



Chapter 1

Entrepreneurship and the Family: Panacea for Resilience, Sustainability, and Socioeconomic Development

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EXECUTIVE SUMMARY

Entrepreneurship and the family are fast becoming the linchpin of contemporary societies, especially since the global economic crisis of 2008 and the COVID-19 pandemic. Entrepreneurs confirm that support from family in addition to resources developed by the family has contributed to their ability to be resilient in crises and grow sustainable businesses. Policymakers thus need to create a favourable environment to enable societies to derive the benefits of the interplay between entrepreneurial activities and family support in times of crisis. This chapter aims to contribute to an understanding of how an integration of family resources into entrepreneurship positively influences socioeconomic development and fuels resilience and sustainability. As the environment continues to be volatile, uncertain, complex, and ambiguous globally, this chapter provides a theoretical and practical understanding of the interplay between family and entrepreneurship, in generating socioeconomic development, through resilient and sustainable entrepreneurial activities.

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SECTION 1: BACKGROUND OF ENTREPRENEURSHIP AND THE FAMILY

Introduction

This chapter examines the interplay among family and entrepreneurship to produce resilient and sustainable businesses (family enterprises) that contribute to socioeconomic development in economies. A family-based enterprise or business is a proprietary business (one-man-owned), joint venture, company, or any type of firm association whose control is in the hands of a specific family (Neubauer & Lank, 2016). In simple terms, family-based enterprises are owned, directed, and controlled by a family. This includes family businesses not entirely owned, controlled, or directed by a particular family but are influenced by the name of the enterprise as well as their traditions that have explicit or implicit influence on the enterprise through third parties. Even though the family does not control these enterprises, family strongly influences them, e.g., Siemens. The Siemens family holds about 10% of the equity of the company while over 600,000 other individuals and non-family equity holders hold the rest 90% equity.

This section will discuss entrepreneurship in history and the meaning and influence of family in entrepreneurship.

Entrepreneurship

Entrepreneurship involves assessing options and making decisions regarding opportunities to provide solutions to problems in the society (Santos, 2012). Chandler (1990) views it as engaging with ambiguities and separating between risks that are assessable and others which cannot. Scholars have variously described an entrepreneur as an innovator (Fang, Razzaq, Mohsin, & Irfan, 2022; Schumpeter, 1934); a person willing to use resources and capital for a new venture in the pursuit of profit (Drucker, Khan, Li, Safdar, & Khan, 2019; 1985); and a zealous individual with the ability to appraise opportunities vis-à-vis seen and unseen risks (Okpara, 2000). Entrepreneurship fosters a sense of tenure, long-term loyalty, understanding and calculated thinking and enables decision making in uncertain times (Ylijoki & Henriksson, 2017; Shapiro & Gross, 2008)

Entrepreneurship has been reported as an immense contributor to the socio-economic development of nations and vital provider of employment, innovations, and market competition (Anekwe, Ndubuisi-Okolo, & Nwanah, 2020). It evokes the sense of ownership, lasting commitment, learning and tactical thinking, and making of decisions under ambiguous circumstances. Entrepreneurs tailor their actions to

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