# Entrepreneurs Drive the Economy — But Are We Doing Enough to Support Them?



Opinions expressed by Entrepreneur contributors are their own.

Never before has economic resilience been so crucial. The contemporary world is grappling with numerous challenges at the same time, political crises, increasing economic disparity, global warming, and technological chaos. Efforts to regain the dwindling trust of the citizens are not succeeding. Political leaders and businesses are focusing on the short-run and as a result, are failing to fulfill their long-run responsibility to society. Amid all this chaos, one ray of hope persists: entrepreneurship.

Entrepreneurs are the ones who have the vision and enough courage to create a sustainable world. They disrupt the status

quo and in doing so, they help the world economy to maintain its prosperity. Entrepreneurship is not only about achieving personal success and wealth, it's about making a difference in this volatile economy preferably without playing politics. However, the question remains: Are we doing enough to encourage the individuals willing to take on such risks for the benefit of society at large?

## The downfall of conventional approaches

In the past, when there were economic downturns, the governments would come to save the day with stimulus packages or businesses were offered corporate bailouts. These manner of interventions however only serve the purpose of providing short-term solutions. Take for instance the financial crisis of 2008 or the Covid-19 pandemic. These two events resulted in large amounts of cash being injected into the economy which in turn saved some businesses; however, the effects were just temporary, and eventually, several weaknesses within the system came to be exposed. These weaknesses can truly be solved with the help of robust entrepreneurship.

Entrepreneurs are people who look for gaps in the market, fill these gaps and create more jobs, all the while also contributing to the economy. Unlike conventional systems, which are reliant on government interventions, when entrepreneurial systems are engaged, uncertainty brings more opportunities.

In times of instability, this quality of adaptability offered by entrepreneurs is critical.

**Related: 5 Ways to Adapt to Change and Build a More Resilient Business Model**

# Innovation as the backbone of resilience

Entrepreneurs operate on fresh ideas, and so do companies and people. Yet the difference is that smaller companies often improve and build disruptive technologies first. In the race to develop global solutions, entrepreneurs often lead on renewable energy, AI and even futuristic health care.

As an illustration, Covid-19 caused a global economic disruption but allowed entrepreneurs to provide the best remote working instruments and ideas, like Slack and Zoom, alongside other things that were used quickly becoming household names. These products were used in every household in a matter of weeks. The possibility of remote working created an opportunity for businesses with an entrepreneurial mindset amid scattered events despite government mandates or large corporations. They aided in global adaptation to face modern developments, otherwise, the consequences of Covid-19 may have been far worse for the global economy.

Innovation does not only exist where technology is applied. Social entrepreneurs, for instance, are leaping onto larger markets by creating affordable yet effective solutions for problems such as education, health care and even poverty. In places where all else has failed, these visionaries are showing the way by developing a new narrative.

# Job creation and economic growth

Entrepreneurs also have a unique ability to create job opportunities for others. Small businesses in America account for creating and providing close to 50% of all private-sector jobs, thus propelling economic growth through its contribution to the gross domestic product (GDP).

Entrepreneurship can also be very instrumental in the growth

of developing countries. Small entrepreneurs come up with solutions to problems overlooked by the government. They step in to offer needed services thereby resulting in economic development on a grassroots level.

Entrepreneurial initiatives are such a powerful source of innovation that they can lead to the creation of completely new types of industries. For example, small energy startups that stood against large corporations initiated the multiplex growth of the renewable energy industry. And these effects multiply the sense of what entrepreneurship can do by promoting sustainable development within economies.

## Encouraging the next generation of innovators

Innovators are essential to the economy, yet they are met with severe obstacles. Gaps in support structures, lack of resources and existing red tape discourage many potential entrepreneurs from taking up the challenge. It is our collective responsibility to foster a nurturing environment if entrepreneurship is to help us to not only survive but to also create the future.

Investment in the entrepreneurship ecosystem should be at the top of the list for all government bodies and private institutions. These include provisions for financial assistance, mentorship networks and the reduction of regulation complexities. Instituting an atmosphere where individuals feel safe to take risks and fail will motivate those who will make a difference in the future.

Schools, colleges and universities must place a significant focus on incorporating entrepreneurship into their teachings to prepare students for the inevitable future where they will play a decisive role. Once this mindset is instilled from an early age, it guarantees a steady influx of entrepreneurial

minds in the future.

**Related: Why an Entrepreneur's Ability to Innovate Will Make (or Break) Future Success**

## Entrepreneurship as an ethical obligation

Entrepreneurs are more than an economic necessity – they are the solution to the problem of inequality and systemic challenges facing the world. They act as enablers of growth by tackling issues that range from sustainability to health care. Giving people the space and opportunity to innovate and take risks as entrepreneurs will enhance economic growth while also accelerating the development of a sustainable future.

As it's increasingly becoming clear that traditional systems are unable to meet the demands placed on them, it's evident that economic resilience can only be bred – not from the upper echelons of society, but rather from bold concepts of entrepreneurship.

Are we prepared to support entrepreneurs as they help us create a better tomorrow?

https://www.entrepreneur.com/leadership/entrepreneurs-drive-the-economy-but-are-we-doing-enough/484522