

Models of entrepreneurship

- There is no one best way for a country to promote entrepreneurship.
- There are several models country can adopt relevant to its cultural context.
- Dana (1998) has explained different models of entrepreneurship

Laissez-faire model

- The lack of intervention from the government permits entrepreneurs to become competitive and to become well.
- In other words government interference and regulation obstruct economic development.

Strategic interventionist model

- This model indicates that the govt. promotes business by intervening the market place through a strategy and policy formulation.
- Entrepreneurship is encouraged by providing
 - Training
 - Research
 - Finance
 - marketing know-how and
 - support to entrepreneurs.

The subsidized interest rate model

- High interest rate may cause a heavy debt burden
- subsidized interest rates will create many jobs this will help entrepreneurs to develop enterprises into chaebols i.e.megaconglomerates.
- Example the South Korean economy is dominated by a small number of highly diversified mega-conglomerates (Dana 1999).
- Subsidized interest rate model resulted in a chaebol dominated economy.

The Trade facilitation model

- Govt. facilitates paper work requirements and reduces bureaucratic constraints rather than tangible end.
- In Kenya there is no grant available for new venture.
- Loans are few in quantity and minimal in value.
- Govt. provides free consulting services to entrepreneurs and help them step by step from the time of their inception.
- Its policy is one with emphasis on trade facilitation (Dana 1993).

The Yogopluralist model

- Is unique to Yugoslavia
- According to Dana (1994) the yogopluralist model was a result of weak central govt. and the cultural heterogeneity of its constituent republic.
- Culture was an important determinant of differences in economic policy which in turn contributed to regional disparity.
- Reform initiated in Yugoslavia at local level and subsequently caused changes at federal level.

The open door and reform model

- The peoples republic of China has followed an open door policy coupled with major reforms of the completely planned economy.
- The utilization of open door reform model is consistent with Chinese culture.
- Land is not privately owned, but long term lease arrangement give the feeling of ownership to the tenants.
- This arrangement leads to strong incentives to produce.
- Chinese farmer are kept out side the planned sector of the economy for promoting entrepreneurship in them (Dana 1998).

The doi-moi model

- The doi-moi is a Vietnamese word it means 'renovation' or 'new thinking'.
- This model is comfortable with restoring prestige of the ruling communist party.
- Is a unique blend of socialist and free enterprise policy in a socialized state.
- Here is complementarities and harmony between government firms operating under a system of centralization and the business sector operating independently.

Conclusion

- Different countries have implemented a variety of models to help their entrepreneurs. An entrepreneurship model should not be copied into a new environment without verifying appropriateness. Identification of opportunity and response to it by entrepreneurs is culture bound.