



Chapter 35

Analysis of the Effects of Macroeconomic Factors on Entrepreneurship: An Application on E7 Countries

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ABSTRACT

Entrepreneurship is an important field in the increase and diversification of investments in a country. Entrepreneurship is gaining importance in today's world where financial marketing has become an important sector. The aim of this study is to determine the macroeconomic factors that determine entrepreneurship in E7 countries. In the study using logit method, the period of 1992-2018 was discussed. In the analysis results, the variables of unemployment, financial loans and current account deficit were found to be macroeconomic factors determining entrepreneurship. Given that entrepreneurship is important in the financial field, E7 countries should take into account the financial credit markets, focus on economic policies to reduce unemployment and address the current account deficit problem.

INTRODUCTION

We live in a world where interdisciplinary studies are becoming increasingly significant. When we talk about a matter, we do not just address it anymore. Everyone accepts that the issue may have different sides. Now the obstacles are solved as different attitudes come together (Chabowski, 2017; Venkataraman, 2019; Huda et al., 2019). For these reasons, it becomes even more essential to have a holistic approach.

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Although we know that finance is a field and marketing is a separate profession, we can mention both of them into the same structure; financial marketing (Rawhouser et al., 2019; Bolton, 2004; Geçit, 2018). We can even combine with financial marketing and the concept of entrepreneurship which is studied economically, sociologically and psychologically (Adıgüzel et al., 2017; Wiklund et al., 2019; Saebi et al., 2019).

When you converse with someone about the business, it attracts your attention that the other person will surely mention one of the alternatives; to survive, to gain, to be more efficient and effective, to get more shares from the market, to be (or/and remain) the leader, etc. (Drucker, 2012; Akgün et al., 2019; Rehan et al., 2019). Even if you have to talk to people from different departments within the company, you will immediately notice that they are trying to accomplish the same purpose in different ways. This also reveals the influence of multidisciplinary performances. But above all, there is an extra detail to be regarded, that is an entrepreneur (Ryff, 2019; Martin-Rojas et al., 2019; Browder et al., 2019; Bohnsack and Margonlina, 2019).

Some parts of the actions in the macroeconomic environment are on the entrepreneur. S/he both affects the environment and is also affected by the system (Klapper et al., 2007; Kreiser et al., 2019; Shepherd et al., 2019). Understanding the needs of a market, realizing the problems of customers, and creating the solutions and values for them are expected from our hero, sometimes it is done by destructing and setting new economic order (Schumpeter, 2003; Duran & Zehir, 2011; Anderson et al., 2019; Molina and García-Morales, 2019). Whether this responsibility is done by any private sector or a public one, it is at the origin. Unless the entrepreneur locates in the equation, notions, and solutions cannot be real; the needs cannot be satisfied; projects and products cannot come to life even though ventures are tiny or giant, they are the backbones of commercial life (Sadiku-Dushi, 2019; Konon and Kritikos, 2019). Companies compete to produce goods and services. At the same time, they are still demanding products and services while performing this production. In other words, they stimulate the market with both demanding goods and services. In situations where distances between the manufacturer and the consumer are distant, new intermediaries may need to intervene. This gradually creates new entrepreneurs to make a better supply. For these reasons, as the production is supported, the reviving market will need a labor force (Zou et al., 2018; Hechavarria et al., 2019; Schenkel et al., 2019). This will positively affect employment figures. As unemployment decreases, individuals' earnings will increase, which will increase social welfare (Hediger, 2000; Ibeh et al., 2019). Besides, the individual whose earnings increase will turn to savings and consumption again with the income he earns (Meyer and Mok, 2019; Henrekson and Sanandaji, 2019). Also, the tax revenue of the state due to production will be higher and higher. The contributions paid by the entrepreneur will compensate for social security expenditures. All show us the importance of entrepreneurs in our system (Baumol, 1996; Roberts et al., 2019).

Fundamentally, the things that should be brought together to activate a commercial structure are entrepreneur, labor force, raw material, and capital. As it is seen, capital is essential for the entrepreneur to take action as well as natural resources and labor forces. The organizer may not always have the financial capital required at the foundation stage (Fotopoulos and Storey, 2019; Content et al., 2019). In such a case it must be financially assisted. Moreover, the venture's requirement for money should not be limited to the establishment part. Under competitive market conditions, the entrepreneur may sometimes desire to develop his business. So, the current savings may not be sufficient to achieve the growth he envisions. And then, financial support at this step becomes a requirement for the extension of the business (Vaznyte and Andries, 2019; Ersin and Baş, 2019; Mansoori and Lackéus, 2019).

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