

CHAPTER–1: CONCEPT OF ENTREPRENEURSHIP

1.1 Meaning of Entrepreneurship

'Entrepreneur', translated from its French roots, means "one who undertakes". The term is used to refer to a person who undertakes the organization and management of an enterprise involving independence and risk as well as the opportunity for profit.

An entrepreneur, typically is inspired to start a business because the entrepreneur perceives a consumer need that is not being adequately filled. This area of need often called an 'opportunity niche'.

In other words an entrepreneur is an innovator of business enterprise who recognizes opportunities to introduce a new product, a new process or an improved organization, and who raised the necessary money, assembles the factors for production and organizes an operation to exploit the opportunity. So we can say entrepreneur is a person who initiates, plans, guides and controls a new venture, arrange its capital and operates the same. The whole job of doing this initiating, planning, guiding and controlling are called organization or entrepreneurship.

1.2 Different focus of Entrepreneurship

It is very difficult to have a single definition of entrepreneurship. The scholars and researchers have defined the term 'entrepreneurship and its functions in many ways. As noted the word "Entrepreneurship" is developed from the French word "*Entreprendre*" meaning to undertake or enterpriser. Webster International Dictionary (1996) highlights entrepreneurship as economic venture organizing and risk-taking capabilities. Many scholars in different fields, such as economist, behavioral and social psychologists, anthropologists, management specialists have studied entrepreneurship.

Economist R. Cantillon is the pioneer in this field. In his definition, the main features of entrepreneurship are identified as risk taking and action orientation. He cited farmers, craftsmen, wholesalers, retailers, and the like, as entrepreneurs that take the risk of selling things in an uncertain price. Other economists who entered into the critics of entrepreneurship are Mill (1884), Marshal (1890), Scott (1987), Schumpeter (1959) etc.

McClelland is less restrictive and believe that an innovating manager who has decision making responsibility is as much an entrepreneur as the owner of a business. In order to explain the meaning of entrepreneurship more precisely Peter Kilby (1971) has made an attempt to distinguish entrepreneurial function from management job by preparing a list of activities in sequence those progresses from entrepreneurship to management. He also suggests that today's entrepreneurs, especially in underdeveloped countries are more adapters of ideas developed elsewhere, than pure innovation. Although this distinction is valid one, the functions are often performed by some persons especially in small enterprise. Most of the present-day writers would consider the owner-manager of a business to be an entrepreneur, but not the person provides capital without also managing the business.

One of the eminent scholars J.J. Kao pointed entrepreneurship as adventurism, adrenalin addition, risk taking and thrill seeking (Koa 1989). In another study he explained entrepreneurship as an attempt to create value through recognition of business opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to realization. While such colorful definitions frequently reflect personal assumptions, they are often contradictory.

McClelland (1961) stressed motivation for achievement as the distinct characteristic of an entrepreneur, which is found generally in the developed societies. These societies are blessed by the child rearing practices and inculcated through maternal warmth, self-reliance training and low father dominance in the family. From the functional viewpoint entrepreneurship is defined as the combination of activities, such as, perception of market opportunities, gaining command over scarce resources, purchasing, inputs, producing and marketing of products, responding to competition and maintaining relations with political administration and public bureaucracy for concessions, licenses and taxes; etc. (Haque and Hussain 1984).

The behavioral and social scientists (Weber 1930, Hoselitz 1952) emphasized risk-taking, innovation, and initiative capabilities in their definitions of entrepreneurship. Psychologist McClelland (1961) conducted various studies on the psychological dimensions of entrepreneurs. He found achievement motivation as an important foundation characteristic of an entrepreneur.

Peter Drucker, a renowned management specialist, emphasized risk-taking as an important aspect of entrepreneurship (Drucker 1971). Ahmed (1981) in his Ph.D. dissertation titled "Entrepreneurship and Management Practices among Immigrants from Bangladesh in the United Kingdom" defined entrepreneur as a risk taker as s/he invests money, and/or is involved in making decisions, the success of which bring rewards: and the failure of which could lead to the loss of the rewards, as well as, even the loss of the principal (i.e.. invested money). Therefore, it is very logical to place risk taking- at the focal point of entrepreneurship.

His study also revealed the view that "anybody doing business is an entrepreneur" is not always true. Usually the person who takes risk for establishing new venture or who has the capability of taking moderate risk is an entrepreneur. The pioneering role of entrepreneurship in changing an economy towards growth and development are well recognized in the economic literature. As a catalyst agent, an entrepreneur creates the forces of change and utilizes the same in accelerating the socioeconomic value-addition of a country through resource utilization, employment generation, capital accumulation and industrialization (Rahman 1979).

1.3 Defining Entrepreneurship in Islam

In the Islamic point of view entrepreneurship warrants the performance of entrepreneurial activities within the framework of Islamic ideals and philosophical foundations. When entrepreneurs play their role in the society having imbued with Islamic ideology to develop a peaceful and prosperous society, Islamic entrepreneurship emerges.

As per Capitalist Economic concept the price of organization or entrepreneurship is profit. But Islam differs with this concept. Islam encourages reasonableness in every aspect of human life and endeavor, covering both pursuits of worldly comforts and after worldly salvation. Islamic business is welfare motive. So an Islamic entrepreneur does the job of initiating, planning, guiding and controlling in his business as per Islamic Shariyah's guideline and ensures justice & welfare.

Entrepreneurship treated as Islamic, if

1. The entrepreneurs are not run after only profit rather satisfactorily serves the consumers and
2. In managing the enterprise if they execute the following principles of Islamic management:
 - a) Iman as a whole
 - b) Fear of Allah (SWT)
 - c) Seek guidance from the Holy Qur'an, Sunnah, Ismah & Kias.
 - d) Tawakkul
 - e) Shariah Guidelines from Shura
 - f) Accountability from the sense of responsibility
 - g) Justice for all
 - h) Economy in usage not wastage
 - i) Patriotism
 - j) Dignity of labor
 - k) Division of labor and
 - l) Forgiveness for minor faults

This type of entrepreneurship makes concerted efforts to achieve the enterprise goals by meeting the genuine expectations of the stakeholders. Fair-dealings and transparent handling of managerial operations are the binding blocks of Islamic entrepreneurship. In essence, the knowledge of Islamic model of management and financial administration provide guidelines to follow Islamic entrepreneurship. The strong influence of super-ego and Islamic moral values enable the Islamic entrepreneurs to make ethical and sound decisions that aim at achieving long-term welfare of the society.

1.4 Difference between Leadership & Entrepreneurship

Leadership is the process of influencing and supporting others to work enthusiastically toward achieving some objectives. In organizational context, Leading is one of the management functions to influence concerned people for achieving organizational goal. On the other hand, an entrepreneur may not require all leadership ability. Both of them have some effective characteristics like Honesty, Competence, Inspiration, Patience and Humility. But all entrepreneurs must have risk taking ability and capital arrangement capacity. As such, we can say that "all Entrepreneurs must be a leader but all Leaders are not entrepreneurs." In summary, an entrepreneur is such a leader who takes risk for establishing a new venture or business in order to create utility for the welfare of human beings as well as for him/herself. S/he is always a creative person who seeks out opportunities and takes on challenges.

Chapter-2: BASIC QUALITIES OF ENTREPRENEURSHIP

2.1 Qualities of Entrepreneurship

Entrepreneurship refers to those qualities that are needed by a person to start and run a venture successfully. From the analysis of various definition of entrepreneurship we find out that the basic characteristics of all entrepreneurs are risk taking, desire for making profits, taking initiative which may be expressed as innovation of new venture or initiative. The entrepreneurial capability of a person consists of qualities like,

- (i) ability to sense the sources of assistance and to mobilizes the resources for attaining success in pursuits;
- (ii) ability to make competent plan and to take prompt and sound decisions
- (iii) capability for initiating new ventures and to take calculated risk;
- (iv) innovativeness, imagination and initiative and drive;
- (v) hardworking ability, sincerity and preparedness to sacrifice;
- (vi) managerial ability to generate profit;
- (vii) ability to transform or translate innovating ideas into realities.

2.2 Who are Entrepreneurs?

There are various differences in the views of scholars in defining an entrepreneur. Generally, a person who takes risk or has the capability of taking risk for developing or establishing new ventures is an entrepreneur. An entrepreneur creates something, novel by the work done by him/her self. This creation means creation of new opportunities or new utilities for his/her own development and for the welfare of human beings. Oxford Dictionary of Finance and Banking define "entrepreneur" as an individual who undertakes (from the French '*entreprendre*' to undertake) to supply a goods or service to the market for profit. The entrepreneur will usually invest capital in the business and take on the risks associated with the investment. In most modern capitalist economies the initiatives of entrepreneur is regarded as an important element in creating a society's wealth; governments are therefore encouraged to establish conditions in which they will thrive.

According to Abbot, an entrepreneur is a person who has the drive to do something who is ambitious, and is motivated to succeed and to strengthen a small business. Collins and Moore identified entrepreneur as a person who organizes a business from zero position and develops it or a person who himself/herself invests capital, takes ownership, and strive for its success. Funk and Wagnall's standard Dictionary defines an entrepreneur as one who undertakes to start and conduct an enterprise or business assuming full control and risk.

Timmons (1978) has identified the basic qualities of entrepreneurs as:

- (i) drive and energy
- (ii) self-confidence
- (iii) long term involvement
- (iv) money as a measure of performance
- (v) persistent problem solving
- (vi) goal setting
- (vii) moderate risk-taker
- (viii) dealing with failure
- (ix) use of feed-back
- (x) taking initiative and seeking personal responsibilities
- (xi) use of resources
- (xii) competing against self imposed standards
- (xiii) internal locus of control and
- (xiv) tolerance of ambiguity and uncertainty.

Essentially, entrepreneurial functions are classified into three broad categories: initiation, management, and innovation (Bakth 1984). The literature defined four types of parameters, which determine whether a person is an entrepreneur, or not. These are:

1. **Psychological:** achievement motivation or need for achievement, risk taking propensity, power motivation or need for power, internal-external locus of control, motivation for autonomy, creativity, need for affiliation, intelligence, etc.
2. **Socio-Cultural:** religious value, rural-urban orientation, marginality and tension, social cohesion, etc.
3. **Personal Background:** family traditions in business, previous experience in business, birth order, age at entrepreneurial entry, level of education, etc.
4. **Opportunity:** economic opportunities, peer group assistance, training opportunities, guidance, existing schemes of entrepreneurial training and guided entrepreneurship, etc.

2.3 Basic Qualities of Islamic Entrepreneurship

Islam emphasizes on entrepreneurship as well as business development. Allah (SWT) Himself known as the best organizer/entrepreneur. The Qur'an states that when Prophet Yusuf was set free from prison, he asked the king to appoint him as organizer over the affairs of the state in these words:

“Yusuf said: set me over the store-houses of land, I will indeed guard them well (honestly) as I am skilled organizer (who knows his job)”. (Al-Qur'an, Surah Yusuf, 12:55)

Here Yusuf requested the king to set him organizer because of his two qualities that is knowledge (*aleem*) and organizing ability (*hafeez*). So for a successful entrepreneurship these two conditions of knowledge and ability must be fulfilled. Without these qualities no entrepreneur could be successful.

With the above two qualities Islamic entrepreneurs should have the following basic qualities:

- (i) Adequate knowledge of Shariyah and firm believer
- (ii) Ability to apply the Shariyah Knowledge
- (iii) Honest
- (iv) Risk taker
- (v) Competent
- (vi) Confident
- (vii) Forward looking
- (viii) Hard working
- (ix) Creative
- (x) Courageous
- (xi) Flexible
- (xii) Ability to work long hours
- (xiii) Dedication
- (xiv) Effort
- (xv) Passion/love for what they do
- (xvi) Sacrificing mentality
- (xvii) Committed or Promise keeping
- (xviii) Self motivated
- (xix) Problem Solver
- (xx) Able to overcome challenges

Entrepreneurship spirit or potential can be described as a mix of several personal qualities and factors such as diligence, perseverance, guts, autonomy, energy, opportunities sense, frustration tolerance, versatility, commitment to the purpose, ability to take calculated risk. It is difficult, however, to find all these qualities in a single individual, but a good mix of the qualities can be found in a person who may be called a successful entrepreneur.

Chapter-3: IMPORTANCE OF ENTREPRENEURSHIP

3.1 Key Role of Entrepreneurship

Entrepreneurship is an important ingredient that forces the economic growth of a developing country. It is a precondition for sustained economic development (Stephen 1978). The primary role of an Entrepreneur is to develop a business. The development of business is required for eliminate the countries poverty. So the entrepreneurs are the key persons for the development of business as well as increase economic development of country. Historically entrepreneurs played a dominant role in bringing about economic change including technological which has led to the developed status of the presently developed countries.

3.2 Importance of Entrepreneurial Class

The presence of entrepreneurial class is a pre-requisite for economic growth. This class generally grows over time along with the development process of the country. Developing countries, in their efforts to accelerate economic growth, have undertaken various programs particularly for rapid industrialization. Economists and planners are now inclined to believe that to keep the pace of industrialization up to desired level, attempts should be taken to accelerate the growth of entrepreneurial class in a society seeking rapid progress. It is also believed that the growth of entrepreneurship can be accelerated or even developed by initiating some designed programs. Without entrepreneurial class resource endowments, both human and material, are in part or wholly unutilized.

3.3 Role of Islamic Entrepreneurship

Entrepreneurship is very important for developing Islamic business because from the Islamic point of view an entrepreneur has a great responsibility towards society. The importance of organization, from Islamic point of view, can be judged from the fact that Allah (SWT) Himself is known as the best organizer.

"For us Allah sufficient and he is the best disposer (organizer) of affairs." (Al-Qur'an, Surah Al Imran. 3:173)

To develop an Islamic business, entrepreneurship plays a vital role with the knowledge of Islamic guide lines may assures the profit maximization i.e success in this worldly life and also afterworld and it will be beneficial for the society and the nation as a whole. Historically entrepreneurship played a dominant role in bringing economic change including technological, which has led to the developed status of the country. The aim of any business must not be only profit maximization but also do it within the *Shariyah* guideline. As it is very important to perform '*Haqqullah*' and '*Haqqul Ibad*' and entrepreneur has to be success in his business venture to implement justice and ensure welfare of the society. He does not any jugglery in measurement and confirms quality and quantity. In this way he earns reasonable & justified profit and increases his wealth as well as benefited the society as a whole.

CHAPTER-4: FUNCTIONS OF ENTREPRENEUR

There is a paramount importance of developing entrepreneurship in the economic development of a country. A group of successful entrepreneurs can change the economic condition. The entrepreneurs' efforts were behind the developments of the new developed countries. Entrepreneurs take initiatives for establishing new ventures and introduce new products that create employment opportunities in the society. An entrepreneur performs the following functions for the development of the society as a whole.

(1) Risk Taking

Without taking risk entrepreneurs can not take any initiative. Risk is involved with every work or effort. Generally, the term risk means taking a chance or exposure to danger on adversity. Steinhoff (1991) defined risk as the potential for damage, loss or injury. It is actually the possibility that a loss or injury will occur. We have already mentioned that there are two types of risks: (a) pure risk and (b) speculative risk. Pure risk is a situation that can only create a loss. On the other hand, a speculative risk is a situation that may cause loss or gain. There are three types of uncertainties. Based on these uncertainties, risks may emerge. These uncertainties are (a) natural uncertainty, (b) financial uncertainty and (c) human uncertainty. An entrepreneur has to work within the financial uncertainty. Human and natural uncertainties are insurable. As such, lie puts less importance on them. The first task of an entrepreneur is to create a new thing where risk is always involved. Thus the primary function of an entrepreneur is to take risk that is calculated or moderate in nature.

(2) Innovation

Another function of an entrepreneur is innovation. According to economists, an entrepreneur is a person with innovation and creativity. Schumpeter (1979) identified five functions of an entrepreneur relating to innovation, i.e.,

- (i) identification of new product,
- (ii) identification of new market,
- (iii) awaking of potential markets,
- (iv) search and innovation of the new sources of raw materials, and
- (v) creation of appropriate industrial organization.

The basic nature of entrepreneurs is to venture on a path not taken by others, to explore new possibilities to innovate.

(3) Development and Extension of Existing Venture

It is the duty of an entrepreneur to create desire and to induce the potential purchasers to purchase and consume goods. The entrepreneurs also induce the potential entrepreneurs to become real entrepreneurs; an entrepreneur's work is not only to take risk and innovate but so to find out potential customers or markets as well s/he not only sets up a venture but also strives for the extension and continuous growth of it.

(4) Management and Marketing

When an entrepreneur establishes a new enterprise, s/he is obliged to manage that organization and run it properly. The general definition of management is getting things done working with others through planning; organizing, directing and controlling in order to achieve predetermined goals and objectives. Thus, entrepreneurs must, also do organizing, directing and controlling, and other managerial functions like planning. Besides these tasks, s/he distributes the products to the actual customers. Thus, s/he needs to perform marketing function for continuing his/her venture or business. Hence, management and marketing tasks are important functions for entrepreneurs.

CHAPTER-5: CHARACTERISTICS OF ENTREPRENEURSHIP

5.1 General Characteristics of an Entrepreneur

It is already mentioned that an entrepreneur takes risk for creating a new business venture. Through these activities, s/he contributes substantially in the economic development of a country. To be a successful entrepreneur, s/he has to possess some basic characteristics. It is not necessary to have all the characteristics present, but when most/all the characteristics are present s/he may become a true entrepreneur. A number of research studies conducted on entrepreneurs' revealed some basic characteristics that are discussed below.

(1) Risk-Taking Capacity

One of the most important characteristics of all entrepreneurs is risk taking capability. An entrepreneur generates and practices new ideas, faces uncertainties and takes challenges. He/she has to possess the capability to calculate the uncertainty and the power to bring the situation into his/her control. The common saying of "No risk no gain" seems to be widely practiced by entrepreneurs. An entrepreneur will take only moderate risks (Fiet 1995) S/he takes speculative type of risk, that is, uninsurable and moderate. The nature of that risk is beyond the capacity and control, as well as, unlimited for the entrepreneur.

(2) Creativity and Innovation

This is another important trait of an entrepreneur. It is the ability to generate something new. An eminent economist J.A. Schumpeter stated that entrepreneurship is especially a creative activity. Being an innovator s/he introduces new things in the economy, initiates a method of production not yet tested by experiment in the branch of research and development (R&D), identifies a product which is not familiar to the customers, exploits a new source of raw materials or new market hitherto *unexplored and* catalogs other, similar innovations. Entrepreneurial innovation may occur in any one of the following five cases:

1. Introduction of new goods;
2. Introduction of new methods of production;
3. Opening of new markets;
4. Identification of new source of supply of raw materials and
5. Carrying out of a new organization culture.

(3) Need for Achievement

It is another basic characteristic of an entrepreneur. It is a natural desire for an entrepreneur to achieve predetermined goals. When a person feels the need to attain something, the feeling strives him/her to be achievement motivated. McClelland (1961) of Harvard University introduced this idea. In his study, he found that needs for achievement pushes an individual towards goal as well as helps him in becoming an entrepreneur.

(4) Industriousness

An entrepreneur establishes new venture and so, s/he has to be hard working and industrious. An entrepreneur works in a complex environment that needs to overcome all the barriers in implementing initiative of establishing new venture.

(5) Self-Confidence and Firm Determination

An entrepreneur has to possess self-confidence and firm determination. Self-confidence depends on factors, such as, education, previous experience, knowledge of prevailing environment capability of convincing people, perseverance, hard working habit, decision making, capability, etc. S/he depends on the work or initiatives done by her himself

(6) Other Characteristics

Other important characteristics of entrepreneurs are leadership capability, foresightedness, opportunity seeking ability, high levels of ambition, proper decision-making capability, dynamism and time conscious, internal-external locus of control, need for power, ability to comprehend the situation, postponed gratification, etc.

5.2 Behavioral and Psychological Characteristics of Entrepreneur

Behavioral and psychological characteristics of an entrepreneur are important qualities that have direct influence on every decision of an entrepreneur (Bird 1989). But there are hardly any standards for measuring these characteristics. Some of the characteristics suggested by scholars and researchers are as follows.

(1) Need for Achievement

One of the most significant characteristics of an entrepreneur is the need for achievement. An entrepreneur takes challenges and leads him/herself to achieve his/her dreamt goals. Those who are not achievement motivation oriented are unable to take risks for establishing new ventures. As a result, they cannot become successful entrepreneurs.

(2) Risk Taking Propensity

The famous economist R. Cantillon identified this characteristic. Persons wanting to be entrepreneurs have to possess the risk taking capability. Since an entrepreneur takes up something- new and innovative there is always a considerable amount of risk associated with it. An entrepreneur, normally, has to handle the risks efficiently. That's why, risk taking mentality and risk-taking propensity is very important for an entrepreneur. An

entrepreneur always takes calculated and moderate risk. S/he never takes unlimited and uncalculated risks in establishing and doing business.

(3) Need for power

Alfred Adler identified this characteristic of entrepreneur. Power means authority that could be achieved by a person for holding his/her position. An entrepreneur is a power seeker. Power may be divided into two types: (a) expert power and (b) legitimate power. Expert power is more important for all entrepreneurs than legitimate power, as s/he has to work with the people. Those who have no influencing power cannot become successful entrepreneurs.

(4) Locus of Control

Another characteristic of an entrepreneur is locus of control. Locus of control refers to the extent by which a person believes that what happens to him/her results from his/her own behavior or external environment. It may be divided into two types: (a) internal and (b) external. Internal locus of control oriented persons believe that they are controlled by themselves and by their inertia. That means, they have absolute confidence on their work and decisions. On the other hand, external locus of control oriented people think that they are mainly controlled or propelled by the external environment. They have a little confidence on their works. Entrepreneurs are usually internal locus of control oriented. Since they actively think and control their environment to achieve desirable outcome.

(5) Need for Autonomy

An entrepreneur is an independent person. Entrepreneurs normally initiate the work and establish the venture. They prefer working by their own ideas and decisions. When one has the confidence on her/his work and decisions, s/he is an independent person. Entrepreneurs are independent in nature. The need for being one's own person is often a reason why entrepreneurs set up independent new ventures.

(6) Creativity

Another psychological characteristic of an entrepreneur is creativity. It is concerned with the idea generation, while innovation is concerned with idea implementation. An entrepreneur always does new things/works in new ways. Creativity and innovation are important characteristics of an entrepreneur as these help generating and implementing new things.

5.3 Characteristics of Islamic Entrepreneurship

Islamic perspective of entrepreneurship has added a new dimension to the concept of entrepreneurship. Its roots are spread in the knowledge provided by the glorious religion of Islam. Allah has instructed mankind to be industrious and trust-worthy to earn their livelihood. Entrepreneurs must also be hard working and persons of integrity to become successful in their operations. And insight into the teachings of Islam reveals the following characteristics of Islamic entrepreneurship.

- a. Islamic entrepreneurship is a process in which entrepreneurs are guided by Islamic values in making entrepreneurial decisions and performing various organizational activities in a transparent way.
- b. Islamic mode of entrepreneurship lays stress on practicing lawful business or economic activities for personal and societal benefits and thereby contributing to national economic development.
- c. The enterprise objectives, policies, strategies and programs formulated by Islamic-oriented entrepreneurs are essentially based on the tenets of Islamic Knowledge accruing from the Holy Qu'ran, Al Hadith and advice of reputed Islamic scholars and leaders.
- d. Islamic entrepreneurship is developed among people through a process of education, specialized training and rigorous on the job practices. An organizational climate conducive to the enforcement of justice, uniformity, efficiency and proper accountability must be created for adherence to such entrepreneurship.
- e. Islamic entrepreneurship becomes totally committed to meet the obligations towards various interest groups of an enterprise. It works to develop harmonious relationship with the stakeholders to facilitate the attainment of goals.
- f. There exists dual accountability in Islamic entrepreneurship. In fact, such entrepreneurs are conscious about their accountability to the Almighty Allah for overall activities. Similarly, they are also accountable to various interest groups of the enterprise.
- g. Islamic entrepreneurs attempt to provide quality goods or services to the customers at reasonable price and suitable selling terms. They always try to comply with the terms of business contract in totality for overcoming various concerned risks.
- h. Collective decision-making at the appropriate level is another notable feature of this type of entrepreneurship. This exerts positive impact on the employees working at various management levels and the execution of decisions becomes easy.

CHAPTER-6: ROLE OF ENTREPRENEURSHIP IN THE ECONOMIC GROWTH OF A COUNTRY

6.1 Development Role of Entrepreneurship

Needless to say that entrepreneurship is a tool for the economic development of a Country, especially for value addition. Historically, entrepreneurship played an important role in bringing about economic change of a particular economy. Presently, developed countries achieved this higher status with the help of technological change. This change occurred due to entrepreneurial endeavor (Rahman 1979). It created a force of change and ultimately that force accelerated the pace of development throughout the world. Entrepreneurship is a critical resource with economic significance (Ahmed 1982). A renowned Psychologist A.H. Maslow noted that the most valuable 100 people to bring into a deteriorating society would not be economists or politicians or engineers but rather 100 entrepreneurs (Maslow 1968).

It is observed that the economic growth of a country depends on factors like availability of natural resources, rate of capital formation, favorable capital-output, ratio, technological progress, dynamic entrepreneurship rate of growth of population, conditions of social overheads (e.g., education, health, and various non-economic factors). etc. By analyzing these factors, one can divide them into mainly two types of determinants, natural and special, which may also be called as entrepreneurial factors. Cattell and Butcher (1968) 'wrote in 1950 that. 7% of the world population living in North America enjoyed about 43% of the world's wealth, while the 55% of the population in Asia had only about 16% share of resources. This difference is mainly because of the natural resources, Researchers found that these resources are not unique for certain countries only, but its existence cannot expedite the economic growth without entrepreneurship.

In fact, the economic development depends not only on natural resources but also on the effective use of them, Potter (1964) rightly viewed that the working economic assets of a society do not depend only, on the resources, i.e., supply of natural resources, but also upon the effectiveness with which resources are converted into energy or production capacity of goods, and even on the use which is made of these goods in exchange, The conversion of the resources into economic productivity by value addition needs effective human resources. They are the ones who convert resources into economic productivity with the help of their knowledge, experience and initiative. Thus organization-builders and risk-takers are entrepreneurs or organizers who acknowledge human resource (i.e., labor) as the most important of the four factors of production (Myers 1959).

The entrepreneurial factor is more important than the natural factors has been proved by a number of researchers. McClelland (1961) identified achievement motivation as an entrepreneurial factor for economic development via entrepreneurial activities. These activities are related to industrialization, use of technological possibilities, utilization of resources, creation of employment opportunities, breaking traditional outlook, values and attitudes, etc.

6.2 Entrepreneurship in the Economic Development of a Country

Entrepreneurship plays an important role in the economic development of a country. Developed countries have achieved their position by adopting technological changes. Entrepreneurship creates the forces of change and ultimately accelerates the pace of economic development (Acs 1996). An entrepreneur introduces new ideas, technology and methodology for performing works and jobs in the country. As a result, total production increases and, as a whole, economic development is achieved. The importance of entrepreneurship in economic development is highlighted below.

(1) Proper Utilization of Resources

Economic development of a country depends on the proper utilization of human and non-human resources. But the question that arises is who will ensure the proper use of the said resources? Entrepreneurs extend help in this regard by accumulating the scattered resources and make them productive by establishing new ventures. They 'produce new goods and services by using their creativity and innovation)

(2) Industrialization

Another important aspect of economic development is industrialization. Industry is the backbone of an economy. A country may have a plenty of raw materials, labor facilities, capital, etc., but it may still not be an industrially developed country. So the question of initiative is very important for industrialization. Entrepreneurs take initiative 'by establishing new ventures. As a result, new utilities are created and ultimately it changes the income and consumption patterns of consumers and raises the standards of life of the people.

(3) Creation of Employment Opportunities

Creation of employment is another important aspect of economic development. Entrepreneurship contributes substantially by creating employment opportunities. They establish new organizations that employ labor force. Thus, entrepreneurs create opportunity for employment. With employment generation entrepreneurs also help create a better skilled workforce through training.

(4) Use of Technological Possibilities

The economic advancement mostly depends on the terminological development and the use of technology in production. The development process of a country constitutes the combination of several interacting and inter-linking variables for making, using and doing

useful things or productive operations smoothly, which may be regarded as the technology (Rahman 1994). Entrepreneurs need to establish new ventures and introduce new technologies into the operation. Schumpeter (1979) remarked that an entrepreneur is a central figure in the development process that undertakes the responsibility for carrying out new combination for factors of production by continuous adjustments in the short-run and breaking existing equilibrium of the total economy in the long run, These include supply and performance of entrepreneurship, availability of tangible hardware facilities, infrastructure condition, supply of appropriate machinery, favorable politico-climatic structure, software packages (e.g., knowledge, skills, training and education facilities).

Entrepreneurial dynamism and technological progress go hand in hand in the greater context of social development and its dominating role on the industrialization process. It has been increasing in the competitive globalization process. To be entrepreneur all individual must be able to command over resources, which is very difficult to obtain in the absence of technological advancement. Irrespective of structure all societies have some members who generally possess entrepreneurial attributes in sufficient degree (Papanek 1979), a significant number of those who may turn from potential to actual entrepreneurs if they are supplemented with technological information and trained in technical skills on various trades respectively.

(5) Changes the Traditional Outlook and Values

Economic development is to some extent hindered by the traditional outlooks, attitudes, values and thinking of the people. People of a country should welcome and accept changes and cope with the changing environment. Entrepreneurs help in this regard by Generating and introducing new methods and technologies in the society. They come forward to remove narrow outlooks and attitudes of people. "A fisherman's son will be a fisherman", such a trend could only be removed by developing entrepreneurship in society.

(6) Other Contributions

There are some other fields where entrepreneurship can contribute, such as, to increase national income, create environment for innovation, change personal consumption, develop infrastructure, increase savings propensity and above all change the standard of living of the people.

6.3 Role of Islamic Entrepreneurship in Economic Development

Islam provides both moral and spiritual support toward entrepreneurship development. Islam provides all that are usually considered important for economic development which include development of human capital, savings and investment, formation of capital, technological innovation, development planning, choice of correct product mix etc. Human resource development through education and training, development of personality, encouragement to self-development, promotion of a sense of responsibility for participation in the national developmental activities are all within the framework of Islamic norms and values. The Qur'an, hadith and entire Islamic literature are full of instructions relating to human resource development in these lines. Islam, as a whole, helps for achievement motivation and venture creation. Allah (SWT) said:

"After your prayer is over, spread over the earth and seek the bounty of Allah" (Al-Qur'an 62:10)

Prophet Muhammad (SAW) gives the importance of businessman as:

"The businessmen who are truthful, upright and trustworthy will be accorded the starts of great men like Ambia, Siddique and Shahid" (Al-hadith, Tirmizi)

Islam, in fact, is a powerful vehicle for development and because it gives a religious value and sentiment to development and requires from the state authority the guarantee of a favorable social-politico-economic environment for development.

CHAPTER-7: ENTREPRENEURSHIP DEVELOPMENT

7.1 Entrepreneurship Development Factors

Entrepreneurs are the growth actors in an economy. The economic development depends on economic factors, like, availability of natural resources, rate of savings and capital formation, favorable capital-output ratio, technological progress, skilled workforce, social infrastructure, etc. These factors should be present in an economy for economic development. There is another factor that is also important for the economic development called entrepreneurial environment. That means environment conducive to entrepreneurship must be present for the development and growth of any economy. To develop Entrepreneurship following critical factors should be considered carefully.

(1) Personal Factors

It includes various personal attributes that influence a person to become an entrepreneur. Personal factors are of various types such as, ability to cope with the situation, age, education, personality, intra-personal communication ability, achievement motivation, self-confidence, competence, emotion, understanding capacity, etc. These factors drive a person ahead to perform something new. These are important for realizing and forecasting entrepreneurship situation.

(2) Environmental Factors

Environmental factors are important for the development of entrepreneurship. These factors include socio-cultural, political and legal, institutional, etc, which are to be considered for developing Entrepreneurship

- Socio-cultural factors include religions, values, rural-urban orientation, marginality, education, traditions, etc.
- Political and legal factors are government legal bindings, e.g., government policies, rules and laws relating to the industry and business.
- International factors emerge from financial institutions, training and development institutions, consulting firms, incubator organizations (i.e. old and pioneer organizations), research institutions, etc

(3) Micro-Macro Factors of Entrepreneurship

Every entrepreneur has to work within the environment surroundings him/her. The environment can be divided broadly into two types: micro and macro. Micro environment includes the enterprise itself, suppliers, intermediaries, customers, competitors, publics, etc. On the other hand macro environment includes demographic, economic, physical, technological, political/legal, cultural/social etc.

Venture capital is very important for establishing new ventures. It can be called the blood of the organization. When an entrepreneur gets enough capital he/she can establish a new venture easily. So, positive financial environment can motivate potential entrepreneurs to develop new enterprises.

7.2 Creation of Entrepreneurial Environment

For developing a sound entrepreneurial atmosphere, environmental support is a must. The factors that influence entrepreneurship development (Quininningham and Lischeron 1991, Timmons 1990) are broadly:

- Individual factors
- Socio-cultural factors
- Socio-political factors
- Economic factors and
- Industrial factors.

For establishing a small firm, *individual related factors* are found most effective. Individual initiative is regarded vital in this regard. Individual assembles the factors of production (i.e., land, labor and capital), and directs them towards the ultimate goal. His intrapersonal qualities like emotion to work, risk-taking mentality, etc, make the total endeavors strong and effective.

Socio-cultural factors have indirect influence on entrepreneurship development process. Family structure, social structure, values, etc., are such types of factors. These factors also influence and strengthen individual effort in entrepreneurship.

To make a competitive and economically sound society, *sociopolitical and economic factors* are significant. Political stability, democratic environment, economic and social policy, government policy, etc., are important in this regard. If such kinds of elements remain favorable, the development of entrepreneurship will quicken.

Another vital factor for the creation of entrepreneurship and entrepreneurial environment is *institutional support*. Without institutional supports, or supporting activities, entrepreneurs cannot survive; these include financial, research and development (R&D), training, advice, etc.

Thus, for developing an entrepreneurial environment the above mentioned factors should be considered. In this regard some entrepreneurial support programs such as, motivation training, entrepreneurship education for enriching knowledge and skill, identification of opportunities, contact with incubator organizations and other social organizations, professional assistance, planning assistance, private sponsored initiatives, space and facilities, and above all government sponsored programs can be initiated.

7.3 Process of Developing Entrepreneurship

Entrepreneurship is a key instrument for the economic development of a country. It is, in fact, the force of creating new ventures/business that leads to the economic development of a country. The essence of the term lies in the perception and exploration of new opportunities in the realm of business. It plays an important role of increasing national income. As such, there is a paramount importance of developing entrepreneurship in a series of sequential steps. These steps are inter-related and inter-dependent in their nature (Rab 1994, Cooper and Gimeno 1992, Hisrich and Peters 1995). The steps are discussed below.

1. Decide to be an Entrepreneur

For developing entrepreneurship, first of all, decision should be taken to become an entrepreneur. This means, persons who are taken to become an entrepreneur. This means, persons who are interested to take risk and initiative should decide to establish new ventures or new businesses. Potential entrepreneurs first decide and give mental

judgment in favor of becoming entrepreneur. This is the yardstick of taking a series of decisions in future. A person who has decided to become an entrepreneur has to consider and analyze the following factors:

- Strengths and weaknesses of the decision.
- Continuation of the business or establishment of new venture.
- Products or services choice that best fit with strengths and weaknesses, as well as, desires.,

2. Identify and Evaluate Business Opportunities

After analyzing the various aspects of decisions, and entrepreneur has to proceed to identify and evaluate business opportunities. Opportunities are potential positive factors that are beyond the control of the entrepreneur in future. Opportunities may exist at present or may exist in future. These opportunities include growing demand of existing products, scarcity of product in local market, favorable govt. policy, etc. The entrepreneur has to see and identify the new opportunity. For the identification and evaluation of opportunities the following factors should be considered:

- Ask people to find out what their needs are
- Modify the products for better satisfaction of the needs
- Observe changing life style of people and have exclusive thought about what products or services they would desire
- Study new products or services
- Travel around to find out new products, services and ideas.

3. Development of Business Plan

The third step to develop entrepreneurship is the development of a business plan. After identifying and valuing business opportunities a potential entrepreneur has to develop a perfect business plan. When the field of is identified, entrepreneur has to go for this step. To prepare a business plan the following factors should be considered:

- Market research for the panned products or services
- Forecasting the share of market
- Selection of a site for the planned business
- Development of production, marketing, personnel, and financial plans.
- Decision to design the form of organization
- Decision on records and reports.
- Development of insurance plan.

4. Mobilize Resources

Only development of business plan is not enough to start a new venture. It is necessary to mobilize resources after preparing the business plan. Entrepreneur has to collect financial and non-financial resources that are required for the business plan. Here, the entrepreneur has to consider and identify the various ways and means of procuring resources. The activities that are to be performed for mobilizing resources are as follows:

- Identification of various types of resources, like, physical human, financial resources, etc.
- Identification of the terms and conditions related to the required resources
- Negotiation about the terms and conditions related to the required resources
- Assessment of cost and benefits of the resources which will be mobilized
- Acquiring the resources
- Allocating the resources.

5. Set up the Enterprise

The most important step for developing entrepreneurship is to set up the enterprise. If the enterprise is not established, all efforts will go in vain. To set up enterprise the entrepreneur has to consider the following factors:

- Registration of the enterprise
- Hire, lease or purchase required land, building, machinery, etc.
- Arrangements of additional facilities, like, electricity, water supply, etc.
- Recruit and train personnel
- Develop work and information system.

6. Managing the Enterprise

After setting up the enterprise, an entrepreneur has to manage the enterprise efficiently. In this stage, s/he performs managerial functions like planning, organizing, directing and controlling. For should accomplish the following tasks:

- Formulating plans relating to production, marketing, procurement, etc.
- Organizing people, materials, machinery, etc.
- Leading, directing, supervising, etc.
- Controlling the input, behavior and output.

7. Managing the Growth

The last step of the process of developing entrepreneurship is managing the growth of the enterprise at this stage has to sustain the growth of the enterprise and thus, he has to manage the growth. For this purpose, enterpriser should follow some steps, such as:

- Identification of growth opportunities
- Evaluation of the opportunities
- Formulation of strategy for further improvement
- Implementation of the strategy.
- Monitoring the growth strategy and activities.

The mentioned steps should be followed to develop entrepreneurship or new venture in a particular economy. These steps are sequential and follow one after another.

7.4 Entrepreneurship Development Cycle.

Entrepreneurship development cycle means a series of activates, which are performed, for developing entrepreneurship. These activities include stimulatory, supporting and sustaining activities (Rahman 1979). Akhore gave this idea, at first, in 1977. It is thought that three types of work, as noted, can help in developing entrepreneurship particularly in a developing economy. The activities included in the development cycle are discussed below.

1. Stimulatory Activities.

These activities are very much effective for developing entrepreneurship. It includes those efforts, which help and encourage creating and establishing entrepreneurship. It directs the potential entrepreneurs' efforts to the right direction and helps to develop potential entrepreneurs to start businesses. The following activities go under the stimulatory activity category:

- Entrepreneurial education: Entrepreneurial education can go a long way in developing entrepreneurship. Through proper education, potential can be developed within the participants.

- Planned publicity: Potential entrepreneurs can be motivated to be entrepreneurs by planned publicity.
- Identification of potential entrepreneurs through scientific methods.
- Motivational training to new entrepreneurs: Adequate and effective training can motivate potential entrepreneurs to be real entrepreneurs.
- Help and guidance in selecting product and project report: By providing/ supplying information and guidance in selecting product and project reports entrepreneurship can be developed.
- Making available techno-economic information regarding product and profit.
- Developing locally suitable new products and processes.
- Availability of local agencies with trained personnel for entrepreneurial counseling and promotion.
- Organizing entrepreneurial forum.

2. Supporting Activities

These activities refer to the activities, which enable entrepreneurs to set up and run their enterprises efficiently. The activities help in obtaining and mobilizing resources and assistance. Support activities category includes the followings:

- Registration of the business enterprise
- Arranging finance
- Providing land, power, shed, water and other facilities to the entrepreneurs
- Guidance for selecting and obtaining machinery
- Supply of scarce raw materials
- Getting import licenses for locally unavailable machinery and raw materials
- Providing common facilities
- Granting tax-relief or other subsidies
- Offering management consultancy
- Help in marketing product(s).

3. Sustaining Activities

Sustaining activities help entrepreneurs to sustain/survive their enterprises from the challenges of actual operation (e.g., BMRE). To develop entrepreneurship, stimulatory and supporting activities can be extended by government and non-government organizations. Even then, these efforts can go in vain if the sustaining activities are absent. Sustaining activities are as follows (Katz 1991):

- Help in modernization
- Help in diversification
- Additional financing for full capacity utilization
- Deferring repayment/interest
- Diagnostic industrial extension/consultancy source
- Production units' legislation/policy change
- Product reservation and creating new avenues for marketing
- Quality testing/improving services.

The above mentioned three types of activities are the basic elements of entrepreneurship development cycle. All the three types of activities should be encouraged to develop entrepreneurship because one type of activities is related to another. They are interdependent and interrelated.

7.5 Process of Developing Islamic Entrepreneurship

Islamic entrepreneurship can be developed among the potential religious minded, hard-working and honest young persons through specialized and well-designed training program. The selection of candidates for this training must be done very carefully and skillfully to make the training program efficient entrepreneurs for handling entrepreneurial operations in a transparent way. They must like honest way of lining. An awareness training that may arouse a sense of preferring these excellent professional pursuits by the trainees may be imparted at the early stage. The entrepreneurship training should be designed properly for creating moral, entrepreneurial, managerial and behavioral skills among the trainees. To develop skills in each of these categories, appropriate training inputs must be provided by using modern training methodology comprised of interactive lecture method, case study/problem solving sessions, individual/group assignments and practical/orientation sessions. The use of modular approach may make the training more effective.

In providing knowledge to the trainees, it may be worthwhile to attach importance on the following issues:

- (i) Developing morality and enforcing business ethics
- (ii) Islamic mode of management, marketing and investment
- (iii) How to use the services of Islamic banking system, *Takaful* system, specialized foreign trade intermediaries and Central Bank.
- (iv) Entrepreneurial role in building a just society.
- (v) Islamic approach towards problem solving.
- (vi) How to prepare worthy project profile comprised of efficient feasibility studies.
- (vii) Method of completing registration formalities to start a new venture.
- (viii) Basic computer literacy, MIS and E-commerce.
- (ix) How to use the services of Government and Non-government organizations.
- (x) Process of scanning internal and external business environment.

After the completion of training, the successful trainees need support in identifying suitable project ideas and materializing these ideas to start innovative new projects. Support services are essential for the smooth functioning of entrepreneurial activities from the Islamic perspective. A specialized cell may be started in the Ministry of Commerce and also Central Bank to make sure that the newly established firms have been pursuing Islamic entrepreneurship. It is true that the initial works concerned with developing Islamic entrepreneurship may be arduous, challenging and problematic. But once the process starts, it will gain momentum and better result will be expected with the passage of time.

It appears that Islamic institutions working in the financial sector including Banks and Insurance companies may facilitate the development of Islamic entrepreneurship because of their experiences to work with Islamic entrepreneur's problems. These service organizations may provide right assistance in accomplishing entrepreneurial functions with Islamic philosophical motivation. In developing Islamic-oriented entrepreneurs, inducement from the government may be very useful. There should exist provision for rewarding the responsible and efficient entrepreneurs who make all-out efforts to comply with commitments to all parties. On the contrary, legal measures should be initiated to impose punishments for the illegal and undesirable entrepreneurial activities.

CHAPTER-8: DIFFERENT MODELS OF ENTREPRENEURSHIP

8.1 Different Models of Entrepreneurship

Over the years, various researchers attempted to develop entrepreneurship models for building up high quality entrepreneurs capable of attaining success under different business situations. These models were found to ensure successful existence of the firm. The reasons are not far to seek. Business or industrial firms attaining initial success were found to hanker after more money even at the cost of people's sufferings and exploitations. Obviously, this tarnished the image of these firms. Consequently, this led to the decline of business operations of these firms. This type of situation could be overcome, if entrepreneurs associated with these firms followed basic rules of the game under strong influence of their moral value system.

Some Islamic leaders were of the opinion that the remedy to this problem lies in creating Islamic entrepreneurship among our people.

8.2 Islamic Model of Entrepreneurship

An Islamic model of entrepreneurship has been designed on the basis of input-output system. As per this model, prospective entrepreneurs having Islamic-orientation will be converted into Islamic-oriented entrepreneurs through a transformation process in which awareness creation, Islamic entrepreneurial training and practical training will play the key part in developing Islamic entrepreneurial skills among the participants.

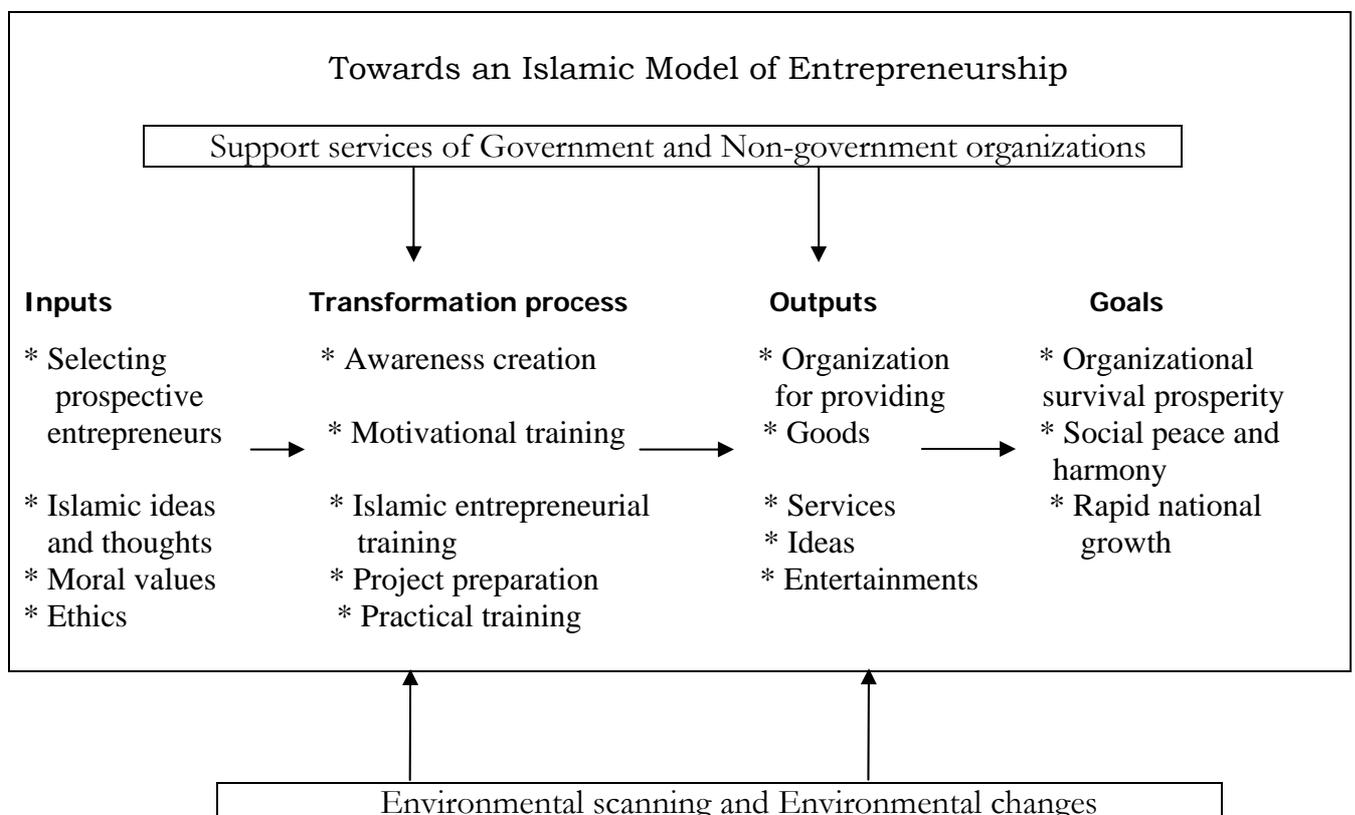


Figure-1: *Islamic Entrepreneurship Model*

The successful entrepreneurs with their strong moral values will then embark upon starting new ventures through careful evaluation of the environmental opportunities and threats. The skillful and ethical conduct of the established new ventures will be their basic responsibilities. It is earnestly hoped that these entrepreneurs, equipped with basic Islamic knowledge will work sincerely to serve the society properly and to foster the socio-economic development of the nation.

8.3 Necessity of Islamic Model of Entrepreneurship

Admittedly, in the less-developed countries like ours it is important to work hard for meeting the basic needs of our people properly. If the entrepreneurs do not possess basic honesty, integrity and human qualities, then how can we expect that they will make concerted efforts to meet the basic needs of our people? The rationale of Islamic entrepreneurship is strongly felt under such circumstances. Traditionally, entrepreneurs often become strategic in attaining goals even at the cost of affecting the interests of organizational stakeholders. They are often not guided by patriotism, concern for social peace and justice. As a consequence, the nation faces adverse situation in which poor people are to suffer badly. Apparently, following benefits can be reaped if Islamic entrepreneurship can be introduced in the country.

- Islamic entrepreneurship performs activities in keeping with reasonable expectations of the people by using the ideals of Islam.
- This type of entrepreneurship works systematically and ethically to iron out the salient problems of the society through individual and group efforts.
- In a market economy characterized by the free flow of production inputs, entrepreneurs following Islamic ideology can handle the market situation aptly by using their transparent operations and strong sense of divine accountability
- The real believers in Islam can not be involved in illegal trade, market manipulations, consumer deception activities, exploitation of natural resources hampering national interest and unjust employee treatment. As such, if entrepreneurship skills can be created among the believers in Islam, the nation can be immensely benefited.
- Bangladesh possesses fertile land, vast coastline along with marine fish and other resources & notable forest resource and various mineral resources. The growth of Islamic entrepreneurship can facilitate the use of these resources optimally for national economic gains.
- The development of Islamic model of entrepreneurship has become necessary in the wake of business malpractices, rapid growth of corruption at various administrative levels, massive decay in social values and advent of new economic order. These demand ample research work to help develop such modes precisely.

CHAPTER-9: FAILURE & SUCCESS OF ENTREPRENEURS

9.1 Success Factors of Entrepreneurship

Many authors identified various factors for the success of entrepreneurship. These factors are broadly divided into four categories (Ahmed 1981). These are:

- (a) *psychological factors* (e.g., need for achievement, risk taking, need for power. internal-external locus of control. motivation for autonomy, creativity, need for affiliation. Mid intelligence);
- (b) *socio-cultural factors* (e.g., religious values, rural urban orientation, marginality and tension, social cohesion. etc.);
- (c) *personal factors* (e.g., family tradition in business. previous experience, birth order, age -at entrepreneurial level, education, etc.): and
- (d) *opportunity factors* (e.g., economic opportunities, peer group assistance, training opportunities and guidance, existing schemes of entrepreneurial training and guided entrepreneurship, etc.).

It is noted that most of the researches on success of entrepreneurs identified the following factors:

(1) Risk Factors: "Risk taking" as the most important characteristic. Some authors mentioned that this risk 'should not be simple but calculated and moderate in nature. This factor is existent in all types of entrepreneurs irrespective of business size, location, and type as well.

(2) Innovativeness: The second most important success factors identified by the researches are innovativeness and well coordinated-flexible-persistent actions that really indicate the quest for something new, like, managerial capability, as well as, adaptability.

(3) Self-Motivation: The third important factors for success are self-awareness/self-motivation for achievement.

(4) Self-Confidence: The fourth success factors are self-confidence, and personal initiative.

(5) Market Analysis: The fifth Success factor is identified as market knowledge relating to business environment, such, as, market demand, competition, technological development, product development, social and political issues, etc.

(6) Other Factors: The other factors not identified by many researches include industriousness and dynamism, moral attitudes and values, environmental awareness, internal locus of control, long term involvement and experience, relationship management entrepreneurs personality, future orientation, opportunity seeking, perseverance and determination and social factors like socialization pattern, child rearing practice etc.

9.2 Reasons of Failure of Muslim entrepreneurs of Mughal Period

Even though Islam has always encourages entrepreneurship and healthy economic activities, it was a reality that in Mughal period there is drastic failure of entrepreneurship. To find out the reasons behind of this failure we found, two explanations:

- (i) Materialistic
- (ii) Islamic point of view

(i) Materialistic Reasons of Failure:

At the time of revolution in the Western Europe, Mughal India was a rich country. Her craftsmen were highly skilled and sophisticated. But in line with European craftsmen, they could not convert themselves to industrial entrepreneur.

Apart from British invasion there were many other factors which caused the failure of craftsmanship in Mughal India. For example, weak demand for manufacture goods, mass poverty, miserliness, absence of the use of capital, small scale production units, lack of mobility, social customs and social systems, absence of middle class, lack of interest in manufacturing and mechanical things, primitive and backward technology, attitude of ruling class etc. all these contributed to the failure of entrepreneurship in Mughal regime.

(ii) Islamic Reasons of Failure

The entrepreneur of Mughal regime lacked the two basic qualities of entrepreneur like '*aleem*' (Knowledge) and '*hafeez*' (*organizing ability*). Their knowledge was so poor that they did not know the use of power. Even the great Mughal monuments were built without the use of wheel barrow. The Mughal entrepreneurs had abilities but without knowledge their abilities could not be useful.

The Mughal entrepreneurs remained artisans because their main problem was survival under harsh circumstances. Ignorance, acute poverty and social degradation reduce them to the level of animals. They could not go beyond two time meals. They could not compare the technologically advanced manufacturing sector of Western Europe.

The Holy Qur'an exhorts hard work and promises Allah's assistance and guidance for those who strive and act righteously (29: 6,69). The Holy Qur'an also encourages humans to acquire skill and technology by calling it fadl (grace,bounty) of Allah (SWT) (57:2). Despite this commands and encouragements, well off and educated Muslims in Mughal India could not be involving themselves in manufacturing. They stayed away from manufacturing for the same reasons as the high caste hindus, which was undoubtedly disgraceful for Muslims.

9.2 Shifting Trend of Entrepreneurial Success Factors

The success factors identified by researches before 1990s emphasized on risk taking ability of tile entrepreneurs as the most important factor followed by innovativeness, self confidence, well coordinated flexible (i.e., , adaptable) persistent managerial actions, personal initiative and industriousness, dynamism, and self motivation. These factors are mainly related to the personal and psychological factors of entrepreneurs. On the other hand, the studies after 1990, focuses mainly on market knowledge and well coordinated flexible persistent managerial action factors followed by risk taking capability, innovativeness, self motivation, moral attitudes and values, and business and other environmental consciousness, as the success factors. These factors mainly characterize the managerial and environmental factors of business. Therefore, it can be opined that entrepreneurial success factors have been shifted from personal and psychological to the managerial and environmental factors. The reasons for this shift can be rationalized due to the increasing complexity in business, and development of information, demanding product and customer sophistication, globalization of business, etc. The shifting trend of entrepreneurial success factors is shown in the following Figure-2.

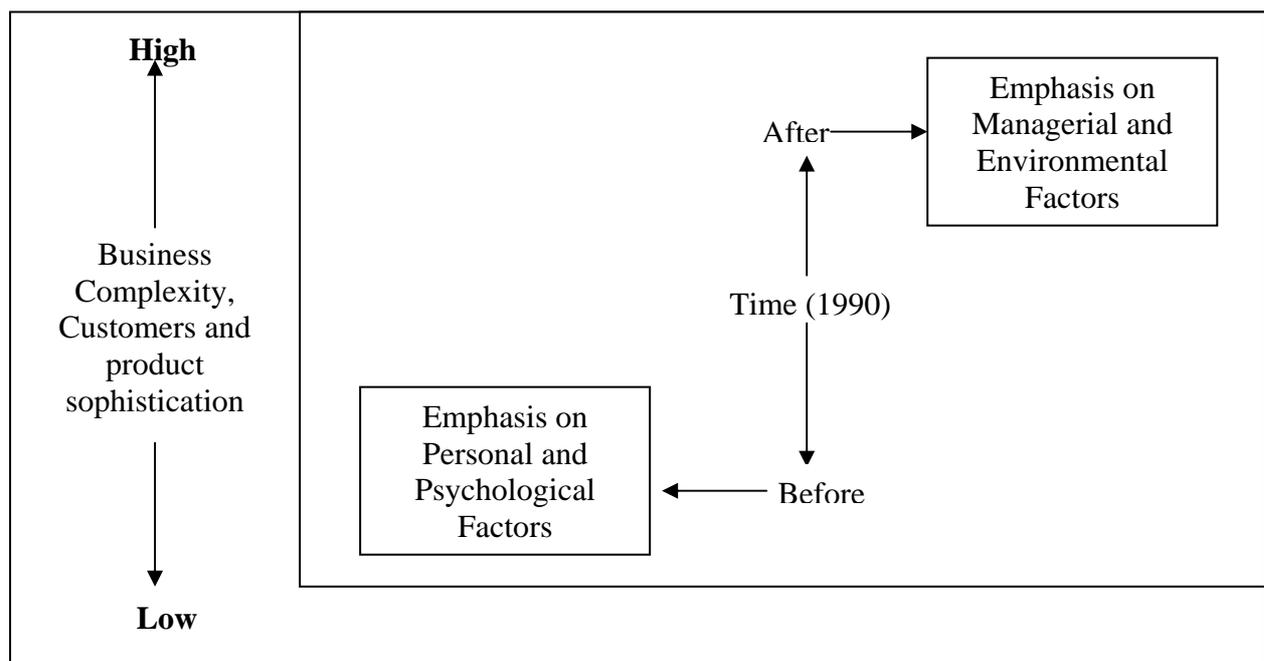


Figure-2: *The Shifting Focus of Global Entrepreneurial Success Factors*

Before 1990s, the complexity in business was less, Customers and product sophistication, development of information systems, and globalization of business, were low in degree. Thus, entrepreneurial successes were dependent on personal and psychological factors of entrepreneurs. On the other hand, due to the increase of business complexity, customer and product sophistication, development of information system, globalization of business, the entrepreneurial success focus has been changed towards managerial and environmental factors of business after 1990.

CHAPTER-10: CONCLUDING REMARKS

Effective welfare-minded and self-less entrepreneurs are the crying need of a nation. Bangladesh has also pressing need for sufficient number of such entrepreneurs. The prevailing mal-practices in the business and industrial arena can be largely removed through enforcing Islamic model of entrepreneurship. This type of entrepreneurship is expected to create a healthy impact on the society in general and national economy in particular. The present socio-economic problems at the micro and macro levels will be largely eliminated if Islamic model of entrepreneurship can be made acceptable to our people.

Islamic approach to wards entrepreneurship is a new concept. It needs to be developed comprehensively through sufficient research so that the idea may be used smoothly for practical purpose. Obviously, the successful operations of the Islamic-oriented entrepreneurs will make invaluable contributions to alleviate the sufferings of poor people, enhance the bond of friendship among the members of a society and strengthen the economic development process. Although there are impediments in creating such entrepreneurship, these can be overcome through the combined efforts of people, Government agencies and Non-government organizations. Thus, it has become necessary to work in an orderly manner for creating and facilitating Islamic entrepreneurship to protect the interest of our people, society and nation as a whole.

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