

Four reasons why entrepreneurship is important now

At the unit's official launch, the Director of **LSE Entrepreneurship**, Professor Alnoor Bhimani, explained why entrepreneurs and entrepreneurship are so important to the world today

Current demographic, social and technological trends have created a climate where entrepreneurs and entrepreneurial thinking have greater potential to drive global social and economic change than ever before.

At the launch of **LSE Entrepreneurship**, which is set up to investigate and promote this entrepreneurial potential, the unit's director, Professor Alnoor Bhimani, explained this phenomenon further. Here are four reasons why entrepreneurship is so important now:



Professor Alnoor Bhimani, Director of LSE Entrepreneurship, at the unit's launch

1) **Entrepreneurs, entrepreneurs, entrepreneurs.**

The world is surprisingly full of entrepreneurs. Apply Richard Cantillon's 1734 definition, 'Entrepreneurs are non-fixed income earners who pay known costs of production but earn uncertain incomes', and it takes in a huge and diverse segment of the global population. This ranges from the majority of American men who will spend some time in self-employment during their working life to the 70% of people in the developing world who are micro-entrepreneurs. Across the globe, albeit in different manifestations, a large percentage of people are looking to their own resources to create economic value to support themselves.

2) At the vanguard of change? Just 5% of Fortune 500 CEOs are women, but 40% of entrepreneurs are. There are many ways of unpacking and analysing that statistic, but it seems that more women are empowered through entrepreneurship than through the traditional employment model of business.

3) Urbanisation. Within 30 years, 80% of people in emerging countries will be in large cities. 15 years from now there will be 400 new cities contributing 40% of global GNP. These aggregations of large numbers of individuals create enormous opportunities for creating new value.

4) Digitisation and democratisation. The rise of the internet economy has mobilised huge numbers of micro-entrepreneurs. Firms such as **PayPal** and **Amazon** have created an online ecosystem where anyone with a credit card can be an entrepreneur.

You can download a [podcast](#) and a [video](#) to listen to Professor Alnoor Bhimani's talk in full.

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