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Identifying Effective Economic Factors on Urban Entrepreneurship (Case Study: City of Tehran)

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Abstract: Controlling and administering cities have been more difficult with their increasing expansion and growth. Urban entrepreneurship is one of the strategies that directed cities toward self-control by reducing unemployment rate and its arising problems, creating sustainable revenue, preparing the ground for citizens' independence etc. Thus, identifying effective factors on urban entrepreneurship can prepare the ground for its expansion, and consequently urban sustainable development. This research aims to identify effective economic factors on urban entrepreneurship in Tehran Metropolis. This research has been done by using qualitative method by semi-structured interviews with 12 Tehran Municipality officials, urban experts, and Tehran entrepreneurs by using purposeful sampling and snowball methods. Obtained data of interviews were analyzed by theme analysis method. Finally, effective economic factors on urban entrepreneurship were identified in the form of five main themes, tools, financial mechanisms, smart urban economy, urban occupations, commercialization of ideas, and urban markets.

Keywords: Entrepreneurship, Urban Entrepreneurship, Urban Economy, City Of Tehran
JEL Classification: P25, J21, R11, N75

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1- Introduction

Because of increasing expansion and development of cities, as wealth and population centers, it is difficult to manage and control them. It is time for cities to move toward self-control process and managed by citizens instead of to be managed by top organizations. With increase in urbanized population, the importance and role of cities in the current world increase more than before. Cities population reached to 54 percent in 2014 from 30 percent in 1950s. However, this figure is more than 80 percent in some of the world areas including North America, Latin America, and Caribbean. Developing countries would inevitably follow this path (United-Nations, 2014).

Simultaneously, with population increase of the world cities, global economy depends on them more than before. Cities, as knowledge, innovation, product, and pure service centers, deal with facilitating creative and innovative thought. Having a diversity of specialties, urban areas are more efficient than villages. They have changed into main force driving the national economy. This trend is such a way that those countries that enjoy lower urban growth would not achieve economically sustainable growth.

Today, cities produce more than 80 percent of the world GDP[1]. 2000 large cities of the world produce 75 percent of the world GDP. It has been specified that cities in developed countries have more productivity than their population. For instance, having 16.2 percent population, Paris has allotted 26.5 percent of GDP to itself (UN-Habitat, 2011).

According to some researches, if urban mangers fail to manage cities well and citizens neglect opportunities, cities may face uncontrollable problems and dilemmas such as unemployment increase and consequently problems like crime, violence, addiction, and other social, economic, and political ones and so on. The spread of these problems with unplanned expansion of city may result in Necropolis stage. In this step, the city would be in the worst phase of its life changing into dying city.

Currently, urban entrepreneurship prepares a suitable ground for citizens to combat against unemployment and its problems; therefore, late debates in economic geography have focused increasingly on creative cities and the importance of creativity in achieving economic growth (Ács et al., 2008). Robinson (2008) believed that late researches of HUD's Office of Policy and Research at Virginia University and Business School of Colombia confirmed the matter that renewal and revitalization of communities would not be possible without adequate development and it would not force communities to encourage activities supporting entrepreneurship and innovation. By introducing entrepreneurship as a key to building and sustaining economic growth in local and state scale, policy-makers have gradually focused and counted on entrepreneurship in local, regional, and state economy that the impact of local policies in favor of entrepreneurship will be more than national one. The emergence and increase of consumer cities help to think of policies in favor of local entrepreneurship (Kauffman-Foundation, 2008).

In the current era, given population increase, reduction of government's share in employment and increasing share of private sector in the economy of

1- Gross Domestic Product

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developed countries, entrepreneurship phenomenon has been regarded as a tool to achieve dynamic economy and society. Today, without entrepreneurship growth and development in a society, comprehensive growth and development in that society would not occur. Entrepreneurship is one way for cities to exit from recession (Sriram et al., 2007). Thus, it is necessary for city of Tehran, as Iran largest city, to move toward creating suitable entrepreneurship grounds, as a basic and influential pillar of employment and sustainable development for more sustainable growth and development. Although some researchers like Lee (2005) believed that finding external sources of entrepreneurship is challenging despite much attempt has been done to evaluate the impacts of entrepreneurial activities on regional economy (Bosma & Sternberg, 2014), few studies have been done to investigate effective factors on urban entrepreneurship. Thus, the main research question is what are economically effective factors on urban entrepreneurship in the city of Tehran?

2- Literature Review

a) Foreign Researches

One of the first and most important researches in urban entrepreneurship was done by Kauffman- Foundation (2008) with cooperation of some prominent professors in this area. This research investigates entrepreneurship and its impact on urban success and effective factors on urban entrepreneurship were studied. Factors such as self-employment and SMEs[1] were considered as criteria to measure urban entrepreneurship. Some factors such as tax, education, crime, urban safety, and urban infrastructures like desirable transport, internet, and appropriate legal infrastructures were considered influential to emerge and develop urban entrepreneurship phenomenon and some solutions were presented in accordance with these factors. This research regards U.S. cities dealing with presenting general factors and consequently general solutions.

Acs et.al, (2008) dealt with entrepreneurial advantages of the world cities by using data from 2001 to 2006 GEM[2] in 34 cities. This research investigated the relationship between perception and entrepreneurial activity, then the impact of urban environment on this process was studied. According to the results, entrepreneurial perception influences demand and supply of entrepreneurial process. Education plays an important role in this path. According to this research, entrepreneurship rate of large cities is more than average entrepreneurship rate in country. For instance, although Japan is one of the countries with the least entrepreneurial activity rate in initial stages, Tokyo has allotted the highest entrepreneurial activity rate to itself.

Sriram et.al, (2007) investigated the origins of urban entrepreneurship, particularly among African-American entrepreneurs by using previous researches on entrepreneurial behaviors of minorities in the Europe and America, and their success, and they presented an integrated model. In this model, entrepreneurial behaviors rooted in are motivation and personal skills. Access to resources has moderating impact on entrepreneurial behavior and success even though other factors are influential in other sub-cultures.

1- Small-Medium Enterprises

2- Global Entrepreneurship Monitor

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Lee (2016) examined entrepreneurship impacts and small enterprises in urban growth by using statistical panel of urban area and data analysis, and introduces entrepreneurship as main economic growth factor. According to the findings, 10 percent increase in small businesses lead to employment rate increase by 2.2 percent and it increases annual salary by 4 percent, wages to 2 percent during 10 years in cities.

Strange and Helsley (2010) investigated the role of available equilibrium, concentration and complexity in large cities in entrepreneurship and they concluded that the density of local markets can improve entrepreneurial activities since they can play various tasks and provide profitable skill balance for entrepreneurs. In this article, proximity, density, and entrepreneurship have been merged and research model has presented interesting results. Firstly, economic density of market density reflects in shorter time. Secondly, complicated projects that are not operationally feasible in small cities will be operational fewer cost and shorter time. Thirdly, those entrepreneurs enjoying less skill can replace density of local markets with their slight skills in large cities with successful management. Finally, entrepreneurship has a direct relationship with urban diversity in large cities.

By using data from 23 cities in the European countries, Bosma and Sternberg (2014) concluded that large cities have more entrepreneurial advantages than other areas. These merits play more important role in opportunity-based entrepreneurship and high unemployment rate leads to mandatory entrepreneurship increase according to the results, expertise and available diversity in urban platform are counted as two important factors for entrepreneurship in local issues and urbanization of economy.

Emphasizing that immigrants' share in entrepreneurial activities rate of cities is increasing, Sahin et.al, (2011) investigated immigrant entrepreneurs' success. In data analysis, they studied human and social capital dimensions such as networking, individual and work characteristics. According to the results, although there are important barriers like lack of access to financially money resources, labor markets and so on; immigrant entrepreneurs' activity in cities relies on their different rate of return.

Baycan Levent et.al, (2003) investigated women's ethnic entrepreneurship phenomenon in urban life on Amsterdam Turkish women entrepreneurs' attitudes and behaviors. The results indicated that Turkish Amsterdam women have certain features that changed them to particular entrepreneurs. According to their own specific features combination with ethnic-centered opportunities and other available opportunities in urban markets, they provide a variety of services in accordance with their target groups; therefore, they are successful resulting in reducing exclusion of ethnic groups and improving their living standards regarded as a model for other women leading to other women entrepreneurs. In this research, Turkish women entrepreneurs stated that the most important factor for their success was their ambition and confidence. Hard-working and discipline, customer-orientation, interest in the job, doing things well, family support, correct choice of target group, job experience, and finally independence in their success were respectively other influential factors.

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b) Iranian Researches

There is no Iranian research dealing with urban entrepreneurship directly and they mostly focus on entrepreneurship.

In a research based on identifying effective factors on locating decision of active entrepreneurs in IT in the city of Tehran, Keshavarzfard & Arabiyoon (2012) presented 5 categories of effective factors on locating decisions including market, support, business services, governmental, and welfare. According to the results, market and its related features are the most important factor in entrepreneurs' decision in IT in the city of Tehran based on activity locating and welfare and its related features have the least importance.

Arasti et.al, (2012) investigated the role of the environment in the emergence of social entrepreneurial activities with institutional approach. Institutional effective factors on emergence of social entrepreneurial activities were divided into officially and non-officially institutional factors by using qualitative research method.

Fartookzadeh & Rajabi (2009) studied latent entrepreneurial opportunities in Tehran traffic, identified effective factors on business, and presented a dynamic business model. After proposing four scenarios, they suggested influential solutions on development of services including development of service capacity in uncertainty condition of per capita revenue, reducing the risk of products by insurance in uncertainty of population growth, increasing security in uncertainty of employees' crimes, reducing costs through improving processes in uncertainty of fuel price, and increasing quality of information in uncertainty of information infrastructures development.

Khajeiyan & Rad (2010) concluded that entrepreneurship could be extended in two individual and environmental dimensions. In individual aspect, urban management can create entrepreneurial motivation in people by inducing entrepreneurial motivation through social advertisement and available media, holding workshops to familiar with entrepreneurship, etc. Helping to identify available opportunities and entrepreneurship skills training are other measures that urban management can implement them that access and creating social networks can prepare the ground for this movement. In environmental aspect, providing access to financial resources and other entrepreneurship resources like skilled human force are some of the most important effective factors on entrepreneurship in city. According to the results, the major role of urban management in citizenship education is to provide access to required resources, to help to create social and communicative networks, and to facilitate environmental interactions.

Charatiyan & Ghorbani (2014) investigated the impact of monetary and fiscal policies on women entrepreneurship rate by using economic growth model and table data approach during 2002-2007. The results indicated that there was a significant and positive relationship between entrepreneurship and monetary and fiscal policies. By applying expansionary fiscal policy (1 percent increase), nearly 1.5234 percent is added to women entrepreneurship rate, and 1 percent increase in money volume variables (expansionary fiscal policy) and GDP (economic growth) increase women entrepreneurship rate 0.1947 and 0.1505 percent respectively.

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3- Theoretical Principles

Entrepreneurship

Nearly two centuries have passed since the emergence of entrepreneurship word and its importance is increasing day by day in the economy of communities. The academic field of entrepreneurship in the last decades confirms this matter. However, cities play an important role in development of societies. Growing and increasing role of cities in economic development of countries has resulted in creating a new branch in economics titled "urban economics." In this regard, urban entrepreneurship plays an influential role in economic development and dynamism of urban society. Although it has interdisciplinary entity, it has been ignored both in economics and in urban sciences.

To understand urban entrepreneurship, it is better to deal with entrepreneurship first. Its synonym in French is Entreprendre and Unternehmen in German that means to undertake (Cunningham & Lischeron, 1991). Sharma and Chrisman (2007) believed that entrepreneurship included creation, recreating, and organizational innovation that occurs inside and outside of organization. Moreover, they consider entrepreneurs as individuals or groups that act independently or create a new organization in a part of a company, or stimulate renewal or renovation inside the existing organization. According to Ronstadt (1998), entrepreneurship is a dynamic and gradual process of wealth creation and those individuals who undergo major risks in share, time, occupational commitment or providing value for some goods and services create it. Probably, provided goods and services are new and exclusive and it may be different, but it should be noted that in this process, values should be created partially gradual with receiving expertise, skill, and necessary resources by individual.

Boettke and Aratheone regarded entrepreneurship as a process of creating value through providing exclusive combination from resources to take advantage of an opportunity. In other words, they consider entrepreneurship as a process of creating and achieving opportunities, following them without considering available resources and entrepreneurship includes creating and distributing values and benefits among individuals, groups, organizations, and society (Timmons & Bygrave, 1986). In Iran, entrepreneurship is synonym with creating job and business while employment is one of the impacts of entrepreneurship and it may not create entrepreneurial activities or employment and it may deal with wealth production or increase individuals' wisdom (SamadAghayi, 2001).

Urban Entrepreneurship

Space-based entrepreneurship researches have indicated that entrepreneurship is a regional event in the first place. This means that entrepreneurial decisions, success or failure of startups, and other factors are affected by those regional factors that individual and startups are in it (Acs et al., 2008). Considering spatial and geographical aspects in entrepreneurship, Bosma & Sternberg (2014) named four levels including supranational, national, local, and neighborhood. They believed that the studies have not specified the distinction of these levels correctly, but this ranking is of great importance to evaluate reasons or impacts.

Urban entrepreneurship is a new phenomenon in urban and entrepreneurship studies. As it is interdisciplinary and it

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ignores spatial aspects in entrepreneurship phenomenon, it has failed to have a single definition. Jones (2007) stated that urban entrepreneurship, like entrepreneurship, does not have a single definition. In some cases, urban entrepreneurship has changed into an interpretation of entrepreneurship. In some others, it refers to small businesses that it is operational or provides services in areas with economic downturn. Saying that there is no common definition of urban entrepreneurship, Thompson (2012) believed that urban entrepreneurship did not have a single and certain definition, but sometimes, entrepreneurship means small or providing services in areas suffering recession. There is a long way to propose a suitable theory or at least a concept to explain regional entrepreneurship process and its reasons and impacts (Bosma & Sternberg, 2014).

4- Research Method

Due to lack of comprehensive research in scientific texts with urban entrepreneurship subject and particularly limited researches with the subject of identifying effective factors on this phenomenon, qualitative research method has been used in this research. In terms of purpose, this study is applied. Research method is qualitative and semi-structured interviews. Required data and information were collected by library studies and interview. To identify economic factors of urban entrepreneurship, purposeful and snowball sampling method were used and semi-structured interview was done with experts. Finally, after data collection and their coding, data were analyzed.

Research population and sample include all entrepreneurs, experts, professors, and urban managers of Tehran. To choose them, purposeful and snowball sampling methods were used.

Given research subjects is interdisciplinary, urban and entrepreneurship experts and activists were interviewed at first. Then, two senior managers, two middle managers, and one operational manager of Tehran Municipality in entrepreneurship field were interviewed. Finally, two professors in the field of urban and entrepreneurship fields were interviewed. However, by introducing deputy of entrepreneurship of Tehran Municipality and Omid Entrepreneurship Fund, three successful and top entrepreneurs of Tehran were interviewed (table1).

Table1. Sample of interviewrs

Sample	Number
Entrepreneurship and urban management professors	4
Tehran Municipality managers	5
Top entrepreneurs of Tehran	3

Reference: (Researchers' findings)

To analyze data of interviews, theme analysis technique was used. It is a method to determine available themes inside data. This method organizes data and descripts them in details, but it can interpret various aspects of research subject. In this method, it has been tried to categorize data based on subject in significant categories. Generally, content analysis process is in such a way that different answers to each question are studied at first in order to be familiarize with types of responses and their frequency. Based on these responses,

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themes containing different disputes are created. In fact, each theme collects similar responses in one place. Finally, it is necessary for all proposed debates in presented answers for questions to be put in one theme. It is worth mentioning that the research has been done in natural environment and along with researchers' minimum intervention.

Validity and reliability of interview findings are the sixth stage of interview process. Validity refers to interview proficiency to measure intended goals and reliability to equal results of interview. Reliability in interview is proposed in stages like interview situation, duplication, and analysis. About interviewer's reliability, it refers how to guide questions. Internal theme reliability of duplications during type by two individuals should be considered in duplication reliability. Attention to reported percentages by two coders is a method to determine analysis reliability during classification of interviews. Percentage of internal theme agreed by two coders (60 percent or more) is another method for analysis reliability about an interview (analysis control) (Khastar, 2008). In this research, re-test reliability and agreed internal theme method were used to calculate reliability of interviews.

To assess stability of researcher's coding, re-test was used. In other words, after reviewing interviews, 4 ones were selected and coded as samples. Then, specified codes were compared together in two time intervals (20 days) for each interview. Following formula was used to determine reliability in qualitative research:

$$\text{Reliabilty} = \frac{\text{number of agreemnets} \times 2}{\text{total data}} \times \%100 \qquad (1)$$

Reliability percentage of re-tests for four interviews were 93, 86, 94, and 89 percent respectively indicating verifiability of the test. Finally, in addition to test re-test reliability by interviewer, three interviews were coded and compared by two entrepreneurship experts. The results indicated that there was 86 percent agreement between two coders and main coders (table2).

Table2. Results of test re-test reliability

Row	Interviewer's code	Total codes in two stages	The number of agreed codes	The number of disagreed codes	Retest reliability (percent)
1	1m	39	18	3	93
2	5m	56	24	6	86
3	7m	36	17	8	94
	12m	49	22	5	89
Total		183	81	22	89

Reference: (Researchers' findings)

According to Guba and Lincoln, validity of qualitative research is specified by its reliability that is of great importance for total research process. For this issue, four criteria of reliability, transferability, dependability, and verifiability were considered (Hooman, 2015). In this work, the researchers did Guba and Lincoln test by sending interviews to interviewers. In this method, the researchers made available part of findings for studied group to investigate the analysis and answer these questions: Did researchers comprehend their statements correctly? Did the analysis seem logical for them, or they failed to realize data?

However, in this research, the researchers asked some interviewers to

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revise final report of the first step, analysis process or obtained items and to express their opinion. According to them, research findings strongly reflect effective factors on urban entrepreneurship.

5- Research Findings

This research aims to identify economically effective factors on entrepreneurship. Thus, the researchers categorized the extracted data in similar and homogeneous groups and subsidiary codes in five main themes by using theme analysis, after revising and investigating in different research steps including interviews, coding, code classification etc. as explained in the following (table3).

Table3. Economically effective main and sub-themes on urban entrepreneurship

Commercialization of ideas		Urban markets		Smart urban economy		Monetary and fiscal tools and mechanisms		Urban markets	
Frequency	**Code**	**Frequency**	**Code**	**Frequency**	**Code**	**Frequency**	**Code**	**Frequency**	**Code**
13	Holding entrepreneurship exhibitions	**25**	Creation and development of local markets	**19**	The development of micro and macro investment	**15**	Monitor the proper use of self-employment loans by applicants	**7**	Identify and strengthen job skills of Ethnicities
8	Introducing entrepreneurial products and accomplishments to citizens	6	Increase the economic stability of the market	13	The realization of Article 44 of the constitution	**12**	Flexible tax and insurance system	**7**	Remove false and speculative businesses
5	Holding entrepreneurship competitions and exploitation of the top ideas	**5**	Remove excessive import of foreign goods	**11**	Increase competition between cities	**6**	Targeted utilization of public funds	**7**	Urban constructions boom
4	Development of commercial and industrial brands between cities	4	Purposeful identification and development of consumer markets	8	Strengthening urban role and brand	5	Increasing sustainable revenue of municipalities	6	Redefining urban economic activities and jobs
4	Property rights	**3**	Commercial land price adjustment	**4**	Communication and economic exchanges within cities	**5**	Preparing the ground in order to reduce savings in banks	**5**	Development of tourism industry
2	Buying entrepreneurs' productions on occasions by organizations	**-**	**-**	**2**	The productivity of manufacturing and service units	**3**	Strengthen the banks and financial institutions established by municipality	**5**	No reliance on single-product economy
-	-	-	-	2	The development of knowledge-based companies	**3**	Targeted utilization of stagnant domestic savings	**4**	The definition of new jobs and redefining available city jobs
-	-	-	-	2	Targeted investments in cities	-	-	3	Development of domestic jobs
-	-	-	-	2	Supporting creative industries	**-**	**-**	**3**	Development activities with a comparative advantage
-	-	-	-	-	-	-	-	2	Supporting municipalities and local organizations of workshop

Reference: (Researchers' findings)

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Monetary and Fiscal Tools and Mechanisms

Available monetary and fiscal tools and mechanisms in city play an influential role in development of urban entrepreneurship, and urban officials and citizens can take effective steps to realize urban entrepreneurship by correct use of these tools. Granting self-employment loans, financial and insurance exemptions were some of entrepreneurs and urban business activists' intended codes. To achieve these wants, municipal bodies and organizations ought to act appropriately in this regard. In the following, some codes including establishing and strengthening financial bodies by municipality and increasing urban sustainable revenues were proposed. However, to achieve this matter, some codes such as preparing the ground to reduce savings in banks, applying public funds in business and stagnant domestic savings were emphasized by interviewers (table4). To prepare a ground to reduce available savings in banks and utilization of capital in businesses, it is better to banks to reduce interest rate and by establishing financial bodies and strengthening them, urban governance provide self-employment loan and other financial facilities to urban entrepreneurs.

Table4. Monetary and fiscal tools and mechanisms

Codes (identified concepts)	Sub-issues
Reducing tax from newly established units, tax exemptions of entrepreneur units, no capital safety, lack of insurance supporting capital	Flexible tax and insurance system
Using employment and industry loan in housing sector, meeting personal needs by entrepreneurship loan, lack of proper loans	Monitoring the proper use of self-employment loans by applicants
Developing Bank Shahr, promoting municipal financial bodies and activities	Establishing and strengthening financial bodies and banks by municipality
Reducing the risk of using capital in market and industry, reducing interest rate	Preparing the ground to reduce savings in banks
Reducing charitable contributions, taking advantage of public helps in economic cycle	Targeted use of public funds
Using jewelries in startups, using stagnant savings in entrepreneurship	Using stagnant domestic savings
Selling density, development of taxation from land uses	Increasing municipal sustainable revenues

Reference: (Researchers' findings)

Urban Smart Economy

Urban smart economy that is one of smart city sub-sets prepares a proper ground for urban dynamism. Thus, it provides urban entrepreneurship growth grounds. To realize urban smart economy, it is necessary to increase micro and macro investments purposefully in different urban areas, and bodies and organizations support creative industries, and compete with other cities in order to absorb entrepreneurs in different areas. Experts have emphasized on knowledge-based companies, realization of article 44 of constitution based on development of private and cooperative companies, and considered that efficiency increase of production and service units and developing communication and exchanges of urban economic units were influential. According to the interviewers, with development of private and cooperative units and companies, the grounds for increase and sharing capital and experiences have been prepared among individuals and it booms entrepreneurial ideas (table5).

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Table5. Urban smart economy

Codes (identified concepts)	Sub-issues
Increasing economic competition between cities, Cities competition to attract talented people	Increasing competition between cities
Investment in prone activities and areas, government investment in the nonprofit sector	Targeted urban investments
Supporting entrepreneur units, supporting micro businesses	Supporting creative industries
Assigning locations to knowledge-based companies, Financial support of knowledge-based companies	Developing knowledge-based companies
The use of small capitals, attracting foreign investment, increasing multinational companies	Developing micro and macro investment
Increasing communication within units, development of inner-city deals	Urban communications and transactions of economic entities
Measuring implementation of Article 44, increasing privatization	The realization of Article 44 of the constitution
Increasing organizational efficiency, increasing staff's useful activity	The productivity of manufacturing and service units
Developing urban brands, increasing economic identity of city, promoting urban brand	Strengthening urban role and brand

Reference: (Researchers' findings)

Commercialization of Ideas

Entrepreneurship is initial stage of changing idea into operation and thought implementation. If we fail to fulfill these ideas, undoubtedly, entrepreneurship will not be formed. Therefore, holding entrepreneurship competitions and taking advantage of top ideas were proposed as solutions to operationalize new ideas in the field of entrepreneurship in interviews. According to the interviewers, wealth creation for entrepreneurs can be prepared by investing on top ideas. It can be also used as a motivational factor for other entrepreneurs. Holding entrepreneurship exhibitions in city was another suggestion in this regard leading to recognition of these people and their products in addition to commercialization of entrepreneurs' products, resulting in promotion of entrepreneurial spirit. Increasing commercial, industrial and other brands in city is another factor to promote urban entrepreneurship (table6).

Table6. Commercialization of ideas

Codes (identified concepts)	Sub-issues
Copying products, producing fake Iranian products in China, intellectual property rights and patents	Property rights
Holding competitions of premier invention, entrepreneurship competition, honoring top people, fulfilling pure ideas	Holding entrepreneurship competitions and taking advantage of top ideas
Increasing economic prestigious brands, preventing brand bankruptcy	Developing urban commercial and industrial brands
Holding creativity and entrepreneurship exhibitions, displaying achievements of entrepreneurs in the city	Holding entrepreneurship exhibitions
Using entrepreneurs' products in organizations' events, buying staff's products by organizations in festivals	Buying entrepreneurs' products by organizations
Informing citizens about entrepreneurs' success, introducing entrepreneurs' achievements to citizens	Introducing entrepreneurs' products and achievements to citizens

Reference: (Researchers' findings)

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Urban Markets

Market plays an influential role in city life and growth, as a center of trade, urban communication and cultures. According to the researches, size of local markets can improve entrepreneurial activities. Since markets do very different tasks, it may create a balance of skills for the benefit of entrepreneurs (Lazear, 2004). In a research done by Keshavarzfard & Arabiyoon in the city of Tehran, market and its characteristics are the most important factors in IT entrepreneurs' decision based on locating their activity.

In this research, creating local markets has been recognized as an important factor to promote entrepreneurship. However, targeted identification and development of consumption markets were proposed as another factor that urban consumption markets should be developed given the features of different urban areas and in accordance with them in this regard to take advantage of all citizens' capacities and products in these markets. According to interviewers, uncontrolled import and spread of foreign goods in urban consumption markets, fluctuations, and inconsistency in urban markets are barriers to realize urban entrepreneurship phenomenon (table7).

Table7. Urban markets

Codes (identified concepts)	Sub-issues
Locating suitable local markets, giving props to entrepreneurs in the marketplace, holding regular marketplaces	Creation and development of local markets
Identifying urban markets, granting facilities to expand urban markets	Targeted identification and development of consumer markets
Reducing economic fluctuations, reducing risk of economic activities, market stability	Increasing market economic stability
Foreign cheap goods in Iran markets, uncontrolled import of goods to urban markets	Eliminating excessive import of foreign goods
Building business land uses with proper price, reducing price of business land uses	Price adjustment of business land uses

Reference: (Researchers' findings)

Urban Jobs

How to launch and develop urban jobs that urban entrepreneurship is realized in relation to these jobs can be proposed as an important and effective factor. In this research, strengthening local potential, capacities, and activities with relative advantage have positive impact on this phenomenon. In this regard, development of tourism industry and domestic jobs, and urban construction boom help to promote urban entrepreneurship. Moreover, municipality and local organizations help considerably to realization of entrepreneurship by supporting production units. On the other hand, the definition of new urban jobs and redefinition of urban economic activities and jobs, in line with making them entrepreneurial and more efficiency, has a direct relationship with promoting urban entrepreneurship phenomenon. Finally, false and speculative businesses, and activities relied on oil were proposed as barriers to growth and development of urban entrepreneurship with preventing creativity and innovation in activities (table8).

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Table8. Urban jobs

Codes (identified concepts)	Sub-issues
The development of comparative advantage, agriculture development, development-orientation, development of domestic and traditional activities	Development of activities with comparative advantage
Tourism increase, transport boom, development of hoteling industry, development of tourism places	Development of tourism industry
Dual-purpose land uses, increasing domestically economic activities	Development of domestic jobs
Eliminating false and speculative activities, removing informative-administrative rents	Eliminating false and speculative businesses
Cut off oil exports, reducing oil products, increasing variety of products	No reliance on single-product economy
Definition of new urban jobs, increasing new businesses	Definition of new jobs and redefinition of available urban jobs
Developing policies supporting housing boom, increasing innovation in housing industry	Urban construction boom
Northern people's skill in hairdressing, Turkish people's skill in market activities, job skills of immigrants' groups	Identifying and strengthening job skills of ethnicities
Increasing factories and workshops around city, developing urban service units	Building industrial and service units around cities
Facilitating setting up jobs, reducing administrative bureaucracy and setting up jobs, easing license process	Accelerating and facilitating business license process

Reference: (Researchers' findings)

Finally, five main categories effective on urban entrepreneurship were identified that each of which has relevant codes. However, conceptual model of urban entrepreneurship has been represented in figure1.

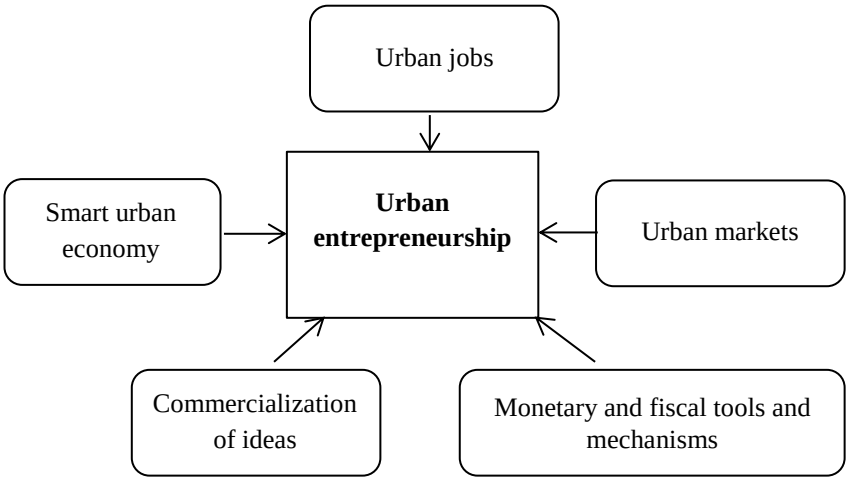


Fig.1. Research conceptual model

Reference: (Researchers' findings)

6- Conclusion and Suggestions

In addition to personality features, entrepreneurship is affected by environmental factors that an individual lives in that environment. By affecting personality features, these factors propel an individual toward entrepreneurship or these factors prevent him being an entrepreneur. Urban environment, as the most complicated environment in the current world, includes different factors that affect people's character in achieving success or failure. This research aims to identify economically effective factors on urban entrepreneurship phenomenon; therefore, identified factors were classified in five main groups, and existing factors were divided into effective barriers and factors on promotion and

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development of urban entrepreneurship inside these categories. Not only these factors affect urban entrepreneurship phenomenon, they also influence each other, and improvement of each of them has a positive impact on other factors. Thus, it is expected that local organizations and bodies, particularly municipality as a municipal governor, strengthen their policies to improve positive factors more and undermine obstacles. Supportive and targeted plans and policies of organizations for the benefit of entrepreneurs result in attracting them into cities. It facilitates cities' management given creating a kind of self-control in long-term by promoting urban entrepreneurship spirit among citizens and developing this phenomenon and it helps significantly to fulfill municipal sustainable revenues.

In this research, economically effective factors on urban entrepreneurship phenomenon were identified in the form of five main themes including fiscal tools and mechanisms, urban smart economy, urban jobs, commercialization of ideas, and urban markets. Realization of urban smart economy is of great importance among mentioned factors. In the theme of fiscal and monetary tools and mechanism, providing and monitoring self-employment loans, and tax and insurance exemptions were of great importance. In urban jobs, factors of eliminating false and speculative jobs, definition of new jobs, and redefinition of existing urban jobs, and urban construction boom were important. In urban market, creating and developing local markets was emphasized. In commercialization of ideas, holding entrepreneurship exhibitions was accentuated. In urban smart economy, realization article 44 of the constitution, developing micro and macro investments, and increasing competition among cities were highlighted. According to Kauffman Foundation (2008), the overall tax levels and tax rate structure are important and influential factors in setting up new businesses. In other words, entrepreneurship is affected by tax on businesses and high tax on business reduces entrepreneurship attractiveness and vice versa. Thus, it is expected that local governance to help to boom urban entrepreneurship more than before by adopting reasonable tax.

The realization of Article 44 of the constitution is based on strengthening private and cooperative sectors. In this regard, Ward (2003) believed that the initial emergence of entrepreneurship urbanism was based on three claims about city of Baltimore in America. The first one was that local government used increasingly participation of governmental-private sectors to strengthen local economy.

Therefore, local organizations and bodies, municipalities, and citizens are better to regulate their plans and policies to improve these factors. Emphasizing on financial supports in the form of loan and gharzolhasaneh; an interest-free and non-profit loan, top entrepreneurs highlighted flexibility in tax and insurance system in their success in initial years of their activities. In next years, holding exhibitions and different competitions were introduced as motivational factors promoting entrepreneurial spirit among citizens in addition to creating motivation and competition among entrepreneurs.

Strengthening activities that have a comparative advantage considerably help creativity in urban jobs. Developing activities such as tourism industry that help to get familiar with different cultures, beliefs, and views is a strategy to develop urban entrepreneurship. To

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develop urban jobs purposefully, municipalities and other local bodies reduce speculative and false activities, particularly speculative deals and bribery in housing area, emphasized by interviewers.

Given the results, like previous studies, most interviewers emphasized on spatial impact on the process of urban entrepreneurship phenomenon. The results are in line with the results of Kauffman Foundation (2008) based on the impact of tax system on sustainability of entrepreneurial activities. According to the results of Kauffman Foundation, high local tax rate can lead to high self-employment rate, as one of entrepreneurship measurement criterion, but according to the results of other works, even though tax system progress may be equitable, it will be strongly proposed as a punishment for entrepreneurs (Gentry & Hubbard, 2000). In this research, tax and its manner of collection were emphasized particularly by entrepreneurs and tax system flexibility is one of the most important factors highlighted by urban entrepreneurs and other experts. The results are in accordance with Bosma & Sternberg (2014) based on localization of economy. However, according to Glaeser (2007), based on the importance of type of active urban industries in self-employment and entrepreneurship increase and reduction, interviewers did not consider it in this research. Local markets and financial and monetary institutions were accentuated as a joint chapter of most studies. In this research, it has been tried to analyze the factor more than other ones and to provide necessary solutions to increase the role of local markets and financial and monetary institutions in promoting entrepreneurship more detailed.

According to research findings, following issues are suggested:

- Initially, economic problems help to leave entrepreneurs from activity arena, and in some cases, prevent them to enter entrepreneurship arena; therefore, by granting self-employment loans, increasing sustainable revenue resources of urban government, reducing interest rate to reduce stagnant savings and targeted use of these expenses in economic cycle, economic boom and dynamism can be achieved.

- Urban economy atmosphere should move toward privatization and supporting cooperatives. After realization of Article 44 of the constitution, cities' competition should be expanded in different areas. Simultaneous realization of Article 44 of the constitution and developing competition between cities help to increase investment in cities and socio-economic boom and development in cities. Furthermore, by increasing businesses inside cities, entrepreneur and self-sufficient units will be increased in cities, and urban economy may be manifested in the form of urban smart economy and it will experience dynamism and boom spontaneously.

- It is necessary to expand urban and local markets purposefully. Since one of the entrepreneurs' major problems is lack of market to sell their products, entrepreneurs' presence should be developed in local and urban markets to keep on their activities.

- Subjective and theoretical ideas and creativities in society should be utilized by mechanisms such as holding competitions, selecting the best ideas, and implementing them. Moreover, the ground should be prepared and facilitated to continue entrepreneurs' activity by granting and observing spiritual property rights.

- Micro and dynamic activities should be developed in urban business

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atmosphere and these businesses should be improved in line with local and urban merits and potential. Given the atmosphere of city of Tehran, not only domestic job development helps to prepare the ground to emerge and expand urban entrepreneurship, but also it helps to reduce urban traffic; therefore, domestic job should be developed and promoted.

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