

THE INITIAL EVOLUTION OF THE LEXICAL UNIT “ENTREPRENEUR”

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Annotation The study of entrepreneurship covers many disciplines, such as economics, management, sociology and psychology, each of which offers a specific perspective. Economists pay special attention to the role of entrepreneurs in improving economic efficiency, while management professionals study entrepreneurial behavior and leadership. Sociologists study the impact of entrepreneurship on society and demographics, while psychologists study personal characteristics that contribute to entrepreneurial success.

Key words: entrepreneur, master, merchant, employer, undertaker, ownership, entrepreneurship.

Introduction. The word “entrepreneur” is derived from the French verb “entendre, meaning to accept”. In the early 16th century, the term was used to describe people who organized and led military expeditions. By the 1700s, it covered architects and contractors involved in public works projects. Classical economists have never explicitly defined terms in question. A. Smith did not use the word entrepreneur in his works. Instead, he used the words “employer”, “Master”, “Merchant”, and “Undertaker”. He never spoke about the income received for the management and organization of the enterprise.¹

Discussion. In the 18th century, the term “entrepreneur” was applied to individuals who contracted with governments, provided services or goods at a fixed price. This practice, known as “contracting”, imposed the risk of profit or loss only on the entrepreneur. The role of entrepreneurs in the economy was first described by Richard Cantillon, who was one of the first to highlight the decisive role of entrepreneurs in the economy in his “statement on the nature of trade in general”.² This statement was published in French after his death in 1755, when he considered the distribution of

¹ Smith A. An Inquiry into the Nature and Causes of the Wealth of Nations by Adam Smith, edited with an Introduction, Notes, Marginal Summary and an Enlarged Index by Edwin Cannan. London: Methuen, 1904. 38 p.

² Cantillon R. Essai sur la Nature du Commerce en General, edited with an English translation and other material by Henry Higgs, C.B. London: Reissued for the Royal Economic Society by Frank Cass and Co. LTD. 1959.P. 54-56.

wealth, describing the theory of population and the theory of money circulation. He allocated three types of people, depending on the sources of income: landowners, workers and entrepreneurs. He argues that entrepreneurs such as merchants, blacksmiths, actors and farmers are characterized by an unpredictable income determined by the unpredictable nature of their work.

Jean-Baptiste Say described the entrepreneur as the organizer of his company in 1803.³ He emphasized the entrepreneur's ability to combine various resources – labor, capital, and land – to produce goods and services, ensuring the return of invested capital, wages, interest, rents, and ultimately profits. He emphasized coordination, organization and control as the main functions of the entrepreneur. In his 1848 work “principles of Political Economy”, John Stuart Mill saw the entrepreneur as an organizer who would receive a reward for his work unrelated to physical labor.⁴

Francis Amasa Walker, in his book “The question of wages”, argued that entrepreneurs had varying degrees of skill in organizing production and managing staff.⁵ According to him, more capable entrepreneurs receive higher salaries. Carl Menger mentioned the decisive role of the entrepreneur in the collection and processing of data on consumer demand and forms of consumption in his 1871 book.⁶ These early observations laid the groundwork for understanding entrepreneurship, arguing that it was associated with risk-taking, coordination, and the ability to manage resources and information. While the formal definition still does not exist, the concept of entrepreneur has gradually become an important element of economic theory.

Alfred Marshall, in his influential book “Principles of Economics”, published in 1891, stressed the importance of entrepreneurs as a separate group combining capital and labor to carry out their business plans. He noted that entrepreneurs are not only developing a master plan for their enterprises, but also observing the details of its implementation.⁷

³ Say J.B. A treatise on political economy: Or, the production, distribution and consumption of wealth. New York: Augustus M. Kelley, 1964. 269 p.

⁴ Mill J.S. Principles of Political Economy, in Robson ed. The Collected Works of John Stuart Mill. Toronto: University of Toronto Press, 1963. 134 p.

⁵ Walker F.A. The Wages Question: a Treatise on Wages and the Wages Class. New York: Henry Holt and Company, 1876. 428 p.

⁶ Menger C. Grundsätze der Volkswirtschaftslehre. Vienna: Hölder-Pichler-Tempsky, 1871. 335 p.

⁷ Marshall A. Principles of Economics, An introductory Volume. London: The EnglishLanguage Book Society and Macmillan Co. Ltd, 1967. 653 p.

By the end of the 19th century, the entrepreneur was increasingly considered through the objective of Economics. Entrepreneurs organize and manage their businesses for their personal interests, paying for materials, rents, salaries and financing. They bring their initiative, skills and ingenuity to plan, organize and manage their business while taking into account the possibility of profit or loss from unforeseen events.

In the 20th century, the concept of entrepreneurship continued to develop. Werner Zombart highlighted the socio-economic impact of entrepreneurship. He argues that entrepreneurs not only generate income for themselves, but also provide employment and wages to their workers, thus contributing to the reduction of unemployment and social tensions.⁸ Frank Knight emphasized the role of uncertainty in entrepreneurial activity. He distinguished between computable risk and uncertainty arising from unique phenomena such as changing consumer preferences. He argues that entrepreneurship does not require resource ownership and that each opportunity is unique, making it difficult to predict future outcomes. Knight stressed the importance of entrepreneurs' confidence in their decisions, despite their inherent uncertainty.⁹ Joseph Schumpeter saw entrepreneurs as the driving force behind innovation. He argues that entrepreneurs seek to disrupt the existing market balance by introducing new products, production methods, markets, sources of supply, or organizational structures.¹⁰ In his opinion, "these new combinations" are the engine of economic progress.

Conclusion. These diverse perspectives on entrepreneurship emphasize its role in encouraging innovation, creating jobs, managing risks, and meeting market needs. The concept was developed to more fully understand the entrepreneurial spirit and its impact on economic progress.

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⁸ Sombart W. *Der Bourgeois*. München und Leipzig: Duncker & Humblot, 1913. 211p.

⁹ Knight F. *Risk, uncertainty and profit*. New York: Houghton Mifflin Company, 1921. 381 p.

¹⁰ Schumpeter J.A. *Capitalism, socialism and democracy*. New York: Harper & Brothers, 1942. 150 p.

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