



The importance of entrepreneurship in social –economic development of society

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Abstract

Without a doubt, entrepreneurship has a very important role in economic and sustainable development of all societies. So that today it is considered as one of the parameters of development in developing countries. Entrepreneurship is the most important source of innovation, job creation and development. One of the factors that are raised as the source of economic development is the presence of entrepreneurs with some factors like innovation and creativity. The expansion of entrepreneurial spirit and training entrepreneurs in society has a favorable effect on social-economic development, because entrepreneurs cause the improvement of manufacturing and service firms' performance by using economic facilities and creating new business opportunities. Thus, in the present study, first some definitions of entrepreneurship and entrepreneurs will be presented in order to study the necessity of entrepreneurship in social- economic development. Finally, a conclusion will be made from the present study.

Keywords: entrepreneurship, economic development, social development.

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Introduction

The changes and transformations of social-economic systems in the present era were rooted in the advancement and changes made in science and technology that has led to changes in interests and tastes. Meanwhile, entrepreneurs have an effective role in the process of economic development in countries. The studies have shown that there is a positive correlation between economic development and number of entrepreneurs in a country because the country which has a lot of entrepreneurs will have stronger economic and business stimuli (Vares 1331). Entrepreneurship is an area for change that is always looking for change, shows reaction from itself and knows it as an opportunity. (Prokopenko & Pamlin, 1991) entrepreneurship has a very extensive nature that can appear in different dimensions (Corwall & Perlman, 1990). Today, development is not dependent on the presence of many natural sources, underground reserves and specific social-political system. The realization of

development objectives in the present era depends on human not nature that provides the main sources and the main factor of all economic development comes from mind. Power, innovation and constructive effort erupt not only in one area but in most areas of human. Meanwhile, entrepreneurship as a phenomenon for which the main capital is having creativity, audacity, development and on-time use of opportunities, is the most important source of economy, increase of efficiency, and new product and services (Borhani 1311). Entrepreneurship is a process that plays a critical role in national continuity and development and even global economy (Schumpeter, 1934). entrepreneurship is an art which has some features compatible to society. Entrepreneurs are the locomotives of development that bring sustainable development by moving the wagons of economy, employment, production, technology and capital (Ahmad Pour Dariani, Saba 1311:06). Entrepreneurship must be considered as one of the necessities of the new millennium. The area which is known as the information society

and globalization and includes important consequences like newfound learning skills, rapid changes in the field of human exchanges and severe competition in the business world, in such an area, emerging is considered as the factor of growth and development and one of the effective factors in observing the favorable perspective of any society. (Clark 2004) the present study was conducted to study the necessity of entrepreneurship in social-economic development of society. Thus, first some definitions of entrepreneurship were given and then its significance in social- economic development of society was studied.

Theoretical foundations Definitions of entrepreneurship

The word “entrepreneurship” was derived from the French word (*entreprendre*) which means being committed, dealer or middleman and is a concept that has been studied from different perspectives. From the late 36, a wave of small business and self-employed people was created in many developing countries due to changes in society’s values and tendencies and in other words some demographic changes were made, so that it led to the study of entrepreneurship from different perspectives by various scientific disciplines like economics, management, sociology and psychology. Entrepreneurship is a subject that has been considered by educational circles of countries in the world since the late 20th century. The study of entrepreneurship literature confirms that this work has created for the first time in economic theories by economists and then entered the schools and theories of other scientific disciplines. Cantillon that invented the word “entrepreneur” considers entrepreneur as a risky person that buys a commodity with certain price and sells with an uncertain price but Jean Baptiste considers entrepreneur as the coordinator of production factors but does not consider any specific characteristic for entrepreneur. (Khodadad Husseini 1311)

Shumpiter believes that different definitions have been presented for entrepreneurship like other debates in humanities (Ahmad Pour 1311).

That entrepreneurship is the main driver of economic development and the role of entrepreneur is: innovation and creation of new compounds and combinations of materials (Palmer 1987). Entrepreneurship is the process of gaining profit through new unique and valuable combination of resources in an environment with ambiguity and uncertainty. Entrepreneurship means the beginning or growth of a dynamic company through innovative and risky management. (Ahmad Pour 1311). Johnsson et al (2006) believe that entrepreneurship is a complex

multi –dimensional concept that has attracted too much attention. And most experts agree that entrepreneurship and entrepreneurs have a significant role in economic development (Johnson & et al, 2006, pp:40-54).entrepreneurship includes the development of innovative programs to help with the improvement of subsistence of these who have no business and financial ability and by using the opportunities of social services (Moghimi 131). In general, the best definition of entrepreneurship that can be presented is that entrepreneurship means: the process of innovation and using opportunities with lots of efforts and also accepting financial, psychological and social risks that are done with the motivation of gaining financial benefit, achievement, personal satisfaction and independency (Hisrich, 2002). In other words, the person who combines production factors (land, workforce and capital) to produce, trade or present services is called entrepreneur. (Rezaei , Salehi 1312). Entrepreneurship means the process of recognizing opportunities, collecting the required sources, designing and implementing a scientific plan for using opportunities (Samad Aghaei 13).

It can be said that creativity is the most important word to state the concept of entrepreneurship and entrepreneur. Creativity as the essence of entrepreneurship and key factor of success and also the reason of worldly and otherworldly happiness of human has not found its real place yet not only in society but also in scientific and research circles of the country. Innovation is a tool and means which includes using new combinations like introducing a new product, introducing a new production tool, opening a new market, opening a new supply source or re-organizing any type of industry.(Schumpeter, 1934)

Entrepreneur

Entrepreneurs are the people who create, evaluate and coordinate the sub-systems and secondary systems of a society (Hisrich & peters, 2002).An entrepreneur are someone who shows creativity, innovation and flexibility from themselves. They tend to think mentally and consider changes as an opportunity (Davies & et.al,2002).An entrepreneur is a person who has the ability to do a new thing. Thus, entrepreneurial ability can occur at any domain of human activities. (Thomas 2004) An entrepreneur is someone who judges, combines the production factors and stays alive in crises (Pirich & et.al, 2001).An entrepreneur is the person who focuses on relocation of economic sources according to the principles of efficiency. (Schiler & Grewson, 1997)Entrepreneurs present some solutions for bureaucratic relations like the relationships that are established between employees and employers (Hisrich & peters 2002).

The characteristics of entrepreneurs

1. Having interest in doing the work that was originated from their beliefs and ideas as that work can have a positive effect on people's lives.

2. Focus on products and customers

3. Ability to follow up the works despite the stops and lack of success in works or in other words, the tendency to accept the risks (Zacharakis & et al, 2000).

The intelligent implementation and ability to perform an idea to a business by changing the thought, creativity and imagination to an action with measurable results (Zacharakis & et al, 2000)

Guidance and leadership: an entrepreneur must be a good manager to guide or lead the factors well.

Personal and social jobber: if the entrepreneur seeks to create wealth for others, he/she cannot think about personal interests and profits.

Long term attitude and foresight: the entrepreneur pays more attention to the future to identify the fields of production and achieve the goal (Crant, 1996, pp:42-49).

The importance and significance of entrepreneurship

Entrepreneurship as one of the most important issues of economic and sustainable development and growth is of great importance due to the following reasons:

Entrepreneurship creates and increases capital (Shah Husseini 1313).

It increases economic activities, and creates job, wealth and income. (Ahmad Pour Dariani , Saba 1311)

The development of entrepreneurship increases economic growth through which some positive effects like the improvement of people's welfare situation, reduction of poverty and increase of employment in society are created (Madah 1310)

Entrepreneurship causes the creation of new products, services, methods, policies, thoughts and approaches for solving the problems of society.

It is the factor of reinforcement and evolution of domestic industries provides the competition area for domestic industries with foreign industries and leads to the increase of export and receiving currency for the country.

It also causes competition, reinforcement and evolution of similar domestic industries with each other and finally improves and increases the quality level of products.

The factor of economic development is the social welfare of society (Ahmad Pour Dariani 1333).

Appropriate factors and conditions for the development of entrepreneurship

The fact is that having high levels of entrepreneurship in society needs the creation and development of its fields. Meanwhile, the presence

of appropriate conditions is very important for the development of entrepreneurship.

The appropriate factors and conditions for entrepreneurs are mainly studied according to the following three dimensions.

Whatever that determines what entrepreneurs can do (available sources). Whatever that entrepreneur wants and tends to do (their strategies and goals) Whatever that entrepreneur must do (threats and environmental opportunities)

It is used to solve the problems of society, government and firms and also improve personal and social life. The development of entrepreneurship and role of entrepreneurs in society is the origin of the valuable works that are summarized below.

The close relationship between entrepreneurship and job creation, so that the experiences of different countries show that whenever entrepreneurial activities in a society become slow, the unemployment rate of that society will increase.

Entrepreneurship causes the appropriate distribution of incomes and decrease of social anxieties. Entrepreneurship causes the exploitation of sources and activates them for the country development.

The improvement of life quality, discovery of needs, innovation and development of products and creation of new services are among the characteristics of entrepreneurs. (Behzadian Nejad 1316)

The studies showed that the reason of economic underdevelopment in developing countries is mainly due to the lack of understanding the personal creativity and entrepreneurship can be the factor of growth and finally economic development (Reynaldz 1991). It can be said that in any country, entrepreneurship involves about one third of national income growth (Zacharakis & et al, 2000). The effects of entrepreneurship on the rapid growth of economy are very extensive. The creation of wealth, job creation , creation and development of technology, increase of welfare and encouraging investment are all the positive effects of entrepreneurship development in the country's economy (Knight,1997). entrepreneurship has a key role in economic growth and development of societies.

Shumpiter knows entrepreneurship as an ideal concept that plays a role as the motor of dynamic theory of economic development and without it; no country can achieve the economic development. The following figure explains the relationship between economic development and growth with entrepreneurship development and business. Entrepreneurship has a close relationship with social-economic development of countries. So that,

today it is considered as one of the development parameters in developing countries. In fact, according to the view of economic experts, entrepreneurship is the most important source of innovation, job creation and growth and development (Salehi 1310). In fact, entrepreneurship has been considered not only as a constructive and driving economic force but also in a more extensive dimension as a social dynamic factor. Entrepreneurship is also a dynamic factor at social level in addition to its role in the expansion of economic activities of private sector, decrease of unemployment, increase of manufacturing and commercial skills and also economic profitability. The expansion of social network, increase of citizens' skills, optimal use of resources and etc. are among the advantages of development of entrepreneurial activities (Timmons, 1999). Entrepreneurship creates an external network that causes new ideas and markets. Thus, it works as a catalyst for economic growth. Entrepreneurship increases economic activities, creates job, wealth and income and links local economy to higher and global levels (<http://www.internationalentrepreneurship.com>). Culture promotion of entrepreneurship: the role of entrepreneur in economic-industrial development and job creation in society must become a general and public belief. This belief must be made that in today's world and in knowledge-based economy, growth and development is possible through innovation and creativity.

Teaching entrepreneurship: teaching is the most important and key role in entrepreneurship development, it is necessary that educational institutes like high schools, professional teaching centers, college and universities consider the necessary teaching for entrepreneurship development and culture promotion and pay a special attention to creativity and innovation in teaching.

Research development: performing fundamental and basic research as the base of science and applied studies to use scientific foundations in development supported technology for prosperity, innovation and mind creativity.

Supporting the research and development centers (R & D): supporting the research and development sectors of companies and paying attention to the role of entrepreneurs and additional and extra job motivation to produce new products and processes in production, open the growth field for creative people and increase the required synergy.

Creation of small business development centers (SBDC)

The serious effort of development organizations with financial support approach and collaboration of universities to create small business

development centers with the aim of forming entrepreneurial cores in these centers.

Financial support of entrepreneurs

Widespread financial centers which support entrepreneurs around the country and supporting a part of investment risk of the institutions in charge of technology development with appropriate mechanism by the government.

Conclusion

In the new country, the growth of changes is significantly increasing than the previous centuries. These changes are made to respond the increasing need of human societies. The needs of human societies are rapidly changing according to their diversity and countries must provide the conditions to keep pace with these changes, so that the people can find the entrepreneurial spirit. For this reason, entrepreneurship is known as the key factor of social-economic growth and development in the modern era. Entrepreneurship development improves the performance of economic parameters like the improvement of welfare status of people, increase of employment, economic growth and decrease of poverty. Entrepreneur is considered as the human capital of society that creates new economic capabilities by his/her thought, innovation and creativity. It is necessary to spread entrepreneurial spirit around the country, so that the young people of the country enter the entrepreneurial activities with passion and create job themselves and not look for job.

We should prepare a "entrepreneur Iran" for the issues mentioned below as the proposed solutions and strategies and should believe that the way of economic, social, and industrial development and escape from the unemployment crisis will not be possible except through entrepreneurship development.

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