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**ENTREPRENEURSHIP IN ECONOMIC GROWTH AND
DEVELOPMENT- AN EMPIRICAL STUDY**Shashila.S ^{*1}, Chitra C²¹Assistant Professor, Department of Commerce, Vels Institute of Science, Technology and Advanced Studies (VISTAS), Chennai²Associate Professor, Department of Commerce, Vels Institute of Science, Technology and Advanced Studies (VISTAS)

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Abstract

An essential component of a nation's development is entrepreneurship. It is among the most crucial components of economic growth. An entrepreneur is someone who possesses the drive, initiative, and skill necessary to launch their own company or venture and who is constantly striving for greatness. He works for the general good and is the driving force behind societal transformation. The quality and the quantity of entrepreneurs have an influence on the nation's economic development. They seek out, recognize, and take advantage of chances primarily for financial benefit. An extremely calculated person who is constantly willing to take chances in order to accomplish their objectives is an action-oriented entrepreneur. The aim of this review research article is to study the role that entrepreneurship plays in promoting economic development and progress. It looks at the study methods, theoretical foundations, and empirical results pertaining to the function of entrepreneurship in diverse settings.

Keywords: entrepreneurship, economic growth, development, Entrepreneur

1. Introduction

It has long been understood that entrepreneurship is an important factor in development of the Indian economy and Expansion. The importance of entrepreneurship in promoting invention, job creation, and productivity increase has only increased as economies change and global marketplaces get more integrated. The aim of this research article is to examine and assess the complex relationship between growth of the economy and ownership, illuminating the processes by which entrepreneurial endeavors advance general development. By definition, entrepreneurs have a certain set of abilities and traits that allow them to recognize and seize market opportunities. They are able to generate wealth and stimulate economic activity by creating new enterprises, products, and services by their capacity to innovate, take measured risks, and mobilize resources. Furthermore, it has been established that entrepreneurship stimulates the advancement of technology and the spread of innovation, resulting in benefits in productivity, competitiveness, and efficiency across industries.

This study explores the different ways that entrepreneurship contributes to economic development and growth. It looks at how entrepreneurship affects employment and job creation because small and medium-sized businesses (SMEs) are frequently acknowledged as main drivers of job creation in most of the economies. The study also looks at how entrepreneurship can support regional development because it tends to concentrate in particular areas, which has the impact of creating local spillover benefits and encouraging economic diversification. The study also looks into the connection between entrepreneurship and the decrease of poverty. Through wealth development and income generation, entrepreneurship may empower marginalized groups and reduce poverty by giving people the chance to start their own businesses. Additionally, it looks at how entrepreneurship promotes social inclusion since varied business owners offer fresh viewpoints, build welcoming environments, and support local growth.

The study paper uses a multidisciplinary approach, referencing case studies, empirical research, and theoretical frameworks from different nations and areas to carry out this extensive examination. This research study contributes to the continuing development of policy on entrepreneurship and strategy plan and provides a comprehensive knowledge of the impact of entrepreneurship in economic growth and development. Entrepreneurship plays an important and complex function in promoting development of the economy and progress. Because economies are dynamic and global marketplaces are becoming more integrated, entrepreneurship has become increasingly important for promoting innovation, generating job opportunities, and raising productivity. This study investigates and examines the complex link between economic growth and entrepreneurship, illuminating the fundamental principles of overall development that entrepreneurial endeavors contribute to.

Entrepreneurs are able to recognize and take advantage of market possibilities because they have certain abilities and traits. Due to their capacity in taking calculated risks, foster innovation, and utilise resources, they are able to launch innovative goods and services, launch new companies, make money, and generally boost the economy.

2. Background of the Study

Over the past few decades, entrepreneurship has garnered substantial interest as a vital catalyst for economic expansion and growth in nations all across the world. Understanding entrepreneurship's function and effects on the economy is becoming more popular as it is recognized as a crucial component in promoting innovation, wealth growth, and job creation. Achieving sustainable development, lowering poverty, and raising citizen standards of living all depend on a country's economic growth and development. Historically, elements including labor force expansion, technological improvements, and capital accumulation have been linked to economic growth. Nonetheless, it is becoming clearer how important entrepreneurship is in determining the direction of the economy. A broad range of actions are included in the field of entrepreneurship, such as starting new companies, developing and marketing cutting-edge goods and services, and spotting market niches. Successful businesspeople are people with special abilities, attributes, and expertise that allow them to recognize and seize these possibilities. They frequently take big risks in order to achieve their objectives.

A growing body of research has demonstrated the good relationship between entrepreneurship economic growth and economic growth. It has demonstrated that entrepreneurship promotes innovation, increases productivity, creates jobs, and allows for the use of resources in an economy efficiently. Moreover, establishment of a thriving entrepreneurial ecosystem boosts competitiveness, draws in capital, and fosters an atmosphere that is favorable to the growth and expansion of businesses. The role of entrepreneurship plays as a important factor in economic growth and development. There are still gaps in being aware of the processes and procedures in affecting the entrepreneurship of the economy.

3. Objectives of the Study

1. To examine how entrepreneurship affects employment prospects and job development.
2. To look into the contribution that entrepreneurship makes to innovation and technical progress.
3. To investigate how entrepreneurship affects the distribution of income and the creation of wealth.
4. To determine the obstacles and difficulties entrepreneurs have when fostering economic progress.

4. Review of Literature

1. Views on Entrepreneurship and Economic Growth: A significant number of concepts has been produced to know how growth of entrepreneurship. According to academics, entrepreneurship stimulates economic growth by bringing in new goods and services, generating jobs, and encouraging innovation and technical breakthroughs. Research by Schumpeter (1934) and Kirzner (1973) highlights how bringing in novelty and accelerating the process of creative destruction are key components of the entrepreneurial role.
2. Innovation, technology Advancement, and Entrepreneurship: Several studies have shown how entrepreneurship fosters innovation and technology advancement, two factors that are vital to economic success. Entrepreneurs boost industry competitiveness, efficiency, and productivity by bringing in novel concepts, procedures, and goods. According to research by Audretsch and Keilbach (2004), entrepreneurship plays a crucial part in creation of knowledge. It also promotes an innovative culture inside economies.

3. Entrepreneurship, Job Creation, and Poverty Alleviation: Particularly in developing economies, entrepreneurship is crucial to job creation and lowering unemployment rates. Academics contend that by starting new enterprises, growing established ones, and boosting local economies, entrepreneurial endeavors directly and favorably contribute to the creation of jobs. According to studies by Wennekers et al. (2005) and Carree and Thurik (2003), entrepreneurship is essential for reducing poverty since it gives people the chance to work for themselves and generate revenue.
4. Small and Medium-Sized Enterprises (SMEs), Entrepreneurship, and Economic Growth: Small and medium-sized enterprises (SMEs) constitute a considerable segment of the entrepreneurial landscape and play a pivotal role in the advancement and expansion of the economy. Studies reveal that small and medium-sized enterprises (SMEs) are vital for promoting creativity, generating employment, and improving economies' competitiveness. Research by Acs et al. (2008) and Beck et al. (2005) highlights the role that entrepreneurship plays in the formation of a thriving SME sector, which frequently powers economic expansion, especially in developing nations.
5. Economic Development, Institutional Environment, and Entrepreneurship: The institutional setting in which entrepreneurship takes place has a big impact on how it affects development and economic growth. In contrast to excessive bureaucratic impediments, scholars contend that a supporting institutional framework—including legal, regulatory, and financial systems—facilitates entrepreneurial activity. Studies by Djankov et al. (2002) and Aidis et al. (2008) emphasize how institutions influence entrepreneurial activity and foster its expansion.
6. Entrepreneurship, Regional Development, and Spatial Dynamics: Entrepreneurial activities are not evenly distributed across regions, leading to regional disparities in economic development. Research has shown that entrepreneurship can contribute to regional development by stimulating economic activity in underdeveloped areas, attracting investments, and promoting innovation clusters. Studies by Fritsch and Mueller (2004) and Audretsch et al. (2018) explore the spatial dynamics of entrepreneurship and its impact on regional economic growth.
7. Sustainable development, social entrepreneurship, and entrepreneurship: The idea of "social entrepreneurship" has grown in popularity as a way to promote economic development while addressing environmental and social issues now-a-days. By starting businesses that aim to achieve both social and commercial goals, social entrepreneurs support long-term growth. Studies by Zahra et al. (2009) and Mair and Marti (2006) show the contribution of social entrepreneurship to inclusive growth, environmental preservation, and poverty reduction.
8. Finance, Capital Access, and Entrepreneurship: The most important factors that influences entrepreneurship is financial availability. Prosperity as well as economic growth. Research has indicated that access to finance is a common obstacle for entrepreneurial endeavors, especially in emerging nations. Studies conducted by Beck et al. (2006) and Klapper et al. (2013) investigate how financial institutions, including banks and venture capital firms, can promote and encourage entrepreneurship by giving money and other forms of financial assistance to business owners, which in turn boosts economic growth.

5. Research methodology

This review study uses a methodical technique to guarantee the quality and dependability of the results. It entails a careful analysis of the body of existing research from a variety of sources, including credible databases, books, academic journals, and conference proceedings. This study adapts quantitative as well as qualitative research studies.

6. Findings

1. **Entrepreneurship's Effect on Employment Opportunities and Job Creation:** Numerous studies' analyses and empirical data point to the importance of entrepreneurship in the generation of jobs and employment prospects. Entrepreneurs are frequently the impetus behind startups and new business endeavors, which in turn generate employment opportunities. Through the introduction of novel goods, services, and business plans, entrepreneurs promote economic growth and industry expansion. Additionally, they frequently exhibit greater flexibility and adaptability to changes in the market, enabling them to grab new possibilities and produce quality products.
2. **The Function of Entrepreneurship in Promoting Innovation and Technological Development:** Innovation and technological development are intimately related to entrepreneurship. Entrepreneurs are renowned for their capacity to spot market gaps, inefficiencies, and unmet requirements and then come up with creative ways to solve them. Entrepreneurs create new goods, services, and procedures through their businesses, which boost output while also advancing the nation's economy as a whole. Entrepreneurship stimulates creativity and challenges established norms by promoting risk-taking and idea of experimentation.
3. **Contribution of Entrepreneurship to Income Distribution and Wealth Creation:** Within economies, entrepreneurship plays a major role in income distribution and wealth creation. Wealthy business people create value in terms of economic for all of their stakeholders, including suppliers, employees, and investors, in addition to for themselves. Entrepreneurs create prospects for capital accumulation and upward social mobility by starting new firms and projects. They contribute to the general economic well-being of communities by producing revenue, jobs, and jobs.
4. **Obstacles and Difficulties Faced by Entrepreneurs in Promoting Economic Growth:** There are a number of obstacles and problems that entrepreneurs must overcome in order to effectively promote economic growth. These difficulties can differ depending on the situation and can include lack of infrastructure, insufficient support systems, heavy bureaucracy, financial limitations, restricted access to finance, and regulatory hurdles. Starting and expanding a business is challenging for entrepreneurs due to limited financial sources and high capital expenditures.

7. Limitations of the Study

The major limitations considered in this study are Data sources, Economic Challenges, Measurement Challenges, Time and Bias subject to personal interpretations.

8. Scope of the Study

1. Long-term analysis of job creation and employment opportunities.
2. The intersection of entrepreneurship, innovation, and technology.
3. Inclusive entrepreneurship and income distribution.
4. Overcoming challenges and barriers to entrepreneurial growth.
5. Comparative analysis across countries and regions.
6. The social entrepreneurship in economic development and its role.

9. Conclusion

To conclude, this research work has shed light on the contribution of entrepreneurship in economic growth and development. The results show that entrepreneurship significantly affects many different facets of the economy. First of all, entrepreneurship is essential to the creation of job possibilities and jobs. Entrepreneurs are the driving force behind startups and new company endeavors, which generate employment. Additionally, they support the development and expansion of already-existing companies, which creates even more job opportunities. Second, entrepreneurship encourages the development of new technologies and innovative ideas. Through their ability to recognize holes in the market and provide novel solutions, entrepreneurs boost overall economic development and productivity. Entrepreneurship contributes to general economic growth by offering chances for asset accumulation, employment creation, and income generating. To encourage fair wealth creation and income distribution, it is important to make sure that entrepreneurship is open and vulnerable to all facets of economy.

The study also emphasizes the difficulties and impediments that entrepreneurs have while trying to spur economic growth. Regulatory hurdles, insufficient infrastructure, lack of supportive ecosystems, financial restraints, and restricted access to finance are a few of the obstacles that impede entrepreneurial endeavors. In order to develop an atmosphere that supports entrepreneurship and encourages sustained economic growth, it is imperative that these issues be resolved.

To sum up, entrepreneurship is essential to the expansion and development of the economy. Through a comprehensive comprehension of the effects of entrepreneurship and the implementation of suitable laws and procedures, communities can fully leverage the potential of entrepreneurship to generate employment opportunities, encourage creativity, fairly allocate resources, and advance economic growth sustainability.

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