Identifying factors influencing the development of rural entrepreneurship from the perspective of farmers of West Islamabad country

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ABSTRACT
One of the most important factors that could have contributed much to the development of rural entrepreneurship as a central force for economic growth and rural development is entrepreneurship. Unfortunately, the villagers are reluctant to be seen. The purpose of this study was to identify the functional components and variables that have been the development of rural entrepreneurship. The study population consisted of 1500 farmer in the city of Islamabad, west among which 375 persons were selected (by Morgan). After collecting the questionnaires of 327 questionnaires were collected and analyzed without objection and included. This questionnaire was designed to assess the validity of the professors and experts were used. To assess the reliability study, Cronbach’s (a alpha was used to test the reliability for the study). To analyze the data, frequency distribution, mean, standard deviation, and coefficient of variation were used, as well as to identify factors that influence the development of rural entrepreneurship stepwise regression method was used. Kreskas-Wallis test results showed that having a successful experience in the field of entrepreneurship and entrepreneurship tend to attend classes with a positive and significant. In the eyes of most farmers entrepreneurship development variables include: the low risk accepting a new job, having personal experience of successful entrepreneurship, workshops and classes and a variety of services such as insurance is. The results of stepwise regression of 4 components: individual, social, cultural, economic, and administrative-law and a desire to develop the entrepreneurial.

KEY WORDS: Rural entrepreneurship, Farmers entrepreneurs, Entrepreneurship development, Tend to entrepreneurship

INTRODUCTION

According to statistics published by the United Nations, nearly 62% of the world's population is peasants that this ratio sometimes reaches 76% in Asia and Africa (Pourrajab, 1389). Villages are considered as eroded and poor areas in most regions of the world. Scholars and policy makers throughout the world pay special attention to the rural development and elimination of its problems. The problems of rural areas in the world are due to two fundamental issues: The lack of social facilities or poor infrastructures and deficit of income or economic weakness (Taghbaygi et al., 1392). Therefore, villages as a large proportion of society and the community in which a large number of productive human factors reside are noticeable. Because many costs and unpleasant consequences that today entitled as socio-economic issues have covered society and made disorders and social anxiety in various forms, in particular, behavioral disorders, social tiffs, irritabilities, immoralities as well phenomena such as uncontrolled migration growth, increasing marginalization in the metropolis and many other problems that are the result of ignoring the village and villagers in the development process (Bagherkord et al., 1392).

In recent decades, rural development experiences in different countries have indicated that this need is not achieved by the injection of capital and technology; rather many factors are involved in this case. Among the important factors that could have contributed much to the development of rural is entrepreneurship that is brought up as a central force for economic growth and development. Undoubtedly, if a growing trend towards the development in a rural area should be adopted and all the steps will be done, all national and local facilities...
of that area should be mobilized in order to spend least cost and benefited from its gifts and results in a broader dimensions that in this regard, rural entrepreneurship as a basic approach and in parallel with the objectives of rural development can give a great help to this issue (Kiakajori et al., 1388).

Although entrepreneurship is not the only way to create jobs and income for rural people, this is the most important factor of economic development of villages and politicians consider it as a key strategy for the prevention of riots and unrest in rural areas. In addition, farmers and villagers consider it as a means to improve their income and women recognize it as an opportunity to be self-employed in the vicinity of their residence, which can lead to Self-sufficiency, employment, and reduction of their social needs (Laukhanneh, 2003).

Also, development of entrepreneurship encourages investment in rural areas and it is a stimulating factor to persuade a sense of competition among the villagers. Entrepreneurship encourages job creation and new businesses in rural areas and improves the quality of village’s life. Moreover, it can lead to the economic and social development as well as welfare in the village. Given the importance of entrepreneurship in the development of rural areas as well as cities, in the country of West Islamabad, unfortunately, very few farmers have inclined to businesses related to entrepreneurship and jobs statistics in this area is low. Thus, the purpose of this study is to identify factors influencing the development of rural entrepreneurship from the perspective of farmers of West Islamabad country until to contribute to the growth and development of these factors and encourage more people to be entrepreneur. In this way, we will be able to contribute to rural development and prevent many of the social problems caused by rural unemployment and their migration to urban areas. As a result, the problems of cities and towns can be handled properly and effective steps could be taken in the development of cities.

History of research:

In relation to entrepreneurship and its influencing factors, much research has been done that some results of which will be mentioned (Haji Ghorbanifar, 1389). In a research with title “solutions of entrepreneurship development in Iran based on the experiences of other countries” the most important solutions included are presence of support centers for entrepreneurship, responding to the financial needs of entrepreneurs and contribution of government. In a study (Singh et al., 1994) in India, they concluded that understanding the technical and managerial skills are the most important affecting factors to the development of agricultural entrepreneurship in this country. In another study (Adelaja et al., 2007) risk-taking, need to success and presence of control center are considered as affecting factors to the development of agricultural entrepreneurship, and believed that this state has become stronger via economy and so many job opportunities have provided for many people. Studies (Maiaam, 2002), suggests that the main sustainable rural entrepreneurship boosters are appropriate infrastructures especially in agriculture sector, marketing of factory products, training and awareness raising. In this context, the formal institutional factors, such as government spending, level of education, social attitudes and self-awareness ability are known as influential factors to the entrepreneurial development (Ferri et al., 2011). In Study (Kyakjyry et al., 1390) titled ‘Provide a conceptual model of barriers affecting rural entrepreneurship development’, recognize development barriers included individual barriers (physical, human and social capital) and organizational constraints (village governor, the financial and legal supporting organizations, geographical environment)

In study (Taghikhani et al., 1390) titled ‘the barriers to the development of entrepreneurship and the role of government in facilitating entrepreneurship’, lack of higher education, high expectations of government, risk aversion, bad attitude to money, inattention to job training and empowerment of people, lack of proper standard behavior, lack of technical support, state intervention in the determination of wages, product price, lack of family support are known as major barriers to the development of entrepreneurial. In study titled ‘the role of entrepreneurship’ achieving economic growth and development, creating business culture, familiarity with business skills, familiarity with the name of company’s founders, having business skills, management skills, marketing skills, financial-economy knowledge, government support the existence of capital is expressed by (Ahmdpordaryany et al., 1387). In study (Arasteh, 1382) titled ‘entrepreneurship and education, principles and constraints’ has been represented that a successful entrepreneur is not determined only by the level of expertise, but these people have individual skills distinguished them from the other people of society. (Darban Astaneh et al., 1391) studied the relationship between organizational performance and entrepreneurial skills of rural local managers. Their results showed that between the entrepreneurial skills and performance of village governor, level of education, participation in social activities, participation in training courses of village governor, entrepreneur and family income and as well as the amount of interaction with other related institutions and associations and entrepreneurial skills is a significant positive relationship.

In study (GhanbarAli et al., 1393), titled ‘essential supports for entrepreneurship development’, represented that support centers for entrepreneurs due to lack of financial support and lack of strong support from relevant institutions are unable to meet the financial needs of entrepreneurs. In study (Taghi baygi et al., 1392), titled ‘barriers and solutions of home jobs development for rural women’, the main obstacles to the development of this type of businesses have expressed family, individual, person, governmental and economy barriers. The
results of research (Tambunan, 2009) in Indonesia suggests that the lack of capital, high input prices, high labor costs, lack of appropriate technology as well as lack of skilled personnel are the most important obstacles to the development of small and medium entrepreneur enterprises.

Based on a research (Yonido, 2003) collaborated with the Ministry of Industries and Mines, five categories of barriers to the development of small and medium enterprises in Iran have been identified that includes: market and financial barriers, barriers caused by government’s improperly interference, not having access to the required information barriers and legal barriers to the development of small and medium enterprises.

Developing a culture of entrepreneurship, entrepreneurship education and development of infrastructures are factors that are important in the development of entrepreneurship (Mollashahi et al., 1393). Kazemi et al. (1393) in a study performed on 195 rural households, concluded that economic, demographic and infrastructural factors with 13.64 percentage of variance rate are the most important obstacles to the development of entrepreneurship in rural areas. Also, low sense of place, lack of appropriate employment opportunities, lack of adequate investment, low risk of occupation and the possibility of job alteration in rural areas are the main limitations of entrepreneurship development in rural areas.

In this regard, In study (Ali Mirzaei et al., 1390), titled ‘obstacles to the development of small and medium rural entrepreneurship enterprises in Khuzestan, the infrastructure, marketing, management and policy, difficult access to food and equipment, negative competition among owners of entrepreneur enterprises, high-wage workforce, bureaucracy, and administrative consolidated events, have been classified as main obstacles.

Based on the study of background, conceptual framework of research is depicted as following figure (Figure 1).

![Figure 1: conceptual framework](image)

**Research method:**

This study from the aspect of nature (purpose) is functional and from the aspect of data gathering is descriptive-correlation. The study population consisted of 15,000 farmer households of West Islamabad country that the multi-stage sampling with assign appropriate (proportional to size) was used. The sample size, based on the table Takman and Morgan, 375 people were estimated and class size were obtained by assign appropriate (after collecting of questionnaires, 327 Flawless questionnaires were imported to the analysis stage completely). Because of data gathering, two-part questionnaire was used that the first part includes individual feature and the second part includes a research tool to identify factors affecting the development of entrepreneurship (57 items) using a Likert scale (range from 1 to 5) that these factors, based on the background research was divided into 5 categories: infrastructure (6 items), individual factors (23 items), social and cultural factors (13 items), economic factors (8 items), administrative and legal factors (7 items). Moreover, according to the necessity to obtain additional information, interview and observation were used. Preparation and completion of the tools used in this study (questionnaire) had 4 stages: first, the desired items were selected using literature and then questionnaire was designed. To ensure the superficial validity of tool, questionnaire reviewed and analyzed by the panel of experts. In the next step, through interviews with a number of employees of agriculture, the questionnaire was revised and refreshed and 30 versions of the questionnaire finally was prepared for distribution among the research samples. The rate of 0.79 alpha, represents reliability for the study. To analyze the data, frequency distribution, mean, standard deviation, coefficient of variation, and percent were used. Also,
in order to identify factors that influence the development of rural entrepreneurship, stepwise regression method was used.

**Research objectives:**

From the point of farmers of West Islamabad country, identification of factors affecting the development of rural entrepreneurship is considered as a most important factor that is parallel with overall objectives, following specific objectives are investigated.

- Identifying personal characteristics of respondents
- Identifying the most important variables of rural entrepreneurship development in the eyes of farmers.

**Research hypotheses:**

- There is a significant relationship between education level and willingness to entrepreneurship.
- There is a significant relationship between attending to training courses and willingness to entrepreneurship.
- There is a significant relationship between having a successful experience in the field of entrepreneurship and willingness to entrepreneurship.
- There is a significant difference among people who have role model and those that do not have a role model.
- Tend to entrepreneurship among those who are member of various associations and those who are not is significantly difference.

**Results:**

**Individual characteristics of respondents:**

According to the research results, men and women respectively consisted 76% and 24% of the total of 327 respondents. Also, mean age of respondents was 46 years that the least was 22 years old and the most was 68 years old. In terms of education, illiterate, primitive literate, and middle literate people respectively consisted of 38% (125 persons), 43% (140 persons), and 8% of the total of 327 respondents. Besides, 0.7% of respondents have diploma and the rest of them have an undergraduate level and above (13 persons). The average number of family members of respondents was 6 persons that the most and least populous family respectively were 9 and 2 persons. In relation to the question of whether to participate in various training courses, 37% of respondents stated as follows; ‘Yes, I participate in training courses most of the time’. Also, 56% of respondents sometimes participate in training courses and only 7% were reluctant to attend in mentioned courses. Membership frequency distribution of respondents in various association indicated that among 327 respondents, 104 persons (32%) were members of such associations and the rest of them were not a member of any mentioned associations (Council, Microcredit Fund, Cooperative, etc.). About the experience in the field of entrepreneurship, only 21% of respondents have had experience in the field of entrepreneurship. In relation to the question of ‘how much you're willing to do entrepreneurship in case of meeting circumstances’, 62% of 327 respondents had a great desire, 29% expressed their desire to moderate, and 9% had no desire to entrepreneurship. Also, 117 persons had a role model in the field of entrepreneurship.

**Identifying the most important variables of rural entrepreneurship development in the eyes of respondents:**

Table 1 shows prioritizing the variables of entrepreneurship development in the eyes of farmers, for this purpose, coefficients of variation was used (the less coefficient of variation follows the higher priority). From the perspective of farmers, the most important variables that create entrepreneurial development are included: Low risk of accepting a new job, having a successful experience in the field of entrepreneurship, holding workshops and training courses, benefitting from services such as unemployment, pensions and health care insurance, and supportive fund for entrepreneurs. But from the perspective of farmers, some of these variables does not effect on tending of entrepreneurs to entrepreneurship development or on entrepreneurship development. Some of these variables include understanding the needs of the labor market, education, decrease of wages, and development of some new technologies which is located at the bottom of table 1.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Coefficient of Variation</th>
<th>rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk of accepting a new job</td>
<td>3/48</td>
<td>0/356</td>
<td>0/102</td>
<td>1</td>
</tr>
<tr>
<td>having a successful experience in the field of entrepreneurship</td>
<td>3/12</td>
<td>0/342</td>
<td>0/109</td>
<td>2</td>
</tr>
<tr>
<td>holding workshops and training courses</td>
<td>4/38</td>
<td>0/458</td>
<td>0/104</td>
<td>3</td>
</tr>
<tr>
<td>benefitting from services such as unemployment, pensions and health care insurance</td>
<td>3/62</td>
<td>0/469</td>
<td>0/129</td>
<td>4</td>
</tr>
<tr>
<td>Supportive fund for entrepreneurship</td>
<td>4/74</td>
<td>0/538</td>
<td>0/113</td>
<td>5</td>
</tr>
<tr>
<td>Self-confidence, creativity and innovation</td>
<td>2/75</td>
<td>0/318</td>
<td>0/115</td>
<td>6</td>
</tr>
</tbody>
</table>
Affecting factors to the development of rural entrepreneurship:

To predict the affecting factors to the development of rural entrepreneurship, multiple regression was used (to obtain the equation of regression, regression stepwise method was used). After entering all variables having a statistically significant correlation (infrastructure, personal, social and cultural, economic, administrative-legal) personal, social and cultural, economic, and administrative-law stayed in equation (their significant test error are less than 0.05). These variables explained 34% of variability of factors contributing to the development of rural entrepreneurship. Individual variable with a value of 0.16 is the most important factor influencing the development of rural entrepreneurship. This variable singly explained 0.16 of dependence variability (Table 2).

### Table 2: Regression analysis of rural entrepreneurship development from the perspective of farmers

<table>
<thead>
<tr>
<th>Standard error</th>
<th>Adjusted determination coefficient</th>
<th>Determination coefficient</th>
<th>Correlation coefficient</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/04251</td>
<td>0/167</td>
<td>0/178</td>
<td>0/378</td>
<td>Individual-χ_{i}</td>
</tr>
</tbody>
</table>
Being Significant was computed by F, which is significant at the 99% level. The t test for regression coefficients in table 3 indicates that these coefficients are significant.

<table>
<thead>
<tr>
<th>Table 3: Standardized and unstandardized coefficients of variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>variables</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Individual-x1</td>
</tr>
<tr>
<td>Social and Cultural-x2</td>
</tr>
<tr>
<td>Economic-x3</td>
</tr>
<tr>
<td>Legal and administrative-x4</td>
</tr>
<tr>
<td>Intercept B</td>
</tr>
</tbody>
</table>

According to B equation, regression equation can be written as follows:

\[
Y = 16/728x_1 + 0/342x_3 + 0/786x_2 + 0/174x_4 - 0/076x_5 
\]

But judging about the contribution of each independent variable on dependent variable can be explained by the amount of \( \beta \) value. Standardized regression equation is as follows:

\[
Y = 0/32x_1 + 0/42x_3 + 0/21x_2 + 0/14x_4 
\]

The results of the research hypothesis:

To investigate the relationship between education, attending to training courses and willingness to entrepreneurship, Kruskal-Wallis test was used. Also, in order to investigate the relationship between having a successful experience in the field of entrepreneurship, a role model and membership in various associations and willingness to entrepreneurship, Mann-Whitney test was used that results are represented in table 4. As the results of table are showed, the results of the Kruskal-Wallis test for education level and willingness to entrepreneurship do not show a significant relationship and cannot infer that by increasing or decreasing the level of education, willingness to entrepreneurship will increase or decrease. But, by comparison of mean, it could be understood that people with having primitive literacy level have more trend to entrepreneurship than illiterate people. Moreover, people with middle literacy have more trend to entrepreneurship than those have primitive literacy and similarly, people with diploma certificate have more trend to entrepreneurship than other three groups. But people with an undergraduate level and above have less willingness to entrepreneurship in compare with people with diploma certificate. Kruskal-Wallis test results show that there is a significant difference between participation in training courses and willingness to entrepreneurship. This means that farmers, who always attend in training courses, have more interest to entrepreneurship. Also, The Mann-Whitney test results show a significant difference at the 0.95 level (with error probability of 0.05) between people who have had successful experience in the field of entrepreneurship and those who had not any experience. It can be expressed that farmers who had a good experience in the field of entrepreneurship, had more willing to continue and restart it again. The Mann-Whitney test results showed no any significant relationship about the relationship between having role model and being membership of associations, and willingness to entrepreneurship. In these two cases also comparison of averages suggest that people who have role model as well as being a member of various associations have more willingness to entrepreneurship than other groups.

Conclusion:

Nowadays, one of the factors that contributed to the development of rural entrepreneurship, but unfortunately limited interest is among the villagers to move towards this kind of business, is entrepreneurship. Therefore, this study was conducted to identify factors affecting the development of entrepreneurship. As the results of hypothesis show, there is a significant relationship between attending to training courses and having a good experience in the field of entrepreneurship with willingness to entrepreneurship development. It can be stated that attending in training courses following motivation and increasing the knowledge of farmers, increase their desire to become entrepreneur. Also a successful experience creates self-confidence in the person and increases his willingness to continue the work. Because, success is the best incentive to continue entrepreneurship affairs (Taghikhani et al., 1390), (porter threshold et al., 1391), (Mollahashi et al., 1393). From the perspective of farmers, some variables could have a high impact on their motivation and desire to be an entrepreneur. Such as low-risk of accepting a new job, having personal experience of successful entrepreneurship, holding workshops and training courses and having a variety of insurance services. In relation...
to these items, it can be stated that one of the main reasons for the reluctance of people to create new businesses is fear of failure and financial loss. However, it can be removed by taking preventive action such as insurance services (Taghikhani et al., 1390), (portier threshold et al., 1391), (Mollashahi et al., 1393).

Results of regression analysis showed that the most important factors for the development of entrepreneurship, respectively are individual, socio-cultural, economic, administrative and legal factors. Attention to each of these factors can contribute to the development of entrepreneurship in rural areas (Kyakjvry et al., 1390), (Ahmdpvrdaryany et al., 1387), (adorned, 1382), (Kazemi et al., 1393) (Mlashhy et al., 1393) (MT Yosef et al., 1392), (Qmbrly and colleagues, 1393).

Suggestions:

- Due to the positive influence of courses and workshops to increase the willingness of farmers, it is suggested that classes will be continued periodically.
- As the results showed, there is a positive relationship between one's success in the field of entrepreneurship and his desire to continue. As a result, willingness of farmers and villagers could be increased by introduction of them to the entrepreneurship.
- In the eyes of the villagers, one of the main factors made not having the willingness of entrepreneurship is fear of failure and low risk-taking due to the they are afraid of failure and financial loss. Their fear of failure could be eliminated and risk-taking could be increased by providing constructive solutions to compensate of possible losses.
- As could be seen, important components of entrepreneur ship development includes personal, social and cultural, economic, administrative and legal factors that paying attention to the variables of these factors and strengthen them in person could create motivation and develop such business in villages.

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