

Entrepreneurship research paper sample

[Business](#), [Company](#)



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Abstract

The project deals with entrepreneurship as well as the ways it contributes to economy. The research is based on the latest data possible from the most influential surveys giving saturation coverage to the problem raised, with empirical opinions being given by world’s finest economists and data being collected by subject field researchers, who conducted investigations and professional observations.

Key words: entrepreneurship, economy, taxation, launch, investment.

Entrepreneurship is a type of independent economic activity aimed at floating and managing a new economically profitable enterprise. Whether it be subsidized by state, private bank or run by a businessman an enterprise produces money and becomes of great profit to all the parties involved in the long term by making it possible for jobs to be created, infrastructure to be developed, living standards to be improved, taxation investment in economy to be generated, and trade to be revitalized, to name a few. The USA, with economy at its highest, has its growth largely secured by entrepreneurs, being superior in creating perfect business establishment conditions for Americans, immigrants and most importantly women, which used not to be

so widely-spread until recently.

Innovative entrepreneurs' new products and technologies secure the fast improvement in the living standards, produce vacant jobs and pour taxation money into economy (Strom, 2011). Entrepreneurs may be credited with creating thousands of jobs for the unemployed, which could be a real boon for countries, while regaining their economic prosperity or when in crisis. Full-fledged and accomplished entrepreneurs are particularly valuable for countries with transitional economy and underdeveloped countries where taxation levied on private enterprises may be the only economic lifesaver. Also, it is essential for a country to have private enterprises functioning since private business is subject to taxation, which may be spent on various financial purposes, including army maintenance, education, science development, social benefits to the population and similar objectives. Lastly and most importantly, private business is known for partially generating and upholding middle class, a very important social stratum, being the litmus paper of economic stability that guarantees there are no contrasts as in a bipolar society. The above-mentioned middle class is the backbone of any prosperous society that brings its palpable contribution to overall welfare when it comes to replenishing budget by paying taxes.

Being democratic of nature since the early stages, the USA, the country of unlimited opportunities, fosters entrepreneurship, providing bold lucrative ideas with financial backing, receiving economic dividends that are accruing with every passing day. According to Van Opstal, Evans, Kempner, Attis, and Leiken (2007), it is well-documented that American "economic engine" is far outpacing the rest of world countries and has held superior positions for over

2 decades, being accountable for one-third of economic growth throughout the world. Entrepreneurial economy is thought to be the driving force of economic flexibility and dynamism of the entire country.

In accordance with the Global Entrepreneurship survey, the USA has the biggest ratio of adult population involved in entrepreneurship in the known world, with around 23 million Americans either being active owners of firms or gearing for launching a new business venture, which makes 12, 4 % of adult population as of 2005. According to Van Opstal, et al. (2007), beside other world countries, America enjoys the biggest level of “ high expectation” entrepreneurs, being twice that of Europe and Japan. The Year 2005 saw 1, 6% or 2, 9 million Americans out of 23 million entrepreneurs floating companies where they expected more than 20 individuals to work already at the early stages of their foundation. Unlike lifestyle entrepreneurs, these businessmen commercialize constructive novelties, aiming high at expanding their manufacture. Van Opstal, Evans, Kempner, Attis, and Leiken (2007) claimed that newly established companies are almost solely responsible for creating new jobs in the USA, with 80% of vacancies generated by small percentage of high-growth enterprises over the past 2 decades.

Naude (2011) classified businessmen in a similar vein as the aforementioned experts did. According to their productivity and true value to the economy, they fall into innovative opportunity businessmen and replicative necessity entrepreneurs, whose business ideas are anything but compelling, being nothing short of attempts of how not to join unemployment line, with no alternative job opportunities on the horizon. That being said, the former tend

to fill a new business niche with a well-calculated intent of earning far more by expanding manufacture and creating a great number of vacant jobs to be filled (as cited in Strom, 2011). Baumol (1990) asserted that unproductive small-scale businessmen, in turn, are always opportunistic, looking to wrest a piece of pie from other businessmen's hands rather than contribute to its being increased, without creating social benefits beside private ones (as cited in Strom, 2011). Being of low value to the economy, such entrepreneurs are hardly to be observed in the USA in numbers, attributed largely to developing countries, which may be explained in terms of corruption and poor legal protection on the part of their respective countries (Strom, 2011). Thus, it is exactly productive opportunity businessmen who contribute greatly to American economy as diligent taxpayers and job givers. The question now becomes: who are these highly productive stout businessmen?

One cannot think of a better example of productive entrepreneurs than Forbes headliners. Jeff Bezos' once critiqued idea of selling books online came to fruition after his resigning as New York hedge fund senior vice-president and launching " Amazon. com", with sales now worth of 48, 1 billion dollars, employing around 56, 200 individuals. Other names include: the late Steve Jobs, whose name is on everybody's lips, the creator of world's most successful and valuable company " Apple" with 108, 2 billion sales annually, giving work to 63, 300 employees; Mark Zuckerberg, the founder of Facebook, with sales being worth of 3, 71 billion; Bill Gates' " Microsoft" netting 69, 9 billion in sales, as well as employing 90, 000 workers; Fred Smith's " FedEx" yielding 39, 3 billion as well as employing 255, 573

workers; Howard Shultz, the owner of “ Starbucks” bringing 11, 7 billion in sales every year, providing 149, 000 workers with job opportunities; and Sam Walton’s Wal-Mart stores, netting 446, 9 billion in sales (Byrne, 2012). These entrepreneurs get tens of thousands workers employed when state economy sectors fail as well as paying large amount of taxes.

What makes American entrepreneurship a competitive asset is workforce diversity. American immigrants to have come from overseas or neighboring countries have made a great contribution to the economy this far, proving extremely effective and productive. According to Van Opstal, et al. (2007), the 2005 survey observations have clearly showed that 350 out of 100, 000 immigrants would launch business per month as opposed to 280 entrepreneurs out of 100, 000 Americans born in the US, with their startups being high-risk venture-backed and technology based companies. Regardless of the fact that only 12% of the USA population was born outside the country, immigrants have triggered 25% of public venture-backed enterprises, including Sun Microsystems, Intel, eBay, Google and Yahoo, as well as 47% of venture-backed companies over the past 15 years. According to Byrne (2012), such companies provide working opportunities for 220, 000 people as well as produce 500 billion dollars of taxable income. Immigrants in California are thought to have launched 39% of all engineering and technology enterprises in the period between 1995 and 2005, totaling more than half of Silicon Valley startup companies (Van Opstal, et al., 2007). Amazing is the fact that women are starting to play crucial role in American and world entrepreneurship. The USA has 7, 7 million women-owned business enterprises that yield 1, 1 trillion dollars annually. For the past 2

decades they have continued growing at twice the pace of all enterprises. That 20% of women-owned business companies are run by women of color is the testimony of zero racial prejudices that dominate American entrepreneurship picture. Thus, possibilities seem to exist for launching business irrespective of racial, ethnical or financial aspects. Still, there are some discouraging facts about women's not being able to build up huge entrepreneurial companies. Not a single woman may be seen headlining or at least being on the top 12 (Byrne, 2012). Women entrepreneurs still seem to be battling their somewhat marginalized role and gender bias, not allowing them to receive much needed financial preferences. According to Hoy (2011), immigrant women are particularly skillful at setting up business ventures. Statistics says that women entrepreneurs make 40% of all immigrant business owners on the American soil, being a few scores of thousands away from reaching 1 million rate, which is twice as big as it used to be a decade ago. To put a few examples, Maria Sobrino of Mexican descent floated a dessert company called "Lulu Desserts", manufacturing Mexican cuisine specialties, netting 9, 2 million a year; Sheela Murthy, Harvard Law School graduate from India, launched her own law firm, generating 4 to 5 million dollars and employing 70 people; Rubina Chaudhary, Indian of descent, the owner of MARRS Services, an engineering company, employing 50 full-timers.

Conclusions

Entrepreneurs are individuals who launch business enterprises to receive profits. Operating in their respective countries, they pay taxes, create additional job opportunities, develop infrastructure as well as improve living

standards. Thus, their overall contribution to economy and social welfare can hardly be overestimated. Apart from native-born Americans, immigrants play an important role in shaping the USA entrepreneurship picture. There should also be no denying the commercial efficiency that women put on display, especially in America. The USA is the country that gives equal business opportunities for entrepreneurs to take advantage of and get their business to thrive. As far as the major classification is concerned, there are productive and unproductive entrepreneurs. It is productive businessmen who pose value to economic welfare of a country they operate in since they create a great number of jobs in order that they may expand their manufacture in the future. Their revenue is far higher than that of forced entrepreneurs who are all about providing for their families rather than creating big-scale taxable enterprises.

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