

# The Role of Entrepreneurship and Business in Creating the Stability and Development of New Towns (Case Study: Prand New Town)

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## Abstract

New town Pranad for reducing the problems of demographic, economic and physical metropolitan Tehran and Karaj in the hinterland of the city was built in practice, however, the city is able to reduce the problems with regard to its objectives. Economic base of the city is based on industry and services employment (Imam Khomeini airport) based –tourism who have not yet had a positive impact on the city and the new city faces many challenges and difficulties jump. One of the jobs of their inhabitants and urban areas of the metropolis of Tehran, Karaj. Entrepreneurship is one of the most important factors is the stability and development of cities. The study aimed to evaluate the potential for development of entrepreneurship and creating Parand New Town business and sustainable development. This research goal, the application and the nature of the cross - sectional, and the method of data collection of library research and field survey of 370 residents of the new town is Parand. Index research were used by looking at the subjective dimension of economic development and job creation, sustainable (economic empowerment of citizens, measures of population and employment rate) and quality of life (quality of housing, provision of municipal services and quality of access to classified using T-test analysis of single sample, descriptive statistics (mean, standard deviation) and inferential statistics (Spearman- fi - Kramer and multivariate). The findings indicate that the development of entrepreneurship and business creation and economic development, sustainable jobs in New Town has made a significant jump and sustainable economic development and job creation, the quality of life in modern cities there is a direct relationship. In this regard, the proposals is presented in the areas of entrepreneurship development, investment in small and medium enterprises and industrial zones and areas of stability in the new towns.

**Keywords:** entrepreneurship, economic development, job creation, sustainable city, Parand new city

## Introduction

Onset of the industrial revolution and the concentration of population and industries in cities leads to housing shortages and the need for population movement from big cities to small towns and industries, new urban settlements (Shokuhi, 96: 2002). Major cities in Iran now the accumulation of excessive population and economic complex, Social and political problems (Zebardast and Jhanshahloo, 5: 2007). Economic point of view as a market town, the center of trade routes will encounter. Employment and create appeal for acceptance of new settlements and cities can contribute to the formation of new markets, not only the new towns reduce to a particular sector, such as industry, but also by creating new economic relations in the cities and the formation of new business opportunities in the booming cities and trade, they add gravity (Johari, 73:2011). If they select an appropriate model framework for sustainable economic development can provided in the country. Entrepreneurship and the creation of new businesses should not be focused solely on the industry, but also in areas such as trade and services can also be considered.

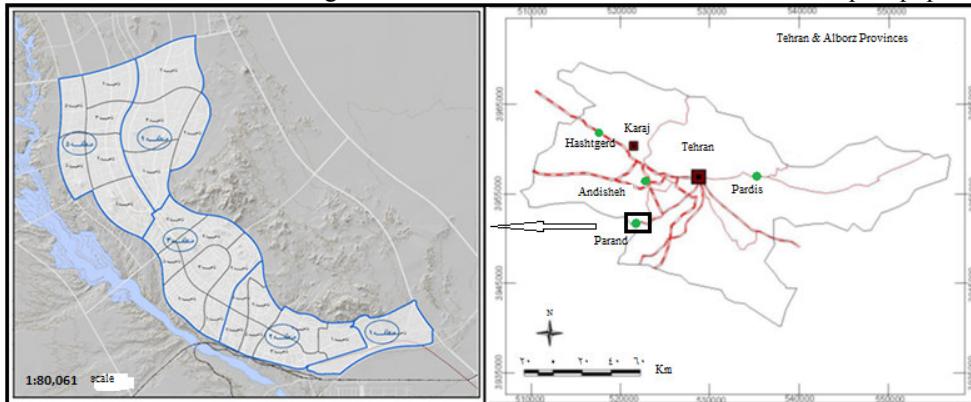
**Table 1.** History of research related topic

Research results	Research title	Researcher
Effects of environmental parameters on urban entrepreneurship	Providing incentives for entrepreneurship model of urban	Ebrahim (2010)
The impact on the balance of the settlement and occupation of the region	Effects of building new towns in the regional balance of the area of residence and employment; Case Study: City of New Thought	Jahangir and Moradi, (2011) Masihi
Residential and non-absorbed nature of economic opportunities and jobs	Sustainable development of new towns, with emphasis on the job and prosperity in the new town of Case	Leila Abdolalizadeh (2013)

## 1-5- Methods

New Town of Parand is one of the towns within the city of Robat Karim in Tehran Province, which is 40 kilometers southwest of Tehran and is located on track Tehran - Saveh. New city of Parand land parcel of 35 degrees, 23 minutes and 52 seconds at 35 degree, 25 minutes north latitude and 6 seconds and 50 degrees, 54 minutes and 40 seconds to 50 degrees, located 58 minutes 33 seconds east longitude. New City of Parand was set

on 23.12.1900 in order to design and Construction of the settlement and the surplus population of Tehran.



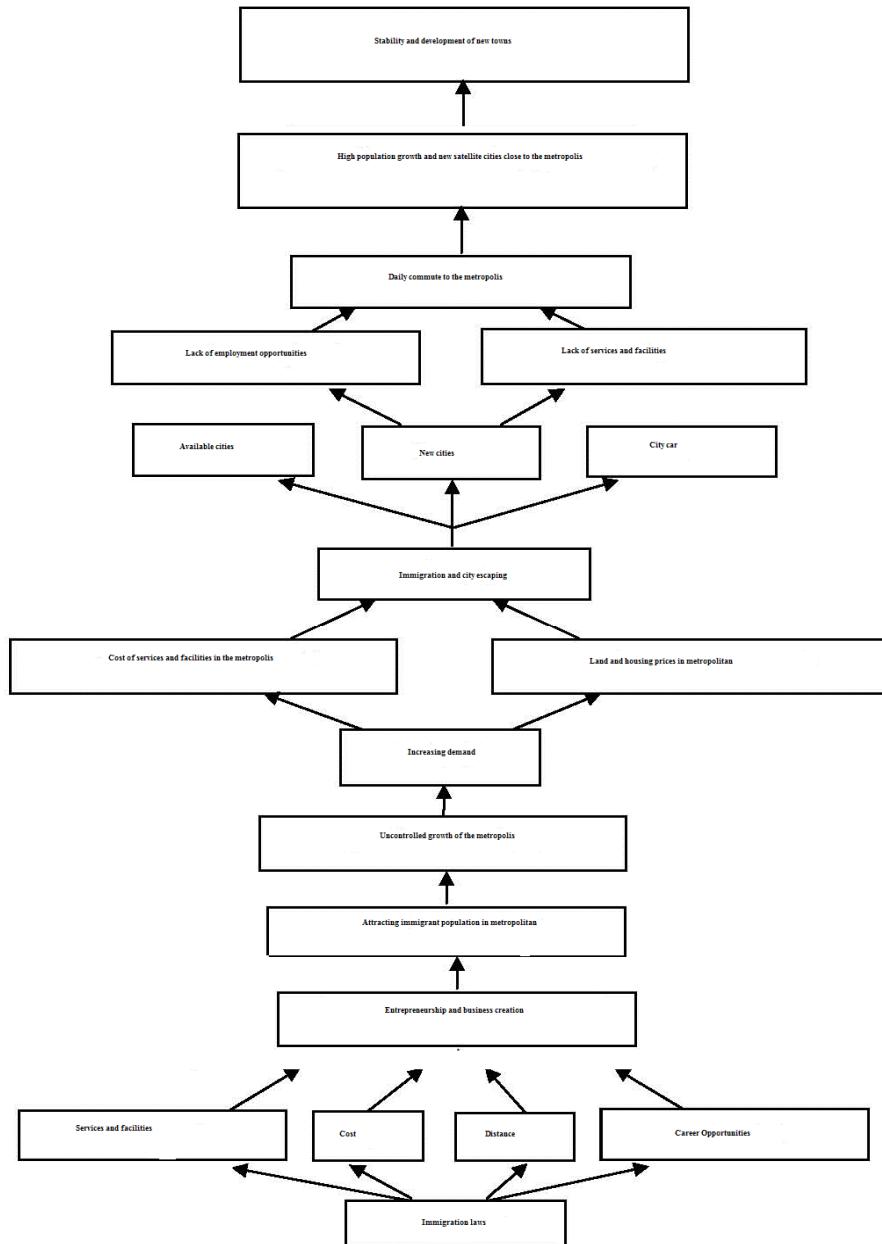
**Fig. 2.** The location of the city

The research method is analytical and field. Using techniques developed in the fashion field Questionnaires and interviews with officials and people data collection and analysis of data Spss, Excel and statistical techniques are used. Sample (new residents jumping) according to the 2006 census of 5791 persons, Cochran formula to determine the sample size is 380. The unit of analysis in the present study, mainly are family supervisors. In this study, a systematic sampling.

*Literature Entrepreneurship* word is of French origin ((*Entreprendre* means Undertake originated (12: Galantay,2011). Entrepreneurial process changes in the economic system through people innovation, economic opportunities and react, it occurs that causes personal and social values (32: Klapper & Love; 2011). A total of entrepreneurship is Individual entrepreneurs with new ideas and creative process and identify new opportunities and mobilize resources, attempts to create new businesses and established companies, new, innovative and growing organization that this combined with risk acceptance and risk, leading to the introduction of the product or a new service is comprehensive (Ahmadpoor Darayany, 26: 2006).

The interest increased in evaluating the sustainability of the late 1990s. The stability of a system can be widely used for urban development and urban the definition of the needs of current and future generations can meet without degradation (Hall, 1993). Topics related to economic growth and development and their relationship to the environment and human societies, was a prelude to the creation of new paradigm of development (Saberi oven, 109: 2007).

Garden city idea emerged in the nineteenth century due to the damaging effects of the Industrial Revolution In large cities such as London and the need to eliminate slums and crowded in the cities, Providing a template, or a new option in the growth, density, and high density Expand the existing city outskirts (Jamshidzadeh, 2005: 5). In fact, Howard believed in self-assembly based on the proximity between place of residence and place of employment. He believes that self-reliance is referring to the people in a society live work, shopping and spend their leisure time (Khakpur Amiri, 217: 2010). According to the theory, the research model can be depicted as follows:



**Fig. 2.** Conceptual model for the development of new satellite cities

### 3. Discussion and Findings

The study was descriptive statistics. In terms of age distribution, most respondents are located in the age group 20 to 40 years with a frequency 190 (4/51%). In terms of education, Secondary level has the highest number of frequencies 159 (4/41%), respectively. Most of the respondents with a 3/34 share of (127)

Jobs workers. In terms of income, respondents are at a relatively low level. Those with incomes between 600 thousand to 1 million USD are the most frequent. 4/88 of the sample size, Owner and 11.6 percent. In connection with the birth of residents, Birthplace 1/55 percent of respondents from and 26.5 percent were born in Tehran Province. Also born 11.1% and other cities 3.7 percent were born in villages.

30% of them considered the main reason for the Araz of land and housing to Tehran, the second factor in 26 percent of the inability to live in Tehran, birds were selected. Enjoy the good weather and calm in the city is the third in terms of frequency. Work in 6 groups, Tehran, New Town of Parand, Tehran and Suburbs Holy ligament and the rest was divided.

48% of respondents have said in their work, and 28 percent jump in Tehran.

Statistics show that 65 percent of residents have come straight from the metropolis of Tehran to Parand. 26% of cities in other provinces have migrated mainly to West and East Azarbaijan, Kermanshah and Hamadan

are. 4% of the samples have come from Parand, while the figure in the city of Robat Karim was about 5 percent. It seems that this is only a slight difference from the distance. To study the duration of residence, 4 period considered: less than 2 years (newcomers) 3 to 5 years 6 to 10 years and 11 years or more. Statistics show that the most frequent (34%) of the households that 6 to 10 years and have lived in this city. After this class households 3 to 5 years 30% of the samples into account. 21% less than 2 years of their residence in the town and only 14% have more than 11 years in the city.

First hypothesis: It looks that Parand regarding the development of entrepreneurship and creation of business has favorable conditions.

Based on one sample t test, taking into account the spectral range between 1 to 5 on the Likert scale ranges, the average for all indices less than the average of (3) is evaluated. The mean numerical analysis showed low levels of entrepreneurship development is desirable. This difference is statistically significant at the alpha level 0/01 in all the numerical difference between the utility index is negative. On the table between level of education and income citizens with entrepreneurial dimension, there is a direct relationship, the higher the educational level and income, dimensions and entrepreneurial capacity increases with increasing age, size and entrepreneurial capacity decreases.

**Table 2:** shows the correlation between the demographic characteristics of citizens with entrepreneurship and business creation

Dependent variables (individual characteristics)			Type of test		Description Of independent variable
Earnings	Level of Education	Age	Pearson coefficient	Significance level	
469/0	679/0	382/0			(Indicators of entrepreneurship and business creation)
000/0**	000/0**	000/0**			
380	380	380	Number		

The second hypothesis: it seems the development of entrepreneurship and business creation and economic empowerment of citizens of Parand is increasing.

As can be seen in the table, with the increase of the existing capacities in the field of entrepreneurship and business creation, other capacities as well as a significant increase in the level of alpha 0/01 percent find a way to increase revenue, diversify sources of income, increase citizens' assets, increasing the possibility of savings will create change. Therefore, this hypothesis is confirmed.

**Table 3.** Spearman correlation between entrepreneurship and economic empowerment of citizens and business

Dependent variables (economic empowerment of citizens)				Type of test		Independent variable
Possible savings	Increase in assets	Diversification of income sources	Income increase	Spearman coefficient	Significance level	Level of entrepreneurship and business creation
937/0	802/0	831/0	882/0			
000/0**	000/0**	000/0**	000/0**			
380	380	380	380	Number of samples		

\*\*: Significant at the 1.0 level Source: Results The third hypothesis: new city of Parand seems to attract in the overflow population of the metropolitan area of Rabat, the Holy Mother of Tehran and Karaj was successful.

The new city is not Parand around from time metropolises population down. This figure is much lower than the projected population in 2006 is 35,000 thousand.

**Table 4.** Trend of population

Final projected population	Realized population (people) to 1358	Projected population (people) to 1358	Since the beginning	Distance from the metropolis (km)	New city name
150000	5900	35000	1369	40	Parand

Source: New Towns Development Corporation, Office of Planning and Project Control, 2006

The fourth hypothesis: new city of Parand seems to be able to provide employment for residents. Comparing the national high unemployment rate and low employment rate with Parand, it was shown that the new city of Parand in providing employment for residents and equilibration Tehran metropolitan area employment, branch and urban areas Robat Karim - Shahryar could be a good role.



**Fig. 2.** Comparative analysis of employment and unemployment rate of Parand to a new city in the country - 2006

The fifth hypothesis: economic development and job creation appears is stable, the stability and development of new of Parand is helpful.

Looking mental stability and development of the city in 2 dimensions (satisfaction of the social environment, housing quality, service quality and availability of transportation) were investigated.

55% of residents and 45 percent more likely to migrate tend to persist. The majority of people tend to stay because of their tendency to migrate to financial difficulties and Inability to afford housing in Tehran expressed. Of the 380 patients, 55% (199 people) tend to have a migration of Parand to achieve a better job than this amount, 144 households (approximately 82%) To migrate to Tehran, Karaj, 6% and 11% in urban areas around (Rabat Karim, Branch, Saveh) and 1% as have other cities. The level of access to better housing, 9% to migrate to Tehran, 27% and 53% field of Karaj (Rabat Karim, Branch, Saveh and 10% as they have in other cities.

**Table 5.** Satisfaction Survey indicators of environmental quality

Mean	Very high	High	Mean	Low	Very low	Component	Dimensions
56/2	4/6	17	1/21	3/30	2/25	Quality indoor facilities	
90/1	3/7	2/14	5/22	9/28	1/27	Strength of residence	
05/2	8/6	2/13	7/24	6/30	7/24	Area of residence	
42/1	3/7	2/13	26	4/27	26	Current expenditure Location	
28/2	8/6	2/13	9/21	2/29	8/28	The cost of rent or acquisition	
75/1	3/7	6/13	8/21	24/31	9/25	View and perspective of residence	
09/2	8/6	4/16	3/17	5/33	9/25	Feeling of security	
25/2	9/10	1/14	9/20	5/24	5/29	Relations with neighbors	al
53/1	2/7	6/13	2/22	2/31	8/25	Social behavior in the town	tres
29/1	3/17	5/24	8/26	9/20	5/10	Sense of citizenship and culture	
39/2	9/10	14	9/19	3/35	9/19	Easy access to public transportation	
97/3	1/17	9/22	8/33	19	1/7	Enough parking spaces	ces
89/2	9	19	1/18	5/33	4/20	Satisfaction with quality of roads	lity
78/3	2/20	1/26	4/28	3/18	9/6	Satisfaction with access to service centers and offices	
24/3	6/19	9/21	1/31	5/20	8/6	Business services	
89/1	9/14	7/21	3/21	7/26	4/15	Administrative Services	
60/1	10	2/22	4/24	5/28	9/14	Health Services	
46/1	8/12	6/14	4/27	4/27	8/17	Leisure services	
32/1	9	19	1/18	5/33	4/20	Sports services	
73/2	10	8/20	7/21	8/34	7/12	Educational and cultural services	

Both groups between independent variables and the dependent variable is equal to 0/694. Since the degree of freedom is adjusted in terms of the coefficient of determination so it is not equal to 47 percent.

**Table 6.** Correlation between variables

SD error	Adjusted coefficient of determination	The coefficient of determination R	Correlation coefficient	Type of test
25242/0	479/0	482/0	694/0	Spearman

**Table 7.** Test F (ANOVA)

Model	The sum of squares	Degrees of freedom	The mean sum of squares	F statistic	Sig.
Regression	892/8	1	892/8	550/139	000/0
Remaining	558/9	150	064/0		
total	450/18	151			

According to the table above, the significance level of 0.000 was calculated for the test to show significant regression of 95 percent.

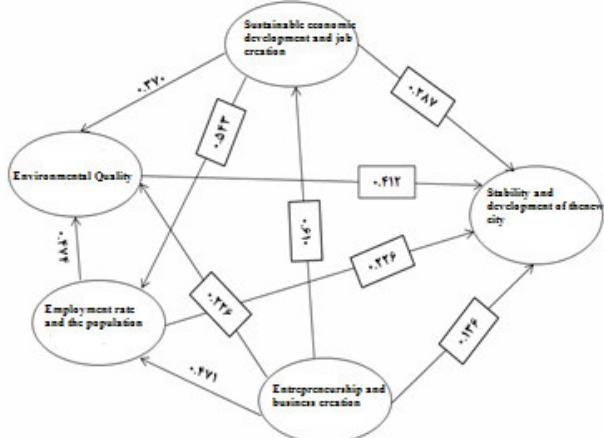
**Table 8.** operating a regression analysis

T significant level	t value	Standardized coefficients	Non-standardized coefficients		Variables
			Beta	SD	
0.049	2.2	361	387.5	859.8	Sustainable economic development and job creation
0.020	2.9	382	258.1	830.1	Entrepreneurship and Business
0 <sup>-■</sup>	2.65	361	5.15	13.6	Employment rate and the population of the city
0.057	2.2		656.8	1462.5	Constant

### Dependent variable stability and development of the city

The results show that the variables of economic development and sustainable job creation, the beta (0/36), Entrepreneurship and Business (0/38) and Employment rate and the population of the city (0/36) of the factors affecting the stability and Development of the city birds have been identified in the index can be calculated by regression Multivariate the stability and development of the city the entire equation is as follows:

+ (0/38) Entrepreneurship and Business + (0/36) = sustainable economic development and job creation and sustainable development (-0/36) the employment rate and the population



**Fig. 4.** An analysis of the factors affecting the stability and development of the new city

Path analysis indicated that sustainable economic development and job creation and development of new towns that have the greatest impact on sustainability. With the new of the city of Parand in all areas are desirable.

**Table 9.** variables affect

Overall impact	Indirect effects	Direct impact	Stability and development of the new city
668/0	381/0	287/0	Sustainable economic development and job creation
412/0	-	412/0	Quality of life
421/0	195/0	226/0	Employment rate and the population of the city
77/0	634/0	136/0	Entrepreneurship and business creation

Source: Results

### Conclusions and Recommendations

Economic, social and environmental problems that excessive concentration of population in metropolitan happened, today, sustainability and urban development compared to the past the concept of entrepreneurship and business creation bond is wider. New cities develop an integrated and balanced with its metropolis a healthy and

self-sufficient organism should be developed and its citizen's employment, housing, peace and ... And as a member of the set of his city, Understand the different needs and requirements at all stages of their development can be determined. Generally, in order to be successful, the new city is inevitably needed jobs for its residents provide, to eliminate their daily needs, provide recreational facilities for the people. To achieve the "new towns entrepreneur" strategies the following are mentioned:

- Entrepreneurial culture
- Teaching Entrepreneurship
- Small Business Development Centers
- Strengthening the legal entrepreneurial activity
- Financial support for entrepreneurs
- Support for entrepreneurs

A) Defining a long-term development prospects.

- The new city defined at national and regional levels;
  - The participation of all the interventionists in the construction and development of the city new prospects (policy makers, investors, businesses and citizens)
  - Provide strategic approach to urban development strategy documents
- B) Develop a sustainable economic framework in order to avoid the risk of brittle structures in the new economy
- Investing in small and medium enterprises with a sustainable development approach
  - Creating conditions for the recruitment of high skills of the city order to better cope with regional and national labor market needs
  - Development of the city new entrepreneurial fields such as industrial estates on the needs of regional and provincial competitive market

C) Develop a comprehensive plan to coordinate these services with the needs of local public services,

- Provision of better services and facilities
  - Maintenance services for current and future needs.
  - Providing a growth in infrastructure (recreational and cultural) to improve the image of the new city.
- D) Provide a fascinating picture of the new city
- Investment in cultural infrastructure at national level
  - There are universities and research clusters
  - Organizing large events, culture, sports, etc. in the national and global scale.
  - Paying particular attention to issues of urban space, location and components influencing their quality

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