

**ENTREPRENEURIAL ECOSYSTEM –
FROM CONCEPT TO POLICY
(A BRIEF LITERATURE REVIEW)**

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Summary

In order to achieve sustainable development of the country's economy, it is especially important to promote entrepreneurial activities by developing and implementing strategic state policies. Economic growth and progress is achieved by the development of production. In order to develop an effective entrepreneurial policy, it is necessary to study the definitions of terms.

The understanding of the meaning of “entrepreneurial ecosystem” as a term is diverse and it has undergone changes over time. In order to understand its modern content, it is necessary to analyze the appropriate scientific literature.

In general, entrepreneurship involves the process by which people take advantage of innovative opportunities. The concept of entrepreneurial ecosystem emphasizes that entrepreneurial processes take place among interdependent actors (Stam, 2015: 1761). In short, in this case, the term “ecosystem” should be understood as “economic system” and not as “ecological system”. Later, Angelo Cavallo, along with other scientists, focused again on the biological

definition of an ecosystem (Cavallo... 2018: 10).

The term “entrepreneurial ecosystem” was first used in 2005-2006 by scholars Prahalad and Cohen to describe conditions where individuals, business representatives, government members, civil society and partners come together to support regional entrepreneurial activities that provide economic prosperity (Cohen, 2006: 3).

The concept of entrepreneurial ecosystems is considered a promising field of research that promotes interconnected entrepreneurial activities (at different levels of analysis) and includes a wide variety of stakeholders and actors in the market (Simatupang... 2015: 394).

The entrepreneurial ecosystem approach starts with the entrepreneurial individual (rather than the firm) but also emphasizes the role of the social and economic context surrounding the entrepreneurial process (Spigel... 2018: 3).

Predecessors of entrepreneurial ecosystem researchers have different emphases in this direction, although common approaches and research conclusions can be seen between them.

Even today, when there is a scientific study of such a complex issue as the entrepreneurial ecosystem, certain problems arise in the research process.

According to various scholars, the concept of entrepreneurial ecosystem should be developed in three directions: first, the concept of entrepreneurial ecosystem and related empirical studies remained only at the theoretical level. Second, little is still known about which interplay of factors at different levels of analysis leads to the desired outcomes of economic development. Third, there is still a substantial, conceptual disagreement about what the desired outcome of an entrepreneurial ecosystem is and how to achieve that outcome (Simatupang... 2015: 389-390).

It should be noted that the entrepreneurial ecosystem model is evolving. Therefore, it is clear that the entrepreneurial ecosystem is a very complex, multi-level “construction”. At the regional level, it involves various stakeholders such as non-political

decision-makers, government agencies, universities and industry associations.

In the modern period, the entrepreneurial ecosystem is more and more in the focus of politics, but the impact of the ecosystem phenomenon on policy formation is still only theoretical (Autio... 2015: 1). At the same time, entrepreneurship and its role in the world economic order have a special role.

Various scientists talk about the essential role of higher education and universities in the entrepreneurial ecosystem. For example, Eric Lehmann and other scientists identify higher educational institutions as the main component of the entrepreneurial ecosystem, however, they consider university autonomy as a necessary condition for this (Lehmann... 2020: 3). In essence, the term “entrepreneurial-university ecosystem” refers to the idea that universities act as entrepreneurs and contribute to the development of the regional and national economy. An entrepreneurial university involves expanding the traditional role of the university.

In this way, for the formation of the entrepreneurial ecosystem, public and private sector communication is of great importance to promote an effective dialogue between educational, scientific, business and local government representatives.

Based on the above, the concept of entrepreneurial ecosystem can be considered as a promising direction of research. The study of entrepreneurial ecosystems around the world has an important place in the process of policy formation. We definitely believe that practical recommendations should be developed in Georgia in the direction of the development of the entrepreneurial ecosystem according to the priority sectors of the country’s economy.

Entrepreneurial universities play an important role in the sustainable development of the country’s economy, commercialization of knowledge and activation of other positive processes of entrepreneurial activity. However, we should not forget that for the formation of such universities and the entrepreneurial ecosystem in general, only the desire and the verification of the research results of scientists will not be enough.

Many enabling environments and factors are necessary to ensure this, including: social, cultural, political, economic and regional factors. As complex as the concept of an entrepreneurial ecosystem, including an entrepreneurial university, the readiness of many components is necessary for its effective formation.

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