

A Study of Role of an Entrepreneur in the Economic Development of a Country

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Abstract

This study is all about the role of entrepreneurs in the economic development of a country. Entrepreneur is a person who takes initiative and promotes the country not only at national level but also at international level. A skilled entrepreneur can construct the country's image and can even distract its image. In India there are many entrepreneurs like Dhirubhai Ambani, Ratan Tata, Narayana Murthy, Azim Premji, Laxmi Mittal who has given India an extreme position in the world. He plays a key role in any economy. These are the people who have the skills and initiative necessary to take good new ideas to market and make the right decisions to make the idea profitable.

Keywords: *Entrepreneur, Entrepreneurship, Economic Development*

Literature Review:

Carton et al. 1998, Entrepreneurship is all about the identification of an opportunity, creation of new organization, and pursuing new ventures. There are many studies done on entrepreneurship like external skills required in entrepreneurs.

Barringer and Bluedorn (1999) have described entrepreneurs as individuals who can explore the environment, discover the opportunities, and exploit them after proper evaluation.

Kruger 2004, An entrepreneurial venture is successful if it is growing. Growth has various connotations. It can be defined in terms of revenue generation, value addition, and expansion in terms of volume of the business. It can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers.

Pajarinen et al. (2006) have said that entrepreneurs with higher academic background are more innovative and will use modern techniques and models to do business. According to him entrepreneurs who are more qualified have better ideas than others.

Kuratko (2009), in his book, distinguishes between entrepreneurs and small business owners. He highlights that these two terms are often used interchangeably, but both have a lot of differences in their reaction under certain situations. An entrepreneur is the person who aggressively focuses

on innovation profit and growth of the enterprise. On the other hand, a small business owner's objective and focus is mostly on managing stable growth, sales, and profits.

Mateev and Anastasov (2010) have found that an enterprise's growth is related to size as well as other specific characteristics like financial structure and productivity. They further added that the total assets which is one of the measure of the enterprise size has a direct impact on the sales revenue, but the number of employees, investment in R & D, and other intangible assets have not much influence on the enterprise's growth prospects.

Lorunka et al. (2011) have found that the gender of the founder, the amount of capital required at the time of starting the business, and growth strategy of the enterprise are very important factors in predicting growth in a small enterprise. They have further highlighted that apart from human capital resources, the growth of an enterprise can be predicted on the basis of commitment of the person starting a new enterprise.

Introduction:

Meaning of 'Entrepreneur'

An individual who brings innovation with zeal to do things differently. The entrepreneur is generally seen as a business leader and innovator of new ideas and business processes. He is the person who turns the thoughts in to reality .Entrepreneur who is a business leader looks for ideas and puts them into effect in fostering economic growth and development. Entrepreneurship is one of the most important input in the economic development of a country. Entrepreneurs are the persons who do not do different things rather they do things differently.

Economic Development:

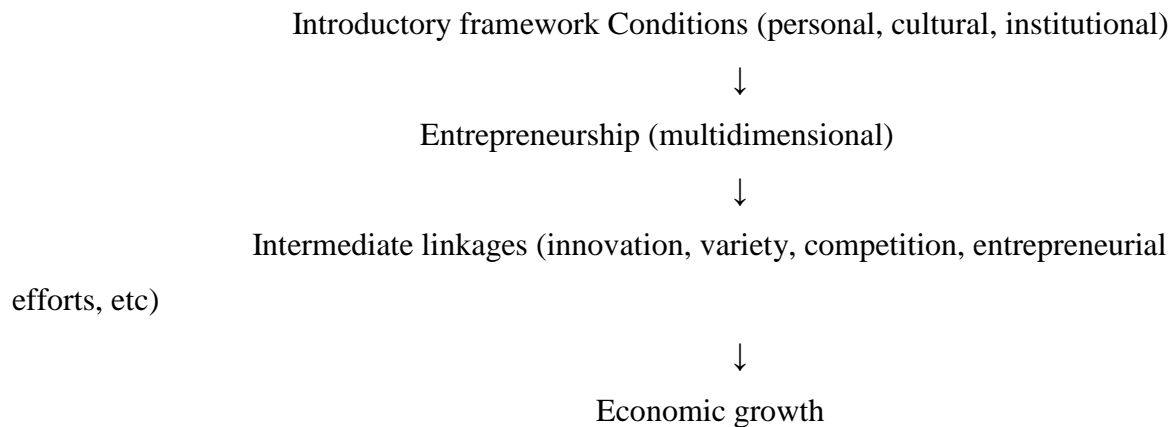
Economic development is the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. Economic development can also be referred to as the quantitative and qualitative changes in the economy.

Entrepreneurship is an important engine of growth in the economy. In this lesson, you'll learn about what an entrepreneur is and the key characteristics and skills that a successful entrepreneur possesses. Some examples of entrepreneurs will also be given.

Characteristics of a Successful 'Entrepreneur':

1. Self-starters
2. Leadership Skills
3. Risk-takers
4. Innovative
5. Ethical,
6. Creative thinker

Figure 1.1 Showing the economic growth and entrepreneur



Source: Wennekers and Thurik (1999).

Role of an 'Entrepreneur' in the Economic Development of a Country:

'Entrepreneur' Creates Employment Opportunities:

Entrepreneurs provide immediate large-scale employment to the unemployed which is a major problem of any country. The new units by entrepreneurs provide employment to many unemployed people. In this way, entrepreneurs play an effective role in reducing the problem of unemployment in the country which in turn clears the path towards economic development of the nation. Directly these unemployed people turn in to employed persons.

Promotes Export:

Entrepreneurs help in promoting a country's export-trade, which is an important ingredient of economic development. They produce goods and services in large scale for the purpose earning huge amount of foreign exchange from export in order to combat the import dues requirement. It also promotes the country's image on the international level. The other nation starts recognizing our country and we are also in the position to import the important things from other country.

Remove Regional Disparities:

Entrepreneurs help to remove regional disparities through setting up of industries in less developed and backward areas. The government of India also declared certain zones, where the persons with innovative idea are getting special subsidies. The growth of industries and business in these areas lead to a large number of public benefits like road transport, health, education, entertainment, etc. Setting up of more industries leads to more development of backward regions and thereby promotes balanced regional development in the country. For Example: Pithampur in Madhya Pradesh.

Improves Standard of Living:

It improves the standard of living as the new thoughts and ideas get converted in to a business unit and directly it increases the per capita income of a person and this increase leads to higher standard of living Increase in the standard of living of the people is one of the important feature of economic development of the country. Entrepreneurs play a key role in increasing the standard of living of the people by adopting latest innovations in the production of wide variety of goods and services in large scale that too at a lower cost. This facilitate the society to avail better quality goods at lower prices which automatically results in the improvement standard of living

Entrepreneur Creates Wealth:

Entrepreneur creates wealth and income in the interest of the country to more people and geographic areas, thus giving benefit to larger sections of the society. Entrepreneurial activities also generate more activities and give a multiplier effect in the economy. Overall it creates the wealth for the society as well as to the individuals.

Increasing National Income and Per Capita Income:

Entrepreneurs always increasing National Income and Per Capita .They explore and exploit opportunities, encourage effective resource mobilization of capital and skill, bring in new products and services and develop markets for growth of the economy. Accordingly, they help in increasing gross national product as well as per capita income of the people in a country. Increase in gross national product and per capita income of the people in a country, is a good sign of economic growth.

Enhances Overall Growth:

Entrepreneurs act as an innovator who is not only beneficial for the individual but also for the society as well as for the nation. Once an enterprise is established, the process of industrialization is set in motion. This unit will generate demand for various types of products and services required by the society. This leads to overall development of an area due to increase in demand and setting up of more and more units of varying nature. In this way, the entrepreneurs enhanced their entrepreneurial activities, thus creating an environment of new thinking.

Conclusion:

When the Britishers left, our country, it was economically not very sound. It had destroyed the self-sufficient economy of village community and the old handicraft industries .While the British government destroyed the traditional economic base of Indian society, they didn't built-up a modern industrial society because they always wanted that India remain their slave only .As a result majority population in our country remained undeveloped and unemployed In the last seven years or so (i.e., since 2004) India has emerged as one of the fastest growing economy of the world. In fact, next to China, India's growth rate since 2004 is the highest in the world. This is often referred to as India's growth miracle. The Constitution of India in its Directive Principles of state policy discussed about the country's economic growth and economic justice. The units which the entrepreneurs run, directly helps the economy to grow and develop on the large scale.

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