

Entrepreneurship

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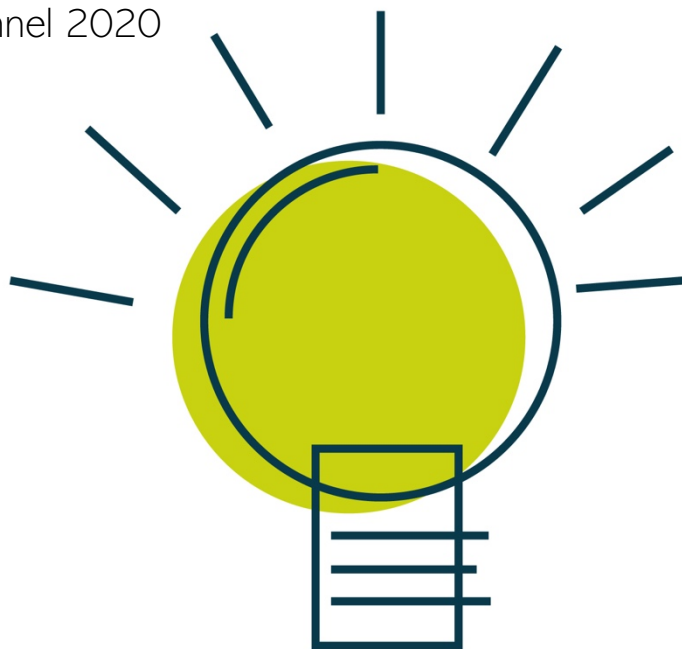


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Introduction

I stumbled upon the subject 'Entrepreneurship' by chance. I've been wondering about the many ways of pursuing art for a living, since I am quite passionate about art. The first way that came to my mind would have been to become an independent artist. I wondered whether that would mean becoming an entrepreneur to which I asked myself: What exactly is entrepreneurship?

We often take the products and services which we use on a daily basis for granted. We have and use them because we need them. We don't question a lightbulb for example but if we wouldn't have one and yet needed light, we would long for something as simple as such. Anything else like the internet, smartphones and many other inventions we wouldn't have had 30 years ago. However, we do now, thanks to entrepreneurs. They saw a need in the world and took the opportunity to satisfy that need.

I decided that, in order to find further and precise answers to my question, I would treat this subject in this year's Travail Personnel. I discuss the definition of entrepreneurship as well as coherent subjects such as its importance and the entrepreneurial activity around the world. As to our current situation with the coronavirus pandemic I decided to discuss the impact it has on entrepreneurs and the economy as well. In addition to this, I point out the unfortunate misuse of entrepreneurship.

1. What is Entrepreneurship

Entrepreneurship is the act of creating, launching and running a business, whilst taking on all its financial risks, in order to generate a profit. People who create these businesses are called entrepreneurs. Typically, the created business idea involves a new product or service rather than an existing business model. To identify and act on an idea or problem that hasn't been identified or acted on in the past is entrepreneurship. This combination of recognizing a need to bring something new to the world and acting upon satisfying that need is what distinguishes an entrepreneur from a small business owner for example. A small business owner is someone who owns or starts a business by copying an already existing business model, such as a restaurant, a hair salon, a small grocery store etc. Entrepreneurship on the other hand is the act of creating something completely new. However, what some consider entrepreneurship or who is and isn't an entrepreneur may vary. Either way, entrepreneurship is always about an idea and the execution of that idea.

Moreover, a more modern definition would also imply that entrepreneurship is also about transforming the world by solving problems through initiating social change for example. Social entrepreneurship is a fairly modern form of entrepreneurship for instance.

1.1. Types of Entrepreneurship

These four types of entrepreneurship are based off their scale. There are other categories in which businesses can be differentiated. Each of those have a different purpose with different types of entrepreneurs and a variety of people based on what the company needs.

Small business entrepreneurship

As mentioned earlier, some might not consider a small business as such as entrepreneurship since they are based on an already existing model. However, nowadays, the majority of businesses are still small ones. They are most often barely profitable, but enough to make a living and to support the families of the owners which in most cases is the sole goal of such an enterprise. Since those businesses are so small, they lack the scale to attract venture capital and they are funded via friends/family or funded loans.

Examples of small business entrepreneurship include hairdressers, grocery stores, electricians, carpenters, plumbers, consultants, etc.

Scalable startup entrepreneurship

In this type of entrepreneurship, entrepreneurs start their business believing that their idea will make a change in the world and are just beginning. This startup model requires external capital and risk in order to create demand and company expansions. To do this, the founders must have a convincing business plan in order to receive large, impacting investments. Finding a scalable and repeatable business model is their goal. Once they find it, further funding from venture capitalists is required for growing their business.

Scalable startups only make up a small proportion of all businesses due to the risk capital and outside returns.

Examples of successful scalable startups include Facebook, Instagram, McDonald's, online stores, etc.

Large company entrepreneurship

The concept of this type of entrepreneurship refers to the advancement of new opportunities and ideas within larger and already established companies. This development is seen later in the life of a company.

Some forms of this include creating a new design or product in order to compete with surrounding new technologies and legislation among competitors. Large company entrepreneurship is an adaptation to environment expansions.

Examples of large company entrepreneurship include Google, Microsoft, Apple, etc.

Social entrepreneurship

Those entrepreneurs who participate in social entrepreneurship are focusing on forming new products and ideas in order to solve social dilemmas. Contrary to the ways that some may think, these companies are not exclusively non-profits, as some of them are also based on profit.

The goal of these companies is to, in their own terms, make the world a better place.

A well-known company pursuing social entrepreneurship is Lush for example. The cosmetics company leads with environmental awareness and ethical consumerism and has given away \$6 million to environmental and other worthy causes in the last seven years.

2. Entrepreneurs

The word “entrepreneur” originates from a thirteenth-century French verb, “*entreprendre*”, meaning “to do something” or “to undertake.” An entrepreneur is typically someone who sees a need and takes on the financial risks to start a business in order to satisfy that need. Theoretically, anyone who has the capacity and is willing to take numerous risks could become an entrepreneur. There are so many ways in being an entrepreneur and many people have different opinions on who is one and who is not. As mentioned earlier, entrepreneurs are often differentiated between the ones that have a brand-new idea and are building their business on that idea from those who are building theirs on an already existing model, which usually are small business owners. However, some people would consider a small business owner an entrepreneur as well since, even though they didn’t create something completely new, they may have seen a need in a community of a certain product or service and brought it to that community. Other than that, there are still various other discussions on what makes up an entrepreneur. Regardless of how anyone chooses to define what it means to be one; they must all have something in common: to take action. It goes without saying that the entrepreneur must do the hard work of taking it from the theoretical into the definite, recognizing that without this transformation, the idea’s potential remains unrealized.

There are many brilliant products and services, which we often take for granted and yet are now part of our everyday life. Most of these were once just a simple idea or vision of an entrepreneur. If those entrepreneurs wouldn’t have executed their ideas, physically realized what they had visualized, our lives today would be very different. Many of those entrepreneurs are also very well-known and are commonly referred to when talking about entrepreneurship. Examples for well-known entrepreneurs are Bill Gates, Mark Zuckerberg and Steve Jobs.

Successful entrepreneurs expand the size of the economic pie for everyone. Bill Gates for instance, who as an undergraduate at Harvard, developed BASIC for the first microcomputer, went on to help to found Microsoft in 1975. During the 1980s, IBM (International Business Machines) contracted with Gates to provide the operating system for its computers, a system now known as MS-DOS. Gates procured the software from another firm, essentially turning it into a multibillion-dollar product. Microsoft’s Office and Windows operating software now run on about 90 percent of the world’s computers. By making software that increases human productivity, Gates expanded our ability to generate output and income, resulting in a higher standard of living for all. The importance of entrepreneurship isn’t limited to this. There are many more factors to why we need entrepreneurs to which we will come later.

2.1. Types of Entrepreneurs

Based on their working relationship with the business environment they are functioning in, various types of entrepreneurs can be found. The chief categories are these four types of entrepreneurs:

Innovative Entrepreneurs

Innovative entrepreneurs are interested in introducing a new idea, commence a new method of production, discover new markets and reorganize an enterprise. They are drawn towards innovations and invest a lot more time and wealth in doing research and development. Innovative entrepreneurs are visionaries and target non-expressed needs.

Imitating Entrepreneurs

Imitating entrepreneurs are characterized by their observation of an already existing and successful system. They do not innovate changes themselves and only replicate or imitate techniques and technology invented by others. They do it in a manner where all the deficiencies of the original business model are addressed, and all its efficiencies are retained. Such types of entrepreneurs are particularly suitable for underdeveloped regions. They are most likely to be targeting expressed needs.

Fabian Entrepreneurs

Fabian entrepreneurs are characterized by their very great caution and skepticism in experimenting and adopting any changes. They are not prone to sudden decisions and try to shy away from any innovations or change that doesn't fit their initiative. They imitate only when it's perfectly clear that not doing so would result in a loss of the relative position in the enterprise or that any other major inconveniences might occur. The pharmaceutical industry is an example where these entrepreneurs have no other choice than to rely on research and development, to be risk aware and to comply with regulations since it's all about other people's health.

Drone Entrepreneurs

Drone entrepreneurs do not like change and are considered as old school. They want to do business in their own traditional methods of production and systems. Such people attach pride and tradition to even outdated approaches of doing business. They may even suffer from losses but are not ready to make changes in their existing production methods.

A well-known company, still pursuing its traditional methods, would be Rolex. The hand-made production of the watches remains until today as well as the brands popularity.

3. History

3.1. Beginning of trade

Entrepreneurship can be dated back to around 17.000 BCE where the original entrepreneurs were, of course, traders and merchants. The first known trading occurred in New Guinea where locals would exchange obsidian which is a black volcanic glass used to make hunting arrowheads and were in no doubt a necessity for survival. These primary entrepreneurs exchanged one set of goods for another.

Later, around 15.000 BCE, instead of continually moving around as nomadic tribes, the people settled. Animal domestication began to take place as well as the domestication of plants which first took place around 10.000 BCE. This step toward agriculture was critical for the advancement of human species. As a result of increased people moving into these settlements, one of the most decisive advances took place with the occurring of specialization. Individuals within each tribe would start to specialize in certain tasks and become experts, thus eliminating the individual hunting and gathering of their food. As different people got better at different tasks, exchanging their various goods and services with others was possible and increased the well-being and benefits for all.

As settlements increased in size and methods of agriculture improved, the first towns and cities were developing. People were able to build a permanent house and settle in one area due to reliable food supplies. Through the increased settlements, the first social institutions such as religious centers, courts and marketplaces were also able to develop. There is no doubt that the beginning of trade improved the standards of living by far.

Soon, the trading possibilities increased. The famous Silk Road for instance was an ancient network of trade routes linking the East and West. Donkeys, horses and camels made trading much easier and allowed moving both goods and ideas from one civilization to another. Moreover, ships were built for the same sake, to carry trade, in this case over the seas. The routes were established during the Han Dynasty of China in 130 BCE and sustained until 1453 CE. The Silk Road was central to the economic, cultural, political and religious interactions between the regions. Through the accessing of different civilizations, the secrets of making paper were transferred from China to Europe for example.

3.2. Invention of Money

The invention of money was one of the key developments in the history of entrepreneurship (and of course humanity). Prior to the invention of money, all entrepreneurship and trade took place through the barter system, which was the exchange of one good for another. For instance, if one had a donkey and the other person had a bunch of hens, the two of them could agree on how many hens the donkey was worth for and the trade would then take place. However, the barter system didn't properly work. In order for a trade to take place, both parties had to have what the other party needed. This coincidence happened rarely, thus the demands of growing business and trade gave rise to the money system. It is thought that silver rings or bars have been used as money in Ancient Iraq before approximately 2.000 BCE.

Over time, paper money and coinage would be developed. Currency made several things easier for entrepreneurs. It facilitated long-distance trade, acted as a medium of exchange and provided a way for entrepreneurs to store their value as well. Obviously, currency changed the fate of entrepreneurship forever.

3.3. Beginning of the Marketplace

With the population increasing rapidly around 1470, the volume of trade grew. The markets became more and more popular since larger populations required larger marketplaces where they could purchase various goods such as food and clothes.

Important developments took place in entrepreneurship during this period were banking grew to new heights and complexities. Also the expansion of the guild system, which is an organization of people that have related interests or goals, giving entrepreneurs a way to organize their business together, regulate the quality of the goods produced and develop reputations for certain goods. Entrepreneurs were also able to purchase goods from abroad, turning those into finished products, and then selling them for a wider scale profit. Early entrepreneurs, the merchants and explorers, began to raise capital, took risks and stimulated economic growth. Capitalism had begun.

Soon the world would see that the innovations which entrepreneurs bring with them could easily change lives and make them better. For many at this point, efficiency was a path toward a higher standard of living. Experimentation and innovation were looked upon for the first time and this with a friendly eye. This period gave rise to some of the world's most influential technologies, including the windmill, paper mill, mechanical clock, the map and the printing press, among many others.

3.4. Industrial Age

The development of trade and the rise of business were among the major causes of the industrial age. This time period began around 1760 in Great Britain and later in other countries. It is a period in history in which the economy and social organization changed through the transition to new manufacturing processes such as the replacement of hand tools with power-driven machines and the concentration of industry in large establishments. Examples for the new power-driven machines are the power loom and the steam engine. Thomas Newcomen was the inventor of the first ever steam engine which he invented in 1712 in Britain. However, it wasn't until James Watt's engine in 1763 that things really got moving. As a result, steam replaced water as industry's major power source, enabling work to be done faster and with less effort.

It is told that the industrial revolution marks a major turning point in history since numerous aspects of daily life were influenced. Especially the average income and population began to show remarkable and sustainable growth. Through the revolution, the standard of living for the general population in the western began to increase consistently for the first time in history, some economists say. Economic historians are also in agreement that the beginning of the industrial age is the most important event in the history of humanity other than the domestication of animals and plants as mentioned earlier.

3.5. 20th century

The industrial revolution continued as well as improved in the twentieth century. Numerous economists started to make studies on entrepreneurship with intentions of defining it.

As already mentioned, the word entrepreneur originates from the French word “*entreprendre*” and dates back to the 1850s. However, the term “entrepreneurship” was only created around the 1920s. In the 20th century, studies on entrepreneurship were made by many economists, including Joseph Schumpeter and Israel Kirzner. They were both economists in the 1930s and further refined the academic understanding of entrepreneurship.

According to Joseph Schumpeter, an entrepreneur should be willing and able to convert a new idea or invention into a successful innovation which is not far from how most people would define entrepreneurship today. He stressed the role of the entrepreneur as an innovator who implements change in an economy by introducing new goods or new methods of production. Schumpeter also emphasized the beneficial process of creative destruction, in which the introduction of new, succeeding products results in the failure of others, thus being largely responsible for long-term economic growth. The vinyl record, which disappeared through the introduction of a new product, in this case the compact disk, is one of many examples of a creative destruction.

An alternative view by Israel Kirzner suggests that entrepreneurship is a process of discovery. His description implies that an entrepreneur is a person who discovers previously unnoticed profit opportunities, which again, fits today's understanding of entrepreneurship. In addition to that, most innovations may be incremental improvements such as the replacement of paper with plastic in the construction of a drinking straw for example.

After the second World War, entrepreneurship changed for various reasons. First, improved shipping and communication systems made the global selling of a product or service much easier for an entrepreneur. Massive economies like America for example could no longer afford to solely sell nationwide and had to expand their markets. Similar boosts in economic growth occurred in other countries as well.

3.6. Entrepreneurship Today

The twenty-first century is also known as the Dotcom Era. It has never been easier to build one's own business than it is nowadays. Creativity and innovation thrive thanks to the internet and have made many entrepreneurs able to develop for high growth potentials. In the 2000s, entrepreneurship has even been extended from its previous understanding of for-profit businesses to include social entrepreneurship in which goals are sought alongside social, environmental or humanitarian goals.

4. Importance of Entrepreneurship

As discussed earlier, Entrepreneurs play a crucial role in our society. They do not only create wealth from their businesses, they also improve the economy of a country, drive innovation and create the conditions for a flourishing society. If successful, they can change the way we live and work and may also improve our living standards.

Firstly, one reason why entrepreneurship is so important is because it creates jobs. Business enterprises are one of the biggest sources of employment and entrepreneurs take on the risk to employ themselves. Although they create jobs for themselves, they are often in need of more than just their own skill and personal initiative to turn their idea into a consumer product or service. Their ambition to continue their business' growth eventually leads to the creation of new jobs. As their business continues to grow, even more jobs are created. Revolutionary offerings by entrepreneurs, in the form of new goods and services, result in new employment which leads to a virtuous cycle in the economy. This means that higher incomes stimulate consumption, leading to higher prices and larger corporate profits. Once again, let's take Microsoft for example. Bill Gates and Paul Allen started out with a small software company hoping to have had revolutionized technology forever. Although they succeeded, it wouldn't have without help from others. Today, Microsoft employs over 100.000 people around the globe.

Entrepreneurs also add to national income and generate new wealth. New and improved offerings, products or technologies from entrepreneurs enable new markets to be developed and new wealth to be created. The increased employment and higher earnings, enabled by new entrepreneurial ventures, contribute to a better national income in form of higher tax revenue which then concludes to higher government spending. This revenue can be used by the government to invest in other, struggling sectors and human capital.

In addition to this, entrepreneurship results in an improved quality of life. Some of the greatest products and services and for example our remarkable technologies today have come from entrepreneurial ventures. The technological advances come out of a need to solve a problem, create efficiencies, or improve the world. Throughout the last decade more and more entrepreneurs are focusing on finding solutions for social problems, thus initiating social entrepreneurship. Whether its poverty or climate change, these important matters deserve the efforts of these entrepreneurs, and their work will benefit society not just through the jobs they create or the new products they deliver, but by the people they help.

However, there is also a dark side of entrepreneurship: this is one which generates a 'false' need typically using advertisement and social media and then builds a whole business addressing these artificially created needs. An example here is the beauty industry promoting unnatural beauty standards and then selling products to reach the unreachable whilst making profits on people's misery.

5. Psychology

5.1. Becoming an Entrepreneur

Though there are many reasons why one would want to become an entrepreneur, what the entrepreneurship definition doesn't mention is that entrepreneurship is what people most often do to take their career and dreams into their own hands and lead it in the direction of their own choice. When working for someone else, one is at the mercy of their decisions and actions but get paid and don't carry huge risks. By working for themselves, one is independent and is able to make their own decisions. Although one has their own business and greater control, carrying the risk for all the decisions taken is not easy. The independence and control over decision-making are likely reasons why some people find the world of entrepreneurship attractive. However, there may also be various other reasons such as explained below.

One might be inspired by other entrepreneurs and their success for example. Perhaps working with an entrepreneur or a former entrepreneur might wake an inner desire to pursue entrepreneurship as well. They get a feeling that they have the potential to build an independent business since they saw others do it which is proof that it is in fact possible. The influence of people pursuing entrepreneurship is enough for aspiring entrepreneurs to start their own business.

Moreover, many people get bored from their 9 to 5 job and are longing for something more special and diversified. The reality of working an average job doesn't seem fulfilling to aspiring entrepreneurs. The repetitive routine of working a 9 to 5 job doesn't feed their burning passion for creativity and innovation which they already have, leading them towards entrepreneurship.

Others might suffer from bad past experiences in their work life. Failures, unemployment and misery might awake the desire to pursue entrepreneurship and even increase the probability of one to become an entrepreneur. Kevin Plank is a good example for this scenario. His name isn't as much of a household name as Steve Jobs, but his business idea sure was a success. Today he is the CEO of the trendy fitness apparel company Under Armour. However, Kevin was quite broke when he started selling his clothing line. He took about \$20,000, which was all the money he had at that time, and even racked up an additional \$40,000 of credit card debt to fund the business. It goes without saying that Plank took on a huge financial risk in order to realize his idea which luckily was a success. In just a few years, he went on cultivating millions in sales and hired hundreds of employees. Today, Under Armour does nearly \$2 billion in retail sales and has around 6,000 employees.

Other people do not have any other choice than to become entrepreneurs. Necessity entrepreneurship is about entrepreneurs who started their business because of unemployment and not finding any other way to make a living. This type of entrepreneurship is most common in developing economies. An estimated one billion individuals in both developed and developing nations have no other choice but to start a small entrepreneurial venture.

Regardless of what drives a person to become an entrepreneur, they must have certain traits to grow their entrepreneurial venture into a successful business.

5.2. Entrepreneurial Mindset

As we saw earlier, entrepreneurship can take numerous forms. However, successful entrepreneurs all share certain traits which brought them to their success.

First off, entrepreneurs are much more aware of their surroundings. Their entrepreneurial mindset allows them to identify opportunities and act on them immediately. The average person only sees annoyances and problems whereas entrepreneurs see possibilities and solutions. In order to act upon peoples' disadvantages, it is vital that the entrepreneur understands the market and target segment well and that they develop and deliver a solution that is both achievable and beneficial for the company.

The only way to take a shot at success, however, remains through one crucial point: taking action. It is another trait which every entrepreneur must have to attain success. No matter how revolutionary the idea may be, it goes without saying that it has no use in its theoretical form. An entrepreneur must take his idea from the hypothetical into the tangible, otherwise, his brilliant innovation remains unrealized and without use. Simultaneously to taking action, one must be able to take risks.

With business, there's always the risk of failure. Studies show that the risk of failure corresponds to an entrepreneur's attitude. The business of an optimistic and say over-confident entrepreneur is less likely to succeed than the business of one who is skeptical and distrusting. This is because distrusting entrepreneurs are often more careful concerning their actions. They would emphasize failure-avoidance through sensible task selection and more analysis. This attitude engages a control mechanism, sets higher precautions and leads one to be more alert about their surroundings, which therefore increases chances of entrepreneurial-firm survival. This confirms that having a high-risk tolerance is a big part of being an entrepreneur. With launching a new entrepreneurial venture, there come risks. Nevertheless, some risks must be taken in order to step closer to success. If successful, you have the benefit of being your own boss, which has its many upsides. At the same, you are still entitled to many responsibilities. Every decision you take will come with its, but either you take the risk, or lose a chance.

Last but not least, no business flourishes without commitment to hard work. Entrepreneurs with long-term persistence and strong determination are with no doubt more likely to attain success. Even businesses which are already profitable need the consistency of hard work and reinventing themselves as even the most entrepreneurial inventions do have a shelf life and will eventually be replaced by another product. If not, everything that's been worked for could easily go to waste within short time.

Moreover, according to numerous studies, other important traits that distinguish entrepreneurs from non-entrepreneurs are the variety in education and work-experience, as well as having a diverse social network. Being passionate, purposeful, positive, bold, curious and creative adds to having an entrepreneurial mindset. This particular mindset should become a way of life for the entrepreneur. It should allow them to be thinking more forward and being predisposed in willing to achieve their goals and objectives.

6. Entrepreneurship around the Globe

Entrepreneurship has a different importance in each country and may look remarkably diverse around the globe. In one country, entrepreneurs might be the highly educated elite choosing an ambitious path. In another, they are entrepreneurs of necessity, because there are no other jobs. Comparing globally, the United States has the greatest number of entrepreneurial ventures, with Switzerland, Canada, Sweden, Australia and Denmark following in order.

The level of entrepreneurship in different countries is influenced by the fact on how entrepreneur friendly each country is. There are political factors but also socio-economic principles, culture and religion that may determine the degree of encouraging entrepreneurship in different countries. The United States has probably the most accommodating surroundings for entrepreneurship but some of these would clash with the social and ethical fundamentals in most European countries. For example, there are fundamental differences in labor law, minimum wage, competition law, etc. that all have a big effect on the level of entrepreneurship potential.

There are also countries that have complex bureaucracies or laws that place barriers to entrepreneurial activities. Typically, systems like this discourage people from having a creative, innovative and entrepreneurial mindset. They also lead to people not having access to proper information which is necessary for the successful advancement of an idea.

Ideally a country will enable and encourage the ability and opportunity to connect with other people to discuss ideas, problems, challenges and solutions in order to promote creativity and an open mind-set whilst operating in ethical and legislative boundaries. A good example here are Scandinavian countries but also Luxembourg.

Another factor that is decisive for entrepreneurship in different countries is the level of industrialization and wealth. Here it is distinguished between Factor-Driven, Efficiency-Driven and Innovation-Driven Economies.

A factor-driven economy such as Bangladesh, Pakistan and Zimbabwe, is the first stage development of an economy and is dependent on natural resources and unskilled labor. Factors which make up for a factor-driven economy are institutions, infrastructure, macroeconomic stability, health and primary education. Their economies are mostly based on the production of basic products. Here entrepreneurship is based around providing the basic needs such as medicine, access to education, transportation, etc.

Moreover, an efficiency-driven economy such as Brazil, Egypt and Serbia is in the second stage of development and is found in countries that have well-established and higher education and training, efficient goods and labor markets, sophisticated financial markets, a large domestic or foreign market, and the capacity to harness existing technologies. The economies compete on production and product quality. Here entrepreneurship is likely to address expressed needs such as safety, entertainment, well-being, productivity, etc.

Finally, an innovation-driven economy such as Germany, France, the United Kingdom and the United States is the third stage of development with the ability to produce new innovative products through sophisticated processes. Using of the most advanced methods becomes the main source of competitive advantage. Companies are more knowledge intensive and invest strongly in advanced skills and technology. As here we have to assume that most of the expressed needs are already fulfilled, entrepreneurship is most likely to focus on anticipated or non-expressed needs such as Mobile Apps that save unproductive time, learning aids, reduction of carbon footprint, etc.

From this we can take away that a country's entrepreneurial activity depends on their economic development. Since every country has different needs, it is not necessarily easier to start a business in one or the other economy. A business should be introduced into an environment where the respective product or service is needed.

7. Coronavirus Recession

The 2019-20 coronavirus outbreak was declared a global pandemic and has had far-reaching consequences beyond the spread of the disease itself and the complicated efforts to quarantine it. The coronavirus recession, also known as the Great Lockdown, is an ongoing severe global economic recession which began affecting the world economy in early 2020. When in context of the economy, a recession is a business cycle contraction in case of a downturn in economic activity. They generally occur when there is a widespread drop in spending and may be triggered by various events such as a financial crisis, an external trade shock, an adverse supply shock, or a large-scale natural or anthropogenic disaster, which in this case is a pandemic. This ongoing recession is considered to be the steepest economic decline since the Great Depression.

As the virus has spread around the globe, concerns have shifted from supply manufacturing issues to decreased business in the service sector, whilst more than a third of the global population at the time is being placed on lockdown to stop its spread. A recession as such brings multiple consequences such as unemployment, within companies and of course to the society.

The number of unemployment increases rapidly within a recession which is happening during this pandemic as well. The most vulnerable to unemployment in this case would be the low-skilled, low-educated workers as well as the young.

Moreover, many businesses suffer a lack of productivity during a time like this. However, as weaker firms have no other choice but closing, the productivity of bigger ones rises again. The ongoing pandemic mainly disrupts the global supply chain or prevent movement of goods, services and people.

The living standards of people dependent on wages and salaries are not more affected by recessions than those who rely on fixed incomes or welfare benefits. The loss of a job is known to have a negative impact on the stability of families and individuals' health and well-being.

Although this pandemic brings loads of problems, it is in a time as such we must be able to rely on entrepreneurs. They have the potential to ease up this time for everyone through their innovations. Ranging from the medical industry to the launching of apps which allow us to communicate with others whilst being in quarantine. They have the possibility to make many lives easier in this very difficult period with what they are best at: innovating.

8. Conclusion

After the research I've made and the knowledge I've attained through working on this subject, I can confidently say that entrepreneurship can certainly be a way of making the world a better place. It goes without saying that entrepreneurs satisfy our many needs and, as mentioned in the last chapter, that entrepreneurship is what helps making difficult times easier or even put an end to them. However, the perks of it only comply to the ethical ways of pursuing entrepreneurship.

Unfortunately, some so called entrepreneurs benefit from the misery and exploitation of others in order to generate a profit. They create artificial and previously nonexistent needs to further on build their business based on these needs, without considering the well-being of the respective customers. The beauty industry is a perfect example for the misuse of entrepreneurship. They create unreachable beauty standards and sell products which should seemingly attain those standards.

I conclude that entrepreneurship should be ethical, not for selfish reasons such as making money or attaining fame, but to make this world a better place through life changing innovations and solutions. Therefor countries should offer a good balance of support as well as guidance and legislation for entrepreneurs.

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