

How do entrepreneurs develop and grow the economy

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ABSTRACT:-

In economy entrepreneur play a major role Entrepreneur are the people who have skills and take necessary initiative to bring some new ideas to the market and by taking right decision their ideas become profitable for an economic development entrepreneurship is become more important because they can operate with flexibility and develop their ideas. Entrepreneurship cannot flourish in an over – regulated economy because hardly any people have the drive to set off entrepreneurs. The analyses confirm that measure of entrepreneurship in a particular country has a notable positive effect on the extent of economic growth in the country. Entrepreneurial activity increases the new job opportunities, raise the productivity of firms and expedite structural change by restore established, sclerotic firms. A high level of self- utilization is not necessarily a fine measure of entrepreneurial activity.

KEY-WORDS:-

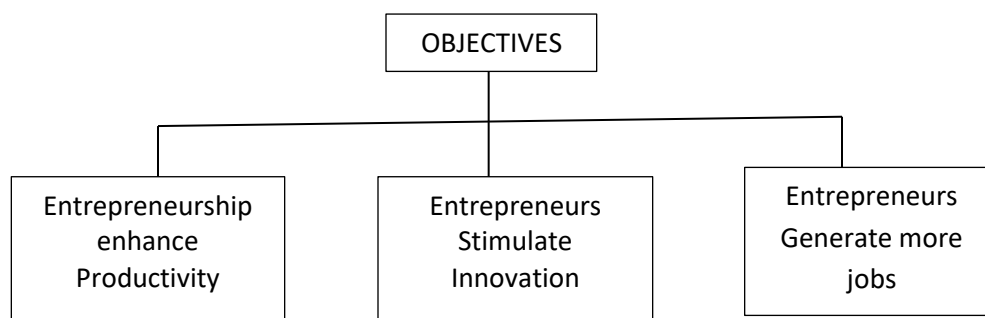
Economic growth, entrepreneurship, economic development, opportunities.

INTRODUCTION:-

Entrepreneurship has been globally fact as a development and progressive ideas for business world, Scott (1986). Even after getting less funding from the government the social entrepreneurs gained greater grip in the market. The concept of entrepreneurship has been university recognized as a means of potential and willingness to develop, organize and be in charge of a business along with any of its unpredictability. Entrepreneurial activities may impact a country's economic production by initiate new methods products, manufacturing process to the market and by improving productiveness and competition more openly.

OBJECTIVES:-

Entrepreneurs have to achieve certain objectives for national reason:-



1. Entrepreneurship enhance Productivity – Entrepreneurship introduce the economy with firm batch of excessive productivity firms, increase rivalry among existing business and thrust old less productive ones
2. Entrepreneurs stimulate Innovation – New firms are unequally responsible for commercializing current transformation, particularly reforming transformation that spawn absolutely new market.¹

¹ 1. Ayesha Kalim, innovative educational solution (IES), lahore,2019

3. Entrepreneurs generate new jobs – Young and new profession, not small business, are the mechanism of net job formation in the economy.

DEFINITIONS:-

1. Entrepreneurs- According to max weber- “Innovator with unusual will and energy, clarity of vision and ability to act”.
2. Economic Growth – According to Paul Romer – “Economic growth occurs whenever people take resources and rearrange them in ways that are more valuable”.
3. Economic Development- According to Michael Paul Todaro – “Development is not purely an economic phenomenon but rather a multi- dimensional process involving reorganization and reorientation of entire economic AND social system”.

RESEARCH- METHODOLOGY:-

By following extensive literature review and the data collection is of descriptive in nature, collected from published study in various journals, books, reports, and research articles.

Understanding Entrepreneurship- Growth and Development in Economy :-

Entrepreneurs faster economic growth by establishing innovative technologies, by product and services. Entrepreneurship is acceptable for economic development and they transform the best possible assets like land, labour and capital into gross revenue and prosperity in the form of goods and services. They assist to expand net national product and earnings in the country. They investigate and utilize opportunities, motivate effective new business development of capital and expertise, initiate new products and services and grow trade for the development of the economy. Entrepreneurship is predominant key to economic development as they counter to high governmental barriers by operating to more innovation – advantageous countries or by turning from high yielding activities to poverty- stricken – creating activities.

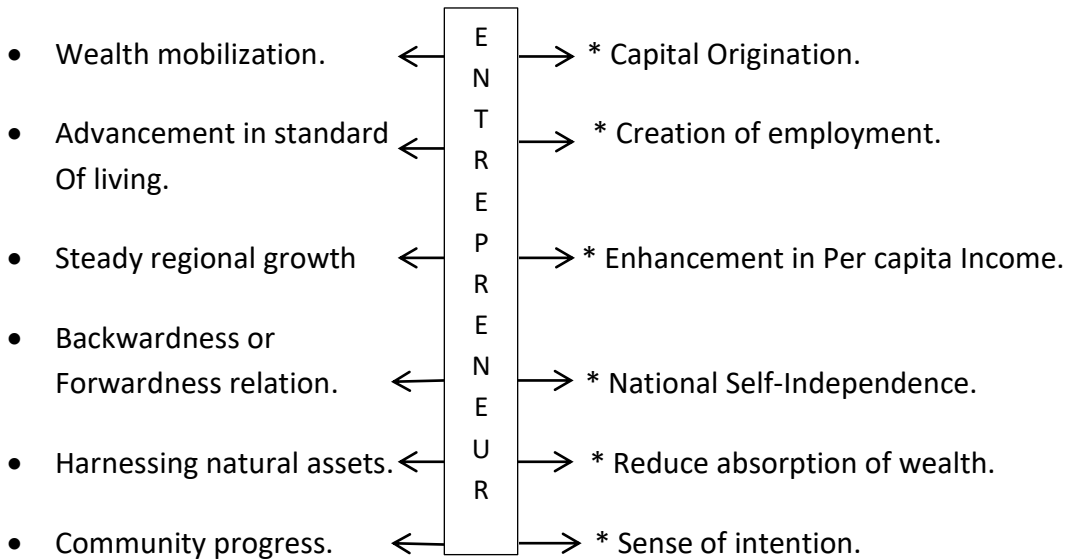
Entrepreneurs frequently provoke obligatory firms, and while this might seem unpleasant, unchallenged, entrenched firms prefer to become self- approving contented to take their profits lacking of investing in research and development to upgrade business. Entrepreneurs are uniformly important when the financial system is doing badly. When loafing is high and the economy is down or stop flowing spirited entrepreneurship could help out to turn the economy throughout. If entrepreneurs are incessantly encouraged in inferior economic time also in good, then all line of work / occupations are kept on their toes, inspire to work consistently to upgrade and adopt. Additionally, policy-makers need to get ready for the prospective job loses that can happen in the medium term by way of “creative destruction” as entrepreneurs try for enlargement of productivity.²

2. <http://www.IKouniv.ac.in>site>

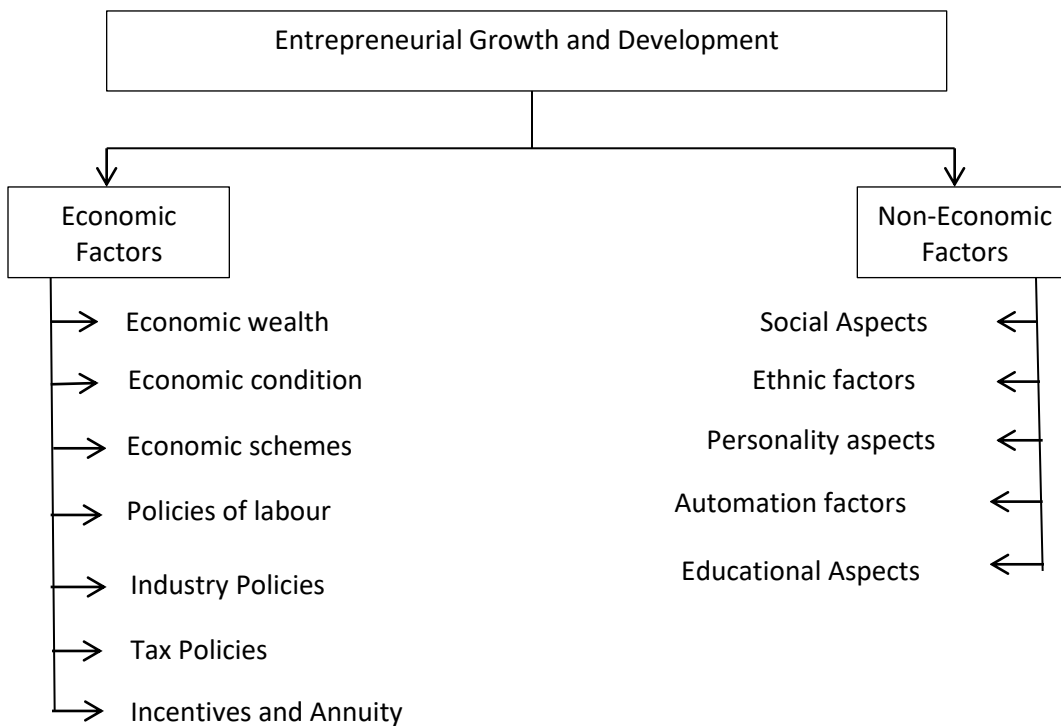
3. <http://www.econlib.org>enc1>

4. <http://www.governanceinstitute.edu>

Role of Entrepreneurs in Economic Development:-



Factors Affecting Entrepreneurial Growth – There are economic and non-economic factors that affect entrepreneurial growth.



- **Economic Factors-**

- 1) Economic wealth comprise of land, labour, and capital which are time to time in attainable to the entrepreneurs consequently, entrepreneurs get demoralize by scarcity of economic resources.
- 2) Economic conditions comprise rate of interest, per capital income, Pretension, earning of consumer under employees etc. The viability of enterprise is controlled by economic conditions.
- 3) Policies explain the course of action and dimension of the business. The approach which may influence the business are expansionary, financial plan, tariff policy etc.
- 4) The most vital factors of production is labour. The volume and cost of production mainly depend on the productivity of labour.
- 5) Trade policies manage the requisite supply of by products and amenities within the country and also control the unfavorable balance of payment.

- **Non –Economic Factors-**

- 1) These components deal with perceptiveness, attitudes and way of living the society. They mainly effect the inspiration level of the entrepreneurs.
- 2) These components include a set of inclination, conduct and basic value of people customs of any country mostly influence the development of entrepreneurship.
- 3) Many mature and developing countries think about entrepreneurs as vulture. It becomes exigent for an entrepreneur to employ in a planned financial state. So, in order to encourage the business endeavor, businessmen have to modify with their viewpoint or processes.
- 4) Establishment recently develop technology has bring about numerous chances for business person to earn profit countries with soaring- technological measures are likely to possess high entrepreneurial extension.

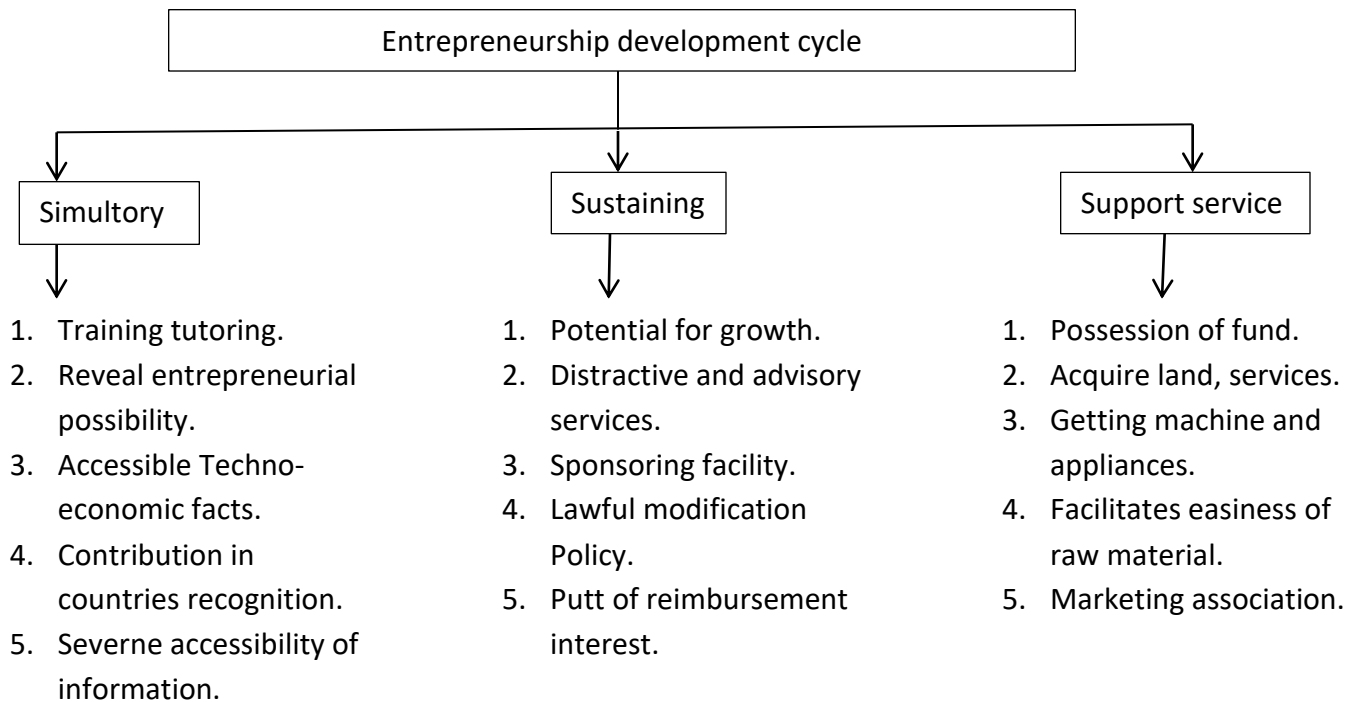
Along with above given factors, following are four major factors responsible for enterprise activities:-

- 1) Accessibility and fast flow of finance.
- 2) Globalism extension
- 3) Technology advancement
- 4) Revolution in Particulars of technology.

Procedure of Entrepreneurship expansion: - The process of entrepreneurial expansion contains of creating an ambitions person by-

- i. Imbibing pioneering quality and inspiration.
- ii. Advance capacity of discern choosing, planning and demonstrate an enterprise.
- iii. Acquiring Capabilities to auspiciously manage the position of enterprise.

The pivotal methodology can be foremost classified into simulatory, support services and sustaining.



- Entrepreneurs can upraise the anticipation of their success by obtaining the following abilities:-

Disregarding of the size of the business, big or small they should obtain efficient management of -

- men
- material
- money
- market

Efficiency of these assets is a key element for the successful outcome. However, the essential level of proficiency in supervisory ability in production, retail, finance and individual vary as per the dimension and nature of the undertaking. It also calls for executive growth and nourishment.

By acquiring these skills anticipated entrepreneurs can increase the anticipation of their success.

“Good entrepreneurs are community builders actively involved with their communities and dedicated to the community well-being. If you are dedicated to your community it will be dedicated to you” – Robert Kiyosaki³

³ 5. <http://www.brinkyquote.com>

Entrepreneurial aid system gives rise to community, wide interest. These systems have a transformational influence on economic growth by promoting participation, improving productiveness and increasing efficacy.

There are subsequent support services in entrepreneurship evolution cycle:-

1. Acquiring funds
2. Obtain Land, shed and other useful.
3. Obtaining machines and equipments.
4. Provision for securing raw material.
5. Marketing association.
6. Providing ordinary Prerequisite.
7. Management negotiation.
8. Be of use to information.

Challenges for Entrepreneurs in Growth and development of Economy-

Entrepreneurs face continuous uncertainty establishing a new venture and carrying out transformation are at core of unreliability bearing. While there is no clear cut ball for what the time ahead may hold, there are some advance manifestations about business –

1. Financial fluctuation – In unparalleled measurable easing according to some critics this policy causing a bunch of artificial development and as soon as then low-cost money stops unconfined, so may the sales.
2. Globalization and Increased efficiency – Profession will be skillful to leverage those very speculative by hire them out to competitiveness. The improved consumption of limited resources in the splitting economy will greatly expand the possessing idle property.
3. Technological Tornadoes - “Innovation in technology or making product life-cycle, continually shorter, affectively destroying Moore’s law”. With such a quickly shifting of technological landscape any tint of art business framework may soon be despairingly outdated and a high-cost burden.

Conclusion-

Mere research is not sufficient. The entrepreneurs should constantly study essence of environment and its impact on business. Efforts must be made to control the environment in order to make it compatible and favourable to entrepreneurial undertaking. The most successful business is one who not only balance to the environment but also adopt the environment to suit their engagement through the consumer and Indirect impact he can practice over the system.