

The Influence Government in Supporting Small Businesses to Revitalize the Economy: The Case Studies of 220 Owners Various Small Businesses in Kurdistan Region of Iraq

Azhi Khalil Bapir

General Directorate of sport-Ministry of Youth and Culture, Koye Technical Institute-Erbil Polytechnic University

Abstract—This study aims to examine the effectiveness of government in embrace of small businesses to further solve economic issues and discovering career opportunities as well as acquiring the financial aspect. To understand variables, this study employs a quantitative strategy and a descriptive research methodology. 220 participants made up the sample size that was determined utilizing a judgmental sampling technique. The questionnaire was created by the researcher as a means of gathering data, and it was subsequently modified, compiled, and tabulated using SPSS statistical software, version 22, and Excel 2010. The focus of this study is to determine how the government may support small businesses in Kurdistan Region of Iraq in order to boost economic growth and job possibilities. The outcome of this study revealed that poor management and government regulations are the biggest barriers to the growth of small businesses. It also demonstrated that equal tax collection by the government would be a significant step towards the development of small projects in Kurdistan Region. Another important finding of this research proved that the backbone of economic recovery and job opportunities are small businesses. The last outcome of this study was that access to finance through large companies or investors and banks and familiarizing active policies for the progress of small businesses by the government will improve small enterprises in Kurdistan Region of Iraq.

Keywords—Government Support, Small Businesses, Economic growth, Financial Access, Job Opportunities, Small Project Owners, Kurdistan Region of Iraq..

I. INTRODUCTION

Countries seeking sustainable economic growth must pay close attention to the small businesses (SBs) sector and incorporate the potential to create jobs, promote local technology, diversify production, foster indigenous entrepreneurship, and integrate with large-scale industries that can be provided by the sector. SBs are essential for the development of any economic and act as catalysts for economic advance (Aruwa & Suleiman, 2004). Accordingly, small

businesses play a crucial role in aiding the government's attempts to lower unemployment because they not only make the largest contributions to national development but also significantly increase the job options for domestic employees (Wapshott & Mallett, 2021). As explained by Longenecker et. al. (2022) that tens of thousands of SBs supply the federal government with a range of goods and services as contractors each year. As a result, supply chains are strengthened, new jobs are created, an inventive and dynamic industrial base is evolved for national security, and markets are made more diversified, competitive, and dynamic (Longenecker et. al., 2022).

In accord with Burns (2016), even though there are relatively few distinctions between the two, there are several traits that distinguish entrepreneurship from small business. Small firms' ability to compete will be able to increase thanks to the independence of the entrepreneurial spirit (Burns, 2016). For this reason, entrepreneurship is a creative endeavor that is based on invention to develop something fresh, with added value, that offers advantages, generates benefits, produces jobs, and has outcomes that are beneficial to others (Lavery & Littel, 2020). Entrepreneurship is also the term used to describe a field of economics that educates people how to launch their own businesses on their personal initiative in order to make a profit and maximize their available commercial potential (Gara, 2021). Regarding to studies, encouraging entrepreneurship is essential for improving the standard of life and advancing economic boost. As clarified by Adeusi and Aluko (2014), entrepreneurship must be practiced to lower the rising degree of poverty.

Governments all over the world are progressively encouraging and endorsing the expansion of small projects as part of their overall national development policy because, as Farouk and Saleh (2011) have noted, little projects are creating jobs at a faster rate than larger enterprises (Culkin & Smith, 2000). The government must support small, medium-size enterprises (SMEs) in order to increase economic growth. Government may not be able to immediately assist businesses, but they may be able to do so in other ways, such as by offering

them a discount or occasionally a tax rebate (Marri, et.al., 2002). As referred through Oppewal, et. al. (2010), the governments support for technology backup is something those small businesses cannot overlook. Due to their little cash, SBs first experience financial instability when starting their dealings.

Therefore, if the government offers them credit and loans, it will greatly aid small projects in achieving economic growth (Oppewal, Paas, Crouch, & Huybers, 2010). Additionally, businesses have access to a remarkable credit facility that might be useful at certain times (Cressy & Olofsson, 1997). As a consequence, it is the duty of the national administration to keep track of market changes and maintain policies that encourage the expansion of small companies (Bartlett, 2001). Authority can also aid businesses with internal processes like logistics, which can contribute to business enlargement (Bartlett, 2001). Lastly, the small business sector has already helped several countries and is still growing. As a result, governments play a crucial role in supporting SBs, which drive economic evolution (Halley & Guilhon, 1997).

The Kurdistan region of Iraq (KRI) has experienced significant economic progress since Saddam Hussein was ousted from power in Iraq as a result of lifting of international sanctions, including those imposed by the UN and Iraq sanctions on the Kurdistan Region (KR). It has the potential to be a regional economic powerhouse thanks to its wealth of proven natural resources and its enormous labor force (GOV. Krd, 2022). Even though the KR has a variety of sources of income and is in a favorable economic situation (Orsam, 2021), After 2013, it struggled to offer enough employment possibilities because of bad management. Numerous college graduates, in particular, are in need of jobs each year, but instead of considering starting a project, many graduates' resorts to employment in the public and private sectors (Orsam, 2021 and Rudaw, 2013). And the reason for this is that the KRG was unable to focus on small business management as a stable foundation. For instance: First, not providing any amount of money or work materials for all projects, in other words, the absence of a banking sector means loans are not obtainable for SBs, jeopardizing the trade and new investment in the country (Karim, 2022). Second, lack of equality and plans to receive taxes that put a lot of weight on project owners and also individuals who intend to set up small businesses (Karim, 2022). Therefore, it is crucial that the government makes every effort to create an atmosphere that is conducive to all small projects, since this would develop the economy and generate jobs.

The purpose of this study was to evaluate how well the government supports small businesses in order to boost the economy and providing jobs. So this study, planned to know about the method by which the SB can be financially supported by the government, in order to the economic side is more active and job opportunities are created. While most small businesses in the KRG are not adequately assisted, even a good tax collection system does not work on them. The main research question of the study was asking the influence of the government to further develop and encourage SB to get more

jobs and advance economic field. Besides, owners of small businesses were asked to analyze if the government help people fiscally and tax subjects, they can start formulating their best method ideas.

2. Literature Review

2.1- Government Support for Small Businesses

According to the current research, a government can have a positive impact on small business outcomes, such as providing jobs and regional economic development (Smallbone & Welte, 2001). The ability of team members to freely exchange ideas, draw on analytical insight, and enable followers to be self-directed and take on additional leadership duties rises with open communication between the teams and other sector-wide backing teams (Tomaselli, Timko, & Kozak, 2012). A culture of cooperation and effective teamwork encourages team members to support small-scale local projects and stay engaged to the local economy (Maqbool & Sudong, 2018). By giving their subordinates more authority, making it worthwhile for them to explore their ideas, and supporting investors financially to promote economic growth, the government empowers its citizens (Doh & Kim, 2014).

The attempt to back the expansion of small industries through the provision of infrastructure and technological advancement is one important job of the government. The governance function which has been demonstrated to have contributed to bolstering the growth of the small industry has been modeled after a function that perpetually fosters the enlargement of small-scale industries (K. P. Phillips, 2003).

2.2- Collecting the Tax System Equally by The Government

For the benefit of the nation, the government equally collects taxes from citizens and corporations or small businesses. When it comes to encouraging businesses to spend more, the government frequently takes action to assist businesses in satisfying their purchasing habits and assisting them in leading normal lives (Oppewal, Paas, Crouch, & Huybers, 2010). Therefore, the government grants them tax rebate, also known as a tax refund, so that the general people can purchase necessities. As reported by Shapiro & Slemrod, (2009), the government fairly collects taxes from individuals, corporations and small projects for the advantage of the country. The state usually takes action to help businesses satisfy their spending habits and let them have normal lives in order to cheer them to spend more money. So that the general public can buy needs, the government gives them a tax rebate, often known as a tax refund (Shapiro & Slemrod, 2009).

On the other hand, it is also a widely held belief that, in addition to encouraging their spending, people can save money or pay off their mortgages. The results of the tax refund study indicate that 20% of respondents boost their spending, 50% said their tax refund will help them pay off their debts, and 30% said they would save the money for later (Shapiro & Slemrod, 2009). In order to raise the level of living for the public and businesses, government provides various benefits. Giving the public their own money that they have already paid

for or that they overpaid for is also a better strategy to assist the public. Along with the general population, SBs and entrepreneurs also gain from this (Shamsoddoha, Ali, & Ndubisi, 2009). This demonstrates that tax refund policies are the best ones for assisting businesses in making financial saving. Moreover, businesses share profits with employees, who in this instance pay their fair share of taxes rather than the employer (Xu & Ljungwall, 2008). For both taxpayers and tax collectors, this is the ideal choice. In this manner, the employer is not the only one who must bear the burden, and the government makes more money, which benefits the economic (Xu & Ljungwall, 2008).

Additionally, governments around the world offer tax breaks to promote the economy and provide social advantages like tax breaks for charitable contributions (Marri et.al., 2002). Businesses always appreciate assistance from the government, whether it comes in the form of reduced taxes or tax refunds. Government support for economic growth is always there, but it occasionally may be direct or indirect (Marri, Gunasekaran, Kobu, & Grieve, 2002).

2.3- Small businesses are the Primary Driver of Economic Expansion and Job Prospects

One of the most important factors in determining the strength of a local economy is entrepreneurship (Pocek, 2021). In accordance with (Muriithi, 2017), both developed and underdeveloped nations have benefited greatly from the emergence of small- and medium-sized businesses. Particularly, small businesses are the forces behind the expansion of the economy. Businesses create jobs, pay taxes, provide services, and contribute to the gross domestic product, accounting for about 90% of firms in both developed and emerging economies (Muriithi, 2017). Although local output is poor, a crucial factor in the competitiveness of the region and a factor in the performance of the nation's economy is the strength of new and small businesses.

As mentioned by (Ahmad, Abdul Rani & Mohd Kassim, 2010), without a question, SB evolution is essential to the expansion of the economy. During the years 2002 to 2010, SMEs added an average of 1.1 million new workers each year, or 0.9 percent, to the expansion of employment in the EU. SMEs produced 0.9 million jobs annually, or 85% of the increase in employment overall (De Kok et al., 2011). According to widely used 2019 report from the U.S. Small Business Administration (SBA), small businesses were responsible for 44% of the nation's economic activity. Two-thirds of all jobs in the U.S. were created by SBs in that same year (Advocacy, 2022).

SBs have been essential to the arrival of the economy and the creation of new jobs in the post-pandemic world (Treece, 2022). The first way that small businesses have an impact on the economy is through creating jobs. Even though it might seem obvious, this is quite significant (Treece, 2022). The SBA estimates that during the past 25 years, small firms have generated a net of 12.9 million new jobs, or about 66% of all jobs added during that time (Advocacy, 2022). Regarding to the SBA, large enterprises only generated a net of 6.7 million

new jobs over that time. In other words, between 1995 and 2020, SBs created 12.7 million net new jobs around the world (Hostinger, 2022). The recovery from the Covid-19 pandemic also hinged on the establishment of small company jobs. The SBA estimates that 9.1 million employments were destroyed during the first two quarters of 2020, when the epidemic began. Through of 2021, small firms created 5.5 million jobs, a 60% increase from the decrease experienced during the epidemic (Advocacy, 2022).

Alhaddad et. al. (2019), illustrate that the small businesses are vital for eradicating poverty and fostering social and commercial improvement. Economic development will be made possible by the creation of prosperous industrial firms, which will lead to the creation of jobs for the general public in the society in which they operate. The availability of jobs would increase people's disposable money, increasing demand for goods and services and ultimately their ability to make on-demand purchases. Moreover, this income would improve living conditions and lessen poverty (Alhaddad et al., 2019).

2.4- Financial Access is an Important Factor for Small Businesses

As clarified by (Pissardies, 1999) that small business is a sector of the economy that significantly contributes to the rise of the economy and the production of works. But they also have a lot of trouble getting the kinds of money they require for enlargement. Lawal, Iyiola & Adegbuyi (2018) say, the development of SB and entrepreneurship depends heavily on finance. Therefore, favorable circumstances serve as the foundation for entrepreneurship's survival, growth, and competitiveness.

Given that the business life cycle necessitates a variety of financial needs from the beginning as well as during the growth and transformation phases of development, it is imperative that entrepreneurs and SBs have access to sufficient and sustainable finance (Hill, 2022). As explained by (Lawal, Iyiola & Adegbuyi, 2018) that an entrepreneur needs access to a range of resources, including financial capital, human capital, and physical capital, in order to establish and maintain a small business. Each of these resources is important for small size enterprises to have access to finance, especially new, innovative, and fast-growing enterprises (Lawal, Iyiola & Adegbuyi, 2018). As a major source of money to promote the enlargement of SBs, bank financing is indispensable to the economy's ability to function (Fredriksson & Moro, 2014).

Concerning (Menkhoff, Neuberger & Rungruxsirivorn, 2012), banks and financial institutions, however, are reluctant to lend money to the SB sector since there may be early-stage ventures with insufficient funding, a lack of a proven track record, and low capitalization. As a result, they do not consider such businesses to be successful ones. In other words, they do not believe that small enterprises will receive a worthwhile return on their investment or that such an investment will possibly pay off (Menkhoff, Neuberger & Rungruxsirivorn, 2012). This study focuses on how the government influences the growth of small businesses in Iraq's Kurdistan region. All stakeholders involved will benefit from

this research because it will aid in the creation of small business policies and strategies that will create employment and opportunities for economic growth.

3. Methodology

To understand variables, the study employed a descriptive research design inside a quantitative framework. The study's concentration was on young people who are owners of various small businesses in Kurdistan Region of Iraq provinces (Erbil, Sulaymaniyah, and Duhok) (See Table 1). The Judgmental sampling method was used to select a sample size of 220 individuals because the possible reach was large. Using a non-probability technique called judgmental sampling, the researcher selects from the population those he believes may be able to supply the needed or accurate information (Etikan & Bala, 2017). Additionally, the method is frequently regarded as having a high level of reliability and validity as well as eliminating bias. A questionnaire was created by the researcher to collect data.

The main benefit of choosing a data-collecting questionnaire is that it is less expensive, takes less time, and enables respondents to answer honestly and anonymously, making it simpler to get the necessary information and data. The researcher used a pretest to account for any potential questionnaire errors and determine how long it would take to finish. Pre-testing entails evaluating the questionnaire to see whether or not the questions are pertinent. A small group of respondents conducts pre-testing to weed out superfluous questions from the questionnaire. As elucidated by Roberts-Lombard (2002), surveys should be tested from all angles, including the question's phrasing, its sequence, and design.

A closed-end questionnaire was the format used for the questionnaire design. Part 1 of the questionnaire was devoted to the respondents' profile, and part 2 dealt with study-related questions. The data for this study was gathered using the Google Forms Survey program, edited, compiled, and tabulated using Excel 2010 and SPSS statistical software version 22. Finally, in order to increase dependability and validity, researchers fixed some errors and abnormalities.

Table 1: Research Participants.

Number of Small Project Owners Involved	Type of Small Businesses Participated	Small Business Location (City)
6	Plant Nursery	3 in Erbil, 1 in Sulaymaniyah & 2 in Duhok
5	A Cosmetics Shop	4 in Erbil & 1 in Duhok
12	Medical Materials Store	8 in Erbil, 1 in Sulaymaniyah & 3 in Duhok
9	Barbershop	7 in Erbil & 2 in Sulaymaniyah
7	Bakery	4 in Erbil, 1 in Sulaymaniyah & 2 in Duhok
4	Bookstore	3 in Erbil & 1 in Sulaymaniyah
2	Driver Learning Office	Erbil
5	Stationery Shop	4 in Erbil & 1 in Duhok
2	Online Dating Advisor	Erbil
6	Ice Cream & Drink Shop	4 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
7	Butcher Store	3 in Erbil, 1 in Sulaymaniyah & 3 in Duhok
4	Handiwork Store	Erbil
6	Electrical Goods Store	4 in Erbil & 2 in Duhok
10	Kids Clothing Shop	8 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
3	Specialist in Alterations and Sewing	2 in Erbil & 1 in Sulaymaniyah
8	Watch Seller	4 in Erbil, 3 in Sulaymaniyah & 1 in Duhok
6	Photographer	2 in Erbil, 3 in Sulaymaniyah & 1 in Duhok
5	Carpet Seller	Erbil
8	Fashion Cloth Store	6 in Erbil & 2 in Sulaymaniyah
5	Own of a Specialty Food Shop	4 in Erbil & 1 in Duhok
9	Mini Market	6 in Erbil, 1 in Sulaymaniyah & 2 in Duhok
5	Owner of a Food Truck	Erbil
8	Oil Change Shop	6 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
3	Specialist in Car Detailing	Erbil
6	Translator's Office	Erbil
5	Designer of Gardens	Erbil
8	Owner of an Online Store	5 in Erbil, 1 in Sulaymaniyah & 2 in Duhok
7	Travel Planner	3 in Erbil, 2 in Sulaymaniyah & 2 in Duhok
3	playground outdoor for children	Erbil
5	Personal chef	Erbil
7	Real Estate Office	4 in Erbil, 2 in Sulaymaniyah & 1 in Duhok
6	Packing Services Facilitator	5 in Erbil & 1 in Duhok
2	Massage Therapist	Erbil
3	Tour Guide	Erbil
1	Consignment Shop Owner	Erbil
4	Shop of Ironing Steam	2 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
3	Boutique Agency Owner	1 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
4	Coffee Shop Owner	2 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
5	Grocery	3 in Erbil, 1 in Sulaymaniyah & 1 in Duhok
6	Mobile Phone Store	3 in Erbil, 1 in Sulaymaniyah & 2 in Duhok
Total = 220		

4. Results and discussion

4.1- Demographic Outcomes

This section focuses on the Gender, age, and gradational background levels of our study participants. This is significant since it demonstrates that the data were gathered from those who were closest in relation. The results indicate that practically all of the ideal questionnaires for this type of study were reached by our inquiry.

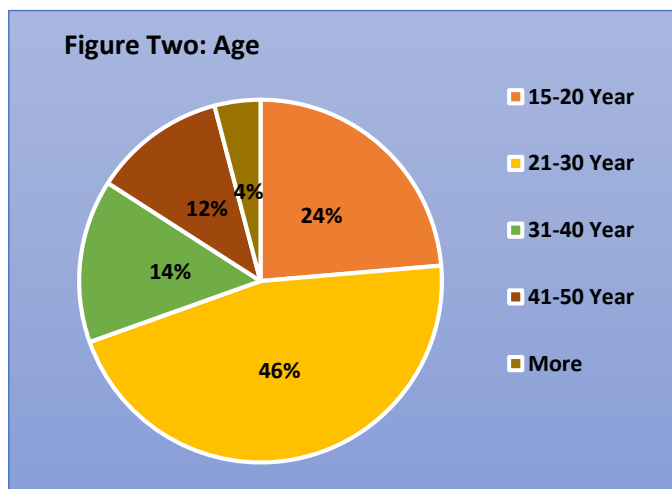
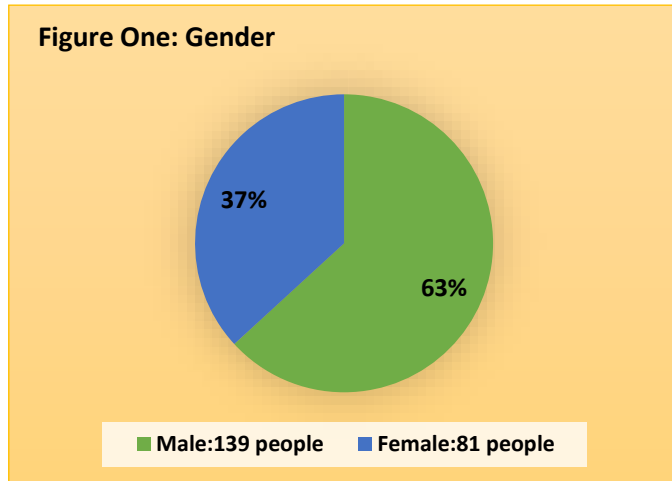
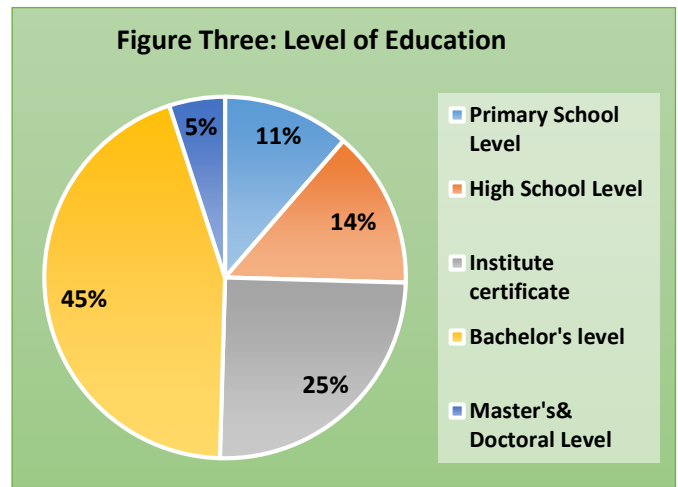


Figure 1 shows that men made up 63% of the study's participants while women made up the remaining 37%. This is understandable considering that in Kurdistan Region of Iraq, men predominate in the workforce, education and other spheres of society. However, figure 2 demonstrates that the majority of our respondents were between the age of 21 and 30. This is because the study was primarily concerned with the youth because they are the group most affected by unemployed and are crucial to the expansion of the nation's economy. Most of the time young people aged 21-30 ask for employment or job opportunities in KRI.



According to (Uhd, 2022), there are many graduates of institutes, and colleges in KR annually, and after completing their studies, they are eager to work in the public and private sectors, if graduates are not employed, they will try to own their businesses. Furthermore, there are a number of large companies in Kurdistan Region, which are ready to create job opportunities, especially for these people who hold a college degree and language skills (Orsam, 2021 & Rudaw, 2013). Thus, figure 3 shows that most participants (small project owners) in this research have bachelor's level and institute certificates. It means the bachelor's and institute degree consisted of 45% and 25%, which are the most compared to other levels.

4.2- Research Findings

The following section shows the results of research questions that give respondents' opinions on restrictions and barriers to small businesses. These results will benefit the KRG if they can encourage small projects, and show that the government must establish equality in tax receipts. More importantly, show that SBs are the main drivers of economic development and job increases. They also demonstrate that the financial acquisition is an vigorous necessity for further growth of small businesses.

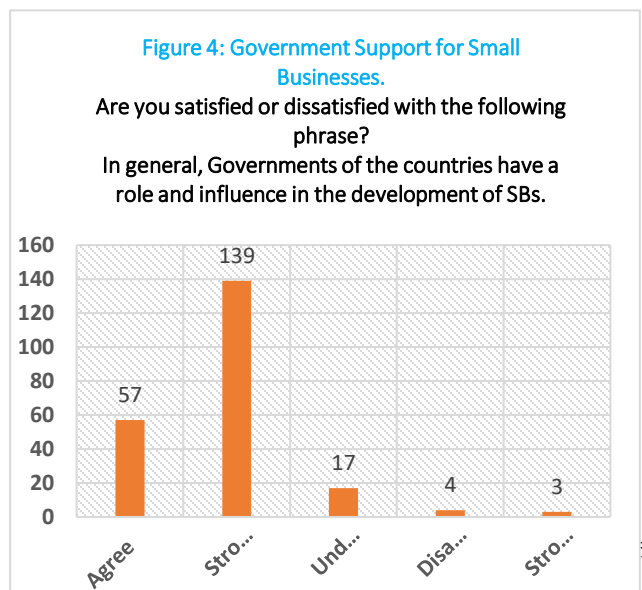
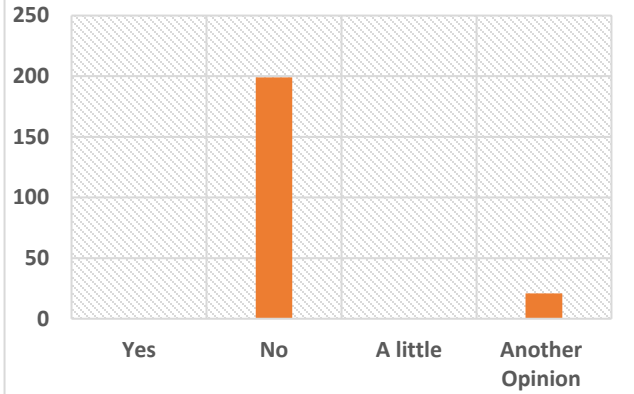


Figure 5: Government Support for Small Businesses.
Did your local government provide any financial assistance at the beginning of establishing your project?

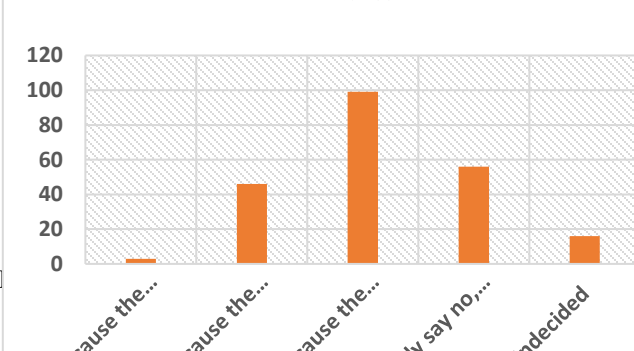


As explained by (Culkin & Smith, 2000), governments all over the world are progressively encouraging and endorsing the expansion of small projects as part of their overall national development policy because, as Farouk and Saleh (2011) have noted, SBs are creating jobs at a faster rate than larger enterprises. According to the current research, a government can have a positive impact on small business outcomes, such as providing jobs and regional economic development (Smallbone & Welte, 2001). Furthermore, the attempt to back the expansion of small industries through the provision of infrastructure and technological advancement is one important job of the government (K. P. Phillips, 2003). *In the fourth figure, most respondents strongly agree that the government has a role and influence on SBs, implying that the government should participate in helping them in a special way.*

Besides in the fifth figure, the majority of respondents which were 198 out of 220 participants say that our local government has not provided us with any financial aid.

As mentioned through Oppewal, et. al. (2010), the government's support for technology backup is something those small businesses cannot overlook. Due to their little cash, SBs first experience financial instability when starting their dealings. Therefore, if the government offers them credit and loans, it will greatly aid small projects in achieving economic growth (Oppewal, Paas, Crouch, & Huybers, 2010).

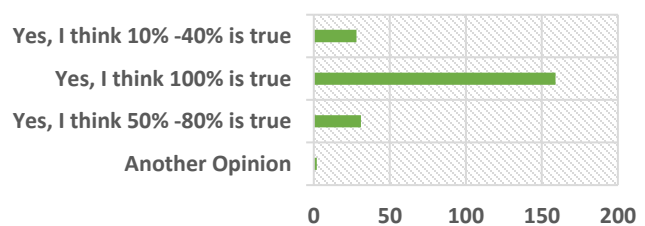
Figure 6: Collecting the Tax System Equally by the Government.
Do you accept the way your government collects taxes?



Concerning Oppewal et. al. (2010), for the benefit of the nation, the government equally collects taxes from citizens and corporations or small businesses. When it comes to encouraging businesses to spend more, the government frequently takes action to assist businesses in satisfying their purchasing habits and assisting them in leading normal lives (Oppewal, Paas, Crouch, & Huybers, 2010). Hence, the government grants them tax rebate, also known as a tax refund, so that the general people can purchase necessities. As reported by Shapiro & Slemrod, (2009), the government fairly collects taxes from individuals, corporations and small projects for the advantage of the country. Additionally, Shamsoddoha et. al. (2009) explained that in order to raise the level of living for the public and businesses, the government provides various benefits. Giving the public their own money that they have already paid for or that they overpaid for is also a better strategy to assist the public. Along with the general population, SBs and entrepreneurs also gain from this (Shamsoddoha, Ali, & Ndubisi, 2009). *In light of the sixth figure, it can be seen that the majority of respondents disapprove of their country's taxation system and believe that the government could not successfully and evenly collect taxes.*

Figure 7: Small Businesses are the Primary Driver of Economic Expansion and Job Prospects

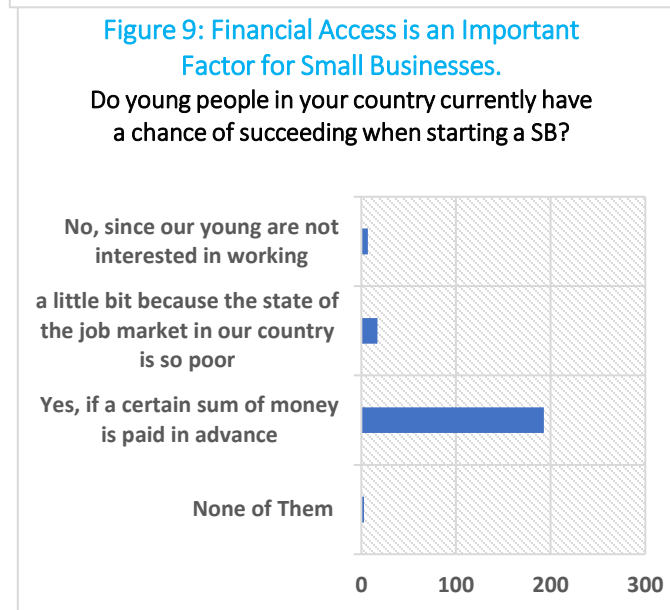
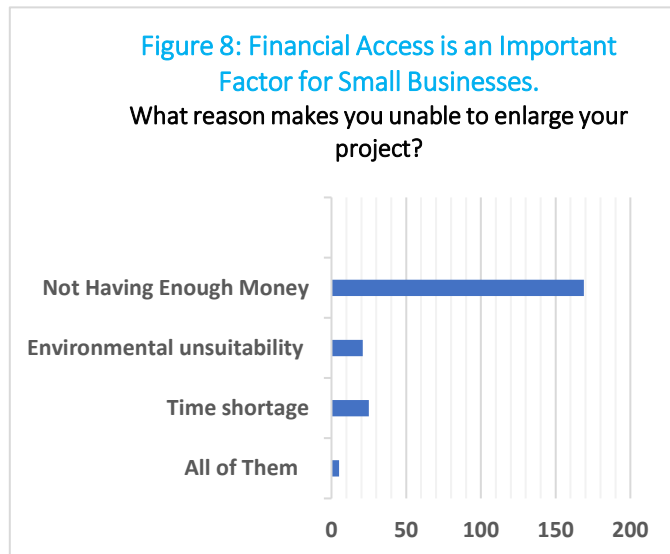
Do you think SBs are the primary driver of economic expansion and job prospects?



According to Pocek (2021), one of the most important factors in determining the strength of a local economy is entrepreneurship. As explained by (Muriithi, 2017), both developed and underdeveloped nations have benefited greatly from the emergence of small- and medium-sized businesses. Particularly, small businesses are the forces behind the expansion of the economy. Businesses create jobs, pay taxes, provide services, and contribute to the gross domestic product, accounting for about 90% of firms in both developed and emerging economies.

The SBA estimates that during the past 25 years, small firms have generated a net of 12.9 million new jobs, or about 66% of all jobs added during that time (Advocacy, 2022). Regarding to the SBA, large enterprises only generated a net of 6.7 million new jobs over that time. *For this reason, in one of*

the questions in figure seven, the majority of respondents, 159 small project owners out of 220 participants believed: (yes, I think it is absolutely true that small businesses are the primary driver of economic expansion and job prospects.)



Lawal et. all (2018), explain that an entrepreneur needs access to a range of resources, including financial capital, human capital, and physical capital, in order to establish and maintain a small business. Each of these resources is important for small size enterprises to have access to finance, especially new, innovative, and fast-growing enterprises (Lawal, Iyiola & Adegbuyi, 2018). The talk more that the development of SB depends heavily on finance. Therefore, favorable circumstances serve as the foundation for entrepreneurship's survival, growth, and competitiveness.

Moreover, according to Hill (2022), given that the business life cycle necessitates a variety of financial needs from

the beginning as well as during the growth and transformation phases of development, it is imperative that entrepreneurs and small businesses (SBs) have access to sufficient and sustainable finance. Therefore, most of the time small project owners have a lot of trouble getting the kinds of money they require for enlargement (Pissardies, 1999). Figure 8 shows that the majority of respondents are unable to expand their projects due to a lack of funding. Similarly, in figure 9, many respondents state that we encourage everyone to conduct small business as long as in advance payment is made.

In general, most of the responders to our survey support government assistance for small businesses. At the beginning of their business, small project owners require aid from effective government policies to rejuvenate more. The government's top objective should also be to collect taxes equally for all projects. According to respondents, giving attention to minor projects will help the economy and employment prospects of the country even more. Additionally, since access to capital is one of their biggest issues, they think it is in everyone's best interest to prioritize providing financial aid to those looking to start SBs. The government must also have concrete plans for how it will use large companies and investors to finance small businesses.

5. Conclusion, Implications and Limitations

This study's aim is to evaluate how the government may assist small businesses in reviving employment and economic possibilities. Based on the study's findings, a conclusion that could add to the general conversation on SBs can be made.

There is a vital theme that links with the government's support for small businesses. Results showed that the administration of countries is a strong factor in the revival of SBs, which will bring about significant economic progress and an increase in employment rates. Therefore, expanding small industries is one of the government's most important tasks, particularly in helping all those who have offered small project employment deals. The KRG does not currently offer any assistance to SB, so it needs to help them at the beginning of their work, which will be a strong start to further control the economic situation and reduce unemployment, as mentioned by Smallbone & Welte (2001), according to the current research, a government can have a positive impact on SB outcomes, such as providing jobs and regional economic development.

Another theme relates to the collecting the tax system equally by the government. Results showed that raising taxes on projects equally by the government will attract many people to invest in the area, and will pave the way for more small businesses to be revived and encouraged. However, many small project owners in Kurdistan Region of Iraq are now criticizing the government for failing to pay taxes equally. So, it is the government's duty to take into account the entrepreneur's income from receiving any taxes and then decide on setting the amount similarly. This will be a crucial move that will enable many people, including international workers, to enter a new era of the region's economic development, since relevant literature also supports it.

A crucial theme connected to the small businesses are the primary driver of economic expansion and job prospects. Results showed that SBs were having a much faster impact on strengthening the economy and ensuring job opportunities. Due to a multitude of causes, including the arrival of Covid 19 and poor management, the KR (2007–2014) has experienced economic crises and unemployment, particularly in previous years. Now that KR has recovered, many people with bachelor's degrees are starting SBs, which will help the country's economy grow every year and benefit young people by making it easier for them to get employment, as Alhaddad et. al. (2019) clarifies that the SBs are vital for eradicating poverty and fostering social and commercial improvement. Economic development will be made possible by the creation of prosperous industrial firms, which will lead to the creation of jobs for the general public in the society in which they operate.

The last significant theme relates to financial access is an important factor for small businesses. Results showed that the financial side will be a decisive strategy for the success of SBs. In KR, there are many public and private banks as well as large investors, so the government needs to use them to give money to people who are applying for small projects, even if they already have SBs. They should grant them money as an advance so that they can start the project or advance to a higher level. In this method, many people are turning to small projects. As elucidated by Hill (2022), given that the business life cycle necessitates a variety of financial needs from the beginning as well as during the growth and transformation phases of development, it is imperative that entrepreneurs and small businesses have access to sufficient and sustainable finance.

In conclusion, this study found that the government is a key character in activating and funding small businesses as well as encouraging economic growth and ensuring job opportunities. Especially in KR, most of those who want to make small businesses or own small projects need the government to support them humanitarially and financially. This study is limited with small project owners' participation.

References:

Ahmad, S. Z., Abdul Rani, N. S., & Mohd Kassim, S. (2010). Business challenges and strategies for development of small-and medium-sized enterprises (SMEs) in Malaysia. *International Journal of Business Competition and Growth*, 1(2), 177-197. .

Burns, P. (2016). *Entrepreneurship and small business*. Palgrave Macmillan Limited.

Doh, S., & Kim, B. (2014). Government support for SME innovations in the regional industries: The case of government financial support program in South Korea. *Research Policy*, 43,1557-1569.

Fredriksson, A., & Moro, A. (2014). Bank–SMEs relationships and banks' risk-adjusted profitability. . *Journal of Banking & Finance.*, 41, 67-77. .

Lawal, F. A., Iyiola, O. O., & Adegbuyi, O. A. (2018). Exploring alternative financing for entrepreneurship development in Nigeria: Surmounting challenges . *Journal of Entrepreneurship Education*, 21(1), 1-11. .

Longenecker, J. G., Moore, C. W., Petty, W., & Palich, L. E.

(2005). *Small business management: An entrepreneurial emphasis.* .

Maqbool, R., & Sudong, Y. (2018). Critical success factors for renewable energy projects; empirical evidence from Pakistan. *Journal of Cleaner Production*, 195, 991-1002.

Menkhoff, L., Neuberger, D., & Rungkruxsivorn, O. (2012). Collateral and its substitutes in emerging markets' lending. . *Journal of Banking & Finance*, 36(3), 817-834.

Muriithi, S. (2017). *African small enterprises contributions, challenges and solutions*.

Pissarides, F. (1999). Is lack of funds the main obstacle to growth? EBRD's experience with small-and medium-sized businesses in Central and Eastern Europe. *Journal of Business Venturing*, 14(5-6), 519-539. .

Smallbone, D., & Welte, F. (2001). The Role of Government in Small Business Development in Transition Economies. *International Small Business Journal : Researching Entrepreneurship* , 19,63-77.

Tomaselli, M. F., Timko, J., & Kozak , R. (2012). The Role of Government in the Development of Small and Medium Forest Enterprises: Case Studies from The Gambia. *Small-scale Forestry*, 11, 237-253.

Zada, M., Zada, S., Ali, M., Zhang , Y., Begum, A., Han , H., . . . Muñoz, A. (2021). Development of Local Economy through the Strengthening of Small-Medium-Sized Forest Enterprises in KPK, Pakistan. *Sustainability Mangement Finance*, 13(19), 10502.

Pocek, J. (2021). *Inclusive Entrepreneurship Ecosystem Analysis in Montenegro. Landon : the Sten K Johnson Center for Entrepreneurship, Lund University, with the contributions and guidance of the ILO's SME Unit*. New York.

Hill, S. (2022). *Global Entrepreneurship Monitor*. Business School, Regents Park, London NW1 4SA, UK.

Etikan, I., & Bala, K. (2017). Sampling and sampling methods. . *Biometrics & Biostatistics International Journal*, 5(6), 00149.

Roberts, & Lombard, M. (2002). *Marketing research: a Southern African perspective: Future Managers*.

Al-Haddad, L., Sial, M. S., Ali, L., Alam, R., Khuong, N. V., & Thuy, T. H. (2019). The role of small and medium enterprises (SMEs) in employment generation and economic growth: a study of marble industry in emerging economy . *International Journal Financial Res*, 10(6). .

De Kok, J., Vroonhof, P., Verhoeven, W., Timmermans, N., Kwaak, T., Snijders, J., & Westhof, F. (2011). *Do SMEs create more and better jobs. Report prepared by EIM for the European Commission DG Enterprise and industry, Brussels, European Commission*.

K. P. Phillips. (2003). *Wealth and democracy: A political history of the American rich*. Broadway,.

M. G. Blackford. (2003). *A history of small business in America*. UNC Press Books.

Gara, A. (2021, August 3). *Deal Of The Century: How Michael Dell Turned His Declining PC Business Into A \$40 Billion Windfall*. Retrieved from Forbes: <https://www.forbes.com/sites/antoinagara/2021/08/03/deal-of-the-century-how-michael-dell-turned-his-declining-pc->

- business-into-40-billion-windfall/?sh=1a7c219c5c2a
- Longenecker, J., Petty, W., Palich, L., & Hoy, F. (2022). *Small Business Management: Launching & Growing Entrepreneurial Ventures*. Washington: PP. 3-4, 608 .
- Wapshott, R., & Mallett, O. (2021). *Small Business, Big Government and the Origins of Enterprise Policy*. UK Bolton: PP. 2-3, 120 .
- Aruwa, S. A., & Suleiman, A. (2004). *Financing options for small and medium scale enterprises in Nigeria*. *Small*, 50, 99.
- Burns, P. (2016). *Entrepreneurship and Small Business: Start-up, Growth and Maturity*. London: Bloomsbury Publishing, 2016.
- Laverty, M., & Littel, C. (2020). *Entrepreneurship*. New York: OpenStax, PP.2-3.
- Adeusi, S., & Aluko, O. (2014). Assessing the role of government in promoting small scale businesses in Kogi State: the Kabba/Bunu experience. . *Journal of Business and Management*, 16(11), 86-92. .
- Culkin, N., & Smith, D. (2000). An emotional business: a guide to understanding the motivations of small business decision takers. *Qualitative Market Research: An International Journal*.
- Bartlett, W. (2001). "SME Development Policies in Different Stages of Transition, MOCT-MOST". *Economic Policy in Transitional Economies*, 11 (3). 197-204.
- Cressy, R., & Olofsson, C. (1997). "European SME Financing: An Overview", *Small Business Economics*. 9 (2), 87-96.
- Halley, A., & Guilhon, A. (1997). "Logistics Behavior of Small Enterprises: Performance, Strategy and Definition". *International Journal of Physical Distribution & Logistics Management*, 27 (8), 475-495.
- Marri, H., Gunasekaran, A., Kobu, B., & Grieve, R. J. (2002). "Government-Industry-University Collaboration on the Successful Implementation of CIM in SMEs: An Empirical Analysis". *Logistics Information Management*, 15 (2), 105-11415.
- Oppewal, H., Paas, L. J., Crouch, G. I., & Huybers, T. (2010). "Segmenting Consumers Based on How they Spend a Tax Rebate: An analysis of the Australian stimulus Payment". *Journal of Economic Psychology*, 31 (4), 510-519.
- Shamsoddoha, A. K., Ali, M. Y., & Ndubisi, N. O. (2009). "Conceptualization of Direct and Indirect Impact of Export Promotion Programs on Export Performance of SMEs and Entrepreneurial Ventures". *International Journal of Entrepreneurship*, 13, 87-106.
- Shapiro, M. D., & Slemrod, J. B. (2009). Did the 2008 Tax Rebates Stimulate Spending?". *NBER Working Paper Series*, 14753.
- Xu, D., & Ljungwall, C. (2008). "What is the Real Size of China's Economy?". *China Economic Journal*, 1 (1), 97-105.
- GOV.krd. (2022). *Kurdistan Economy (Economic Overview)*. <https://gov.krd/boi-en/why-kurdistan/region/facts-figures/region-kurdistan-economy/>.
- Orsam. (2021, 9 Ferbuwary). *Growing Chinese Influence in the Kurdistan Regional Government in Iraq*. Retrieved from Orsam: <https://www.orsam.org.tr/en/growing-chinese-influence-in-the-kurdistan-regional-government-in-iraq/>
- Hostinger. (2022, July 6). *30 Small Business Statistics to Capitalize On in 2022*. Retrieved from Hostinger: <https://www.hostinger.com/tutorials/small-business-statistics>
- Uhd. (2022, March 3). *National Forum on University and Labour Market*. Retrieved from Uhd: <https://uhd.edu.iq/News/Detail/1299>
- Rudaw. (2013, November 4). *Foreign Firms in Kurdistan Three Times More Than For Rest of Iraq*. Retrieved from Rudaw: <https://www.rudaw.net/english/business/04112013#:~:text=The%20number%20of%20local%20companies%20in%20Kurdistan%20is%20close%20to%2017%2C000.>
- Karim, A. (2022, June 29). *Security, uncertainty, banking weaknesses hindering Kurdistan Region trade*. Retrieved from Rudaw: <https://www.rudaw.net/english/kurdistan/290620221>
- Advocacy. (2022, April 26). *Small Business Facts: Small Business Job Creation*. Retrieved from Advocacy: <https://advocacy.sba.gov/2022/04/26/small-business-facts-small-business-job-creation/>
- Treece, D. (2022, Agust 12). *Bigger isn't necessarily better or more important. Here's how small businesses help strengthen local economies*. Retrieved from Business News Daily.: <https://www.businessnewsdaily.com/1298-small-business-good-for-economy.html>