



## The concept of businessman in history

### O conceito de empresário na história

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#### ABSTRACT

This essay aims to explain the concept of entrepreneur to the layman, who has no commitment to the scientific world, but pronounces the words of everyday life, with a general meaning. The methodology used is research in scientific books, written over time, when the form of negotiation differs, when trying to understand how this term arose and is linked to normal economic relations. The interesting thing is that commerce in a society has grown a lot, with a different conception of the term entrepreneur, which increases with the opening of an enterprise, which negotiates someone's surplus products. Thus, the entrepreneur and his history will be analyzed, in all its details over time, which society needs, and is offered by someone external to the family; Hence, it follows that any person not involved in direct production acts in the market indirectly.

**Keywords:** Concept of entrepreneur, Methodology, Negotiation, Market, Economic relations.

#### INTRODUCTION

This article aims to explain the concept of businessman or entrepreneur to the layman or to the population that has no commitment to the scientific world, but pronounced the common words of everyday life, with a very general meaning.

The methodology used here is detailed investigation in scientific books written over time, when the form of negotiation differs abruptly throughout history, when trying to understand how this term arose and is linked in economic relations of all times.

Thus, there is the view of the ancient philosophy of atomism, passing through the classical, neoclassical and Keynesian, intersecting with Schumpeterianism until modern times, with different views in each time and action, in the face of the commercialization of surplus or negotiable products.

Obviously, it is assumed that a person creates an activity, the results of which serve, in the first instance, for the survival or subsistence of the family, and a second part serves for the

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maintenance of business or commerce, in all senses, including a gain to diversify commerce and offer more options to society and a profit for the owner of such activity.

An interesting point is that commerce in a society has grown a lot with a different conception of the term entrepreneur, or entrepreneur that increases alarmingly in the opening of an enterprise or institution that trades someone's surplus products.

Thus, it will be analyzed the entrepreneur and his history, in all its details over time that has appeared advantages that society needs and is offered by someone external to the family; From this, it follows that any person not involved in direct production acts in the market indirectly.

## **THE ENTREPRENEUR AND HIS STORY**

This article aims to discuss the concept of entrepreneur or, as many call entrepreneurs, in popular meanings until the scientific understanding of the term under debate. To do so, one has to navigate through time and understand the origin of this word, going to the beginnings of humanity, to the oldest possible philosophy to try to understand where this enigmatic word comes from. The idea appears in the thinking of the atomists, with the formation of the first exchanges for the surplus that were being generated and the needs arising for something that internally produced and was necessary for the survival of the group.

At the beginning of the emergence of humanity, as thinking beings, human beings invented their own survival in consumption and other paraphernalia for their learning and building the environment where they lived. The circulating groups settled in a certain place, obtaining their consumer goods and initiating a process of exchange with their neighbors, characterized as barter. Each individualized group was the executor of its own production, when in return, it appeared as a form of entrepreneur or entrepreneur of its activities to feed its family and the group.

With this training, the entrepreneur, or businessman, was fostered, depending on the angle that the person sees such a definition in its beginnings and then, some accumulated little and others accumulated more and much more. Obviously, for the classical conception the accumulation of capital was not so intense, seen by the ancient philosophers, as atomism, that is, everyone was equal. Thus, the one who produced was the producer, the entrepreneur or businessman, the administrator and the manager within the philosophy of atomization, hence it is possible to investigate a producer and take as a parameter for all in an equal way.



Undoubtedly, it is evident that social relations change, the production process evolves, new forms of economic connection are emerging, by improving definitions adaptable to the novice modalities of action. Undeniably, the producer and entrepreneur would not be the same throughout the history that separates the concepts, making it leaner and more individualized. This socio-economic process is still continuing; However, the producer is already separated from the businessman or entrepreneur, of course not in its totality, but the producer on the one hand and the entrepreneur on the other are already seen as two distinct and interconnected things at the same time.

In this historical approach and using some renowned philosophers, it is recognized that the origin of the concept of entrepreneur is, initially, in the works of Richard Cantillon (1680-1734), who lived in the eighteenth century, the definition of an entrepreneur as an individual who bought raw materials at a certain price and sold them to third parties, after processing them, at an uncertain price, when he identified it as a business opportunity and took risks in its transaction form.

Still trying to better assimilate Cantillon's language when he understood that, if there was profit, or gain, above expectations, it would happen because the human being had done something new and in a different way, that is, he had innovated in this process. Although he was not sure what he would be doing in terms of social economy, he was, in fact, the beginner in the use of the term entrepreneur, specifically as an entrepreneur as it is expressed today, in terms of some development institutions, by financing underdeveloped places, or as it is usually called poor, unable to undertake.

Another scholar of this question was Jean-Baptiste Say (1767-1832) who made the distinction between entrepreneurs and capitalists (rentiers). He elaborated a theory of the functions of the entrepreneur and assigned him a role of special importance in the process of growth of the economy in its general form. Consequently, the entrepreneur, however, is a rational and changeable economic agent who works in a universe of certainties, or he is the one who, using the knowledge placed at his disposal by previous philosophers, brings together and combines the different means of production to invent products useful to society.

Alfred Marshall (1842-1924) recognized the necessity of enterprises for organized production at the end of the nineteenth century in his 1892 book. For him, the entrepreneur was an individual "capable of judging prudently and taking risks courageously," aggregating and managing the capital and labor necessary for an enterprise. For Marshall, "entrepreneurs were regarded as a highly specialized industrial category"; Thus, entrepreneurship was related to some



skills that few people possessed. He took into account that such skills could be acquired. For him the organization, like the entrepreneur, is the fourth factor, in the coordination of capital, labor, and nature.

Such thoughts come from the ancestral philosophers, who were used by the scholars of economic terms or categories, for a structuring of the economy, as it is known today. For the classics, an economic system should be a free economy, obviously, without the participation of something external regulator, whose participants would be an infinity, economic agents could move wherever they wanted, without any prohibition, even more, the products or commodities would be homogeneous and thus, the economy would be adjusted by something unknown, as if it were an invisible Smithian hand.

In a more modern version, Joseph Alois Schumpeter (1883-1950) refers to the entrepreneur as precisely the ability of an innovative entrepreneur to combine technological innovations and credit, that is, the realization of new combinations, and the innovator is the individual capable of carrying them out. Thus, Schumpeter says that a person is an entrepreneur when he clearly finishes some combination that generates a product and ends this process of assembling his business. This time, the so-called Schumpeterian entrepreneur is not the manager or director of a firm, the one who runs an established business, but a leader who takes initiative, has authority, and makes predictions with a significant probability of success.

The word entrepreneurship comes from *imprehendere* from Latin, which means in Portuguese "to undertake" when it appeared in the fifteenth century. In its etymological sense, *emprender* literally means: New Frontier, which probably appeared in the sixteenth century. Thus, entrepreneurship is also understood as the art of inventing with creativity and motivation, as it consists of the pleasure of carrying out with conviction and innovation, any personal or group idea, with permanent courage in the face of the opportunities and risks involved and thus, facing a behavior in action, in the face of points that need to be understood.

Moreover, entrepreneurship is like an individual's intuition to efficiently put into practice his rational and dreaming potentialities. In one way or another, it means the search for self-knowledge, as a constant learning, as launching oneself into new experiences and new paradigms or models for change. Entrepreneurship is a form of inventiveness that human beings have to implement production, to implement commerce, to create forms of services and to dynamize an economic environment in its commercial and organizational aspects by supplying society with its desires.



In the words of Schumpeter (1988), it is observed that entrepreneurship is a process of "creative destruction", because new products or existing production methods go through a process of destruction and replacement by new products, which means that it is a process of transformation of thought into reality and new wealth. It was in this sense that Schumpeter (1988, p. 48) explained that "the entrepreneur promotes innovation, which is radical, because it destroys and replaces existing production schemes. Based on this premise, we don't think about creative destruction."

At this point, the Schumpeterian conception separates itself with another analytical strand, which conceives of the business function exactly as that of the risk-taker. This type of view is enhanced by its differentiation between risk - which is measured - and uncertainty. Thus, in an ideal situation where there were no uncertainty, men could concentrate on doing things in an automatic way, having all the necessary information to adapt to the changes of environment in a mechanical way. However, if uncertainty is a sure thing, simply doing things, such as performing tasks, becomes a secondary activity and what matters is deciding "what" and "how" to do it.

Still in Schumpeter (1984: 140-141), it can be seen that, like almost all social realities, the figure of the entrepreneur is a historical construction, that is, his image, his reception by society, his social valorization depend, or rather, are the result of a complex web of circumstances in which objective aspects are present: the conjunctural situation of the economy and its social repercussions, to the interventions arising from the cultural structure, political dynamics, ideological hegemony and class struggle. Thus, it should be said, there is no entrepreneur fixed, once and for all, by his functional attributes, social role or by the vicissitudes of luck, but there is, individually and collectively, a permanently retouched and changing image, which denotes the place and legitimacy of profit and its holders in each historical context.

However, Schumpeter aims to identify the internal causes that explain the periodic changes in economic systems. The existence of enterprising entrepreneurs is one of the motivating facts for prosperity. The entrepreneur is the one who makes the new combinations, obtaining above-average profits. Thus, there is a transfer of means of production to the dynamic branches. However, credit channels the transfer of purchasing power regardless of the company's previous savings. The existence of profits in innovative sectors drives the movement of capital appreciation. This process is contained by the appearance of imitators, which intensify inter-company competition within the dynamic branches.



Joseph Alois Schumpeter was a contemporary of John Maynard Keynes who provided advances in the economy, which was in deep crisis for the time, that is, 1929, whose contributions brought the world out of the chaos it was experiencing. Keynes, on the other hand, took a hook from neoclassical theory and treated the economy as a whole, investigating the behavior of society in a general and non-individualistic way, like classical economics. In this time, there has been a dissociation in the investigation of a consumer or a producer, who have become models or typical for an average analysis of their whole.

From CEBRAE's point of view, entrepreneurial behavior is the ability to detect opportunities, face a certain risk and invent something new, or improve something that already exists. Thus, it is a skill of great value, not only for those who aspire to start a business, but also for those who intend to progress in their business transactions. This time, some points are essential for an entrepreneur, such as: having a growth mindset; be creative; be courageous; be optimistic; be a leader; be innovative; be ambitious; be persistent; Be flexible and be collaborative.

Nowadays, there is a significant confusion between the conceptions regarding a businessman and an entrepreneur, considering that the two terms are confused, in the face of the one who creates, or innovates and the one who accepts that moment, with some opportunity cost, to install a business, which lasts for some time, in this case twenty or thirty years at least. Because it is not the fact that someone establishes a trade at one point and is viable in the short as well as in the medium term, without any basis to locate in that environment, whose business does not flow and the loss is imminent, without any prospect of return.

In the Keynesian theory, which explains the behavior of economic agents and not individualistically as the classics and neoclassicals of price theory did, the owner of a company was the owner, the administrator and the manager, without delegating his command to others. When Keynes investigated the form of action of economic agents, he made the difference between the owner of the company and the entrepreneur, which may coincide, but, in general, are different, because of the way in which everyone acts within the economic activity, because the entrepreneur is more dynamic, when creating markets, when innovating and when fostering economic expansion.



## FINAL THOUGHTS

To conclude this article, or essay, it is necessary to state that the conception of businessman or entrepreneur is a term still under construction, since this definition is applied in any commercial exchange, whose understanding concerns something that increases the national income, or the well-being of all.

Undeniably, the definition of entrepreneur, traditionally, appears as one who creates a company, who dynamizes his business, one who efficiently directs a company, but this understanding goes far beyond conventionally and characterized, since in the world everything changes.

With this statement, it can be seen that, in order not to be too restricted to the traditional conception, entrepreneur now appears as an entrepreneur who appears with some fundamental differences, due to the appearance of some important characteristics that distinguish these two terms.

It must not be forgotten that the producer, whether agricultural or industrial, creates businesses, at first, individually as a merchant and manager or administrator who sells his surpluses to supply the survival of the family of things that he does not produce internally.

Over time, the term entrepreneur, then entrepreneur, becomes a confusing term and increasingly improving, due to the creativity of the human producer in its various meanings, whose production becomes more complex and more difficult to understand the term entrepreneur or entrepreneur in a complicated economy as we have today.

Finally, it should be clear that the understanding of the entrepreneur is far from a precise clarity, considering that society is transformed at every moment, emerging new visions, new use of this term that is at the core of economics and sociology to characterize business and commerce within an economic system.



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