



Entrepreneurship Opportunities and Challenges to Overcome Recession from Economy

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Abstract

No country in the world can afford the slow down pace of economic growth in the current scenario of economics that's why it must need to work to overcome the recession and depression from economy. The sale and purchase of products and services and the growth of economic cycle must remain in process of moving consistently. Now only those persons and individuals can compete with current conditions of market barriers who better understand the opportunities and challenges of entrepreneurship. Now the concept of handling work stress with tight schedules and target work oriented lives has been replaced with entrepreneurship. Entrepreneurs are the individuals who not only work to meet their own goals but also work to meet the needs of society intentionally or unintentionally to ultimately contribute to economic growth of the country. The meaningful and high yielding employment opportunities created by excellent enterprising skills are highly mandatory for emerging economies. The development of agriculture and industrial sector is highly based on capabilities of entrepreneurial people. The highest growing economies of the world are working upon youth and entrepreneurial activities. This paper will strive to outline the various opportunities like economic restructuring, retired employees, glass ceilings, government resets, technology, restart of recessionary businesses, immigrants, underutilized talent as well as various challenges which are creating barriers to the appearing entrepreneurs. Data will be collected from representative and non-representative respondents through interview method. It will further provide them knowledge about how they can start the consumer-oriented businesses to overcome the recession from economies.

Keywords: Entrepreneurs, Economic Growth, Employment, Opportunities, Challenges, Emerging Economies

JEL Codes: O4, F1

1. Introduction

Entrepreneurship is an ability and willingness to plan, organize, lead and control business venture along with any of the risks involved in taking this initiative to earn a profit. An obvious example of entrepreneurship is to start up a new business with a unique idea. According to (Fsadni, 2007), an entrepreneur is a person who has the ability to identify and pursue a business opportunity, undertakes a business venture, raises the capital to finance it, collects the necessary physical resources, financial resources and human resources needed to operate the business venture. He/she sets goals for him/her and others, take appropriate action to ensure success and take the responsibility of major risk. In the present time, every country is working for the smooth pace of economic development and economic growth. Economic growth is actually a change in national income over time that is usually measured over one year and national income is the total amount produced by a country in one year. Growth can be measured through additions of production, income and expenditure. Economic development is a broader change and improvement including the better off of the public (Kaseem et al., 2019; Roussel et al., 2021; Senturk and Ali, 2021). It is widely believed that entrepreneurship is beneficial for economic growth and development as entrepreneurship has been remarkably resurgent over the past three decades in countries that achieved substantial poverty reduction, such as in China and donors and international development agencies have turned to entrepreneurship to improve the effectiveness and sustainability of aid (Naude, 2013). Entrepreneurship played a significant role in economic growth, bringing innovation, and relieving from poverty (Sharma & Kulshreshtha, 2014; Ali and Bibi, 2017; Ali and Ahmad, 2014; Ali and Audi, 2016; Ali and Audi, 2018; Ali and Rehman, 2015; Ali and Senturk, 2019). According to (Wennekers & Thurik, 1999), strong entrepreneurial activity in any country supports economic growth and especially in developing countries (Meyer & Peng, 2005). Most of the entrepreneurship studies are majorly concerned with small and medium enterprises (SMEs) in developing countries (Naude, 2013) that actually suggested the existence of economy-wide uncertainty which indicates that chances of success of small ventures is less. According to (Peng, Wang, & Jiang, 2008) as the emerging economies would be more dynamic and evolving it would pose more substantial challenges for local small ventures start-ups.

(Coyne & Leeson, 2004) said that the reason of underdevelopment of any country is not an insufficient supply of entrepreneurs, but the actual reason behind it is institutional weaknesses that results in a fall of profit opportunities

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that is tied up with the activities of yielding economic growth. Entrepreneurship not only creates self employment opportunities but also evolves employment opportunities for others with unique ideas, small capital and innovation. Entrepreneurship is different from a corporate business firm (Gartner, Shaver, Gatewood, & Katz, 1994). (Greve & Salaff, 2003) studied that an entrepreneur needs skills, information, capital and labor to start up a business and most of the time they possess these resources by themselves or otherwise they can arrange these resources by accessing their contacts and social networks (Aldrich & Zimmer, 1986). This is the reason that entrepreneurship can work a lot in a country to overcome the recessionary economies. Changes can also be made to existing business strategies to compete with economic situations (Nisar et al., 2021). Mostly existing companies apply retrenchment approach like reducing fixed costs, narrowing product offerings and decreasing staffing expenses to overcome recessions (Lowth, Prowle, & Zhang, 2010).

2. Literature Review

(Chircu & Chircu, 2008) had discussed the creation, growth and survival strategies of local based small businesses in developing economies. Authors had conducted this study in one of the largest developing countries of central and Eastern Europe, Romania. They analyzed the various ways of coping up with institutional, resource and industry barriers so that IT entrepreneurs could develop successful businesses as well as could contribute to economic growth through providing new business creating opportunities for their customers. Different suggestions provided by this paper included that lack of formal institutions in developing countries could be overcome by managing a relationship spiral through searching potential business clients and lack of support, complementary products and services could be overcome by managing product spiral through providing generic product to every customer and offering customized services.

(Sharma & Kulshreshtha, 2014) had investigated the contribution of entrepreneurship towards the economic growth of Brazil, India, China and Russia. They said in their study that in current scenario no country of the world can afford the economic recessions. Population, GDP (Gross Domestic Product), GDP Per capita, GDP Avg. growth rate, merchandise exports and HDI% for Brazil only had been taken being the indicators of economic development in BRIC countries. The paper suggested that starting up of small businesses would sustain success for financial gain, economic growth, high living standards and social welfare so that every entrepreneur should make a business plan in accordance with the advantages and disadvantages of his/her economy. A brief intersection of economics development and entrepreneurship had been described by (Naude, 2013) in *Entrepreneurship and Economic Development: Theory, Evidence and Policy*. The author had discussed the recent theoretical insights, empirical evidences, fresh insights into entrepreneurship policy for development as well as female entrepreneurship in developing countries. The paper suggested that improving of entrepreneurial ability not only means to improve the education and skills of entrepreneur but to focus upon the innovative capabilities of entrepreneur. According to author, innovative capability of entrepreneurship is most crucial for economic growth.

(Greve & Salaff, 2003) had studied that entrepreneurs establish social networks in three phases for developing a firm. Entrepreneurs established such networks for discussing the aspects of developing and running the businesses. These three phases included motivation phase, planning phase and establishment phase based upon entrepreneurship, number of discussion partners and time spent during establishing and maintaining these networks. Family members particularly existed in all the networks and during all the phases. Authors had conducted this research in four different countries and the result was about same in all the countries.

(Florida, 2010) told in his book that great recessions suggest great resets. The author examined that if we took a prolonged review of economic downturns of 1930's and that of late 19th century, we would get a view of opportunities represented by that time rather only the pain and crisis of that time. Such opportunities, inventions and innovations leads toward economic development and prosperity. Recession time period in economy is more fertile for success, entrepreneurship and energetic risk taking that actually set the full scale recovery. UK economy had emerged from long years of economic recessions (Lowth, Prowle, & Zhang, 2010). The authors said that this economic recession was different from the previous ones due to three impact factors including credit crunch, globalization of world economies and impact of UK public finances. Such recessionary factors put short term, medium term and long term recessionary impact on businesses due to high risk aversion, changing consumption habits into saving habits and greater focus upon value of money. The paper suggested that a degree of optimism existed from companies to overcome these recessions by accessing overseas markets, improving the way of doing the things, developing better customer relations and by bringing product innovation.

(Praag & Versloot, 2007) had examined the extent to which entrepreneurship has an economic value. Authors had researched the contribution of entrepreneurs through employment opportunities generation and its dynamics, productivity and growth, innovation and increasing individual's utility level. The study was based upon 57 recent studies and concluded that entrepreneurship played a very important but very specific role in the economy of any country. It highly contributed to the GDP (Gross Domestic Product) of any country and they were more satisfied people as compared to employees.

3. Research Methodology

This study is based upon qualitative research focusing on secondary and primary data. For secondary data, we have relied upon recent studies and high quality economic ranked journals. The variables selected as the entrepreneurial opportunities to overcome the recessionary economies in developing countries are economic restructuring, retired employees, glass ceilings, government resets, technology, restart of recessionary businesses, immigrants, and underutilized talent (Florida, 2010). The target population for this study was limited to the employees working under public and private sector in Pakistan. The survey was conducted and data was collected through face-to-face interaction with the employees from different selected industries including Banking industry, Textile Industry, education industry and agriculture sector. Probability sampling technique was used for selecting sample from the population. A total of 300 open ended questionnaires were distributed among respondents, out of which 278 questionnaires were received back with a response rate of 92.6 percent. From these 278 questionnaires, 62.9 percent respondents belong to representative population and remaining 37.1 percent respondents were from non-representative population.

4. Findings

For this study, data was gathered through open ended questionnaires about the different entrepreneurial opportunities discussed above and analyzed through descriptive analysis for preparing the findings report. Frequencies of demographics are shown in Table 1. (See Table 1). Eight unique emerging entrepreneur development opportunities are described below along with the views of representative respondents and non-representative respondents in Pakistan.

Table 1: Frequencies of Demographic Variables

Age	21-30 Years	30-40 Years	40-45 Years	above 45 years
	9.59%	65.38%	19.18%	6.85%
Gender	Male	Female		
	64.38%	35.62%		
Job Sector	Govt.	Private		
	52.4%	47.6%		
Job status	Permanent	Visiting		
	82.19%	17.81%		
experience with Organization	0-5 years	6-10 years	11-15 years	15 and above years
	52.05%	31.51%	10.96%	5.48%
what thing employee motives the most	challenging job	vacations	salary benefits	stability/security
	27.40%	10.96%	19.18%	6.85%
	good boss	training opportunities	promotion	Others
	16.44%	2.74%	15.07%	1.37%

4.1. Economic restructuring

The Great Recession led to great resets and required to reshape the markets in order to avoid the future threats to many of the existing ventures. This economics restructuring is driving force towards entrepreneurial behavior and opportunity. As per the respondents view, supply chain companies, challenging markets, virtual and natural resources are the major areas for which require economic restructuring in order to avoid the economic recessions.

4.2. Retired employees

The certainty of getting retired by successful persons either in public or private sector is relatively high. So ultimately the certainty of job loss and decrease in retirement savings is also very sure. So in this case many retirees get the

burden back on the economy. In such case, respondents are of view that some retirees should become entrepreneurs, some should become investors and others should become key talent in newer businesses to keep smoothen the pace of economic development and economic growth in the country.

4.3. Glass ceilings

Either it is said by all the organizations that we are equal opportunity provider but still here the factors of gender, education, race, language and many others can't be avoided which ultimately creates glass ceilings in many careers. So according to respondents, where glass ceiling is existed, there are always the chances of direction for engaging in entrepreneurial activity. Mostly the people who suffered from glass ceiling are immigrants, women, and minorities and disable persons.

4.4. Government resets

Government is highly spending on defense. So the individuals and firms who are meeting the needs of government and national defense must look upon at repositioning of their new products and markets in such a way that they can decrease the need of government defense and can ultimately contribute to economic growth. During survey and face to face interviews, mostly respondents were of the view that contractors, higher education and defense suppliers can play a vital role for government resets.

4.5. Technology

The major economic driving forces of any country are technological innovations and commercialization. And technological innovations and commercialization from ever been are great motivation towards new entrepreneurial energy. Such technologies majorly include green technology, bio technology, information technology and pharmaceutical technology. So the entrepreneurs can grab these technological opportunities and can create the self employment as well as employment opportunities for others.

4.6. Restart of recessionary businesses

Once you get fail in your business or career, you must not leave it as it is. Because when deep economic recessions are coupled with slow and uncertain recoveries of businesses and careers, it brings great damage to economy. So you must get work upon it and restart your career or business again to decrease the burden of damage from economy.

4.7. Immigrants

Immigration can also be a major source of creative energy in a country. Immigrants leave their home countries and take the higher risk with greater tolerance capacity. So the well educated and skilled immigrants are typically motivated towards creating innovative and better products in a country and ultimately they become the entrepreneurs.

4.8. Underutilized talent

If we look into the developing countries like Pakistan, unemployment and under-employment is just at its record levels. There is a huge under-utilized talent in Pakistan at right now looking for some opportunity. So the only thing that we need is to train our unemployed and under-employed talent so that some of this talent will turn into entrepreneurship and others can provide services and skills for other businesses and making them more successful and profitable.

5. Conclusion

The study has examined the recent literature about the role of entrepreneurship in emerging economies and its impact on economic growth (Carreea & Thurika, 2002). Entrepreneurship has many types and plays many roles (Hébert & Link, 1989)to overcome the recessionary economies. Eight most important development opportunities of developing countries including economic restructuring, retired employees, glass ceilings, government resets, technology, restart of recessionary businesses , immigrants and underutilized talent have been discussed in detail in this paper with context of Pakistan and we may conclude that all the skills, expertise and energies in the country must be utilized in such a way that the whole talent will transform into entrepreneurship and entrepreneur must create profitable employment opportunities for himself/herself as well as for others. It will ultimately contribute to economic growth and economic development of the country and will overcome recessionary economies.

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