

THE INFLUENCE OF ENTREPRENEURSHIP ON ECONOMIC DEVELOPMENT: A GLOBAL PERSPECTIVE

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Abstract

Entrepreneurship has been acknowledged as a major solution for several economic, social and environmental consternations. It has been, and will keep on to be, one of the major drivers of universal economic development and sustainability. Entrepreneurship is an important engine of growth in the economy. Entrepreneurship is the capacity and willingness to formulate, organize and manage a business venture along with anyone its risks to make a profit. This paper looks into the impact of entrepreneurship in economic growth and also made several recommendations such as; the need for government to make policies to enhance entrepreneurship development, provision of basic infrastructures to enable entrepreneurship strive and also the introduction of entrepreneurship education at the post-primary education.

Keywords: Entrepreneur, Entrepreneurship, Economy, Economic growth, Development

Introduction

Entrepreneurship is acknowledged as a key instrument or channel for economic sustainability and growth. Entrepreneurship is very essential to the development and economic sustainability of a country. Many entrepreneurs run homespun businesses which are based on profound insights into local consumer demand. They also discover distinctive opportunities in the market for precise products and services, tap into strong local networks, and frequently create innovative solutions to complex challenges. Entrepreneurship is the practice of designing, initiating and running a new business, which is usually in the beginning a small business. People who create these businesses are known as “entrepreneurs”. (Yetisen, Volpatti, Coskun, Cho, Kamrani, Butt, Khademhos, Yun, 2015) and (Riita, Eric and Henning, 2012) Entrepreneurship is the act of creating a business or businesses at the same time as building and scaling the business to make income (Nicole, 2018). According to Riita, Eric and Henning (2012), Entrepreneurship has also been explained as the capability and zeal to put up, organize and run a business venture along with any of its risks so that it can make a profit. Starting up one’s own business instead of being an employee in someone else’s business is what entrepreneurship is concern about. While entrepreneurs must deal with a larger amount of obstacles and uncertainties than waged or salaried

employees, the payoff may be far better as well. (Ronald, 2018) According to Peter (2015), the characteristics of entrepreneurship include:

- **Self-Motivation**

One of the most key qualities of entrepreneurs is self-motivation. One needs to push harder to succeed. The entrepreneur is not answerable to anyone else, and this may sometimes make it hard to work without anyone making the supervision. The entrepreneur needs to be committed to the set plan and keep moving ahead even if he is not yet getting any or the expected profit.

- **Know and understand What You Offer**

As an entrepreneur, you need to understand and know what you offer, and how it fits into the market. Regardless of if it is a product or a service, the entrepreneur needs to know where to fit in. This implies that one needs to know when to twist things a little bit. This also involves knowing whether one is at high end, middle of the road or bargain. An important part of entrepreneurship is also being capable to place oneself and subsequently adjust as required.

- **Take Risks**

To successful entrepreneurs, they recognized the fact that it is sometimes very imperative to take risks. The entrepreneur should be willing to take calculated risks that are more likely to pay off. This always leads to success in business.

- **Ability to Network**

Being able to network is also a vital element of entrepreneurship. The ability to connect with others and identify business opportunities can take one a lengthy way as a business owner.

- **Basic Money Management Skills and Knowledge**

This is an important characteristic of entrepreneurship. The entrepreneur should be able to understand and know the basic money management skill. He should know and understand how money works so as to enable him to run his business on sound principle.

- **Flexibility**

To an extent, flexibility is required as an entrepreneur. The entrepreneur should be willing and ready to adjust his business processes in tune with the changing times. He should be ready and able to find and adopt unique and efficient ways to solve problems as related to his business.

- **Passion**

Being passionate is a quality of successful entrepreneurs. They feel deeply committed about their goals or vision, product and service. Motivation is a product of passion and it is what drives the entrepreneur forward.

Economic Growth

The need to encourage and support sustainable economic growth for the huge bigger fraction of the Nigerian populace via the espousal of several monetary and fiscal policies is the main objective of the national economic policy. Unfortunately, the Nigerian economic growth feat has been distinct as irregular and the prospects of her prompt economic growth appear unfeasible. This has been shown in Nigeria's inability to realize sustainable full growth potentials and to significantly decrease the rate of poverty in the economy. (Uwakaeme, 2015) The BusinessDictionary.com defined economic growth as the increase in a country's productive capability. It is measured by juxtaposing Gross National Product (GNP) in a year with the GNP in the preceding year. Economic growth is the growth in the inflation-adjusted market value of the goods and services produced by an economy for a time frame. It is usually measured as the percent rate of increase in real gross domestic product (GDP), generally in per capita terms (IMF, 2012). The increase in the capital stock, technological growth, and improvement in the worth and rate of literacy are seen to be the main causes of economic growth. (Business Dictionary, 2017) According to Economics. Help, economic growth refers to an increase in real Gross Domestic Product (GDP). This increase shows an increase in the value or worth of national output / national spending. It is an essential macro-economic objective since it allows growth in living standards and help in the creation of employment. (Economics. Help, 2017) Economic growth is seen as the increase and advancement in the production of the economy than it did in the preceding period. To be precise, the evaluation must eliminate the effects of inflation. If an economy is producing more, then businesses are more lucrative and stock prices will rise. This enables companies/industries to have the capital to invest and hire more employees (creation of more jobs). When more jobs are created, incomes become increased. Consumers/users have more funds to purchase additional products and services. (Kimberly, 2017) Economic growth is a vital policy goal of every government. While addressing the important issues in economic management, experts and economic planners have had to decide between or combine various macroeconomic variables. Economic growth, proxies by Gross Domestic Product (GDP) has many advantages which include raising the general standard of living of the general public as measured by per capita national income, making income sharing easier to achieve, improve time frame of accomplishing the fundamental requirements of man to a considerable majority of the population. (Uwakaeme, 2015)

Entrepreneurship and Economic Growth

As economic growth is the capacity of a country to create more goods and services (Bongo, 2005), analysts' have come to recognize that entrepreneurs are the spine of contemporary economies. It is their significant contributions that facilitate societal growth as a whole. One of the reasons the United States of America is a very a dynamic,

innovative, and wealthy nation is as a result of the several business entrepreneurs that take their ideas to the next level irrespective of the risks involved. Entrepreneurs generate jobs and also grow the economy. (Peter, 2016), thereby promoting economic growth. Entrepreneurs create businesses and new businesses create jobs, strengthen market competition and increase productivity. (Ed, 2016) According to Peter (2016), entrepreneurship impacts on economic growth in the following ways:

- **Investing in Products and Services People Require**

Entrepreneurs create new businesses to meet with people's needs and demands in the market. They play major roles when it comes to promoting and developing economic growth in the society.

- **Providing Employment Opportunities**

Through the creation of new businesses, there is the need to hire employees. Entrepreneurs create jobs and these cost-effective opportunities boost and support the society via increasing the quality of life and the general standard of living.

- **Integration of regional economy and commerce**

Modern technologies have created an enabling environment for small, entrepreneur-led businesses to develop into regional and global markets. As new businesses export goods and services to neighboring regions, these new businesses or enterprises add directly to a region's productivity and income. This boost in income strengthens the economy and promotes the general wellbeing of the people.

- **New Technologies Promote Efficiency**

The capability to transform ideas into innovative products and services that people require is the wellspring of success for every developed country or society. Economic growth usually is motivated by modern technologies and their ingenious uses. Embedding contemporary technologies in businesses enhances efficiency in production and services and service delivery.

- **Competition Triggers Innovation**

Entrepreneurship altars and rekindles the market competition. New businesses trigger competition in both the local and international market. Entrepreneurship makes entrepreneurs agents of transformation in a market economy. This is because they see environmental changes, technological changes, social changes etc as opportunities and factors of production of goods and services.

Conclusion and Recommendation

Entrepreneurship is the catalyst that enables economic growth and the fuel that drives the economy towards innovation and prosperity. Entrepreneurship plays a major role in the development of a nation and in the continuous growth and development of a country's economy. Through its ability to create jobs and employment; poverty is

reduced, prosperity and wealth are increased, innovation is increased, competition in the market due to innovation steps and there is regional cooperation as a result of exportation and importation of goods and services.

It is therefore recommended that:

- The government at all level must encourage and support entrepreneurship through making policies and legislations that will enhance it development.
- The government should provide the necessary infrastructures such as roads, stable electricity, internet technologies, good water that will enable entrepreneurs to strive.
- Entrepreneurship education should also be introduced in the secondary level of the education system.
- Individuals who intend to be entrepreneurs must be encouraged and supported.

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