

The role of the entrepreneur in the 21st century economy and society essays examp...

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The Role of the Entrepreneur in the Economy

The entrepreneur is an important person in the economy of a particular region or nation. They look for ideas and put those ideas into practice. It is, therefore, right to say that entrepreneurs bring creativity and innovation into the economy (Drucker, 1985). The whole idea of entrepreneurship centers on the ability to perceive unique economic or business ideas and to put those ideas into actual business enterprises (Carsrud and Brannback, 2007).

Entrepreneurs have a role of expanding the level of output of the economy by generating income and utilizing opportunities that other people cannot perceive. Their innovation gives a spark and triggers economic activities through entrepreneurial decisions and implementations.

Entrepreneurs promote the formation of capital in the society. They mobilize savings that are lying without use in the society (Baron and Markman, 2003). They turn the savings into active enterprises that enable increase the wealth of the society. Entrepreneurs often use their own capital together with some of the funds that they borrow to set enterprises. When they borrow funds, the implication is that they will return the debt with some interest charged. The interest increases the value of the funds, which in turn creates wealth. Wealth is essential for the industrialization of the country. The nation will always have enough capital from the domestic market for investment whenever there are a high number of entrepreneurs in the society.

Third, entrepreneurs create employment opportunities on a large scale for the whole society. In some countries, the number of people working in privately owned enterprises levels off with a number of people working in the civil service (Kraszewski, 2010). In such countries, there is a huge

investment in the private sector. Risk-taking and bold entrepreneurs are not afraid of taking their chances. The private sector is important for supplementing the available job opportunities offered by the government. When they set up more business units in the region, people have the option to choose between civil service jobs or jobs in the private sector. As such, they create good competition in the job market by offsetting overreliance on opportunities offered by the government.

Entrepreneurs increase the Gross Domestic Product and the Per capita Income in a particular country (Keister, 2005). When they explore the available resources, entrepreneurs encourage effective allocation of resources, mobilization of technical skills and capital. They develop and pump new products into the market, which facilitates economic growth. The economy grows because there are more products available in the local market for the local consumers and international consumers. As a result, the country can benefit from locally produced goods exported to other countries.

Entrepreneurship also reduces the concentration of economic power (Ellison, 2002). Economic power naturally accrues from the industrial and business activities that go on in the area. When industries develop in the region, the economic power settles in the hands of few individuals who have the economic ability to own such industries. However, entrepreneurship redistributes the economic power and allows it to settle in the hands of all those who have ideas on how to come up with a business. Small-scale enterprises do not require huge economic power to establish (Hisrich and Peters, 2002).

Role of Entrepreneurs in the Society

Apart from the great contribution that entrepreneurs make to the economy and its development, it is also important to note the influence that they have on the society. Statistics indicates that approximately 80 percent of the donations made to charity organizations in the United States are individual contributions. The contributions do not come from foundations or corporations. In addition, another study showed that entrepreneurs are twice as philanthropic as the people who inherit their wealth. Entrepreneurs play a crucial role in philanthropy and giving back to the needy in the society (McMillan and Woodruff, 2003). They help to eliminate the stigma experienced by those who are not wealthy in the society. Entrepreneurs change the way philanthropy happens in the modern day society. They take on social entrepreneurship by applying business models to help non-profit entities (Sullivan and Smeeding, 1997).

Entrepreneurs also have a mentorship role in the society (Baron and Tang, 2011). In the world today, there are many inspirational stories about entrepreneurs who started as small businesspersons and grew into huge capital and wealthy investors. A good example of inspirational entrepreneurs includes Richard Branson and Ralph Lauren. They inspire many people around the world to believe in themselves and implement their ideas. Many children in a society can look up to them and emulate their hard work and self-esteem. As a result, entrepreneurship has become a recognized career in the field of business today. Some people are born entrepreneurs while others take education to nurture them (Baron and Tang, 2011).

My Role as a Future Entrepreneur

As an entrepreneur, I would look to solve the problem that prevails in the society. For instance, drug abuse among the youths is prevalent in many societies today. Building my enterprise would focus on utilizing the talents that many youths have while giving them lesser time to concentrate on the use of drugs. For instance, I would set up a foundation based on uniquely artistic talents that many youths possess like singing, acting, and drawing. They would take part in concerts around the world making money rather than staying idle and abusing drugs.

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