

Review Article

HOW DO ENTREPRENEURE AFFECT THE ECONOMIC GROWTH OF A COUNTRY?

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ABSTRACT

Entrepreneurs and entrepreneurship have the key role in the economical development of different societies. Japan, South Korea, Malaysia and India are rich in entrepreneurship activities and this has made them proud of their economic achievements. It is worthy of mentioning that entrepreneurs not only think of providing new working opportunities, but also make use of the structure, thought, mobility and culture in the creative destruction to be able to create good opportunities out of left aside and useless styles. Our country is tacking with many economical problems such as inflation and unemployment. To get rid of these problems either in private or in governmental sectors of the country, we need brave, innovative, and risk taker entrepreneurs who can help the country in planning and designing a new method with regards to the development of the organization and society. Based on the importance and role of Entrepreneurship, and the brilliant experience of entrepreneurs in the development of many countries, also based on the existence of the economical problems of many countries; the need towards having helpful hands is emergent. It is important to distribute and expand the concept of entrepreneurship, internalize the supporting hands for entrepreneurship, and the most important of all, supporting educated people in the field of entrepreneurship(especially in developing societies) is really important and vital.

Keywords: *Entrepreneur, Entrepreneurship, Economics, Importance of Entrepreneurship and its Effect on the Economic Development.*

INTRODUCTION

In today's world the economic systems have gained a fast speed. The companies which cannot move hand in hand to the economic development will be extinct as dinosaurs. The economic, industrial, social and cultural destiny of our country is in the way that it needs new models and styles to get rid of its problems. The young population of the country, the necessity towards having new working opportunities and the fluctuations of oil price are the three reasons of decision making in the field of other money making opportunities rather than oil. Undoubtedly, this source of money making opportunity is nothing but innovation and creation. Now, innovative and creative people as entrepreneurs are regarded as the source of huge developments in industrial, economical, production and service related sectors. Such people in these fields are named as national champions. The wheels of economic development move by means of entrepreneurship development. An outstanding feature of today's economic is its fast changes. The countries which have risk taker and innovative entrepreneurs can be successful and rich in the economical view point. It can be said that entrepreneurship is the symbol of innovation and success in different business and economic related works. Those Entrepreneurs who are effective in the decision-making procedure and profitability of the decisions are called as the pioneers of the entrepreneurship. This indicates that economy is hand in hand with entrepreneurship. If a country cannot be able to move along with the fast changes of the today's world, it cannot be regarded as the active member of the world in future. In the past 20 years (1960-1980) in India as a third world countries a number of 500 Entrepreneurship Company have started working. Many other great companies have also referred to entrepreneurs to solve their problems. In the difficult situation that we now are dealing with, the need to have entrepreneurship is strongly shown. Talking about this main topic means entrepreneurship. Colleagues, 1998). Now days, entrepreneurship is regarded as an unlimited source through which different innovations and developments will be designed. Among this, entrepreneurs have got the

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effective role in the economical development of a country. Research studies have shown that there is a positive correlation between economic growth and economic development. This is because the country which has got a large number of entrepreneurs is rich in many economic and business related stimulus. (Vares,1999).

ENTREPRENEUR

Simply, an entrepreneur is a legal or right person who is capable of standing against financially related risks; also, he can change an idea to an economic activity. All of us can be entrepreneurs, no matter we are a farmer, clerk, or so. In any working position we can be entrepreneurs and change our ideas into reality. Those who create a new working opportunity in industry are entrepreneurs. Most of the times, entrepreneurs start their job by establishing a new company. They also create new working opportunities when innovating a new good. This means, entrepreneurs create new production lines at factories. Doing so, this will be the opportunity towards a new shopping and they will be called entrepreneurs. Generally speaking, entrepreneurs control the resources to create new things (either new goods , services, shopping, or new working opportunities). Entrepreneurs are regarded as the main pioneers in the field of economic and social change, and this is because they are highly capable of diagnosing good opportunities so that they can move toward the expansion of these opportunities. Entrepreneurs confirm that success and vitality needs innovation, and dexterity. Besides, an entrepreneurs needs risk taking, innovation, and entrepreneurship actions. Based on economic theories, and the gained experiences in the economic field, entrepreneurs are called the active motor of development and economic growth.

Creating working opportunities is one of the main accomplishments of entrepreneurs. Unfortunately, in our country and in the recent developmental programs there has not been any especial consideration the issue of entrepreneurship. It can be said that the topic of entrepreneurship has left unknown and unfamiliar to many people of the society. Perhaps, this is the reason that we have not yet achieved any planning and foundation in the field of entrepreneurship in different scopes of economic, social, and educational at our universities. Entrepreneurs have the key role in the social and economical development. Entrepreneurs as the key role owners in the development of developing countries and the vitality achievers of the industrialized countries have been into spot light. In the current situation of our country (dealing with economical problems, brain drain, and unemployment especially in educated people and specialized personnel, investment decrease from the government side, lack of interest, and economic growth-related issues) educating and preparing entrepreneurs is of great importance in the development of our country.

What distinguishes successful entrepreneurs from other entrepreneurs is the speed of economic growth activity. Those who are more successful, are the ones who can speed up their economic activities. Successful entrepreneurs find out the opportunities which others don't take care of them. This idea flourishes the idea of using other situations. Entrepreneurs try to fix up their working chances in the business situation which regards them innovative and creator. Entrepreneurs acutely predict that the business situation is on the change; later, they prepare themselves to handle the business situation and work related cases to be able to be successful. Most of the times people think that entrepreneurs are successful because they create new goods and services such as Google and yahoo, but this is not the case. Most successful entrepreneurs try to add to the profitability and quality of a good, they don't invent new goods.

An entrepreneur provides the needed materials (such as ground, working personnel, used materials, and resources). Entrepreneurs make use of their decision-making ability, skills, and individual capacities in the planning, organizing, and establishing the newly management bases. In this way, the entrepreneur can reach to his idea and profitability. esources, raw materials and other things to be able to add to the quality and quantity of the result. Entrepreneur is not the owner of wealth, but he is capable of using useless resources. An entrepreneur is not a creator, knower, expert, and artist but he is capable of making use of knowledge, expertise, and art of others.

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CHARACTERISTICS OF ENTREPRENEURS

Entrepreneurs prefer moderation in risk taking. Moderated risk taking activities are the ones in which skill and effort of the person is the key role. Sometimes acceptable situations have a role in moderated risk taking activities, but the effect of acceptable situations has decreased to the minimum required level so that the result of the task can be something within the responsibility of the doer of the action. Entrepreneurs welcome risk, and this is when the risk is observed. In other words, entrepreneurs don't accept the responsibility of doing the tasks in which there is no chances of success. They regard such situations as financial cut off. Entrepreneurs must be brave enough to accept a risk. In this way, they can design their destiny. In uncertain situations, entrepreneurs take all the aspects of doing something into account. Later, they plan based on the type of problem. Entrepreneurs accept the individual responsibility of doing something. One of the main motivating factors of reaching to future is entrepreneurship. An entrepreneur prefers to decide himself and in this way, he makes use of his knowledge, skill, and wealth. In the case of failure, he says: it was my fault. In the case of success, he only confirms his own entrepreneurship credit. Entrepreneurs are self-confident people. Entrepreneurs are famous because of their self-confidence. They believe they can reach their expectations. In other words, they predict the chance of their success higher than it really is.

Probably, real entrepreneurs are successful because of their high self-confidence. Entrepreneurs seek to see the reaction of their performance. Entrepreneurs seek to see their bad or good outcome because they are familiar with the existing situation.

FEATURES OF ENTREPRENEURS

Self-Reliance

This is one of the first features of an entrepreneur. Using this skill, an entrepreneur can stay against all of the difficulties. If you want to be an entrepreneur you must try to empower this feature.

The Need To Do And The Need To Achieve

This is another feature of an entrepreneur. Entrepreneurs permanently need to create a good or service. Simplest of all, this can be seen in house related activities or the most complicated tasks in the creation of a good or service.

Making Use Of Profitability At Its Final Outcome

An entrepreneur wants to make use of his time in the best way possible.

Standing Against Risky Situations

This is another feature of an entrepreneur. An entrepreneur stands against the risk of a failure and accepts his failure. The failure can be face threatening, or financial. It can be sometimes the cost of losing something that ordinary people have in their life.

Opportunity Hunters

An entrepreneur can easily find out the distinction between a useless incidence and a type of incidence which provides the chances of achievement. An entrepreneur knows to hunt which chance as opportunity.

The Need To Progress Permanently

This is another characteristic of entrepreneurs. An entrepreneur won't stop practicing even if he establishes an economic activity. He loves to achieve new progresses on a daily bases.

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Entrepreneur Has Got A High Capacity In Self-Controlling

Research studies have shown that entrepreneurs can control themselves better than controlling the external world. The effect of this characteristic is shown in the ability to control situation.

They Look At Their Goal

No matter it is night or day, but entrepreneurs always think of their goal. Be careful that having concentration on a goal is even more difficult than doing the daily tasks. Other characteristics of an entrepreneur are: innovation, creativity, risk taking, self-confidence, professional knowledge, independency, goal orientation, internal control center, positive feedback with regards to barriers and problems, the ability to have communication, attainment, and the inclination to accept responsibility.

ENTREPRENEURSHIP

Ordinary people and educated ones talk about what is entrepreneurship and who is entrepreneur in a different way. They say, entrepreneurship means creating job, and entrepreneurship is the person who creates job. This is not the definition of entrepreneur and entrepreneurship. As experts and consultants say, entrepreneurship is the story of successful people in a society who create work rather than getting employed somewhere. As Ahmad pour Daryani said: entrepreneurs are the champions of economic, and social development.

The first step in understanding and conceptualizing a concept or theory is to define it clearly and truly. Entrepreneurship as other sciences of human science, can be clarified and defined when there will be a clear and identifiable definition of the concept of entrepreneurship. Concepts in human knowledge are not like the science of physics and chemistry which can be defined acutely. Sometimes even finding a good definition for humanity related knowledge is impossible.

Entrepreneurship is one of the keywords which don't have a single definition. Since the time that entrepreneurship was first introduced, there has been many different and even contrastive definitions from different viewpoints. The differences in the definition of entrepreneurship show two things. From the first side, it shows expansion and importance of the topic of entrepreneurship which can be analyzed from different viewpoints. From the second side, it shows that entrepreneurship is a dynamic topic which creates different models, definitions, and opinions.

Entrepreneurship is a new key term which we cannot reach to its main concept through the root of the word. Entrepreneurship has got its roots from the French language. We have not yet got any acute and exact equivalent for entrepreneurship. Most of the times, entrepreneurship is a new word for the listener. Entrepreneurship is a known word (to some extent) among educate people and professors of the field of economics and management.

THE IMPORTANCE OF ENTREPREURSHIP

Studies (by some of the economics, experts, and management scientists) have shown that the movement and development engine of economy is entrepreneurs of that society. They work in an unbalanced competitive situation and help to the development of a society. The key towards entrepreneurship success is to find out innovative methods through which the access towards new technologies and new markets would be possible, faster, and cheaper. In this way, new goods and services can be provided for human beings in the best way possible. This means that there is the possibility of creating goods with a lower price and a higher quality. Sometimes it also means the creation of new markets for new goods.

ENTREPRENEURSHIP AND DEVELOPMENT

The reality has made many experts of the society to discuss about the role of entrepreneurs in the developmental process. This is because experts have seen different viewpoints and theories of success from different countries. This means those elements which have the capacity of self-reliance and inner

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risk taking, can accept responsibility as a development engine in a society. They can also start the type of mechanism which is governmentally independent, and is brought up of mental power of people of a society. It also paves the way of success in a society. But, what is entrepreneurship? What are the characteristics of entrepreneurs? Is there any facility for the entrepreneurs of our society? What about the uses of others' experience to us? These are the questions which you can find their answers in the following.

Some experts say entrepreneurship is a behavior and life style. Some others regard it as an art work. Peter Deraker calls entrepreneurship as a permanent search for the purpose of change, reaction for change, and making use of that as a chance. Schumpeter as the first person who referred to entrepreneurship in his theories in a scientific way said: entrepreneurship is a process of creative destruction. Based on his opinion, in entrepreneurship the first thing to happen is creativity and innovation. Later, creativity and a fleeting exclusivity will be created. At the end, the creativity will be brought up, it leads to profitability, and the exclusive profitability will be vanished. As a result, more creativity will be born. In entrepreneurship, from one side we are dealing with the individual, and from the other side is his environment. Talking about these two sides is necessary.

THE EFFECT OF ENTREPRENEURSHIP ON ECONOMY

Entrepreneurship And Economy

The domain of the effect of entrepreneurship on society is so expanded. It can be changed in the social values or the speed of economic growth. Researchers have analyzed the different changes which have brought up the culture of entrepreneurship in a society.

They have analyzed its effects from different viewpoints. Some of these effects are:

The positive effects of entrepreneurship on the economic development are talked more in comparison to other effects. As researchers believe, entrepreneurs prevent the economic growth to reach a stable balance. As entrepreneurs are opportunity seekers, they try to create opportunity for the whole economic system. Other effects such as employment and economic growth have also been in researchers' viewpoints.

Entrepreneurship As A Base For The Creation Of The Modern Economy

Economy has faced with many extraordinary changes in the first of the third millennium. The revolution of information technology, and the change in the work force structure for the benefit of knowledge bound forces have been of these changes.

Perhaps the most important seen procedure in the economy is its movement towards a network oriented economic system. In such economic systems resource control and allocation is done on a distribution based manner. In these economic systems the role of social networks in economic development and growth is much more important than the concentrated governmental planning system. The role of entrepreneurs in the network based approach is more highlighted than the classic approach of economic. In modernized economics entrepreneurs are regarded as active members of social networks. Entrepreneurs in the modernized system of economy add to the profitability of materialized and individualized wealth.

Entrepreneurship And Economic Growth

The outstanding feature of today's economy is its fast changes. In such a economic system the countries which are capable of adaptability to change can be successful, the countries which the amount of entrepreneurship activities are high. Because of the nature of entrepreneurship, these countries are capable of adaptability to change and they can achieve a better position in the world's economy.

The research studies have shown that economic growth has a positive correlation with the amount of entrepreneurship activities. For example in the General Entrepreneurship Monitor study that analyses

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entrepreneurship activities and their effects on different countries on a yearly based, the positive correlation was also shown. Currently this study has been doing in more than 20 countries around the globe. The results have shows that the rate of economic growth has a significant relationship with the level of entrepreneurship activities.

ENTREPRENEURSHIP AND EMPLOYMENT

Entrepreneurs have an important role in employment. About half of the entrepreneurs of the developed countries are involved in large and small scale business. Most of the new job opportunities are created by small scale jobs. The share of such jobs in the increase of employment opportunities is increasing. Since 1980 more than 34 million people in the United States are employed by these small scale jobs. In contrast, the number of employees in large scale companies and jobs has decreased.

ENTREPRENEURSHIP AND TECHNOLOGY GROWTH

More than 67 of innovations in the field of technology, and about 95 percent of innovations that have brought up fundamental changes in the field of industry are because of entrepreneurship related works. Entrepreneurs add to the decision making opportunity of buy and selling the goods by means of technology. Entrepreneurs do these tasks: they add to the profitability of work, create new entertainments, improve hygiene and health, and facilitate communication. In this way they add to the quality of life. Most parts of the new industries are created by entrepreneurs. Personal computers, cell phones, online shopping, software industry are only some of these efforts.

CONCLUSION

The positive and effective role of economic entrepreneurs in the development of a society has brought up certain abilities into spot light. The strategic achievement of entrepreneurs has had two main results. One is employment opportunity and the other is development. These two will be the bases of the development of social justice.

Today's experts have assumed entrepreneurship as a life style. This is because there have been huge changes because of knowledge, industry, and technology. These changes have made different countries to think about new effective strategies to be able to make use of the named changes.

Generally speaking, the root of entrepreneurship discussions refers to our true understanding of the roles of success. In defining the Iranian Islamic role of entrepreneurship at the national level is it advised to take care of the following issues:

- 1) Making use of our experts' opinions to be able to identify challenges, strategies and goals of entrepreneurship developmental activities
- 2) Expanding different types of entrepreneurship (individual, organizational, and social especially entrepreneurship activities in nongovernmental sectors as the strategy for national development)
- 3) Designing and implanting intelligent testing structures for entrepreneurship development, and entrepreneurship environment value making for the purpose of effective guidance of strategies and policies of entrepreneurship development
- 4) Developing educational and research oriented bases for the development of entrepreneurship in our country
- 5) The appropriate approach of higher education towards the development of entrepreneur universities
- 6) The expansion of a skill and education oriented system, and the system of professional qualification

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