

## Using scientific reflection in the study of entrepreneurship

Vladimir Petrovich Smirnov

Far Eastern Federal University, Sukhanov Str., 8, Vladivostok, 690091, Russian Federation

**Abstract.** The paper presents the assessment of the theory of entrepreneurship. Reflective method applied in the study of entrepreneurship. Methods and techniques for obtaining new knowledge compared with the paradigm of modern science. Modern knowledge about entrepreneurship applied to the knowledge gained by previous generations of scientists. The essence of entrepreneurship is associated with the creation of new capital and obtain business income. The kinds of capital.

[Smirnov V.P. **Using scientific reflection in the study of entrepreneurship.** *Life Sci J* 2014;11(9s):303-306] (ISSN:1097-8135). <http://www.lifesciencesite.com>. 63

**Keywords:** entrepreneurship, theory, reflective method, a new capital, development, knowledge, paradigm

### Introduction

The study of entrepreneurship development occurs under conditions of object, subject and methods of scientific knowledge. Experts note the increase of theoretical knowledge and the progress of scientific concepts of entrepreneurship. They also recognize the lack of universally accepted interpretation of the content and spirit of entrepreneurship. P. Drucker writes that the confusion in the definitions of entrepreneur and entrepreneurship preserved [1]. B. Karlof notes that economic theory still has no single concept that adequately describes the behavior of the entrepreneur [2]. A. Ageev indicates that persists polisemantizm business concepts [3]. A. Busigin recognizes the lack of a common economic theory of entrepreneurship and its generally accepted definition [4]. All this indicates a lack of elaboration of the theory of entrepreneurship as a form of scientific knowledge. Scientific knowledge should give a holistic view of laws and substantive linkages study area actually. The reason for this situation is that entrepreneurship in the early stages of post-industrial society has not yet reached a mature state and retains the potential development in the foreseeable future.

### Methods

Reflection, or handling back is a useful method of scientific research. This method is applied in the study of entrepreneurship [5]. Reflection is: 1) the principle of human thinking, guiding him on understanding and awareness of their own forms and prerequisites; 2) substantive consideration of the knowledge, critical analysis of its contents and methods of cognition; 3) The activities of self, revealing the internal structure and specificity of the human mind [6]. Three kinds of reflection are widely used: elementary (review and analysis of knowledge and action, thinking about their boundaries and meaning), scientific (reflection and analysis of

theoretical knowledge) and philosophical reflection (awareness and understanding of ultimate bases of being and thinking, human culture as a whole).

Two forms of scientific reflection can be applied in the process of entrepreneurship research: 1) a comparison of methods and techniques for obtaining new knowledge in this domain with the paradigm of modern science; 2) the application of modern knowledge about entrepreneurship to the knowledge gained by previous generations of scientists.

### The main part

A number of approaches to the study of entrepreneurship can be defined on the basis of a comparison with the paradigm of scientific knowledge and standards.

Vector of development of post-industrial economy is to move from the effects of economic entities to the changed nature of their direct engagement in the production process [7]. This industrial activity is directed to the creation of non-real economic benefits (services) to meet the needs of higher order mostly. This vector must be considered in the knowledge business.

A special kind of economic activity is the subject of knowledge entrepreneurship. Object of knowledge entrepreneurship is the unity of objective and subjective.

Knowledge of entrepreneurship focuses on the processes and the development of appropriate social phenomena. Its purpose is to study the laws, the causes and sources of such development. Only developing theory can explain the change in business. The principle of historicism acquires special importance in the study of society devoid of stationary states. Entrepreneurship is seen as a process. It appears to be changing and evolving.

Single, individual, unique in entrepreneurship is studied on the basis of common law-governed, universal.

Entity ( person, organization, government ) is constantly included in the object of knowledge entrepreneurship.

Categories "meaning" and "value" are key to the process of knowledge entrepreneurship. J. van Staveren argues that the concept of efficiency in the economy is ethical, included in the efficacy of value orientations [8]. Entrepreneurship is one of the means to increase economic efficiency. Economic interests, social needs, aesthetic views, ethics, law and order and ideology are value orientations in business.

The procedure is a necessary element of understanding the process of knowledge entrepreneurship. Subject of knowledge solves the problems of conceptualization, comprehension of the meaning of the object of research.

The study reveals the qualitative aspect of business reality under study. Phenomena and processes in the field of entrepreneurship are investigated mainly by the quality and the individual, rather than quantity, and universal. Mathematization processes, computerization, formalizing knowledge about entrepreneurship is also being developed.

The combination of theoretical and empirical components occurs in the study of entrepreneurship.

Expanding markets theory explains economic progress. All useful goods needed by the people, over time, became the subject of market relations. They become objects of trade and acquire price. V. Makarov states: "The market is expanding tangible products. The breakthrough came when they began to sell intangible products, primarily in services " [9]. Theory expanding markets to develop and complement. Developed form of this theory can explain the essence of entrepreneurship. The underlying basis of changes in society and the economy is expanding markets as a result of intensive development of new capital. New capital takes the form of intellectual capital. He embodied primarily in intangible economic benefits.

This occurs as follows. Entrepreneurs anticipate emerging new demand. They initiate the process of turning the intangible economic benefits in goods and are their key stakeholders. They pursue with their main goal. The revenue increase is the main purpose for entrepreneurs. Capital used in these processes. Capital embodied in intangible economic benefits. Intangible economic benefits embodied in that part of the intellectual capital, become the subject of sale in the first place. Theory expanding markets complemented theory expansion creating sources and applications of new capital, as " the basis

for the expansion of markets is the development of capital " [10].

The essence of entrepreneurship can be determined. " The essence of entrepreneurship, which expresses the unity of its many properties is proactive and risky activity of market agents to create new or transform existing capital in order to obtain business income " [11].

Entrepreneurship is inseparably linked with the capital. Entrepreneurship assessment deepened by clarifying understanding of capital. Application in the process of reflexive approach allows to preserve and develop useful ideas and achievements of various researchers of entrepreneurship and capital.

Capital historically and logically initially manifests itself in the sphere of circulation. It appears in the form of trade and money capital. Mercantilist doctrine is based on this understanding of capital. [12] School representatives Physiocrats unlike mercantilist capital include productive factor. Capital is the means of production used in agriculture. Costs form the basis for productive capital. Capital is seen as consisting of advances and investments [13]. Activity of economic agents in conditions of free competition ensures the flow of capital from agriculture to industry. Such economic actors recognized entrepreneurs.

A. Smith brings the concept of "capital" of the consumption patterns of stocks that can generate income for their owners. Inventories economic entity indicates A. Smith , " are divided into two parts. The part from which he expects to receive income is called its capital. Another part is the one that goes to its direct consumption " [14]. Using the economic entity of the stocks for the introduction of a new branch of production or trade, use of the new method in agriculture gives him to receive income, making it an entrepreneur.

K. Marx gives a number of definitions of capital during the exacerbation of the contradictions of industrial society. Capital are: economic relationship; exploitation of the working tool; cost of creating surplus value; movement, not a thing. Understanding the business is based on these definitions. Identified with the capitalist entrepreneur [15].

A. Marshall gives two definitions of capital. Capital at the microeconomic level is part of the wealth of the individual, which is used to generate income. Capital at the macroeconomic level is the set of means of production used, along with labor and land for wealth creation. Capital associated with acquisitiveness. " Human capital is usually determined by the market adopted in everyday life language as that portion of his wealth , which he devotes to receive income in the form of money , or ,

more broadly, on acquisitiveness by business and industry " [16].

J.M. Keynes believed that capital is wealth that can bring in more revenue than if it is stored in the form of money and get the bank interest. "The capital is better to say that it brings in their lifetime income than call it productive " [17]. Certain socio-psychological personality type is required for participation in entrepreneurship, as the actions of entrepreneurs based on irrational views on " animal instincts ".

J. Schumpeter gives the following definition of capital: " Capital is nothing like a lever that allows entrepreneurs to receive all to himself he needed specific benefits , nothing else, as a means of giving the owner the ability to use these benefits to achieve new goals, as well as production target in a new direction. Sole purpose of capital... - it serve as a foundation, the funds will cover the purchase of an entrepreneur whose means of production " [18]. Entrepreneurship is a unique and rarely found ability to promote innovation to market risk through business.

P. Samuelson believes that capital is wealth produced by the economic system. Capital is " mediating " factor of production used for further manufacture of goods and services of capitalist entrepreneurs. " Nowadays, the advanced industrial technology based on the use of huge masses of capital: the complex machinery, big factories, abundant stocks of finished goods, intermediate goods and raw materials. Our economy is called "capitalism", because this capital or "wealth", is privately owned by someone who called capitalist " [19].

J. Hicks, estimating capital theory, economists divide into two groups: " materialists " and " proponents of the fund". He classified " materialists " A. Marshall and A. Pigou , and to the number of " supporters fund theory " - representatives of the British classical political economy, and W. Jevons and supporters of the Austrian school [20]. Application reflexive approach allows to resolve the situation as follows: the actual functioning of capital in the economy of the industrial society as a productive and financial capital led to the division into two groups of economists.

Significant changes occur in the post-industrial economy. Productive resources (labor, capital and land ) are combined into one. Aggregate capital replaces the inherent industrial economy Separate consideration belonging to different resource owners. Isolation various functional elements ( species) occurs in the structure of this single capital. So, J. Kendrick examines total capital. He shares his first on real (tangible) and immaterial

(intangible) capital, and secondly, on capital, not embodied in people (nonhuman) and human capital [21].

### Conclusion

Entrepreneurs in the post-industrial economy actively use various types of resources: manufacturing, financial, human, organizational and consumer. Appropriate types of entrepreneurial firms total capital spent on gaining access to them. Each type of capital falls into shape. Human, organizational and customer capital in the complex are considered as intellectual capital. In this part of the productive and financial capital along with material (real) elements may include intangibles elements, and in the intellectual capital along with the intangible (immaterial) elements may include material (real) elements.

Intangible forms of capital are beginning to dominate the post-industrial economy. Entrepreneurs are able to be useful to take advantage of knowledge workers, patents, processes, management skills, technology, experience and information about customers and suppliers. Intangible forms of capital combine to provide competitive advantages in the market and determined by experts as a form of intellectual capital [22 ; 23].

Application of reflective method allows to reveal the essence of entrepreneurship. The essence of entrepreneurship is to create a new capital in order to obtain business income. Entrepreneurship is inseparably linked with the capital. Entrepreneurship develops together with capital. This should be taken into account in the ongoing studies of entrepreneurship.

### Corresponding Author:

Dr.Smirnov Vladimir Petrovich  
Far Eastern Federal University, Sukhanov Str., 8,  
Vladivostok, 690091, Russian Federation.

### References

1. Drucker, P. 1992. Market: how to become a leader. Practices and principles. Moscow. Book chamber international. 349 p.
2. Karlof, B. 1989. Business Strategy. A Guide to Concepts and Models. MacMillan Reference Book. 240 p.
3. Agueyev, A.I. 1991. Entrepreneurship: Issues of ownership and culture. Moscow Science. 112 p.
4. Busigin, A.V. 1997. Entrepreneurship. Basic course: Textbook for universities. Moscow. INFRA -Moscow. 608 p.
5. Smirnov, V.P. 2011. Application reflexive approach in the study of modern business.

- Problems of Modern Economics, 1 ( 37) : 123-127.
6. Encyclopedic Dictionary of Philosophy. 1983. Moscow. Soviet Encyclopedia.
  7. Bell D. 1976. The Cultural Contradictions of Capitalism. N.Y. P. 198.
  8. Staveren, J. van. 2009. Ethics efficiency. Problems of Economics, 12: 58-71..
  9. Makarov, V.L. 2010. Formation of the knowledge economy: concepts and issues. Innovative development: economy, intellectual resources, knowledge management. Under. Ed. BZ Milner. Moscow. Infra-M. PP. 11-26.
  10. Smirnov, V.P. 2012. Scientific approaches to understanding entrepreneurship. Theory and Practice of Community Development, 2: 272-274.
  11. Smirnov, V.P. 2011. Development trends of modern business. Modern Economy: Problems and Solutions, 10 (22): 16-23.
  12. Mercantilism. 1933. Leningrad.
  13. Quesnay, F. 1960. Selected economic work. Moscow.
  14. Anthology of economic classics. 1993. Moscow. MP Econov. 475 p.
  15. Marx , K. 1960. Capital. T. 1. / K. Marx and F. Engels, Soch. 2nd ed. T. 23. Moscow. Publisher political literature.
  16. Marshall, A. 1993. Printsipy economics. Moscow.
  17. Keynes, J.M. 1993. Selected Works. Moscow. Economy. 543 p.
  18. Schumpeter, J. 1982. Theory of Economic Development. Moscow. Progress Publisher. 455 p.
  19. Samuelson, P. 1992. Economics. Volume 1. Moscow. NGO " Algona " VNIISI. 33 p.
  20. Hicks, J. 1974. Capital Controversies: Ancient and Modern. American Economic Review. Papers and Proceedings. May.
  21. Kendrick, JW, 1976. Total Capital and Economic Growth, NBER Chapters, in: The Formation and Stocks of Total Capital, pages 111-125 National Bureau of Economic Research, Inc.
  22. Edvinsson, L., Malone M. 1997. Intellectual Capital. Realizing Your Company s True Value by Finding Its Hidden Roots. N. Y.: Harper Business.
  23. Stewart, T.A. 1997. Intellectual Capital. The New Wealth of Organization. N. Y.; L.: Doubleday. Currency.

5/29/2014