -0.63%, which in fact, we have faced a significant reduction in the population in this sector, and an important part of this negative growth rate was due to the number of immigrants in the country's rural areas. During this period, 655,251 cases of migration from the village to the city were reported, of which 12.7% were to search for work and job transfer; in such a way that it was considered as the most important reason among the reasons for migration.

Many governmental and non-governmental services have been provided in the field of employment creation and development in the less developed rural areas of the country. But many residents of the above areas still live below the poverty line. The reason for this contradiction can be found in the lack of a strategy based on diagnosis. Most of the government policies and non-government plans in the field of entrepreneurship development have been approved and implemented without spending the necessary time to accurately identify the factors affecting the issue, and passing the real needs of the villagers, and in practice it does not bring positive results (Ezami, 2011).

Therefore, the main questions of the present study are What are the factors affecting the development of entrepreneurship in the rural areas of Kurdistan Province? In general, what is the effect model of these factors on entrepreneurship in the rural sector? This article has attempted to present a strategic and local model based on local requirements about the action and reaction of the factors affecting the development of rural entrepreneurship in Kurdistan Province through a case and field study in interaction with local and extra-local experts.

Literature review

The concept and nature of rural entrepreneurship

In a study, Mohammadi and Andadeh (2008) have defined rural entrepreneurship as follows, rural entrepreneurship is the creation of a business by taking advantage of local opportunities with innovation and great effort and perseverance and accepting financial, spiritual and social risks with various motivations such as seeking success, satisfaction, independence and financial gain. Petrin and Gannon (1997) and Levitas (2000) in two separate studies have stated that rural entrepreneurship is basically no different from urban entrepreneurship; except that it should be imagined in the atmosphere of the village. According to Kulawczuk (1999), the concept of rural entrepreneurship is not limited to agriculture and related activities, such as food industry; and also covers industrial development. This concept is not limited to villages and includes small towns and nearby areas as well.

Rural entrepreneurship development institutes consider it as a capability to create job opportunities. Politicians recognize it as an important solution to prevent rural unrest. Farmers consider entrepreneurship as a tool to improve agricultural income. Women consider it as a possibility to work near their homes. Of course, for all these groups, entrepreneurship and employment is a means to improve the quality of life of individuals, families and societies, and the result of its interaction is creating a healthy environment and economy (Passeban, 2004).

Das (2014) listed the role of rural entrepreneurship in economic development in factors such as balanced regional development, public employment, improvement of living standards, increase in per capita income, national self-reliance and proportional distribution of economic power. He believed that rural entrepreneurship has benefits such as providing employment opportunities, preventing the migration of

villagers, balanced regional growth, promoting artistic activities, preventing social harm and making young people aware.

Rural entrepreneurship refers to emerging entrepreneurship in rural areas. Today, there is an increasing need for rural entrepreneurs to create industrial units with many job opportunities for the villagers. Accordingly, experts and development institutions consider rural entrepreneurship as a strategic intervention to promote rural development and accelerate its process (Saxena, 2012).

According to Patel and Chavda (2013), the barriers and problems of rural entrepreneurship development are 1) financial problems such as the lack of infrastructure facilities, low investment, risk, etc.; 2) market problems, such as competition, intermediaries, etc.; 3) management problems including lack of information technology knowledge, legal formalities and extensive paperwork, procurement of raw materials, deficiencies in technical knowledge, low quality of production, etc.; and 4) human resource problems such as the lack of skilled employees, negative attitude, etc.

Factors affecting the development of rural entrepreneurship

Reviewing theoretical literature of entrepreneurship shows that many researchers have attempted to determine the factors affecting entrepreneurship. Each of these researchers have presented various definitions, models and theories about the phenomenon of entrepreneurship and the concept of entrepreneur according to their views and fields (Ezami, 2011). However, there is still no consensus between the theories. Literature review of the present topic shows that the references of the subject are extremely limited and "entrepreneurship" in general has been studied by passing through the specialized axis of rural entrepreneurship. In order to improve the quality of the study, relevant and important references were reviewed as much as possible, an abstract of which is given in Table 1.

2. Methodology

The present study is qualitative based on grounded theory, which, in addition to the theoretical principles of the subject, has collected data at the level of the selected region using three interview tools (deep and semi-structured) and field observations and literature review. Given the scope of the research subject and the researcher's executive experience on the development of employment and rural entrepreneurship in Kurdistan Province and rural areas, this province has been selected as the scope of the research (Fig. 1).

Table 1. Summary of the most important theoretical principles of factors affecting the development of rural entrepreneurship

| No. | researcher | year | factor |
|-----|-------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Carree & Thurik | 2010 | economic, social, and psychological factors and the combination of production factors |
| 2 | D. F. Kuratko | 2012 | organizational factors and individual characteristics and accelerators |
| 3 | D. Grynawali & D. Fogel | 1994 | Government approaches and policies, economic and social status, job skills and entrepreneurship, and financial and non-financial support |
| 4 | A. Morrison | 1998 | psychological variables and abilities (entrepreneurs' business and management skills and initial capital provision) and opportunities (market position, access to capital and loans, general laws and skilled labor) |
| 5 | M. D. Markley | 2002 | access to reliable information, culture of supporting entrepreneurship, distance from the market and services, access to capital, networking and communication |

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|----|----------------------------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | opportunities, and industrial clusters that accelerate innovation. |
| 6 | J. A. Timmons | 1999 | personality traits of the entrepreneur, environment (opportunities and lack of certainty and ambiguity), initiative behavior or performance, accepting personal responsibility, monitoring performance, tolerance of ambiguity, using money as a criterion and priority for work, objective (creating innovation and initiative and growth work) and results (success and failure) |
| 7 | B. Dabson et al. | 2003 | supporting institutions (universities and groups participating in rural entrepreneurship activities and suitable business environment |
| 8 | Technische Zusammenarbeit (GTZ) GmbH et al. | 2003 | Institutional and organizational elements of mechanisms and appropriate structures and processes and appropriate management, elements related to infrastructure and services and facilities of appropriate infrastructure, access to the market, access to services and facilities and dynamic environment for investment and entrepreneurship), elements related to participation and communication and learning (teaching and learning, private sector support, participation and interaction, organizing local groups and organizations) |
| 9 | L. Maia | 1998 | research and development, business policies, macro policies, public security, physical infrastructure, market business support, labor, capital, professional, cultural services, education and quality of life |
| 10 | A.C. Cooper | 1994 | family genetics, education and experiences, geographical location, acquired skills and knowledge, communication with entrepreneurs, experience working in small businesses, economic status, access to available funds, support and consulting services and customers |
| 11 | A.C. Cooper & Gimeno-Gascón | 1989 | demographic information, human capital, financial capital and social capital |
| 12 | M. Roberts, H. Stevenson, W. Sahla man, P. Marshall, & R. Hamermesh. | 1989 | business components (strategic orientation, adherence to resource allocation opportunities, mastery of resources and management structure, and elements of the entrepreneurial process (opportunity evaluation, business concept development, evaluation of necessary resources, acquisition of necessary resources, and management of economic activities) |
| 13 | J. Tropman & G.Morningstar | 1989 | individual, personality and psychological traits |
| 14 | W. Gartner | 1985 | People (personality characteristics and job satisfaction and education, organization, management ability to take advantage of unused resources, planning, investing, using opportunities, adjusting and adapting to the rules and regulations of the process (determining opportunities to |

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|----|----------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | collect resources, marketing products, employment and organization) groups), environment (access to financial resources and facilities, customers, suppliers, support services, government, university, etc.) |
| 15 | A.Ezami | 2011 | Emphasized factors are economic, social, educational and psychological factors |
| 16 | A. Eftekhari, R. Taherkhani, & H. Sajjasi Gheidari | 2010 | economic dimensions (access to capital resources, technical knowledge and production technology, efficiency of banking networks, diversity of rural products, economic laws and regulations, government support and subsidies, rural unemployment rate, management of the model, insurance of agricultural products, investment opportunity costs; social dimensions (characteristics, experience, education and promotion, living conditions during childhood and adolescence, social and economic status of the family, communication and social network, spirit of group, literacy and awareness, laws, social customs, learning power, internal and external incentives, way of thinking of the local people, interest in the development of the residence, peaceful environment and atmosphere, formal knowledge along with local knowledge, counseling and support services, friends and acquaintances, suitable environment of the village and cooperation and social relations); environmental dimensions (quality of agricultural land and land integrity, appropriate infrastructure such as power, roads and transportation and physical communication, distance from the city, public services such as water, power, telephone, etc., development gaps between the city and the countryside and the management of the cultivation pattern and institutional dimensions (building educational and promotional centers through related institutions, the support of responsible institutions and trustees Administrative reform, coordination between trustee institutions and organizations, support of governmental and non-governmental organizations and local groups, provision of new technologies and new information, management attitudes appropriate to official and administrative laws and appropriate informal laws) |
| 17 | GH. Zamani | 2008 | dynamic cultural conditions, individual characteristics of the farmer, training and counseling, access to the market and marketing skills, agricultural environment and natural ecosystem, access to resources and facilities, organizational support and economic environment |
| 18 | M. Ahmadpour Daryani | 2002 | individual and human factors (scientific ability, risk-taking, mental and psychological ability, motivation, interest in learning, management and creativity, teachers' educational |

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|----|-------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | factors, content of educational programs, educational facilities and educational management), environmental factors, economic, social, cultural and political status of the region, policies and support services (support methods, advisor systems, bank credits and support and commercial laws) |
| 19 | M. R. Mirza Amini | 2004 | level of income and the economic status of suitable infrastructure for employment, marketing of products produced in the village, education and promotion, efficiency of production factors, seasonal unemployment or investment level cycles in rural areas, organizations supporting the rural sector, the growth rate of the rural population and access to capital, facilities and infrastructure |

Participants in this study were selected by the theoretical sampling method in an improbable and purposive way from three groups of local officials and experts, local entrepreneurs and producers, and extra-local experts and invited to the interview (Table 2).

The research data has been coded and analyzed at three stages:

1. Open coding: breaking down data and phenomena into conceptual propositions and extracting concepts and categories at two stages of primary coding (extracting conceptual propositions from the text of interviews) and secondary coding (clearing and classifying conceptual codes);
2. Axial coding: collecting the results of the analysis of the interviews in a single table (Table 3), matching the results with real data from field and library studies, and finally, identifying and recognizing the relationship between the subcategories and the main categories through the questioning and comparison process;
3. Selective coding: connecting the main categories and formulating the final theory.

In this way, the initial model of the study results is set and after revision and corrections, it is presented as the final study result as shown in Fig. 2.

3. Findings

Based on the coding of the fifteen research interviews at the selective coding stage, the study results are first classified (Table 3) and after expert review as shown in Fig. 2, the summary of the research process is provided.

Kurdistan Province

Kurdistan Province, centered on Sanandaj, with an area of about 29,000 km² (about 1.7% of the country's area), is located in the west of Iran. This province, which is located in the scattered slopes and plains of the middle Zagros mountain range, is limited to West Azerbaijan and part of Zanjan from the north, to Hamedan from the east and another part of Zanjan, from the south to Kermanshah and from the west to Iraq. Kurdistan Province shares a 200 km border with Iraq. According to the latest state of national divisions in 2014, this province has 10 cities (Baneh, Bijar, Diwandare, Sarvabad, Saqez, Sanandaj, Qorveh, Dehgolan (Ilan), Kamiyaran and Marivan), 27 districts, 25 towns and 84 villages. Out of the total of 1897 settlements in the province, 1732 settlements are inhabited and the rest are reported to be uninhabited. Table 2 shows the most important features of the province and Figure 2 shows its map.

Table 2. The most important economic indicators of Kurdistan Province - 2013

| Population and area | | | | economic | |
|--------------------------------|-----------------------|--------------------------------------|---------------------------------------------------|---------------------------------------------------------------|---------------------|
| total population | 1493645 | household | 7.3 | Gross domestic product of the province | 60784 billion Rials |
| Share of the country | 99.1% | Population dependency ratio | 40.5% | province's share of the country's gross product | 1% |
| Average annual growth | 0.73% | Migration from the province | 47405 | share of agriculture in the province's gross domestic product | 17.87% |
| Percentage of urban population | 66% | Migration to the province | 37053 | share of industry in the province's gross domestic product | 30.5% |
| Literacy percentage | 78% | The last political divisions in 2012 | 10 cities, 27 districts, 25 towns and 84 villages | share of services in the province's gross domestic product | 51.63% |
| area | 29137 km ² | Male population | 50.3% | Improving the business environment | 6.12 |

Source: Abtahi, 2015



Fig 1. Relative position of Kurdistan province

4. Conclusion

According to the study results, the factors affecting the development of rural entrepreneurship are "individual factors". Individual factors, in addition to the famous personality and psychological traits in entrepreneurship theories, include knowledge and awareness and technical and managerial capabilities. This group of factors is strongly affected by environmental and infrastructure factors and social cultural conditions and plays a role in the development process of rural entrepreneurship as the core and link of other factors and components. In this regard, the study results are consistent with similar studies, such as studies by Carree and Thurik (2013) and Kuratko and Hodgetts (2012).

Causal conditions are infrastructure factors that distinguish the rural environment from the urban environment and fundamentally affect the factors affecting the development of rural entrepreneurship. One of the important causal components of rural entrepreneurship development in Kurdistan Province is "infrastructure factors" that provide the necessary platform for access to financial, human, knowledge, technological and administrative structural resources. Also, one of the basic problems of the country's rural areas in terms of development, followed by employment development, is the lack of infrastructure facilities, including the following subcategories: promotional and educational, information and communication, financial and economic, civil and institutional, and administrative and legal infrastructure.

Table 3. Participants in this study

| No. | Work experience |
|-----|-----------------------------------------------------------------------------------------------------------------------------------|
| 1 | Member of the faculty of the Research Institute of Agricultural Economy Planning and Rural Development |
| 2 | Governor of Kurdistan Province |
| 3 | Senior Advisor of Technical and Vocational Education Organization of the country |
| 4 | Director of agricultural jihad in Kurdistan Province |
| 5 | Head of Entrepreneurship Department, Office of Rural and Nomadic Women, Ministry of Agriculture Jihad |
| 6 | Education expert of the Rural and Nomadic Women's Affairs Office of the Ministry of Agriculture Jihad |
| 7 | International Relations Expert, Office of Rural and Nomadic Women Affairs, Ministry of Agriculture Jihad |
| 8 | Local entrepreneur in mining and agriculture sector |
| 9 | CEO of Nakhlestan Fish Farming Unit (three years) |
| 10 | An expert in granting licenses and a representative of the engineering system organization in the management of Agriculture Jihad |
| 11 | Researcher and faculty member of Tarbiat Modares University (associate professor) |
| 12 | Head of the Institute of Planning and Agricultural Economics and Rural Development Research |
| 13 | Founder and CEO of Kikha Agriculture and Industry Complex |
| 14 | Chairman of Kurdistan Province Relief Committee, the owner of agriculture and industry in Kurdistan Province |
| 15 | Director of Cooperative, Labor and Social Welfare Department of Kurdistan Province |

* For theoretical saturation, the number of participants is limited to 51 people.

Table 4. Selective coding of the study results

| Theoretical component | category | sub-category | Inferential concepts |
|-----------------------|------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Axial factors | Individual factors (human capital) | psychological factors | Entrepreneurial personality traits Insight and attitude Feeling the need for employment and entrepreneurship entrepreneurial intention |
| | | knowledge and awareness | literacy and education (formal knowledge) Native experience and knowledge Business technical knowledge |
| | | Technical and managerial capabilities | Identifying and exploiting resources and opportunities The power of negotiation and interaction with the environment |
| Causal conditions | Infrastructure factors | Civil infrastructure | Land ownership status and access to property documents Access to water, electricity, gas, telephone and energy Access to roads and communication ways |
| | | Information and communication infrastructure | Transportation infrastructure Access to rural information and communication technology Access to social media |
| | | Financial and communication infrastructure | Working and efficient banking system Access to financial institutions Coverage of insurance services Investment guarantee funds |
| | | Promotional and educational infrastructure | Access to consulting services (consulting companies) Access to educational centers and promotional courses |
| | | Administrative and legal infrastructure | The cost of consulting services The distance between the policy maker and the beneficiary The degree of compatibility of the rules with local requirements Monitoring the good implementation of laws |

In the rural area of the country, especially in the deprived areas of Kurdistan Province, severe poverty and high unemployment rate due to environmental threats and the lack of proper business infrastructure have caused the villagers' access to resources to be limited. Despite this, infrastructure limitations have a far negative impact on the motivational and educational dimensions of entrepreneurship, but in many cases, limitations and deprivations are the cause of the growth of individual creativity, innovation and prosperity. In this regard, the study results are consistent with the results of similar studies, such as Mirzamini (2004), Lordkipanidze (2002), Das (2014), and Patel and Chavda (2013). It is obvious that this approach of finding and creating opportunities in a person requires his family upbringing and cultural and social conditions.

By creating and developing the culture of entrepreneurship and accepting entrepreneurs, society provides the necessary platform for the growth and flourishing of the entrepreneur. Some experts consider this as a causal factor due to the significant effect of cultural conditions on the training of human resources and the development of personality traits. Also, some have listed it as a contextual factor due to the situational effect of cultural conditions during the entrepreneurship process. The most important social components that provide the basis for the development of rural entrepreneurship include family and demographic factors, social capital of rural society, elites and local reference groups, culture and customs of local societies, local and extra-local social relations and social security.

Given the dominance of the government sector on the country's business environment, legal factors and infrastructure are also recognized as a causal component of the development process of rural entrepreneurship. These factors guide the process of rural entrepreneurship at different individual, local and extra-local levels by guiding government policies and creating and managing governance structures in three subgroups of economic laws and regulations and rules related to banking paperwork and administrative regulations and circulars. In this section, one of the most important issues in Kurdistan Province is the distance between the policy maker/legislator and the user (rural entrepreneur). This shortcoming leads to the communicated policies non-proportional with local requirements and as a result inefficiency of the enactment of laws and regulations.

"Contextual conditions" include a set of special and often uncontrollable conditions of the environment on the development process of rural entrepreneurship that generally defines or adjusts the general context of the process and strategy of rural entrepreneurship development by indirectly affecting other components. The most important contextual conditions for the development of rural entrepreneurship are natural and ecological conditions. The geographical and topological location of the village naturally brings opportunities and threats its business environment. In this regard, the results of the present study are consistent with similar studies, including studies by Cooper et al. (1988), Ahmadvour Dariani (2002) and Eftekhari et al. (2009).

In Kurdistan Province, the geographical dispersion of villages has limited the access to commercial and population centers and while increasing the price of rural products, it reduces the justification of investment in this sector. In addition, some environmental threats, including severe temperature and climate fluctuations, eighteen-year drought, livestock and plant diseases and natural disasters, limit the field for the development of rural creative work in Kurdistan Province. The economic and social opportunities and environmental capacities of Kurdistan Province in various sectors have long caused a contradiction in the field of deprivation of Kurdistan Province. The strategic location of Kurdistan Province and access to Bandar Abbas international transportation road, proximity to commercial centers in the south of the country, the economic capacities of the region in various economic sectors are some of the capacities of Kurdistan Province.

"Mediating conditions" include a set of structural conditions that affect and moderate rural entrepreneurship development strategies as promoting or inhibiting elements by directly interfering in the causal conditions.

"Educational factors" are among the most important confounding factors of the development of rural entrepreneurship. These factors, while directly influenced by educational and promotional infrastructure, in two dimensions of formal and informal education, increase the level of literacy and knowledge and technical and general awareness of local societies. In this section, educational and consulting services and promotion and facilitation, all in parallel with local experience and knowledge and social learning, will bring individual and social empowerment.

Another confounding components of the development process of rural entrepreneurship can be "institutional factors". In many regional development plans, naturally, the government does not have the possibility to cover all matters for the implementation. Hence, the presence and participation of all governmental and non-governmental institutions is necessary in this sector. This will have a far greater and wider effect on remote areas such as Kurdistan Province due to the relative deprivations prevailing in the region. The presence and participation of Jihad and volunteer organizations, charities and national and international support organizations in the rural and underprivileged areas of the south of Kerman and Kurdistan Provinces, in

parallel with the activities of local and rural civil institutions, while developing infrastructure and strengthening the access of local societies to resources will have a significant effect on the development of rural entrepreneurship.

Given the dominance of the government sector in the management of the country's business environment, the third confounding factor of the development of rural entrepreneurship in this model is organizational political factors. Political factors are directly affected by legal factors and administrative infrastructure and affect the development of rural entrepreneurship in the three dimensions of government and governance policies and support, the health and dynamics of the administrative system, and the structural and organizational factors of the public sector.

"Economic factors" are other confounding conditions affecting the subject. In rural facilitation meetings, for the problems, usually the first problem mentioned is the lack of income level and economic issues. Some of these problems and barriers are rooted in macroeconomic and national economic components, such as inflation, unemployment rate, exchange rate, and others are related to the unbalanced distribution of resources at the national and local levels. Failure of policymaking and optimal management of the business environment, with the widening of the economic and social gap between urban and rural communities, greatly increases the opportunity cost of investing in rural areas, and in parallel with infrastructure limitations, while limiting access to capital resources and technologies, makes setting up rural businesses problematic. Rapid changes in technology in extra-local arenas against the weak technology of rural enterprises, government support policies based on the development of industrial towns, etc. are such failure examples.

Another economic factor affecting rural entrepreneurship is "village work calendar" affected by the climatic and economic advantages of the village, which threatens the sustainability of businesses and the continuity of income of rural entrepreneurs. Given the banking and government regulations, this makes it difficult to repay the facilities and then use the banking and facilities resources.

The four components mentioned in a multidimensional and multilateral interaction, while sharing resources, including human capital, social capital, financial capital, physical capital and empowering local societies in individual, social, technical and managerial dimensions, facilitate rural business environment and then accelerate the establishment and management of economic enterprises in rural areas. Meanwhile, the "ease of starting a business" means to adjust and optimize the three components of "business start-up period", "business start-up cost" and "number of business start-up stages". Of course, it is obvious that the number of pre-start-up stages will increase the duration and possibly the cost of starting a business. In general, the individual and social capability of the local society and the ease of starting a business will give the result of the model and the main objective of this study, which is in fact the development of rural employment and entrepreneurship.

Table 4. Summary of theoretical literature

| Theoretical component | Factors and categories (based on theoretical literature) |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Causal conditions | Cultural, social and demographic factors, personality characteristics of the entrepreneur, personal experience and social learning, infrastructural factors, economic factors, organizational institutional factors, approaches, policies and support services of the government and governance, education and culture building, rural research and management structure |
| Contextual conditions | Government policies, support and services, natural and ecological factors, legal factors, economic conditions and factors, infrastructural factors, technical knowledge and production technology, managerial and structural and environmental factors, order and peace (stability and security), partnership, communication and Learning, support of the private sector, organization of local |

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|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | groups and organizations, access to reliable and reliable information, distance from the city and market and services and access to resources, capital and facilities. |
| Mediating factors | Educational system and factors, institutional factors, organizational and structural and managerial factors, internal and external incentives, support from governmental and quasi-governmental and non-governmental institutions, personal experience and social learning, financial, economic, legal and technological infrastructure and investment opportunity costs |
| Axial factors | Individual, personality and psychological traits, native knowledge, education, awareness and technical knowledge, opportunities, initiative, organization of resources, executive management, relative independence, risk tolerance, performance behavior, job skills and entrepreneurship, business plan, training, force labor and capital |
| Action and reaction strategies | Provision, allocation and management of resources, creation of innovation and initiative, development and flourishing of opportunities, business growth and strategy and combination of production factors, entrepreneurial process, development of entrepreneurial culture, entrepreneurship education and development of entrepreneurship infrastructure |
| Outcomes | Establishing and running a business and exploiting economic activities |

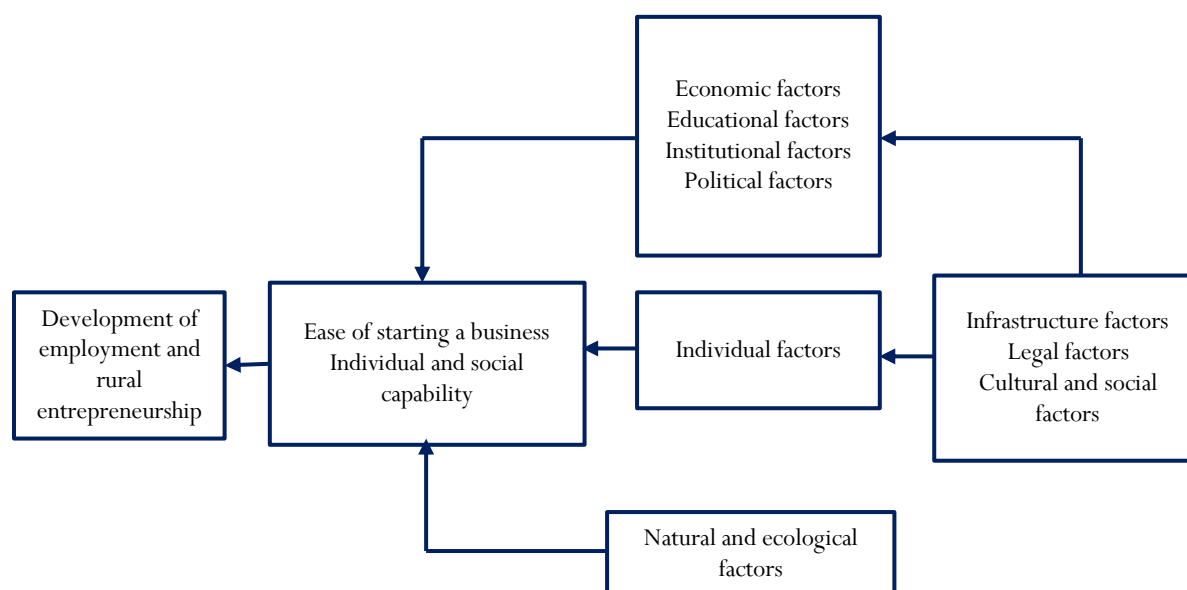


Fig. 2. Final model of the study results

Comparative study of field observations and literature review confirms the results of the present study to an acceptable extent. The slight difference between the two dimensions of field and library studies, on the one hand, is rooted in the difference in the business environment of different nations, and on the other hand, it is caused by the dynamic and multifaceted concept and nature of the entrepreneurial development process. In the field of rural entrepreneurship, due to the limitation of research infrastructure, there are many ambiguities and conflicting approaches between different theories. The variety of viewpoints and approaches of different experts about the subject makes it difficult to analyze the theories and systematically classify the components. Table 4 shows the summary of the classification of literature review based on the six components of the structural model of grounded theory.

The important point in the comparative comparison of field observations and literature review is the sharing of both dimensions of studies based on the definition of human capital and individual factors and personality

and psychological characteristics, as key factors affecting the development of rural entrepreneurship. In addition, the role and position of other factors included in the extracted model of the research is confirmed based on the above theoretical principles. The objective of this study was to monitor and follow up the subject in Kurdistan Province. Therefore, the best tool for validating the results is the field observation of the extracted model in the framework of the local requirements of the study area, as well as the comparative study of the collected data. It should be noted that the validity of the results is confirmed by the use of multiple references, in parallel with the holding of focused discussion meetings with the presence of experts and participants.

In the present study, it has been attempted to present a real image of the business environment of Kurdistan Province through a field study interacted with different elements and classes related to the rural entrepreneurship. Also, based on the existing requirements and facts, while explaining and describing the factors affecting the development of rural entrepreneurship in Kurdistan Province, against the local requirements, a ground should be provided for closer approximation of related governmental and non-governmental policies.

The study results showed the factors affecting the development of rural entrepreneurship in Kurdistan Province include categories in accordance with the structural model based on grounded theory with six theoretical components as follows: individual factors including psychological traits and knowledge and awareness and technical and managerial capabilities, as the axial factors affecting the development of rural entrepreneurship under the natural and ecological conditions of the environment on the village (contextual conditions) affected by three categories of infrastructure, cultural, social and legal factors (causal conditions) have the greatest and most important effect on the development process of rural entrepreneurship in Kurdistan Province. Parallel to this, factors such as educational, institutional, political and economic factors are also affected by the causal conditions as confounding factors, which moderate the process. Finally, all the above components in a multilateral interaction, through the promotion of individual and social capabilities and facilitation of business start-up (strategies of action and reaction), will bring the fields of employment development and rural entrepreneurship (outcome) in Kurdistan Province.

Given the geographical distance between Kurdistan Province and the policy-making authority, determining the local official authority for decision-making and planning in the rural entrepreneurship sector for the inter-departmental and inter-institutional coordination and synergy in Kurdistan Province will solve part of rural entrepreneurship development problems in this region. In addition, infrastructure development, rural real estate documentation, development and promotion of entrepreneurial culture, organization and optimization of services, governmental and non-governmental subsidies will be the support policies and the policies that should be done for the development of rural entrepreneurship in Kurdistan Province. Finally, it should be noted that due to the qualitative nature of the present study, the stabilization and generalizability of the results requires a quantitative verification at the level of rural populations in Kurdistan Province.

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