

## An Empirical Analysis of the Opportunity-Based Concept of Rural Entrepreneurship

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### ABSTRACT

Empirical studies on the concept of rural entrepreneurship are neglected in the literature. This study aimed to analyze this concept empirically through investigation of the businesses related to rural areas and distinguish them into three groups including “rural entrepreneurship”, “entrepreneurship in rural areas” and “rural business”. Two questionnaires were designed for this survey research: one general, filled by owners of businesses, and the second was specific, filled by the research group. A total of 496 Iranian businesses related to rural areas supported by Omid Entrepreneurship Fund in Fars Province were categorized into three groups of businesses. The results of ANOVA indicated that “rural entrepreneurship” and “entrepreneurship in rural areas” were statistically more entrepreneurial than “rural business”. The values created by different groups of businesses were analyzed and the results showed that “rural entrepreneurship” was the only group whose profitability was dependent on value creation for rural areas.

**Keywords:** Entrepreneurial personality, Rural business, Rural entrepreneurial opportunity, Value creation.

### INTRODUCTION

Rural entrepreneurship has been known as a tool for development of rural areas as it is associated with new jobs creation and enhanced economic conditions in villages (Ataei *et al.*, 2020; Fortunato, 2014). Rural entrepreneurship is mentioned in recent development plans by policy makers, and governments are devoting budgets for its development (Bosworth, 2012; Cikić and Jovanovic, 2018; Sharma, 2013). They are looking for development of rural entrepreneurship through supporting rural businesses. However, the concept of rural business is not necessarily related to the concept of rural entrepreneurship.

Although there are several criteria that have been introduced to specify the concept of rural entrepreneurship (Henry and

McElwee, 2014; Korsgaard and Tanvig, 2015; Pato and Teixeira, 2018; Wortman, 1990), some ambiguity arises in description of this concept. Explanation of the concept of rural entrepreneurship has always been difficult because this concept is not clear. The lack of clarity in the concept of rural entrepreneurship has made it difficult to distinguish this concept from others such as “entrepreneurship in rural areas” (Fortunato, 2014; Korsgaard and Tanvig, 2015; Pato and Teixeira, 2016).

The aim of this study was to investigate empirically the concept of rural entrepreneurship compared to the other forms of businesses related to rural areas. The following specific goals were based on the main purpose of the study:

First: Exploring the extent to which businesses related to rural areas represent

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“rural entrepreneurship”, “entrepreneurship in rural areas”, or just “rural business”.

Second: Comparing three groups of businesses related to rural areas in terms of entrepreneurial personality and entrepreneurial skills.

Third: Determining values created for rural people by the three groups of businesses related to rural areas.

In this regard, determining the theoretical concept of rural entrepreneurship and its distinguishing characteristics from the other forms of businesses related to rural areas is the first step.

The definition of rural entrepreneurship has long been a subject of debate. Based on the literature review, there are three general categories of efforts for conceptualization of rural entrepreneurship. New concepts of rural entrepreneurship have appeared one after another in response to critiques of the previous definitions of this concept. The trend of appearance of these definitions in response to the related critiques is explained as follows.

For the first time, Wortman (1990) defined rural entrepreneurship as “the creation of a new organization that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment”. This definition was the foundation of the first category of efforts for conceptualization of rural entrepreneurship. Albeit this definition is still being used in many rural entrepreneurship studies, some critical questions have challenged its dominance. One of the most important questions is that “What is the difference between the concept of “rural entrepreneurship” and “entrepreneurship”?” This definition is influenced by the general and initial concept of entrepreneurship (Schumpeter, 1934). Therefore, this concept is derived from the general definition of entrepreneurship, and value creation as the other important criterion is absent in this definition.

The second category of the definitions emerged to address the problems related to the first category. Scholars focused on some

distinguishing factors such as “being located in the rural area”, “employing local people”, “using and providing local products”, “selling rural products”, and “having a strong impact on the rural community”, to separate the concept of rural entrepreneurship from the other similar concepts (Henry and McElwee, 2014; McElwee and Smith, 2014; Pato and Teixeira, 2018). In this category, rural entrepreneurship is defined as a tool for developing a rural setting in aspects of employment, using local products, etc. In other words, these definitions are intended to add a rural appearance to the concept of rural entrepreneurship. For example, rural entrepreneur is defined as an individual who manages a venture in a rural setting (Henry and McElwee, 2014); or, rural enterprise is defined as the creation of small firms in rural areas (Lafuente *et al.*, 2007). The main problem of such definitions is that the concept of rural entrepreneurship is just limited to the rural boundaries. In other words, these definitions represent the concept of “entrepreneurship in rural areas” instead of a pure concept of “rural entrepreneurship”.

The latest efforts for representing the pure concept of rural entrepreneurship are related to the third category, which focuses on value creation (Sá *et al.*, 2019). In this view, rural entrepreneurship creates value not just solely for the entrepreneur but also for the rural place (Korsgaard and Tanvig, 2015; Pato and Teixeira, 2018). Although focusing on value creation gives a better picture of rural entrepreneurship, there is still another problem. Based on this view, value for the rural place would be limited to the positive side effect of rural entrepreneurship. Value creation in this form is not a specific characteristic of rural entrepreneurship. In other words, it can be the effect of entrepreneurship in general. Also, there is no guarantee for the continuous value creation for the rural area. Therefore, the concept of value creation is not enough for describing a pure concept of rural entrepreneurship.

Table 1 shows a brief overview of the categories, concepts, critiques and some examples of studies related to the concepts that have been presented for defining rural entrepreneurship, so far.

In response to the critiques of the three categories, Masoomi and Rezaei-Moghaddam (2021) presented an opportunity-based concept of rural entrepreneurship. They defined rural entrepreneurial opportunity as a situation in which creation of a value for the rural setting through a new product or service, new market or marketing, new resource or exploitation of the resource, and new method or innovation would be profitable (Figure 1).

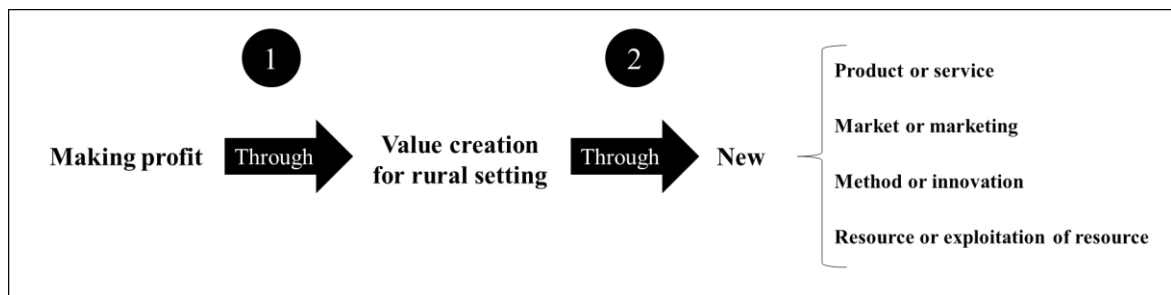
According to the opportunity-based

concept of rural entrepreneurship, value creation for the entrepreneur (profit) must be dependent on value creation for the rural setting. In this view, entrepreneur sees the “value creation for rural setting” as a situation for making a personal profit and this situation is a rural entrepreneurial opportunity.

Therefore, through an opportunity-based perspective, rural entrepreneurship can be defined as the pursuit of a rural entrepreneurial opportunity as a situation for making profit through the creation of value for a rural setting. This concept distinguishes rural entrepreneurship from other related concepts such as “entrepreneurship” (Eckhardt and Shane, 2003; Shane and Venkataraman, 2000), “entrepreneurship in

**Table 1.** Categories, concepts, critiques and some examples of studies related to rural entrepreneurship.

Categories	Concepts	Critiques	Examples of studies
1	The creation of a new organization that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment	Value creation is ignored in this definition.	Wortman (1990)
2	A venture that is located in a rural space and employs local people, uses and provides local services and generates income flow to the rural environment	Rural entrepreneurship is just limited to the rural boundaries in this definition.	McElwee and Smith (2014); Henry and McElwee (2014)
3	Rural entrepreneurship creates value not just solely for the entrepreneur but also for the rural place	The continuation of the value creation for the rural area is not guaranteed in this definition.	Korsgaard <i>et al.</i> (2015); Pato and Teixeira, (2018); Sá <i>et al.</i> (2019)



**Figure 1.** Rural entrepreneurial opportunity as a profitable situation.



rural areas” (Pato and Teixeira, 2018) and “rural business” (Bosworth, 2012).

According to the opportunity-based perspective, it can be said that there are three concepts related to rural businesses including “rural business”, “entrepreneurship in rural areas” and “rural entrepreneurship”, which are completely different in terms of some distinguishing characteristics.

The basic difference between these three groups is related to “value creation”. The concept of rural business is not value-based and it is only limited to the rural area in aspect of location. Although the last two concepts related to businesses in rural areas are dependent on value creation, there is a very important difference between them. Economic profit must be made through value creation for rural setting in “rural entrepreneurship”, while in the concept of “entrepreneurship in rural areas”, value would be created for a non-rural setting. Value may be created for rural setting in the concept of “entrepreneurship in rural areas” just as a positive side effect. In other words, making profit is not dependent on value creation for rural setting in this concept. It is important to note that, although profit making is an essential element of every economic activity (Knudsen and Swedberg, 2009), the main issue here is that the profit making of a rural business is not value-based. The socio-spatial context of the rural area is important for identifying “rural business” and “entrepreneurship in rural areas”, while there is no such limitation in

the concept of “rural entrepreneurship”. Both concept of “entrepreneurship in rural areas” and “rural entrepreneurship” are dependent on the word “new”, while “rural business” is not limited to this concept. Figure 2 shows the concepts of businesses related to rural areas and their distinguishing characteristics (Masoomi and Rezaei-Moghaddam, 2021).

It is important to examine to what extent businesses related to rural areas are being represented as rural entrepreneurship in practice. The three groups of businesses related to rural areas have reliable criteria for empirical investigation of the concept of rural entrepreneurship. Moreover, comparison of some concepts related to “entrepreneur” can also be a proof of this categorization. Such concepts can be related to the person who has run the business (entrepreneur) including entrepreneurial personality (Al-Hammadi and Al-Shami, 2020) and entrepreneurial skills (Liñán, 2008). As the value creation is the most distinctive factor between these three groups, investigation of the values created by each groups of businesses would be helpful for comparing them.

### MATERIALS AND METHODS

This survey study was accomplished with a preliminary and exploratory analysis. Omid Entrepreneurship Fund as a governmental organization for supporting entrepreneurship (Hajilo *et al.*, 2017) was selected for gathering

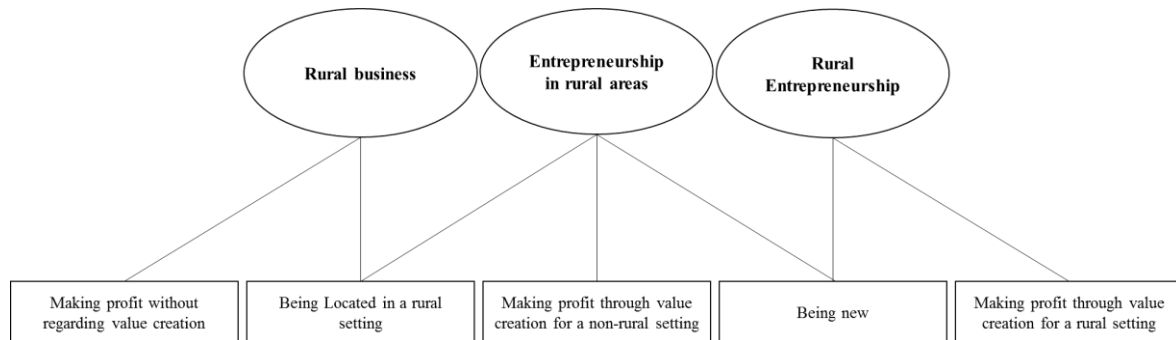


Figure 2. Businesses related to rural areas and their distinguishing characteristics.

data. All rural businesses supported by Omid Entrepreneurship Fund during 2019 were selected at the first step, considering some criteria such as being active, being profitable, being related to rural areas, being run by its current owner, and availability of contact information. After gathering the contact information of the owners of businesses (such as address, email and telephone number), a database of 1,413 businesses related to rural areas was established at the end of this step.

At the second step, two questionnaires were designed. One questionnaire [(including open-and closed-ended questions)(The questionnaire items are available in appendix)] was developed based on the study of Pato and Teixeira (2018), which included questions intended to separate those businesses that represent “rural entrepreneurship” from others representing “entrepreneurship in rural areas” or just “rural business” (regarding the first specific goal of this study).

This questionnaire also measured “entrepreneurial skills” and “entrepreneurial personality” (regarding the second goal of this study). Entrepreneurial skills were measured through a six-item scale based on Liñán (2008) including recognition of rural entrepreneurial opportunity, creativity,

problem solving skills, leadership, communication skills, and making professional contacts. Entrepreneurial personality consisted of 5 variables including need for achievement, locus of control, self-efficacy, risk propensity, and innovativeness (Al-Hammadi and Al-shami, 2020; Lee and Tsang, 2001; Staniewski *et al.*, 2016). Each variable consisted of some items measured on five-point Likert scales (1 strongly disagree to 5 strongly agree). Table 2 shows the details of the measurement of entrepreneurial personality and entrepreneurial skills.

A direct question (“Has your business created any value for the rural place?”) was asked to determine the values created for rural places by different groups of businesses (regarding the third specific goal of this study). The face validity of the questionnaire was approved by a panel of experts. The field-test of the questionnaire was conducted through a pilot study on rural businesses in database of “Barekat Foundation” (as another governmental organization supporting rural entrepreneurship).

At the final step, data were gathered through the questionnaires (from April to June 2020). First, a total of 496 questionnaires were filled

**Table 2.** Details of the measurements of entrepreneurial personality and entrepreneurial skills.

Variables	Definitions	Items adapted from	Number of items	Cronbach's Alpha
Need for achievement	An individual's interest in attempting to accomplish the goals	Zeffane (2013)	4	0.69
Locus of control	The degree to which a person believes that personal action can influence outcomes of life	Mueller and Thomas (2001)	5	0.86
Self-efficacy	Being confident that one can perform specific tasks	Urban (2006)	5	0.78
Risk propensity	Individuals' current tendency toward risk-taking	Zhang <i>et al.</i> (2019)	5	0.91
Innovativeness	An individual's tendency to adopt and apply new and innovative ideas and approaches, and solve problems in an innovative manner	Bolton and Lane (2012); Schreier <i>et al.</i> (2007)	4	0.88
Entrepreneurial skills	High-enough level of certain skills related to entrepreneurship	Linan (2008)	6	0.89



by the owners of businesses representing a response rate of 35%, an acceptable rate for a non-mandatory questionnaire (Pato and Teixeira, 2018). All received questionnaires were reviewed and responses were compared to the information obtained from the database of Omid Entrepreneurship Fund. Then, the second questionnaire was filled by research team based on the database of Omid Entrepreneurship Fund in order to gather the complementary information of all 496 cases.

Based on Figure 3, three criteria including “value creation”, “being new”, and “location” were required to be measured for distinguishing the three concepts related to business in the rural area. “Value creation” was investigated by research team through the document analysis. This variable was measured in the second questionnaire with a three-point nominal scale (1= Making profit through value creation for a rural setting, 2= Making profit through value creation for a non-rural setting, and 3= Making profit without regarding value creation). Another question was designed to confirm the values created for rural places by different groups of businesses (“What is the main value created for the rural place by this business?”). New product or service, new market or marketing, new resource or exploitation of the resource, and new method or innovation were the criteria of “being new” and were measured with direct questions using dichotomous nominal scales (1= Yes, 2= No). “Location” was assessed with a direct question using a dichotomous nominal scale (1= Rural and 2= Non-rural).

## RESULTS AND DISCUSSION

The findings were analyzed based on the specific goals of the study as follows:

First: “Rural Entrepreneurship”, “Entrepreneurship in Rural Areas”, or just “Rural Business”

There are some characteristics distinguishing the three concepts of businesses related to rural areas. Therefore,

it is possible to consider some criteria for each concept as follows:

- Rural business: (1) Making profit without regarding value creation, and (2) Being located in a rural setting. Based on the results, 102 businesses were rural business.
- Entrepreneurship in rural areas: (1) Being new; (2) Making profit through value creation for a non-rural setting, and (3) Being located in a rural setting. These were the criteria of 201 businesses which are known as entrepreneurship in rural areas.
- Rural entrepreneurship: (1) Being new, and (2) Making profit through value creation for rural setting.

Based on the findings, 193 businesses had these three criteria and were categorized as rural entrepreneurship (Table 3).

According to the findings, most of the businesses (40%) were known as entrepreneurship in rural areas and the lowest percentage of them (21%) belonged to rural business. Therefore, rural entrepreneurship (39% of all businesses) was not a rare event, in contradiction to the results of Pato and Teixeira (2018). In other words, rural entrepreneurship would be a more common phenomenon, if more-accurate criteria are considered.

Second: “Entrepreneurial Personality” and “Entrepreneurial Skills”

To provide information on entrepreneurial personality and entrepreneurial skills among the owners of different groups of businesses, an Analysis Of Variance (ANOVA) was carried out on data. Table 4 shows that the one-way ANOVA confirms that entrepreneurial personality ( $P < 0.01$ ) and entrepreneurial skills ( $P < 0.01$ ) were statistically different among the three groups of business including rural business, entrepreneurship in rural areas, and rural entrepreneurship.

Based on the LSD results (Table 5), there was a significant difference between “rural business” and “entrepreneurship in rural areas” in terms of entrepreneurial personality and entrepreneurial skills. The

**Table 3.** Details of the frequency of “rural entrepreneurship”, “entrepreneurship in rural areas”, and “rural business”.

Types of business	Being new	Being located in a rural setting	Making profit without regarding value creation	Making profit through value creation for a non-rural setting	Making profit through value creation for a rural setting	Frequency of businesses
Rural business						102
Entrepreneurship in rural areas						201
Rural entrepreneurship						193
Total						496

**Table 4.** Comparing “entrepreneurial personality” and “entrepreneurial skills” by rural business, entrepreneurship in rural areas, and rural entrepreneurship (ANOVA results).

Source of variance	Sum of squares	df	Mean square	F
<b>Entrepreneurial personality</b>				
Between groups	114.481	2	57.240	46.405*
Within groups	608.111	493	1.23	
Total	722.592	495		
<b>Entrepreneurial skills</b>				
Between groups	267.780	2	133.890	129.846*
Within groups	508.356	493	1.031	
Total	776.136	495		

\*  $P < 0.01$ .

mean of these variables among the owners of businesses categorized in “entrepreneurship in rural areas” (Mean of entrepreneurial personality= 3.48; Mean of entrepreneurial skills= 3.84) were significantly higher than those categorized in “rural business” (Mean of entrepreneurial personality= 2.40; Mean of entrepreneurial skills = 1.95). The LSD results also indicated a similar difference between “rural business” and “rural entrepreneurship”. The mean of entrepreneurial personality and entrepreneurial skills of the owners of businesses in “rural entrepreneurship” (Mean of entrepreneurial personality= 3.67; Mean of entrepreneurial skills= 3.69) were significantly higher than the mean of these variables among the owners of businesses categorized in “rural business”. However,

there was no statistically significant difference between “entrepreneurship in rural areas” and “rural entrepreneurship” in terms of entrepreneurial personality and entrepreneurial skills.

As mentioned before, while those businesses categorized in “rural business” are not related to the concept of entrepreneurship, the other two categories, i.e. “entrepreneurship in rural areas” and “rural entrepreneurship”, are tightly related to this concept. The descriptive results of entrepreneurial personality and entrepreneurial skills of the owners of businesses and the results of ANOVA confirm the validation of this categorization. On one hand, the least means of entrepreneurial personality (2.40) and entrepreneurial skills (1.95) are related to the

**Table 5.** Comparing entrepreneurial personality and entrepreneurial skills by rural business, entrepreneurship in rural areas, and rural entrepreneurship (LSD results).

Dependent variable	(I) group	(J) group	Mean difference (I-J)	Standard errors	Significance	95% Confidence interval	
						Lower level	Upper level
Entrepreneurial personality	Rural business	Entrepreneurship in rural areas	-1.07924	.13502	.000	-1.3445	-.8140
	Entrepreneurship in rural areas	Rural entrepreneurship	-1.26597	.13596	.000	-1.5331	-.9988
		Rural business	1.07924	.13502	.000	.8140	1.3445
		Rural entrepreneurship	-1.18673	.11193	.096	-.4066	.0332
Entrepreneurial skills	Rural entrepreneurship	Rural business	1.26597	.13596	.000	.9988	1.5331
	Rural business	Entrepreneurship in rural areas	.18673	.11193	.096	-.0332	.4066
		Entrepreneurship in rural areas	-1.88409	.12345	.000	-2.1266	-1.6415
	Entrepreneurship in rural areas	Rural entrepreneurship	-1.73358	.12431	.000	-1.9778	-1.4893
		Rural business	1.88409	.12345	.000	1.6415	2.1266
	Rural entrepreneurship	Rural entrepreneurship	.15051	.10234	.142	-.0506	.3516
	Rural business	Rural business	1.73358	.12431	.000	1.4893	1.9778
		Entrepreneurship in rural areas	-.15051	.10234	.142	-.3516	.0506

owners of rural businesses. On the other hand, the results of ANOVA showed a significant difference of these two variables between “rural entrepreneurship” and “rural business” and between “entrepreneurship in rural areas” and “rural business”, but not between “rural entrepreneurship” and “entrepreneurship in rural areas”. These findings revealed that the two groups of businesses including rural entrepreneurship and entrepreneurship in rural areas are created and managed by the entrepreneurs. Thus, it is not surprising that there is no difference between these two groups in terms of entrepreneurial personality and entrepreneurial skills.

**The findings confirmed that**

**Third: Values Created for Rural Areas**

For those businesses categorized in “rural entrepreneurship”, making personal profit is dependent on creating value for a rural setting. In other words, businesses make profit through value creation for rural settings in rural entrepreneurship. Therefore, it is not surprising that all of the businesses categorized in “rural entrepreneurship” have been creating value for rural settings. This means that, if these businesses stop creating value for rural settings, they will not be able to continue making profit. For example, establishment of an Automatic Teller Machine (ATM) in a rural area has enabled rural people to perform their financial transactions, addressing the rural population’s financial needs.

Table 10 shows the main values created for rural areas by rural entrepreneurial opportunities in detail. Those businesses, categorized in “rural entrepreneurship”, make profit through creating values such as addressing the rural population’s needs, employing rural people, increasing the rural people’s income, decreasing the price of a product or service, improving the quality of life of rural people, and discovering new rural resources. Addressing the rural population’s needs is the most frequent



value (53) created by rural entrepreneurial opportunities.

Although the share of rural areas in Iran's economic production is more than 27%, unemployment is a general problem in these areas and its rate has reached 25.4% in young age groups (Statistical Center of Iran, 2019). On the other hand, the main job of rural people in Iran is farming (Nematpour and Khodadadi, 2020). Agriculture as the prominent consumer of water is highly affected by drought (Ravar *et al.*, 2020). Therefore, the livelihood of rural population is seriously at risk of water scarcity. The increasing rate of unemployment in rural areas of Iran (Statistical Center of Iran, 2020) on one hand, and the negative impact of drought and water scarcity on the rural livelihood in this country (especially in Fars Province) on the other hand, have made different types of rural entrepreneurial opportunities in which profit will be made through employing rural people, a value for the rural setting.

Poverty in Iran's rural areas is a growing concern as the consequence of such problems. Research Center of the Iranian Parliament (2018) reported that 11.6% of the rural population live below the absolute poverty line. Therefore, it is not surprising that increasing the rural people's income is among the top values created by rural entrepreneurial opportunities.

Profit making in rural entrepreneurship is dependent on value creation for rural settings. This issue can be investigated in Table 10. An ATM would not be profitable without addressing the rural population's financial needs. A tailoring workshop cannot survive or

even be established without employing rural people. This issue is true about other cases in Table 6.

Based on the results, 63.18% (127 businesses out of 201) of the businesses categorized in "entrepreneurship in rural areas" and 57.84% (59 businesses out of 102) of the businesses categorized in "rural business" have not created any specific value for the rural settings. The rest of these businesses (36.82% of the category of entrepreneurship in rural areas and 42.16% of rural businesses) have created value for rural settings as their positive side effects.

Unlike rural entrepreneurship, creation of value for rural settings is not an essential part of the businesses categorized as "entrepreneurship in rural areas" and "rural business". This will be obvious through the investigation of values created by these three groups. Figure 3 allows comparison of the values created by different groups of businesses. Most of the values created by "entrepreneurship in rural areas" and "rural business" are temporal values such as creating temporary jobs (47.30% for entrepreneurship in rural areas and 4.86% for rural business) or temporary incomes (25.68% for entrepreneurship in rural areas and 30.23% for rural business) for rural people. Values created by these two groups are not sustainable and businesses are able to stop them. For example, wastes provided by businesses may be an appropriate source for rural people (they can use them as fuel). However, these businesses are not responsible for providing the wastes and

**Table 6.** The main values created for rural areas by rural entrepreneurial opportunities.

Rank	Value	Frequency	Example of opportunity
1	Addressing the rural population's needs	53	Establishment of an ATM
2	Employing rural people	37	Establishment of tailoring workshop
3	Increasing the rural people's income	31	Establishment of agricultural product warehouse
4	Decreasing price of a product or service	25	Using a new technology for producing fertilizer with lower price
5	Improving the quality of life of rural people	23	Establishment of a sport club
6	Discovering new rural resources	13	Composting rural household waste
7	Others	11	-

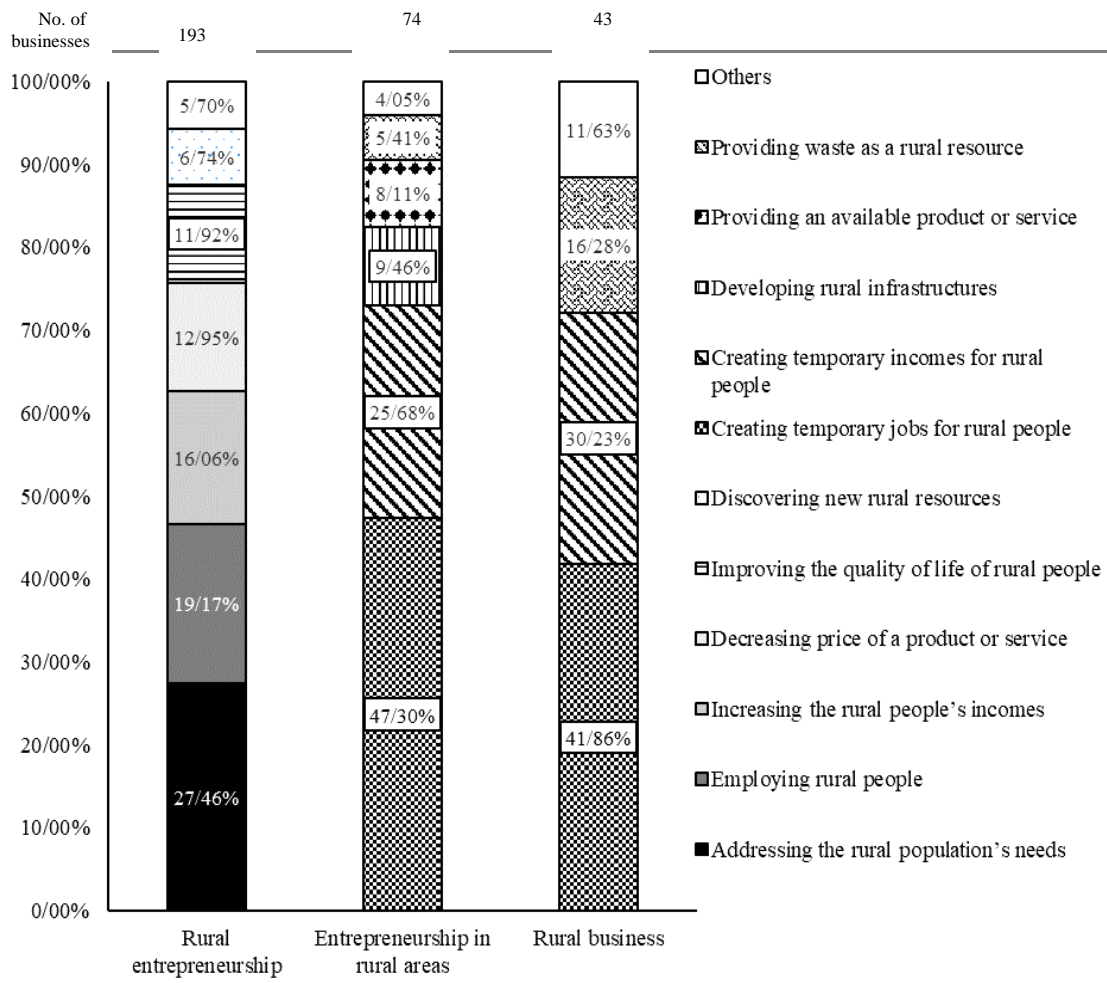


Figure 3. The main values created for rural areas by different group of businesses.

giving them to rural people. Therefore, they can stop providing wastes and continue their work without creating this value. Some other businesses produce a product or provide a service for non-rural consumptions that can be used by rural people too; however, this is not the main and direct value for rural people. Therefore, that business will not be stopped without creating this value for rural settings.

The only direct value for rural people, created by entrepreneurship in rural areas, is

developing rural infrastructures. On one hand, this value has a low share of values (9.46%) created by entrepreneurship in rural areas. On the other hand, the businesses have not created this value for rural people, but they also have developed the infrastructures for facilitating their own businesses. Thus, these kinds of values are just a positive side effect for rural people and profitability of such businesses is not directly dependent on such values.

**Appendix:** Questionnaire items

A. Does your business introduce a:

	Yes	No	Explanations
New rural product or service for rural consumption?	<input type="checkbox"/>	<input type="checkbox"/>	
New rural product or service for non-rural consumption?	<input type="checkbox"/>	<input type="checkbox"/>	
New non-rural product or service for rural consumption?			
New market or marketing method for rural products or services in a rural area?			
New market or marketing method for rural products or services in a non-rural area?	<input type="checkbox"/>	<input type="checkbox"/>	
New market or marketing method for non-rural products or services in rural area?	<input type="checkbox"/>	<input type="checkbox"/>	
New rural resource?	<input type="checkbox"/>	<input type="checkbox"/>	
New exploitation of an existing rural resource?			
New exploitation of non-rural resource?	<input type="checkbox"/>	<input type="checkbox"/>	
New local method or innovation?	<input type="checkbox"/>	<input type="checkbox"/>	
New adopted method or innovation?	<input type="checkbox"/>	<input type="checkbox"/>	
New organizing method?	<input type="checkbox"/>	<input type="checkbox"/>	

B. Please determine the location of your business.

Rural area	Urban area
<input type="checkbox"/>	<input type="checkbox"/>

C. Has your business created any value for the rural place?

Yes	No	Explanations
<input type="checkbox"/>	<input type="checkbox"/>	

D. How do you rate yourself in the following entrepreneurial skill sets?

Indicate from 1 (no aptitude at all) to 5 (very high aptitude).

	1	2	3	4	5
Recognition of rural entrepreneurial opportunity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Problem solving skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leadership and communication skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development of new products and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Networking skills, and making professional contacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. Indicate your level of agreement with the following sentences from 1 (total disagreement) to 5 (total agreement).

Items A<sub>1</sub> to A<sub>4</sub> comprise the need for achievement scale.

Items B<sub>1</sub> to B<sub>5</sub> comprise the locus of control scale.

Items C<sub>1</sub> to C<sub>5</sub> comprise the self-efficacy scale.

Items D<sub>1</sub> to D<sub>5</sub> comprise the risk propensity scale.

Items E<sub>1</sub> to E<sub>4</sub> comprise the innovativeness scale.



	1	2	3	4	5
A1. I always do my best whether I am alone or with someone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A2. I always try hard to improve on my past performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A3. I don't enjoy working towards challenging goals <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A4. I often put pressure on myself to achieve as much as I can	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B1. My life is determined by my own actions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B2. To a great extent my life is controlled by accidental happenings <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B3. When I get what I want, it is usually because I am lucky <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B4. Whether or not I am successful in life depends mostly on my ability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B5. I feel that what happens in my life is mostly determined by people in powerful positions <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C1. I will be able to achieve most of the goals I have set for myself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C2. When facing difficult tasks, I am not certain I will accomplish them <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C3. Even when things are tough, I can perform quite well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C4. Compared to other people, I cannot do most tasks very well <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C5. I will be able to successfully overcome many challenges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D1. Taking risks is an important part of my life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D2. I generally like to "play it safe" <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D3. I enjoy taking risks in most aspects of my life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D4. When taking a chance, I focus more on winning than on possibly losing <sup>*</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D5. My friends would say that I'm a risk taker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E1. I prefer to try my own unique way when learning new things rather than doing it like everyone else does	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E2. In general, I prefer a strong emphasis in projects on unique, one-of-a-kind approaches rather than revisiting tried and true approaches used before	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E3. I don't like to try new and unusual activities that are not typical <sup>a</sup>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E4. I favor experimentation and original approaches to problem solving rather than using methods others generally use for solving their problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>a</sup> denotes negatively worded items.

### CONCLUSIONS

This study investigated different aspects of the opportunity-based concept of rural entrepreneurship empirically. Based on the results of this study, the following issues can be taken into account in theoretical and empirical studies and policies on rural entrepreneurship:

The concept of pure rural entrepreneurship must be considered. On one hand, this definition must be distinguished from the other forms of related concepts such as "entrepreneurship in rural areas" and "rural business" and, on the other hand, the exact value created through the business in rural entrepreneurship is required to be determined clearly. The opportunity-based concept of rural entrepreneurship will be

helpful in terms of distinction, clearness, and transparent values. The categorization and its criteria introduced in this study can be used in designing plans for supporting rural entrepreneurship in practice.

Value creation is not enough criterion to describe the concept of "rural entrepreneurship". As the results of this study indicated, many businesses are creating value for rural settings that are not rural entrepreneurship. The profitability of businesses related to rural areas must be dependent on value creation. In other words, the business must make profit through value creation for rural settings to be categorized as rural entrepreneurship. Consideration of this concept of value in the meaning of rural entrepreneurship will contribute to the literature for describing the importance of rural entrepreneurship in rural development.

This view will also help policy makers to perceive how to use rural entrepreneurship as a tool for rural development.

The results of this study showed that rural entrepreneurship is not a rare event. However, it is important to note that this study has been focused on Omid Entrepreneurship Fund as an organization in which entrepreneurial businesses are supported. Thus, it is not surprising that the number of businesses categorized as entrepreneurship in rural areas and rural entrepreneurship are more than those categorized as rural business. Therefore, more studies should be conducted on more comprehensive samples.

This study was a survey using explanatory analysis and there is no way for comparing the results of that with other similar studies. Therefore, more studies are required to be conducted on the concept of rural entrepreneurship, especially empirical studies using different quantitative and qualitative methods.

This study was conducted according to the opportunity-based perspective. Conducting new studies according to other perspectives on entrepreneurship may present different findings and comparable results.

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## تحلیلی تجربی از مفهوم فرصت-محور کارآفرینی روستایی

۱. معصومی، و ک. رضایی مقدم

### چکیده

پژوهش‌های تجربی روی مفهوم کارآفرینی روستایی در مطالعات نادیده گرفته شده‌اند. این مطالعه به دنبال آن بود تا این مفهوم را از طریق بررسی کسب و کارهای مربوط به نواحی روستایی و تفکیک آنها در سه گروه "کارآفرینی روستایی"، "کارآفرینی در نواحی روستایی" و "کسب و کار روستایی" تحلیل کند. دو پرسشنامه برای این پژوهش پیمایشی طراحی شدند: یک پرسشنامه کلی، که به وسیله صاحبان کسب و کارها تکمیل شد و یک پرسشنامه اختصاصی، که تکمیل آن به عهده گروه پژوهش بود. 496 کسب و کار مربوط به نواحی روستایی تحت حمایت صندوق کارآفرینی امید در استان فارس در سه گروه تقسیم‌بندی شدند. نتایج تحلیل واریانس یک‌راهه نشان داد که گروه‌های "کارآفرینی روستایی" و "کارآفرینی در نواحی روستایی" به لحاظ آماری، کارآفرینانه‌تر از گروه "کسب و کار" هستند. ارزش‌های خلق‌شده به وسیله گروه‌های مختلف کسب و کارها مورد تحلیل قرار گرفت و نتایج بیانگر آن بود که "کارآفرینی روستایی" تنها گروهی است که سودآوری آن در گرو خلق ارزش برای نواحی روستایی می‌باشد.