

A STUDY ON ENTREPRENEURIAL DEVELOPMENT IN INDIA – the focus on start ups

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Abstract

Entrepreneurship plays a important role in the money-making growth of any country. Entrepreneurship acts as a support for the profitable success of a nation as it leads to generation are the new breed of managers emerging in big organizations. New entrepreneurs are motivated by the desire for self-fulfillment. The manufacturing entrepreneurship in India emerged with the advent of the economy through export of raw materials and import of finished goods. The main purpose of this paper is to study about Entrepreneurship Development in India. This study was done based on secondary data collected from several sources of confirmation, in addition to books, journals, websites, and newspapers. "Entrepreneurship Development as one who always searches for change responds to it and exploits it as a specific instrument of entrepreneurship. – “Peter Drucker Indexed Terms: Entrepreneurship, Innovation, Development, Leadership, Coordination Organization, Supervision and Promotion.

Introduction:-

Entrepreneur is given as a person “who starts a business. It also adds that an entrepreneur is a person “who starts an enterprise, business or a firm”. He works for himself and also provides employment to others. The term entrepreneur is derived from the French verb entrepreneur which means “to undertake”. The original related words in English are Entry and Enterprise. These two words are combined and the new term is developed. The term enterprise has different meanings.

Definition:-

Adam Smith describes an entrepreneur as a person who only provides CAPITAL, without taking active part in the leading role in the enterprise.

Peter F.Drucker defines an entrepreneur as one who always searches for change, responds to it and exploits it as an OPPORTUNITY. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service.

Objectives:-

- ❖ To know the history of the concept and identify the changing trends in the concept.
- ❖ To differentiate the term and understand its relationship with the related concepts like, enterprise, entrepreneurship, entrepreneurial, manager, self employment, etc.,
- ❖ To know the role, important, myths and the future of the entrepreneur.
- ❖ To understand the role played by the Government in promotion and development of entrepreneurs.
- ❖ To know the problems of entrepreneur with a focus on women, rural and small scale entrepreneurs.

The concept of Entrepreneurial Development:

Development of entrepreneurship incorporates four basic issues. The availability of resources, the selection of real entrepreneurs, the formation of industrial units, and policy formulation for the development of the region.

Development of an entrepreneur means inculcating entrepreneurial traits into a person, imparting the required knowledge, developing technical, financial, marketing, and managerial skills, and building the entrepreneurial attitude.

Entrepreneurial development is an organized and systematic development. It is now regarded as a tool of industrialization and a solution to unemployment problem. Entrepreneurial development programme may be defined as a “programme designed to help an individual in strengthening his

entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively.

Entrepreneurial Development Under Trysem:

Training for Rural Youth for Self-Employment (TRYSEM) is an antipoverty programme of the Government of India. It is primarily meant to develop entrepreneurship among rural youth, Under this programme rural youth are trained for self-employment in the field of agriculture and allied activities, industries and services.

- ❖ Identification of beneficiaries with entrepreneurial qualities.
- ❖ Identification of Entrepreneurial opportunities
- ❖ Training in motivation and skills
- ❖ Providing of credit facilities
- ❖ Sharing of risk element by providing investment subsidy.

Role and Importance of entrepreneurship:-

- ❖ Generation of employment opportunities
- ❖ Its size and nature, it is more dynamic, flexible and capable of making quick decisions.
- ❖ Ensuring balanced economic development, Small enterprises need relatively low investment and can be easily undertaken in rural and semi-urban areas and prevent migration of people from rural to urban areas.
- ❖ Entrepreneurial development accelerates to be more innovation and make the Indian compete in the international market effectively.

Scope of Entrepreneurial Development:-

The scope of any subject is determined by its nature. Entrepreneurial development is basic, wide comprehensive, flexible, small in size and simple. It does not require any formal education. Thus, the application and scope of the subject matter are also wide. The managerial and creative skills developed for entrepreneurship are useful not only in business but also applied to social causes and in government organization. It also promotes intrapreneurship large business houses. The concept can be applied to any area of development, rural development, export development, social development, etc.,

Successful Indian Entrepreneurs:-

If we go through the business history of India, we come across the names of persons who have emerged as big successful entrepreneurs. For example, Tata, Birla, Modi, Dalmia, Kirloskar, Dhirubhai Ambani, Narayana Murthy, Azim Premiji, Godrej, Raju, Ramaswamy, Sundram Iyengar, Pillai Narayanan, Anantharmakrishnan etc.,

Critical Elements:-

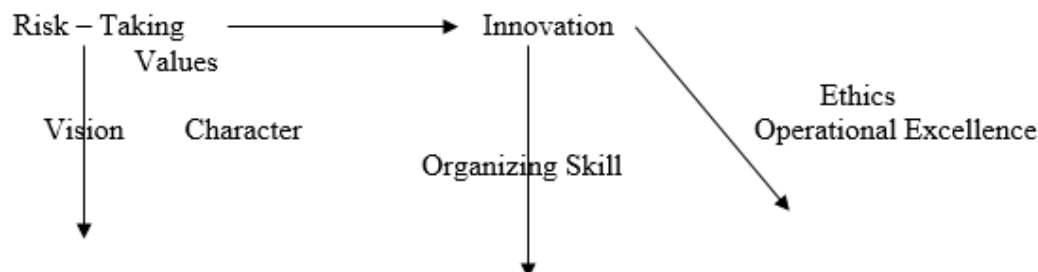


Figure 1.1 – Critical Elements of an Entrepreneur

- **Innovation :-** refers to developing new products, markets, processes or technology
- **Risk Taking:-** is attributed to showing courage, confidence and the gut feeling of business idea.

- **Vision:-** is the dream of an entrepreneur.
- **Ethics:-** Character, and values and inherent qualities and inner strength of a person. An enterprise is driven by these qualities. They are influenced by family atmosphere, culture and beliefs of an entrepreneur. The culture of an organization is built around these elements.
- **Organizing Skills:-** The managerial skills, required for ensuring success in terms of co-ordination, control, direction and communication etc.,

Who is an entrepreneur?

Creativity and Innovation

High

Low

Inventor	Entrepreneur
Promoter	Manager, Administrator

Figure 1.1 – The Entrepreneur

The stages of Development:-

1. **First –generation Entrepreneurs:-** A first –generation entrepreneur is one who starts an enterprise by his/her innovating skill. He / She is essentially an innovator, combining different technologies to produce a marketable product or service.
2. **Modern – Entrepreneurs:-** A modern entrepreneur is one who undertakes those ventures which go well along with the changing demand in the market. They undertake ventures which suit the current marketing needs.
3. **Classical Entrepreneurs:-** A classical entrepreneur is one who is concerned with the customers and their marketing needs through the development of a self-supporting venture.

Evolution of Indian Entrepreneurship:-

The past will cover both the pre-independence era and the first few decades of the post-independence period. The evaluation of Indian entrepreneurship can be treated back to times as early as Rig Veda, when metal handcrafts had existed. It means that handicraft-centered entrepreneurship in India is as old as Indian civilization itself. Long before Indian came in contact with the west, people were organized in a particular type of economic and social grouping of the village community. First, on the banks of the river cities flourished. Later on organized industrial activity developed among the Indian artisans in few products in the cities of Benaras, Allahbad, Gaya, Puri and Mirzapur in the north, Bombay and Ahmedabad in the west and Madras in the south. Slowly, workshops called “Kharkhanas” came in to associations of “guilds”.

The Advent of the East India Company:-

The Manufacturing entrepreneurship in India emerged with the advent of the British East India Company. The Company injected various changes in the Indian economy through export of raw materials and import of finished goods. In India labour was cheap, so it was beneficial for the British to manufacturer in India.

Swadeshi Campaign:-

The swadeshi campaign i.e emphasis on the use of indigenous goods, provided the required boost to Indian entrepreneurship. Jamshedjee Tata even named his first mill as “Swadeshi Mill”. The second wave of entrepreneurial growth began after the First World War, during the first four decades of the 20th century.

Ideology of Mahatma Gandhi on Entrepreneurship:-

After independence, the ideologies of Mahatma Gandhi greatly influenced the policies of the new government. He had stressed on six important considerations in policy formulation.

- ❖ Large size and population of the country – Swadeshi Movement
- ❖ Wide agricultural base –diversified culture
- ❖ Self reliance
- ❖ Trusteeship
- ❖ 80% rural population, and
- ❖ Low level of education

The Current Scenario:

At present, we see a new breed of entrepreneurs emerging. Due to technological advancement, the business environment has changed. Some individuals saw an opportunity in the emerging IT industry. We now see Narayan Murthy, Azim premji, Raju, Shiv Nadar etc., dominating the scene. India has been able to demonstrate its caliber and play a dominant role at present.

During last decade, a study was made of the successful US enterprise which was in published “In Search of Excellence”. But at present none of the enterprises featured in the list is doing well. Some have disappeared from the scene. New entrepreneur like Bill Gates of Microsoft, and companies such as CISCO, Dell Computers, Motorola, Which did not find place in the book are the very successful enterprises. Sabeer Bhatia who promoted Hot Mail is a successful entrepreneur. He sold the Hot Mail to the Microsoft.

The Future:-

If we make a comparative study of the growth of agriculture, manufacturing and services sectors, we see a high growth in the services sector. This sector will further grow in future. New entrepreneurs will emerge. Will Indian entrepreneurship do well in the emerging industries as in IT. Innovation, research and development and managerial characteristics will be the need of the hour in future to be successful. Knowledge will be the power. Basically Indians are considered to be very knowledgeable and intelligent. Hence, the Indian entrepreneurs can do well and improve their performance future.

Entrepreneurial Growth

Role of the Government in Entrepreneurial Growth:

1. **Laissez – Fair:** The essence of this model is that government interference and regulation hinders economic development, the lack of which allows the entrepreneurs to become competitive and create welfare therefrom.
2. **Positive Environment:** The philosophy behind this model is that government should play a role in encouraging the small business sector, but this role should be limited to providing a positive environment like adequate infrastructure, free trade agreements, low of taxation,
3. **Strategic Interventionist:**
This policy assumes that the State should have a strategy of promoting small business through intervention by ensuring training, research finance, marketing, know-how and support.
4. **Open-door reform:**
The policy adopted is that open door with major reforms of a completely planned economy. It results in strong incentives to produce.
5. **Doi-Moi:**
The word literally means “renovation” or “new thinking. This is to help small enterprises operate within a socialist system.
6. **Indian Model:**
Indian model is a combination of strategic internationalist and subsidized interest rate.

RESEARCH METHODOLOGY

The main source of data used for the study is secondary data. The present study is theoretical study with examining cum expressive in environment. This research follows the systematic research methodology which is based on the quantitative data. The information related with study has been collected from websites, journals, magazines, newspapers and books.

FINDINGS OF THE STUDY

Entrepreneurship in India is still dominated by small enterprises. According to GEDI, India is ranked 70th out of 140 countries, a “adequate” performance. As per the Asia Pacific region, India is again in the middle position, 14th out of 28 countries. India’s strongest performance falls under the criterion of product innovation where its score is equal to the best in the world. India’s weaker areas, where it scores below the overall score, are in start-up skills, networks and cultural support, technology absorption (by far the weakest), high growth and risk capital availability. India also faces some acute challenges in terms of networking and cultural support. The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Government of India promotes entrepreneurship.

CONCLUSION

In India, the past few decades have seen a major rise in the area of Entrepreneurship. Today, India has become fertile ground for breeding new entrepreneurs. An important aspect of entrepreneurship in India is social entrepreneurship. In India, where high levels of poverty and unemployment still exist, many people have decided to take matters into their own hands, with or without the help of government, to work for a better tomorrow. Concepts like only help in promotion of entrepreneurship among the youth, but also provide them with hands-on experience. In India, various initiatives have been taken by the government from time to time for entrepreneurship development in the country.

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