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The Methodology of Formulating Iranian National Policy of Entrepreneurship: A Conceptual Framework

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1. Introduction

Theorists believed that the "entrepreneurship improvement" can be the intervention matter of governments on the basis of market failure. This intervention becomes practical in the form of a pack named "policy". The process of policy making includes problem identification, instruction compiling, formulation, performance, evaluation, changing and finishing policy, but policy formulation (i.e. counting alternatives related to solving a public problem) is of high significance because of its efficacy on other stages. The methodology of policies' formulation can be advantageous in compiling efficient and effective policies for country's policy makers. But there is no clear methodology over entrepreneurship policy making. Iran like other countries pays much more attention to the entrepreneurship and its related issues and tries to be developed in this era. The researchers of this study are going to represent a conceptual methodology for compiling national policy of entrepreneurship in Iran. This methodology is represented in an innovative-analysis way through reviewing the knowledge and participation of author in planning the process of forming policy alternatives. Therefore, the process of counting policy alternatives and the manner of compiling national policy of entrepreneurship as its performing practical content will be performed after representing conceptual framework.

2. Entrepreneurship, government and public policy

There was no clear entrepreneurship till 1990. There were some scattered scientific works all over the world until the 1st decade of that year but no especial focus can be observed among these works (Hart, 2003, p.3). Then, the governments started a kind of change in their policy course on the basis of public management in order to encourage and facilitate entrepreneurship. In fact, this course change can be supposed as a reaction to quick and developing economic and social environments of countries which are represented in increasing technology, improvement evolutions, global competition growth, appearance of knowledge-based economic, economic and industrial reformation, increase of democratic values acceptance (significance) and development of private sector. The governments have detected entrepreneurship as a managing solution to these quick changes. In other words,

the governments have entered the entrepreneurship into policy making system as a solution to a wide range of problems such as occupation necessity, integrating labor force, social integration, efficient and competition improvement, economical innovation and wealth production. Therefore, the government should be aware of accepting entrepreneurship policies according to economic, social, cultural and political circumstances and should emphasize various methods and measures of entrepreneurship policies. "Policy refers to a complex of government fixed and intended actions in order to solve a public problem (Alvani & Sharifzade, 2008)." There are not many studies on entrepreneurship policies because it entered into public systems just in the last few decades. So, there are some discussions over main material and elements of entrepreneurship policy, territory and attributions. The main problem with forming new desirable offices environments and removing business obstacles is entrepreneurship policy but there is still limited knowledge over entrepreneurship identification as policy territory. The aim of this study is to represent some kind of methodology for compiling the national policy of entrepreneurship in Iran. The following questions should be responded in order to reach this aim: 1) what does public policy mean? 2) What is the wisdom source of government entrance into entrepreneurship? 3) What is the national policy of entrepreneurship? 4) What are the elements of entrepreneurship elements? 5) What are the performance evaluation measures of entrepreneurship policy? 6) What are the elements of the methodology of compiling national policy of entrepreneurship?

3. The nature of public policy

In general, the term policy refers to the treatment of a simple or more complex set of actors like a public officer, institution or policy maker in a public environment of activities (public transportation, supporting consumers etc.). Although it can refer to what the governments select in order to act or not to act. These kinds of definitions will be sufficient for public discourses but an exact definition is needed in order to systematizing thoughts of public policy theorists and facilitating affective relations.

Literature of politics is full of various definitions of public policy. Everyone who has written something on policy has represented a definition of policy too. In this part, it is going to have critical review on public, performing and understandable definitions of policy.

Eayston defines policy as the relation of public unit to its environment. This kind of definition is general and cannot clarify the limitations of this relation (Eyston, 1971, p.18). Tomas Dye declares that policy refers to whatever the government chooses to do or not to do. This kind of definition does not clarify that whether the selection of government refers to policy or not. Furthermore, definition of government major and minor activities is placed in public policies limitation which is not true (Dye, 1984, p.1). Richard Rose defines public policy in this way: Public policy includes a complex of activities related to each other which are performed in a long period of time and affect individuals and is not a definite decision. However this definition is not clear, it clarifies the idea that policy is a complex of activities not a definite decision (Rose, 1969, P.X). Finally, Friedrich states that policy is a proposed performance of a group, individual or government in a definite environment which

prepares some occasions and obstacles in order to achieve, eliminate obstacle or benefit a chance.

An important point of this definition is that the policy is connected to an ultimate aim. The ultimatum of public actions may be hard to identify but the thoughtful aim is the necessary part of this definition. A disadvantage of this definition is that policy refers to what the governments do and not what is decided or proposed.

Anderson's definition seems to be the most comprehensible one. He believes that policy clarifies constant and aimed actions which are followed by an individual or some actors in order to pay attention to a problem. This proposition refers to what the governments do and not what is proposed or decided and it separates policy from a decision that is especial option among others. So, public policy refers to a complex of public actions which are taken in order to solve a public problem in a constant way (Anderson, 2000,p.4).

4. The rationale of government intervention in entrepreneurship

There are 3 main theories over public intervention or lack of intervention about economic, social and cultural affairs. In other words; there are 3 theories over the reasons of government entrance in different nation stages: 1) The theory of market failure (Brown; Lane, 1991, Wolf, 1988) 2) The theory of government failure (Hausman, 2008;Nelson, 1987). 3) The theory of public value failure (Bozeman, 2002). The theory of market failure can be the basis of government entrance into entrepreneurship from among other theories. Market failure will theorize goods and services in allocating resources and producing producer. Economists believe that the market will be failed through following 4 conditions i.e. it cannot produce goods and services in a suitable manner and allocate the resources in an efficient way.

- **Market Power:** The companies will decrease the production in order to increase prices and their benefits when they occupied market power. This will produce limited number of goods in non-competition markets and when price monopoly of some goods are in the power of one or several companies, the competition is ruined and numerous goods will be produced in non-competition markets. This means that incomes will be gathered by the persons who have the power of market in the cost of individuals who do not have this power.
- **Externalities:** Externalities mean that a third party, who is not competed in a trade, has received benefits or is imposed costs voluntary. For example, residential regions near Mehrabad airports suffer landing and flying noises (negative externalities) or in a positive condition, the rural around South Pars benefit road facilities of refinery although they bear the pollutions too. The costs and benefits are not calculated in bills of companies in both conditions. If polluting companies try to take actions they will pay more costs and as a result the price of good will be increased. The same result applies to positive externalities too.
- **Public Goods:** Public goods benefit people but people cannot be excluded from their utilization because of goods' nature whether they have paid the price or not, i.e. a productive company cannot benefit production of these goods itself because it cannot control efficiently produced goods. Therefore, free market is not capable of profit

production. National defense is a sample of public good which benefits all the people when producing and no one can be excluded. All the individuals, who pay or do not pay taxes, utilize it. This is called free rider in economic matter. Free market would not produce such goods because it is going to gain benefit always.

- **Equity:** There is a kind of tend toward inequity distribution of income in a market system which is not fair. Everyone who a bargain negotiates and buys others power can quickly reach financial resources in a free market system. The people will receive bank resources whose repaying is proved. Some are always preferred to others in various realms. How this inequity can be decreased? The governments should intervene.
- **Stability of Macroeconomics:** Market system rises and falls. Sometimes it booms (economic growth is high and joblessness is low) and other times slack and depression rules over the market (economic growth is low and negative and joblessness is high). Resource allocation and goods production will not be efficient and productive therefore the government should intervene and balance the market.

5. The emergence of entrepreneurship policy

Until two last decades, the focus of industrial and economic develop was on a proposition that the main resources of economic growth is several big companies in countries which act as economic lever. The governments tried to make efficient or affective main parts of national economic through passing especial rules for companies, tax encouragements and performing supporting laws in order to decrease prices and making healthy competition. This economic paradigm ignored the role of new companies as main resources of entrepreneurship, job making and economic developers. In fact, governments' method for global competition improvement of big companies did not encourage or affect the appearance of new companies, economic entrepreneurship and national competition (Aundretch & Thurik, 2001). As theorists declare encourage of innovative actions is the minor production of industrial policies during industrial ages.

In 1979, Brich (Brich, 1987) showed that the major portion of new occupations in U.S.A. was created by small enterprises. Public policy makers realized the significance of small companies after this representation. Governments started emphasis on small and medium sized institutes' policy compiling in 1980 and they emphasized small companies' establishment in 1990. The main axis this policy is focusing on measures for improving performing environments of small companies which is controversial topic of establishing new company.

On the basis of economic and development cooperation organization's document (OECD, 1995, 1997 and 1998) and European commission (1998), a tend to entrepreneurship policies growth related to joblessness growth in most of the member countries of this organization and European countries was appeared in the middle of 1990. As the findings of different researches on the basis of the connection of new companies, innovation and economic growth was publicized, the attention of governments to entrepreneurship improvement and encourage of entrepreneur responsible was intensified in the second half of 1990.

Researchers (Audretsch, 1995, 1999; Reynolds et al, 2004) assert that almost all governments have accepted that establishing small and medium companies is a significant factor in

economic growth and this can be achieved by making job, innovation and efficient improvements in the structure of the company and government. However, governments in developed countries emphasize big companies, the emphasis focus is on environment improvement for new and developing countries. In other words, researchers (Audretsch & Thurik, 2001) believe that entrepreneurship policy appearance is a reaction to changing from managed economic to entrepreneur economic whose attribution is transition from "industrial economic" to "knowledge-based economic", "structure and production part" to "service part", "big companies" to "small companies" and from "small companies" to "new companies".

6. A holistic entrepreneurship policy

This policy is the most comprehensive policy in the typology of entrepreneurship policies including measures of three other types. National policy of the state aims to reduce blocks on the road to entry and exit, ease access to resources for better businesses (finance, information and technical and managerial aids) and meeting the needs for establishing target groups. However, promotion of entrepreneurship culture necessitates a positive atmosphere for entrepreneurship and inserting it into the educational system.

The main motive for the holistic view is reaching high levels of dynamism, innovation, efficiency, and growth through entrepreneurial activities or creating a more entrepreneur community. This view helps states have a more comprehensive perspective on the domain of their failures (systematic failures, social failures, educational failures, and market failures) and focus on positive side effects of entrepreneurship in order to affect short and long-term development of an entrepreneur community. The results of a study (Stevenson and Lundstrum, 2001) revealed that only four of the thirteen countries under study had taken this view. The following features distinguished these countries from others:

1. There are clear statements on the importance of business dynamism (rate of entry and exit activities) over innovation and economic growth and the share of new firms in efficiency and general competitiveness of the economy in upstream documents.
2. The state has plans to accelerate entrepreneurial activities in its policies' documents with the wisdom, long-run targets, operational objectives of the policy and set of measures and priorities.
3. Policy includes quantitative operational objectives aiming to increase the number of people conducting entrepreneurial activities, rate of founding companies, number of entrepreneurs or level of entrepreneurial dynamism.
4. The budget funds innovative entrepreneurial plans (not just for few of the measures that may be in accordance with the framework).
5. They perform the entrepreneurship policies with the help of all ministries (or levels of the state) under supervision of one single ministry that acts in a large context of entrepreneurial activities.
6. There are indexes evaluating measures of improving entrepreneurship atmosphere and cultural conditions to found real firms in the framework of the national entrepreneurship policy.

The above-discussed typologies are demonstrated in fig. 1.

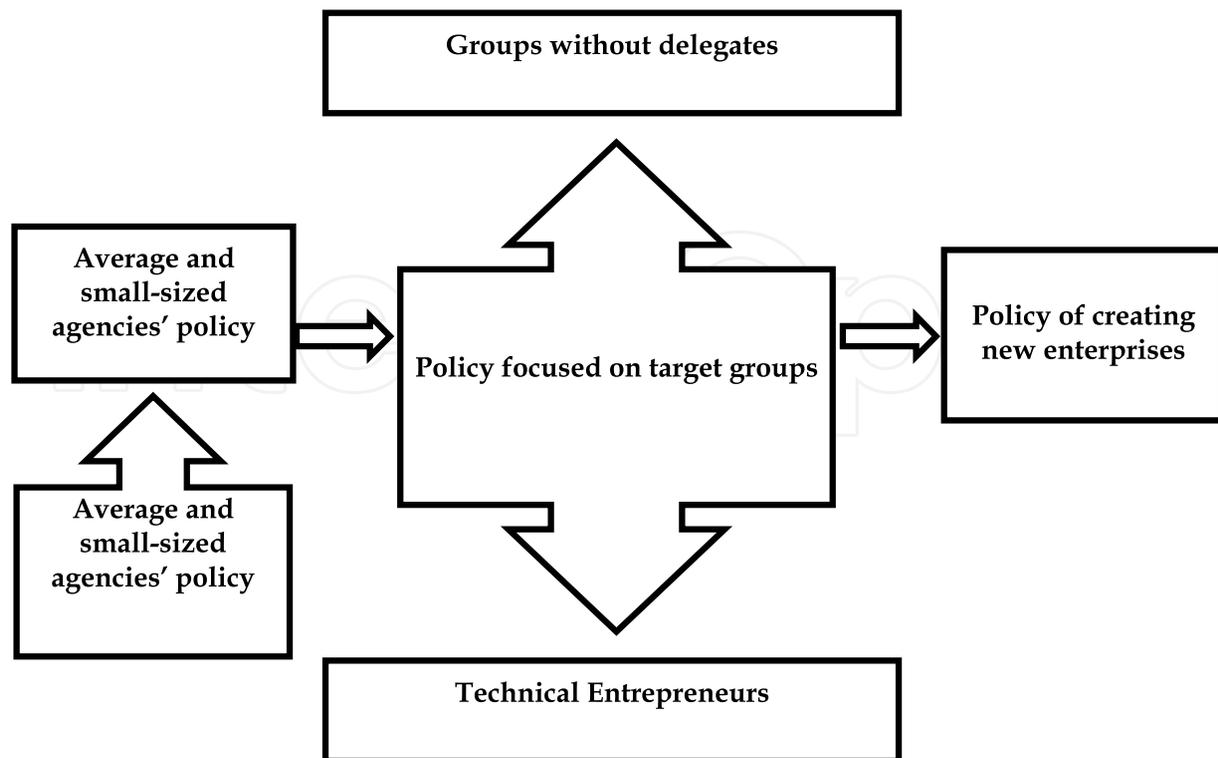


Fig. 1. Typology of entrepreneurial policy

7. The cycle of public policymaking in Iran

There are four management levels in Iran managing the country in a close relationship with each other: 1- level of supreme policies (The leader and his special departments); 2- level of policies (government as legislative, executive and judiciary systems or the political management); 3- level of policies strategies (public management); and 4- level of agencies strategies (private sector management). In other words, the first level makes macro policies and the second level designs public policies considering them. The third level participates in the process of making policies and helps operate them. Helping the public sector, the fourth level compiles agency strategies in order to reach the states macro targets. The cycle of policymaking is shown in fig. 2.

As it can be seen in the cycle, the problems (like unemployment) are diagnosed firstly and then they are given to the decision-making department of the executive system (cabinet) through different canals (special departments of the government, press, beneficiary groups etc.). The bill is given to the parliament after being passed in the cabinet. Then it goes into the parliament's agenda and becomes a policy. The act passed in the parliament (under the supervision of the Guardian Council) is then given to the president for execution. Finally, the president orders public managers to enforce the laws with the help of the private sector. Passage of time lets the laws be evaluated and they may experience some changes or even they may be terminated. These laws' side effects may result in the repetitions of this cycle over. Formulation of the policy is of a great importance in the cycle. Although this step is taken in the cabinet and the parliament members have to make the selection, the parliament

sometimes enters in formulation of some policies. According to the department of the cabinet offering the policy, the bill contains it or the parliament members give a plan that includes it. The question here is that how this formulation (as a part of the cycle of policymaking) is conducted. The present study attempts to compare the methodology of the formulation of the policy with the content of entrepreneurship policy.

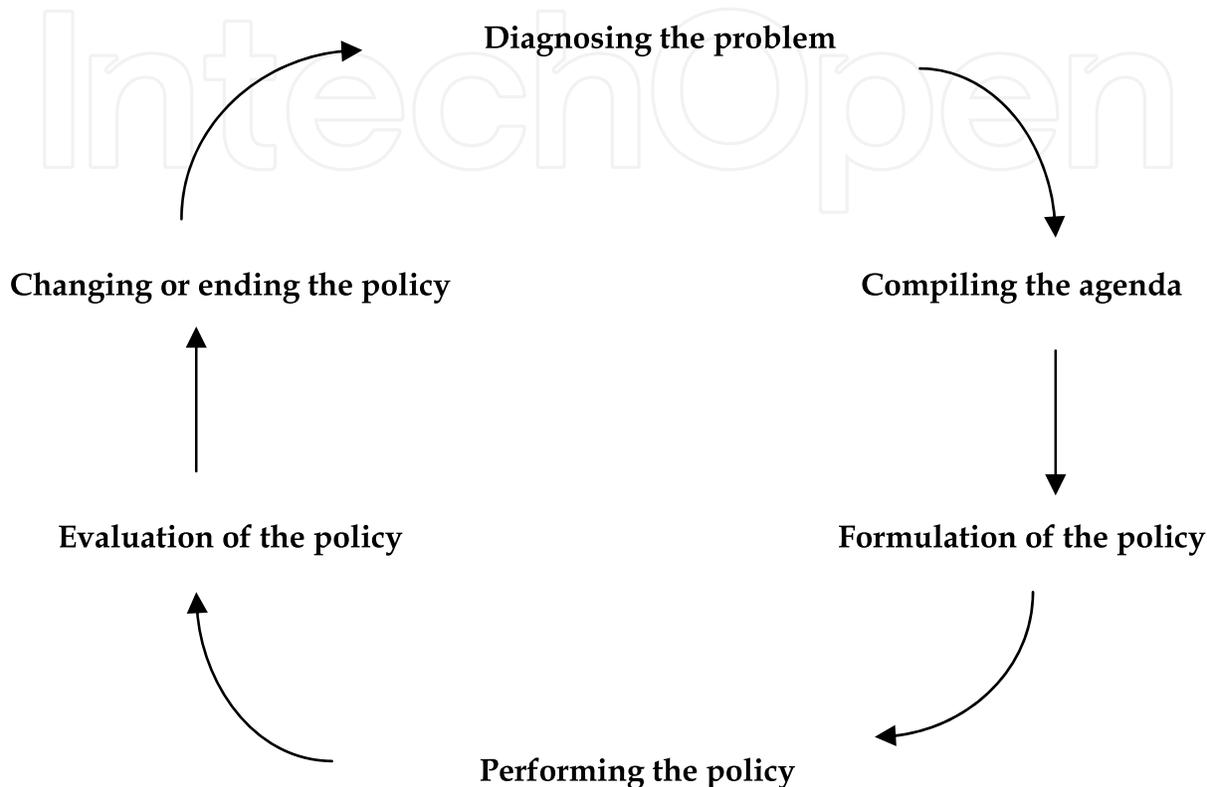


Fig. 2. the Cycle of Public Policymaking in Iran

7.1 Formulation of public policies

Public policymaking is exclusively conducted by the government and since its formulation is highly dynamic and complex, no pre-defined theoretical pattern has been offered for it. According to Dror (1997: 12), public policy making is dynamic and complex process in which several elements play various roles and complement it. Different factors directly or indirectly affect formulation of policymaking. Public organizations play the direct role and non-governmental ones influence it indirectly. Islamic Counseling Assembly, the cabinet, public organizations, city councils and committees, courts; mass media, political parties, pressure groups, and public opinion are other actors on the formulation scene.

Thinkers in the field of policymaking (e.g. Dye, 2000; Anderson, 1971; and Eyeston, 1992) dedicate a chapter of their books to formulation of policymaking but they all have failed to offer a comprehensive theory to help policymakers. For instance, Yoorace (1993) suggested the cooperative model for the formulation of the government's policymaking. In this model, several committees of citizens are formed in different fields and various alternatives of dealing with a public issue are designed and one is selected by these committees.

8. Methodology suggested for the formulation of entrepreneurial policymaking

The issue of national policy of entrepreneurship has become one of the major discussions of the scientific bodies of entrepreneurship. The author of the present study has attempted to clarify the ambiguities in the process of the formation of the national policy of entrepreneurship through reading the key literature in the field (see Lundstrum et.al., 2007; Stevenson, 2005). The methodology proposed by the author has some roots in the above-mentioned literature but the author has attempted to offer a comprehensive framework to help the nation's policymakers. Here, the process of the formulation is defined expressively (Fig. 6 and 7).

9. Diagnosing the public problem and identifying its roots

The beginning point for the formation of a policy or a Macro policy is the existence of a public problem. Policy problem may be defined as "a condition creating need or dissatisfaction among people and inducing the government to take actions to alleviate or solve it" (Anderson, 2000, p. 81). Therefore, the distressful situation causing concern among people can be considered to be a public problem. Thus, identification of the public problem is an extremely important point in the beginning of the compilation of a policy. The main part of the definition of a public problem is finding its roots. A condition may be defined as a public problem, but the reasons for creation of such condition should also be defined. Many problems may have different reasons. For example, "inflation" may be the result of "the inequality of supply and demand", "large amounts of liquidity in the country", or "social psychology". "Unemployment" may as well be caused by "national laziness", or "friendship in governmental positions" and the solution to all these problems is the government's policies. For instance, the medicine curing "national laziness" is entrepreneurship. When the reason for unemployment is diagnosed to be "national laziness", a solution under the title of "national entrepreneurship" may become the agenda in cabinet meetings. Therefore, it can be said that policies are the cures for public sufferings.

10. Finding the solution for a public problem

After the public problem is identified, the solutions must be considered. These suggestions may be the outcome of expert talks, understanding discourses in the community or referring to scientific texts. Experts may believe that the solution for national laziness rising at the hope of being employed in a governmental department is entrepreneurship in the country. The second phase discusses this point.

11. A study on theoretical framework of the solutions

Mere identification of the problem does not necessarily end in a good result. Policymakers ought to offer their suggestion. The references should be introduced. There is a scientific branch in the field of entrepreneurship abundant with theories defining entrepreneurship from different aspects. Some have attempted to promote it from psychological point of

view and others have tried to elevate it from sociological, political, managerial etc. points of view. Understanding these views helps reach a better understanding of strategies for promotion of entrepreneurship. The next part discusses the benefits of these theories for policymakers.

12. Basic principles of entrepreneurship policies

When the solution of the public problem of “national laziness” through national entrepreneurship policy is certain, the components of the policy ought to be found in order to be modified and elevate the spirit of “national over-activity” and get rid of “national laziness”. This step requires a reference to entrepreneurship theories. Entrepreneurship theories of behavior clarify the entrepreneurship phenomenon. Therefore, major components of the theories could be supposed as the main ingredients of the public policy of entrepreneurship. There are three bases for entrepreneurship policies: opportunity, motivation, and proficiency. According to these three, when an opportunity is provided, and the necessary motivation and proficiency exists, one becomes entrepreneur. In order to create an opportunity, entry barriers should be reduced and availability of resources ought to be increased. Motivation is created through increasing the possibility of business, offering technical skills and teaching entrepreneurial gimmicks. However, it should be noted that all these points are discussed under various theories in the literature of entrepreneurship.

13. Identifying factors currently affecting the bases of the policy

The government can indeed modify three bases of entrepreneurial policies by taking different criteria. The author believes that considering Lundstrum and Stevinsons’ view (Lundstrum and Stevinsons, 2005, P. 208) one can find what parameters influence entrepreneurial activities and promote entrepreneurship through modifying those triple bases. Identification of these factors helps the government reach the key points in the triple bases of entrepreneurship. (Figure 3)

In short, it is worth mentioning that the level of entrepreneurial activity is influenced by some factors which are affected by some other parameters. For instance, profit influences level of entrepreneurship but in order to increase it, the structure of cost and price and taxing system go under some modifications. Studying these points is suggested for all those interested in studies in the field.

14. Determining domains of the policy

If definition of policy as a set of criteria with relative stability and purposefulness compiled to solve a public problem is accepted, another point will rise and it is that each policy contains several other fields of policies inside. According to the material and factors affecting level of entrepreneurship, these fields of policy (better-said modification fields) are divided into six subcategories. (Figure 4).

In other words, macro policy of the government in the field of entrepreneurship is based on identification of subsidiary parts of the entrepreneurship system. Systematizing the plans in the sextet identified domains; the national macro policy of entrepreneurship comes up.

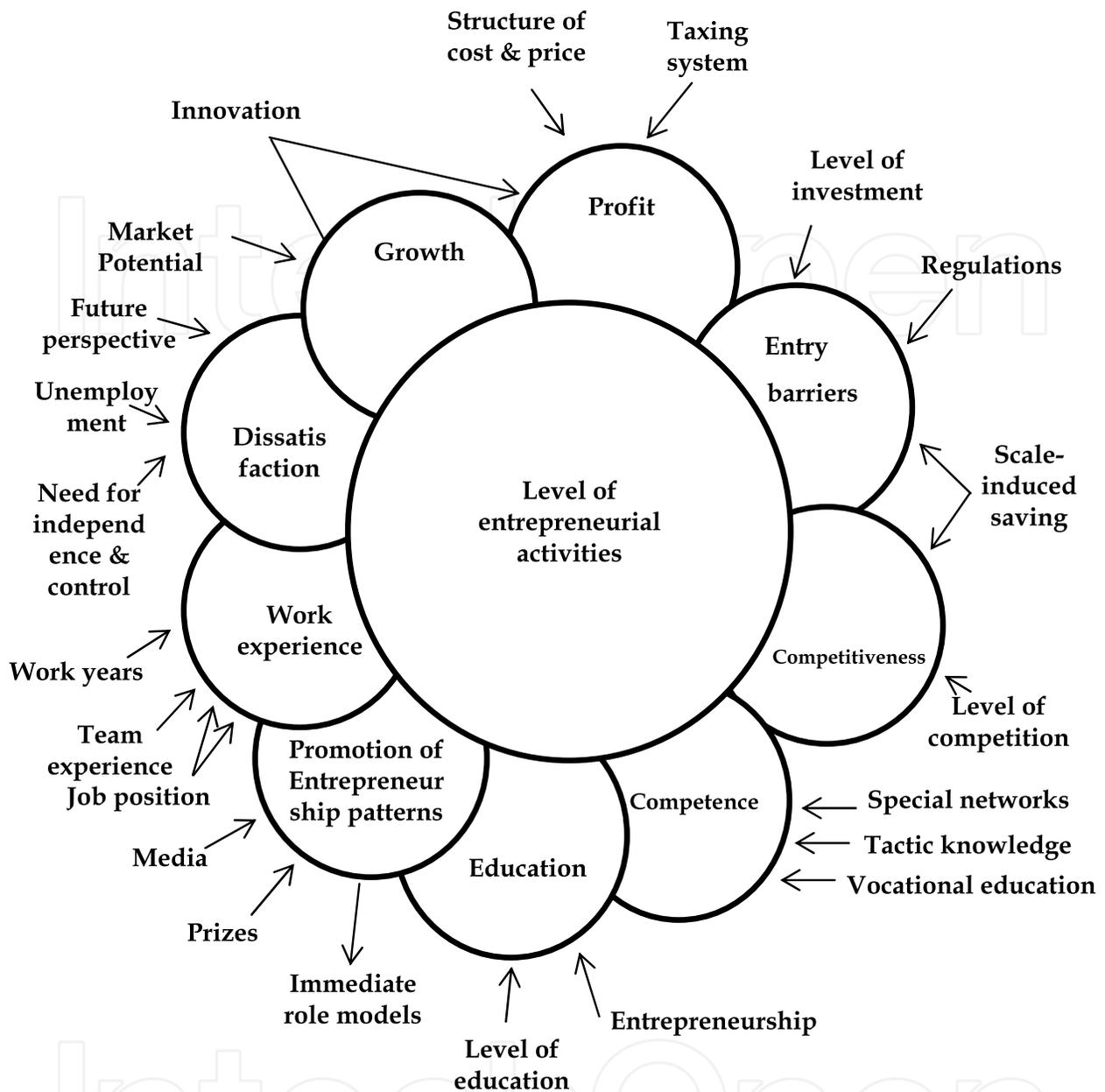


Fig. 3. Factors affecting level of entrepreneurship

Entrepreneurship policy	Promotion of entrepreneurship
	Education of entrepreneurship
	Entry and exit barriers
	Supporting founders of businesses
	Providing the initial investment
	Special target groups

Fig. 4. Domains of the entrepreneurship policy

15. Setting the goals of the policy

In modern communities, any policy designed by the government has to have a goal. The government strengthens the agriculture sector by policy of paying subsidy to farmers. Sometimes the goal is not stated explicitly in the statements of the policies for they may hamper contradiction in the country but all policies sure have goals. In the fourth step the goals of a policy have to be defined. (See table 1 for examples of goals for different domains).

In the next phase, the criteria have to be assigned to let policymaker monitor performance of the policies. The conceptual methodology suggested is presented in fig.6 and its compatibility with entrepreneurial policies is illustrated in fig.7.

Figure 5 demonstrates the links between the bases of the policies, their goals, and their domains and the criteria. (Stevenson and Lundstrum, 2005)

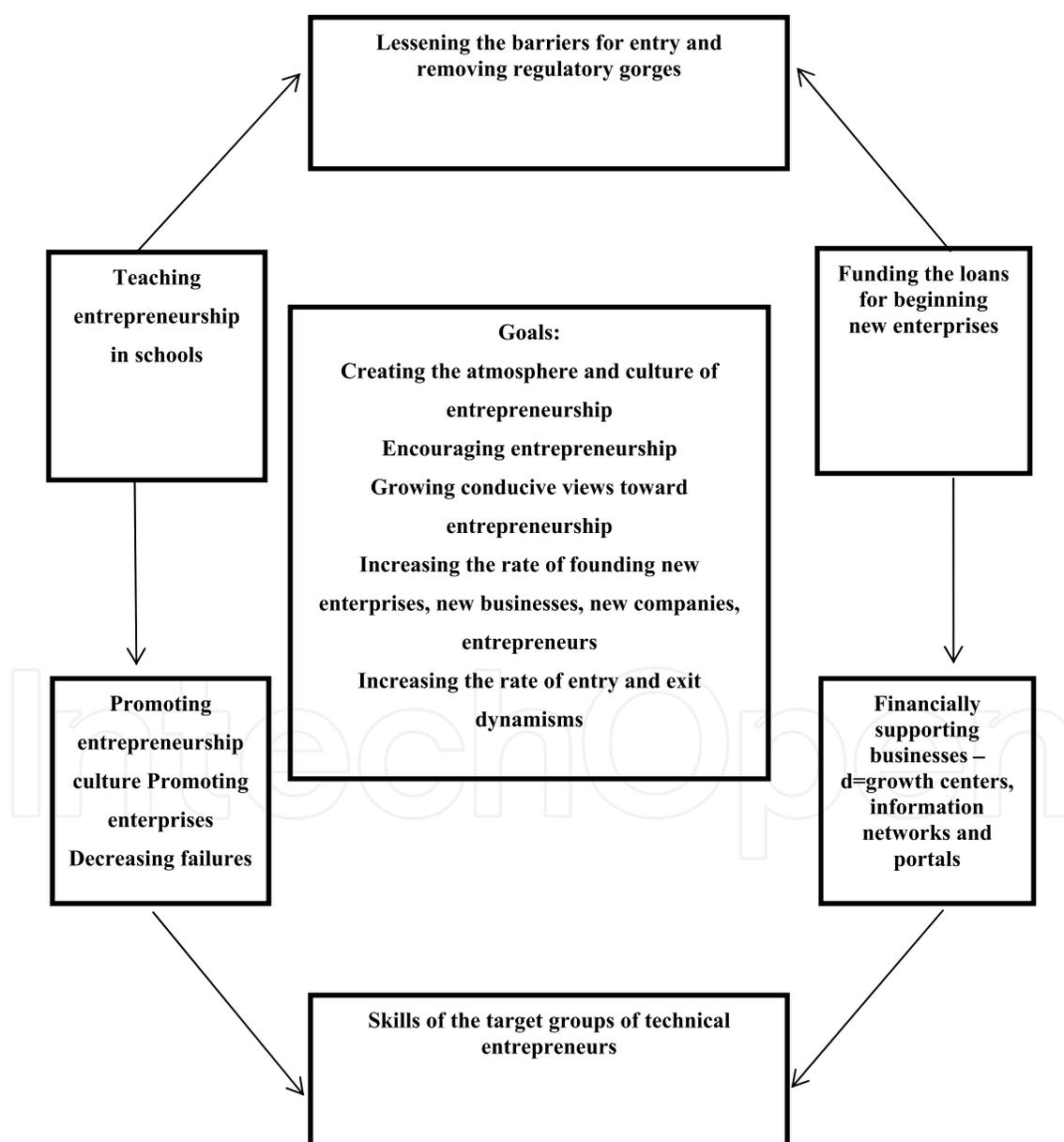


Fig. 5. The outline of the criteria for entrepreneurship policies

Domain of the Policy	Goals of the policy
Promotion of entrepreneurship	Increasing social value of entrepreneurship Promoting a better knowledge of entrepreneurship in society Promoting creditable role models
Education of entrepreneurship	Improving individuals' opportunities to reach better technical knowledge Inserting entrepreneurship into different levels of official education

Table 1. Sample goals of different domains of entrepreneurship

Identifying public problem for a policy and finding its roots	Finding solutions for the public problem-alternative strategies	Understanding the theoretical framework of the solutions-policies	Defining the main ingredients of the policy for practicing the solution	Identifying the factors affecting the bases of the policy	Determining the domains of the policy	Determining the goals of the domains of the policy	Determining the criteria for the policy
Presenting scientific justification in the country Deciding on the public problem Finding the reasons behind the public problem	Defining the solution for each of the problems	What suggestions do theories have for practicing the solutions	Defining the keys of the theories and modifying them to practice solutions	Economic factors Political factors Social factors Cultural factors Psychological factors Concordance of the theoretical bases and the condition	Identifying the modification fields to reach prescriptive solutions	Determining the goal of every domain of the policy expected to be reached after practicing	Determining the criteria to measure the success of the domains of the policy

Fig. 6. Conceptual model of the methodology of formulating national policies

Identifying public problem for a policy and finding its roots	Finding solutions for the public problem-alternative strategies	Understanding the theoretical framework of the solutions-policies	Defining the main ingredients of the policy for practicing the solution	Identifying the factors affecting the bases of the policy	Determining the domains of the policy	Determining the goals of the domains of the policy	Determining the criteria for the success of entrepreneurship
Practical laws: the youth invasion to governmental offices for employment Public problem: national laziness Social reason: Assisting government	Improving the spirit of entrepreneurship in the country	Psychological theories Sociological theories Political theories Management theories	Lack of entrepreneurship Opportunity Motivation Proficiency	Profit Entry barriers Growth Work experience Education	Domain of promoting entrepreneurship Domain of teaching entrepreneurship Domain of entry barriers Domain of supporting founders of enterprises Domain of supplying the company's capital Domain of target groups	For example: Domain of promoting entrepreneurship Increasing social value of entrepreneurship Increasing the knowledge on entrepreneurship Making entrepreneurship role models	For example: Prize-giving plans Occurrence of entrepreneurship Number of entrepreneurship events

Fig. 7. Compatibility of the suggested methodology and the way national policy of entrepreneurship is compiled

16. Compiling the criteria of the policy

Evaluation of the performance is impossible without the criteria that help measure the realization of each policy. In this stage, the criteria for different domains of the policy have to be defined. (See table 4.- Stevenson and Lundstrum, 2005)

17. Discussions and results

The science of policymaking in Iran does not have a long history compared to the practice of policymaking. In other words, the nation suffers a great loss of experts in the field. Lack of a proper connection between political sciences and public management has contributed to this loss. This means policymakers of the country are in urgent need for guidelines from experts both scientifically and practically to compile policies. Very few books and papers have been published in this area. In addition, since the science of policymaking is a novel approach in Iran, the real life condition may be much worse.

Domain of entrepreneurship	Goals of the policy	Criteria of the policy
Promotion of entrepreneurship	Increasing social value of entrepreneurship Increasing society's knowledge on entrepreneurship Promotion of role models of entrepreneurship	Prize giving plans Activities of mass media Entrepreneurial events
Education of entrepreneurship	Increasing the opportunities for accessing technical knowledge of entrepreneurship Inserting entrepreneurship into different levels of official education	Inserting entrepreneurship into different levels of official education Education of teachers to teach entrepreneurship Supporting young entrepreneurs and common business activities of students Supporting entrepreneurial prizes and competitions
Entry and exit barriers	Reducing the time and cost of beginning a new business Reducing barriers and improving the opportunities for founding a company and growth Removing discouraging barriers to entrepreneurial decisions	Increasing the efficiency of business registration Integrating public departments related to entrepreneurial affairs Removing discouraging barriers in the market Social security and taxing systems Investigating competition policy, companies act, bankruptcy acts, and regulations affecting transferring the ownership of businesses Reducing the tax loads and office loads on new enterprises Tax exemptions and discounts in order to encourage investments and offering capital to new companies Creating new compilation departments inside the cabinet for better regulations
Supporting new enterprises	Simplifying access to information, counseling and other forms of institutional supports for founding new companies and easing transfer of technical knowledge	Networks of centers offering services to founders of companies, Integrated public departments related to entrepreneurship of new entrepreneurs Information portals for new enterprises Technical educational programs for new entrepreneurs National strategies for growth centers and supporting entrepreneurship networks

Domain of entrepreneurship	Goals of the policy	Criteria of the policy
Financially supporting new enterprises or supplying their initial capital	Studying the failures in the market and gaps in financially supporting new enterprises or companies in their primary levels Reducing information gaps	Small loans, initial or pre-investment finance for new entrepreneurs Loan guarantee plans Investment capital for new technical entrepreneurs Incentives for common investments Investments in new enterprises and companies in their primary levels
Target groups	Reducing systematic barriers to increasing the number of new companies by special groups of the community; reducing the risk of companies with growth technology in order to increase the wealth	Accessing information about available financial supports Establishing partnership with banks and other financial agencies Special agencies for target groups, prizes, counseling, education and following the services, colleagues networks, information portals and loan plans

Table 4. Goals and criteria of each domain of national entrepreneurship policy

The present paper attempted to offer a conceptual methodology at first and then evaluate its compatibility with the national policymaking in the domain of entrepreneurship. The author does not claim this methodology is flawless and perfect but a lot has been done to offer practical and scientific hints for policymakers.

One of the main concerns of policymakers in national level is determining alternatives of the policy in the cycle of policymaking in the formulation level (fig. 6). In other words, what steps should be taken for the alternatives of the policy to be determined. As a new field of studies on entrepreneurship, the governments' interference brings up such a gap. The author has attempted to offer a new analytical and innovative methodology for compiling fresh alternatives for the policy.

Formulation of the policy is an important step in the process of policymaking and there is a theory named the formulation theory in the literature of entrepreneurship. General tips from experts in the field fail to make a big contribution for the policymakers. The author believes that formulation as a key stage plays an important role in designing the road map for national policy of entrepreneurship. Compatibility of the elements of this map depends largely on the correct selection of individualistic policies and plans forming the meta-policy. Having a logical framework may help policymakers make a logical arrangement of the map of the policy.

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