



International Journal of Innovative Research in Science Engineering and Technology (IJIRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)



Impact Factor: 8.699

Volume 14, Issue 6, June 2025

Role of Entrepreneurship in Economic Development

Dr. Seema Gotwal

Associate professor, SPC Government College Ajmer, Rajasthan, India

ABSTRACT: “The entrepreneur makes a happening wants piece of action, is the growth man. Without him there is no happening, no action, and no growth.” Ralph Harwitz. An entrepreneur plays a very important in role in the economy development of a country. Economy development refers to a process by which the per capita income and total income of a country increases in certain time. It plays a role of a catalyst in the process of industrialization and economy development of country in the present era, an entrepreneur is considered the leader of economy development. The cycle of economy development of a country is set in motion only through the action of an entrepreneur. An entrepreneur is the main worker of every economy because the vehicle of the economy cannot move forward without him. It collects the natural, economy, human and technical resources of a country and also exploits them in the economy development of the country. Jupiter has said that the speed of economy development of the country depends of the speed of innovation which ultimately depends on the increase in the efficiency of the industry in the population of the country. An entrepreneur contributes of the innovation of economic development.

KEYWORDS: - entrepreneurship, entrepreneur, economy development, innovation

I. INTRODUCTION

According to Marc Dollinger, “Entrepreneurship is the creation of an innovative economic organization for the purpose of gain or growth under condition of risk and uncertainty.”

The contribution of business entrepreneurship in the economic progress of the nation is very important. Creation of new industries, goods, employment, income and wealth of the country is possible only as a result of entrepreneurial tendencies. It depends on entrepreneurship to put the resources of the nation into productive work, to create new utilities during technology, new work and auxiliary construction. In a developed economy, Industrial activity is highly specialized and professional business complexities increase. There are many types of business industries. Monetization increases and the nature of business start becoming service providing. In this society, many changes start taking place in term of the size, structure, strategy and system of the business. Along with this, as a result of these factors, many transformations start taking place in social values, social institutions, social business, social relations and social problems.

How the cycle of economic growth entrepreneurship works.

Entrepreneurs cause growth in gross domestic product (GDP) because they start new businesses, drive innovation, and increase competition, thereby boosting productivity and growth in the economy. Entrepreneurs, especially small and medium enterprises (SMEs), play a vital role in economic growth. They drive innovation by introducing new ideas, products, and services, which in turn increase competition and motivate businesses to become more efficient. Entrepreneurs create new jobs and boost economic activity, thereby increasing GDP. Entrepreneurship makes a significant economic contribution to GDP. Entrepreneurs set up new businesses and industries, which creates jobs and boosts economic growth.

II. CONTRIBUTION OF ENTREPRENEURSHIP TO GDP

- New Technologies:- Entrepreneurship makes search for new technologies and new products. Entrepreneurs promote new invention and new technologies.
- Employment Creation - Entrepreneurs create employment opportunities by starting new businesses, which reduces unemployment and increases people's income.
- Economic Growth:- Entrepreneurship promotes innovation and competition, which accelerates economic growth.

- Increased Productivity:- Entrepreneurs often use new and more efficient production methods, which increases productivity and reduces costs.
- Establishment of new Business unit:- In India, there have been entrepreneurs like Birla, Tata, Bajaj, Ambani, singhania etc. who have increased the pace of development by expanding, industrial activities. Without the leadership of the entrepreneur, all the means of production remain idle. Productivity cannot be born from them.

III. ROLE OF ENTREPRENEUR IN ECONOMIC GROWTH

- The entrepreneur is encouraged to produce better quality foreign products within the country itself.
- Establishment and expansion of new business and industries.
- Drives economic growth and creates new jobs.
- Encourages innovation by bringing new ideas, products and services to market.
- Contributes to social change by developing products or services that reduce people's dependence on old technologies
- Solves social and economic problems by creating solutions that meet society's needs
- Enables competition that improves business efficiency and lowers prices for consumers.
- Entrepreneurship bridges the disparities in the country's economic development by development both public and private sectors.

IV. THE WHEEL OF ECONOMIC DEVELOPMENT

In the present scenario, the entrepreneur is considered to be the captain of economic development. The cycle of economic development of the nation is set in motion through the activities of the entrepreneurs. The entrepreneur is the main worker of every economy because the economy cannot run without him. In fact, he is the balancing wheel of economic movement. An entrepreneur supports economic development directly and social development indirectly, which supports the country both socially and economically. A country will be able to develop economically only when it is away from social backwardness. Entrepreneurs always understand this very well and work on it. Entrepreneurs consider it their moral duty to invest in many sectors such as healthcare and technical training schools so that better skills and skilled manpower can be created within the country. This helps in working on a better future for the youth. In this way, an entrepreneur contributes in both economic and social fields. There are many industrialists in India who are also good philanthropists along with being entrepreneurs and are playing a decisive role in the development of the country.

V. CONCLUSION

An entrepreneurship creates a new business, which produces products or service. These products or service give rise to new opportunities in the market, promoting other businesses to complete and improve their products or service. These competition boosts productivity and innovation leading to economic growth. An entrepreneur develops a new technology that provides a new solution in an industry. These technologies create new jobs, as more people are involved in the production and use of that technology. These technologies also open up a new market, leading other entrepreneurs to start new businesses using this technology. In this way entrepreneurship creates a cycle that promotes economic growth.

REFERENCES

1. <https://emeritus.org>
2. <https://www.youraticlelibrary.com>
3. <https://www.geektonight.com>
4. <https://www.techtarget.com>
5. <https://sites.google.com>
6. <https://www.womenempowerment.com>
7. <https://masme.gov.in/files>
8. <https://pid.gov.in>

9. <https://en.wikipedia.org>
10. <https://books.google.co.in>
11. <https://msme.gov.in/hi/about-us>
12. <https://www.paisabazaar.com>
13. <https://hi.wikipedia.org>
14. <https://dcmsme.gov.in>
15. <https://www.smfgindiaincredit.com>
16. <https://finance.adityabirlacapital.com>



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN SCIENCE | ENGINEERING | TECHNOLOGY

 9940 572 462  6381 907 438  ijirset@gmail.com



www.ijirset.com

Scan to save the contact details