

## Industrial law and entrepreneurship development

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### INTRODUCTION

The law in the economic world became the most important element in this field because its roll to organise the need and the responsibility of the business policy and the market, it parallel the needs of the government policy of the economic and it is very important to every new or old business to develop its environment.

The economic analysis of law has been influential in the United States as well as elsewhere. Judicial opinions use economic analysis and the theories of law and economics with some regularity, in the US but also, increasingly, in Commonwealth countries and in Europe. The influence of law and economics has also been felt in legal education, with graduate programs in the subject being offered in a number of countries. The influence of law and economics in civil law countries may be gauged from the availability of textbooks of law and economics, in English as well as in other European languages. Many law schools in North America, Europe, and Asia have faculty members with a graduate degree in economics. In addition, many professional economists now study and write on the relationship between economics and legal doctrines. Anthony Kronman, former dean of Yale Law School, has written that "the intellectual movement that has had the greatest influence on American academic law in the past quarter-century [of the 20th Century]" is law and economics.

### Concept of entrepreneurship

The concept of entrepreneurship has a wide range of meanings, on the one extreme an entrepreneur is a person of very high aptitude who pioneer change, possessing characteristics found in only a very small fraction of the population, on the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur, the word entrepreneur originates from the French word, *entreprenre*, which means (to undertake). In a business context, it means to start a business. The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organises, manages, and assumes the risks of a business or enterprise.

- New products
- New production methods
- New market
- New forms of organisation

### Relationship to other disciplines and approaches

As used by lawyers and legal scholars, the phrase "law and economics" refers to the application of microeconomic analysis to legal problems. Because of the overlap between legal systems and political systems, some of the issues in law and economics are also raised in political economy, constitutional economics and political science. Approaches to the same issues from Marxist and critical theory/Frankfurt School perspectives usually do not identify themselves as "law and economics". For example, research by members of the critical legal studies movement and the sociology of law considers many of the same fundamental issues as does work labelled "law and economics," though from a vastly different perspective.

The one wing that represents a non-neoclassical approach to "law and economics" is the Continental (mainly German) tradition that sees the concept starting out of the governance and public policy approach and the German Historical school of economics; this view is represented in the Elgar Companion to Law and Economics (2nd ed. 2005) and—though not exclusively—in the European Journal of Law and Economics. Here, consciously non-neoclassical approaches to economics are used for the analysis of legal (and administrative/governance) problems.

### Positive and normative law and economics

Economic analysis of law is usually divided into two subfields: positive and normative.

### Positive law and economics

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Positive law and economics uses economic analysis to predict the effects of various legal rules. So, for example, a positive economic analysis of tort law would predict the effects of a strict liability rule as opposed to the effects of a negligence rule. Positive law and economics has also at times purported to explain the development of legal rules, for example the common law of torts, in terms of their economic efficiency.

#### **Normative law and economics**

Normative law and economics goes one step further and makes policy recommendations based on the economic consequences of various policies. The key concept for normative economic analysis is efficiency, in particular, allocative efficiency.

A common concept of efficiency used by law and economics scholars is Pareto efficiency. A legal rule is Pareto efficient if it could not be changed so as to make one person better off without making another person worse off. A weaker conception of efficiency is Kaldor-Hicks efficiency. A legal rule is Kaldor-Hicks efficient if it could be made Pareto efficient by some parties compensating others as to offset their loss.

#### **Important scholars**

Important figures include the Nobel Prize-winning economists Ronald Coase and Gary Becker, U.S. Court of Appeals for the Seventh Circuit judges Frank Easterbrook and Richard Posner, Andrei Shleifer and other distinguished scholars such as Robert Cooter, Henry Manne, William Landes, and A. Mitchell Polinsky. Guido Calabresi, judge for the U.S. Court of Appeals for the Second Circuit, wrote in depth on this subject; his book *The Costs of Accidents: A Legal and Economic Analysis* (1970) has been cited as influential in its extensive treatment of the proper incentives and compensation required in accident situations, Calabresi took a different approach in *Ideals, Beliefs, Attitudes, and the Law* (1985), where he argued, "who is the cheapest avoider of a cost, depends on the valuations put on acts, activities and beliefs by the whole of our law and not on some objective or scientific notion".

#### **Influence**

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#### **Objective of the study**

- To analyse the importance of the law and its role in the entrepreneurship development
- To anticipate the possibility of developing the entrepreneurship by the law.
- To educate the leaders and the entrepreneur to the importance of the law and the legal policy in the organisation
- To identify the originate of the entrepreneurship

#### **Sources of Data**

Secondary data are those which already been passed through the statistical data and differ since primary data to be originally collected work is merely that of competition. And data will be collected through Books, Journals, Websites, Papers, etc.

#### **Concluding Remark**

The role of the law in the entrepreneurship and economics is an important field and should be taken in a wide range in all the governments and organisations, and it has to be widely found as a explicate and required part of many fields in any business core curricula.

By merging the law and the economics together business curricula can incorporate both. Moreover given their parallel and convergent nature.

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The entrepreneurs has played a phenomenal role throughout the world in increasing productivity of the economic. The fact cannot be denied that the most of the developed economies are very much relying on their small entrepreneurs as a locomotive of growth.

However, the law played a succeeded role in the economics because of the heavy initial investments that are required to break even with other fields in the life.

**References**

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- 3- Posner, Richard (1983). The economics of justice. Cambridge: Harvard University Press. P. 4.
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