

# ROLE OF ENTREPRENEURSHIP IN MODERN SOCIETY

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## INTRODUCTION

Economists and businessmen have no doubts that private sector is in a lot of ways much more efficient and effective than the public one, but few common people share this opinion.

They generally believe that their greedy neighbours embark on business enterprises driven mostly by insatiable passion for money and other selfish aspirations and they refuse to see the role business plays in modern society – the role that makes business not selfish at all.

First and foremost, business produces and distributes goods and services to satisfy certain public needs. To fulfill this task, business has to be very flexible and constantly research consumer demands: what's the point producing something that nobody wants to buy?

Second, business creates job opportunities. More than that, most jobs business helps create are productive jobs, i.e., people employed by business ventures produce "real" goods and services.

Third, business provides income – here we come at last to the money matter. But don't forget: income that business provides is by no means restricted to the profit its owners get. It pays salaries and wages to its employees, and this way, makes the whole business world go round: they spend the money they earn buying all kinds of goods and favour further development of business ventures.

Forth, business contributes to national well-being. It does it in several ways: by means of taxes it pays which make it possible for the government to maintain all kinds of public and social institutions and services; by investing money in developing science and technology and constructing new enterprises; by full use of local resources, including those located in remote rural areas, and in a number of other ways.

Fifth, business helps enlighten and educate people and encourages their further personal growth. High level of competition makes it vital for both businessmen and their employees to be involved in the constant process of learning and developing their personal qualities such as creativity, determination, communication skills and vision for new business opportunities.

So you see that despite public opinion on this matter, business is not all that selfish. In fact, it is much more unselfish than a lot of public institutions. It does not exist to satisfy its own needs – that is a way to business failure. On the contrary, its function is to satisfy in the long run the

consumer demands – our demands, and to make our life comfortable. So, when you make this crucial decision to embark on a business enterprise, bear it in mind that it is a way to serve society.

Setting goals, and then working to achieve them, is a sign of maturity and responsibility in a society, just as it is a sign of maturity in an individual. What goals have people set for themselves in their economic life? And how well are these goals being achieved? These are the questions discussed in this handout.

One important goal that the people have set for their economy is Full Production in order to achieve full employment. We want to make full use of the productive resources that are available – labour, capital and natural resources – and use these resources efficiently.

How well are we achieving the goal of full employment and full production? The nation can't realistically expect to provide jobs continuously for 100% of the men and women who are able and willing to work. There will always be some unemployment – roughly 2 to 5% of the labour force. But when millions of people are unnecessarily unemployed, it means they are not making a productive contribution to the country and they are not earning an income. For this reason, the goal of full production – which requires both full employment and efficiency – is one of the most important in our economy.

A second major goal is Stable Growth. We want the economy to become bigger and better through the years. We measure the amount of our national output of goods and services by looking at statistics of Gross National Product. Economic growth is a steady increase in GNP per person (total GNP divided by the nation's population). We want GNP to increase more or less at a steady rate – about 4 or 5% each year (informal sector estimate) – without having business recessions or rapidly rising prices (inflation), or increases in unemployment. Production, employment and growth of GNP are all pretty easy to measure. When we come to certain other economic goals, however, we have to talk about them in more general terms.

Freedom of Choice is a goal that practically everyone would include high on the list. But what does it mean in concrete terms? Economists have pointed out that freedom of choice is important for consumers, for workers, and for business. Freedom of consumer choice means that consumers will be able to select the goods they want to buy from a fairly wide range of alternatives, according to individual needs and preferences. We are not satisfied with a system where the consumer is told: "You can have any size and colour hat you want – as long as it's medium and black!" Freedom of occupational choice is an important area of economic freedom. Men and women want to be able to choose the kind of work they will enjoy doing and that will provide adequate wages and personal satisfaction.

Finally, there is much talk about the importance of "free enterprise". This is an important aspect of freedom of choice. It gives people the freedom to start their business and use the factors of

production in such a way as to make a profit. Much of the current economic system is built on the foundation of this particular freedom.

Equality of Opportunity for men and women in the society is another goal. It is closely related to freedom of choice, because it says that all people should approximately the same degree of freedom – to exercise their rights as consul workers and enterprises.

The goal of Economic Security means that we want the members of economic society to have enough money to be able to buy adequate food, clothing, shelter and other necessities. Widespread poverty not only means failure to achieve the goal of economic security for these people, but it also raises serious questions about whether we are achieving the goal of Economic Justice in society. Not everyone agrees on the meaning of fairness and justice in economic life, but it goal that nearly everyone feels is important to define and work toward.

Finally, there is one economic goal that is not limited to the boundaries of the country, but spreads overseas to other countries. This is the goal of *International Balance*. We want to maintain a strong and balanced relationship in foreign trade and international payments. Failure to achieve this goal not only causes serious economic problems at home and abroad, but also increases international tensions threaten world peace.

Defining entrepreneurship Brown and Upton had the opinion that Entrepreneurship can be known as the method of gaining, pulling simultaneously all the resources, and installing them in the quest of apparent chances in the coming future for lengthy gains. Why entrepreneurship plays a vital role in the economy? A very core and fundamental role is played by entrepreneurship in any economy and the reasons why it holds such a dominant role in the economy is discussed minutely in the given article. The constructive impact of entrepreneurs on the society is also quite evident in the given paragraphs. When a 2 year and 10 nation survey was conducted the impact of entrepreneurship stood up evidently saying that the countries have high levels of entrepreneurial activities when compared to countries having lower levels of the same shoed drastic differences in factual data of growth rate. Now let us go in depth of the reasons why entrepreneurship [<http://www.canadiantradeenclave.ca/>] holds a dominant position in the society? The following reasons are responsible for the same;-

1) Provides employment to huge mass of people; - people often hold a view that all those who do not get employed anywhere jump into entrepreneurship, a real contrast to this is that 76% of establishments of new business in the year 2003 were due to an aspiration to chase openings. This emphasizes the fact that entrepreneurship is not at all an encumbrance to an economy. What is more is that approximately 34 million of fresh employment opportunities were created by entrepreneurs from the period of 1980. This data makes it clear that entrepreneurship heads nation towards better opportunities, which is a significant input to an economy.

- 2) Contributed towards research and development system; - almost 2/3% of all innovations are due to the entrepreneurs. Without the boom of inventions the world would have been a much dry place to live in. Inventions provide an easier way of getting things done through better and standardized technology.
- 3) Creates wealth for nation and for individuals as well; - all individuals who search business opportunities usually, create wealth by entering into entrepreneurship. The wealth created by the same play a considerable role in the development of nation. The business as well as the entrepreneur contributes in some or other way to the economy, may be in the form of products or services or boosting the GDP rates or tax contributions. Their ideas, thoughts, and inventions are also a great help to the nation.
- 4) Sky-scraping heights of apparent prospects; - the individual gets maximum scope for growth and opportunity if he enters into entrepreneurship. He not only earns, the right term would be he learns while he earns. This is a real motivating factor for any entrepreneur as the knowledge and skills he develops while owning his enterprise are his assets for life time which usually, lacks when a person is under employment. The individual goes through a grooming process when he becomes an entrepreneur. In this way it not only benefits him but also the economy as a whole.
- 5) It is a challenging opportunity for the people: - although entrepreneurship is a challenging task but in most of the cases the rewards it gives are much more than what one anticipates. It does not only reward an entrepreneur at financial levels but also on individual level. It provides self satisfaction to the entrepreneur.

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