

AN OVERVIEW OF ENTREPRENEURSHIP DEVELOPMENT IN INDIA

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ABSTRACT

In India, entrepreneurship can prove as one stop solution for addressing the major problems like unemployment and poverty. Considering these benefits, various initiatives have been taken by the government from time to time for entrepreneurship development in the country such as Industrial Policies and Five-Year Plans specifically focusing on the growth of small scale sector, setting up of Special Economic Zones (SEZs), setting up of Entrepreneurship Institutions, organizing Entrepreneurship Development Programmes (EDPs) and various Government Programmes and Schemes for the promotion of entrepreneurship. Every country, whether developed or developing, needs entrepreneurs. Whereas, a developing country needs entrepreneurs to initiate the process of development, the developed one needs entrepreneurship to sustain it. In the present Indian context, where on the one hand, employment opportunities in public sector and large-scale sector are shrinking, and on the other, vast opportunities arising from globalisation are waiting to be exploited; entrepreneurship can really take India to the heights of becoming a super economic power. This paper presents an overview of an entrepreneurship development and its programmes in India.

KEYWORDS: Entrepreneurship, Entrepreneurship Development, and Programmes.

INTRODUCTION

India is a country rich in natural resources. Labour is aplenty and skilled Labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors' across, make in India is the Indian government's efforts to harness this demand and boost the Indian economy. The Indian economy has been witnessing positive sentiments during the past few months. Make in India will affect the young entrepreneurs in a very positive way, if this program delivers than it will bring an attitudinal change the perception of the world towards India and at the same time encourage and empower entrepreneurs to make in India.

Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services and generating taxes for government because of which entrepreneurship has closely been linked to economic growth of a country. Entrepreneurs convert ideas into economic opportunities through innovations which are considered to be major source of competitiveness in an increasingly globalising world economy. Therefore, most governments in the world strive to augment supply of competent and globally competitive entrepreneurs in their respective countries.

Entrepreneurial development is a systematic and an organized development of a person to an entrepreneur. The development of an entrepreneur refers to inculcate the entrepreneurial skills into a common person, providing the needed knowledge, developing the technical, financial, marketing and managerial skills, and building the entrepreneurial attitude. Entrepreneurial development programmes 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.

CONCEPT OF ENTREPRENEURSHIP

The word entrepreneur is derived from French word "Entreprendre" and the German word "Unternehmen", both mean "To undertake". For a long time, there was no equivalent for the term entrepreneur" in the English language. Three words were commonly used to connote the sense the French term carried: ad venture, undertaker and projector; these were used interchangeably and lacked the precision and

characteristics of a scientific expression (Gopakumar, 1995). Hence the term “entrepreneur” did not and any prominence in the history of economic thought. The earliest attempt to invest the concept with some economic content could be traced to the works of an 18th century. Entrepreneurship as a concept gathered prominence in economic literature, the concept some analytical treatment and assigned the entrepreneur an economic role by emphasizing on “risk” as prominent entrepreneurial function (Gopakumar, 1995). Entrepreneur means individual response for the operation of a business, including the choice of a product, the mobilization of necessary capital, decisions on product prices and quantities, the employment of labour and expanding or reducing the productive facilities.

Cole (1968) the term entrepreneur represents an individual or a group of individuals who conceive, initiate and maintain for a succulently long period of time a social institution which produces economic goods or to put it differently, who perceive a business opportunity and create an organization to pursue it.

Harbison and Hyers (1964) capital cannot itself produce anything. It must be harnessed for producing goods and the capital goods into harnessed for producing consumer goods and this investment process requires the services of some agent or intermediary who initiates, organizes, makes decision, takes risk, innovates and sometime also manages.

Hegan (1968) entrepreneur as a creative problem solver interested in things in the practical and technological realm most entrepreneurial activities do not involve innovative techniques to any considerable degree but rather involve coping with the method of doing business and of combining inputs quite similar to those combinations already in existence.

Haredero (1979) described agricultural entrepreneur as a person who introduces changes which directly or indirectly lead to higher agricultural inputs.

ENTREPRENEURSHIP IN INDIA

Entrepreneurship in India has been confined to being own-account workers with one or more helpers and did not expand in size beyond that. As maybe seen from the Fifth Economic Census 2005, 95 percent of establishments were engaging not more than five

workers and they accounted for almost 64 percent of the employment. If the employment size of a unit is taken as not more than 10 workers then 98.5 percent of the establishments are covered.

To promote self-employment as a means of job-creation and to promote entrepreneurship for further job creation, the Micro, Small and Medium Enterprises (MSME) Act, 2006 was enacted to facilitate the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. Earlier to that the small-scale industries (SSIs) were regulated by two sections of the Industries (Development & Regulation) Act, 1951 which led to absence of an institutional regulatory and consultative mechanism to capture and guide the progress of an SSI unit from being a micro unit to a small scale and eventually to medium scale one. The earlier Act also excluded the fast emerging service sector². But even after the implementation of the MSME Act, 2006 the high proportion of unregistered MSME units outside the purview of the Act is a matter of concern.

The government has over time implemented policies for the promotion of the small industries which included providing concessional credit, training in entrepreneurship development, marketing assistance etc. But the entrepreneurial growth did not take off in a big way in India as compared to other countries because of the procedural hassles, stringent labour laws, economic regulations etc that the establishments had to face. Further with import liberalization and entry of MNCs into India, the Indian small-scale entrepreneurs are not able to face the competition and are finding it difficult to survive. In this context to quote from the Second National Commission on Labour (2002) “New economic changes will provide more opportunities and not enough jobs. Therefore, one has to take advantage of the opportunities. Both in urban and rural areas, there may not be an impressive rise in wage employment but there will probably be enough scope for self-employment. The emphasis, therefore, has to be not on wage jobs but on creating self-employed persons or entrepreneurs. The entire system of training and education will have to give emphasis on the development of entrepreneurship”.

In keeping with this spirit, the Ministry of MSME is implementing the entrepreneurship development and skill upgradation schemes through appropriate training facilities. The Ministry has set up three national level Entrepreneurship Development Institutes viz; The National Institute for Entrepreneurship and Small Business Development

(NIESBUD) (1983) at Noida (Uttar Pradesh), National Institute for Micro, Small and Medium Enterprises (NI-MSME) (1960) at Hyderabad, and Indian Institute of Entrepreneurship (IIE) (1993) at Guwahati, to inculcate entrepreneurial culture especially among the first-generation entrepreneurs. There is the scheme for Providing Support for “Entrepreneurial and Managerial Development of SMEs through Incubators” in implementation since 2008. There is the MSME Technology Centres (earlier Tool Room & Technology Development Centres) which provide high end skill training to the youth. A national award scheme has been initiated by MSME for outstanding performance in Entrepreneurship, Research and Development, Innovation, Lean Manufacturing Techniques and Quality Products.

GOVERNMENT OF INDIA SUPPORT FOR ENTREPRENEURSHIP DEVELOPMENT IN INDIA

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society.

Recognising the importance of women entrepreneurship and economic participation in enabling the country’s growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling equal opportunity for women. The government seeks to bring women to the forefront of India’s entrepreneurial ecosystem by providing access to loans, networks, markets and trainings.

India’s efforts at promoting entrepreneurship are:

Entrepreneurship Development Scheme: It is currently being developed by MSDE. The scheme is being designed around various elements like entrepreneurship education

curriculum, web and mobile based networking platform, entrepreneurship hubs (ehubs) network, international linkages, national entrepreneurship day, promotion of entrepreneurship among women and minority sections, social entrepreneurship etc.

Make in India: Designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul out-dated processes and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

Support to Training and Employment Programme for Women (STEP): STEP was launched by the Government of India's Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30-year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

Biotechnology Industry Research Assistance Council (BIRAC): BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop high-quality, yet affordable, products with the use of cutting-edge technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the

Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.

Stand-Up India: Launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims to enable economic participation of, and share the benefits of India's growth, among women entrepreneurs, Scheduled Castes and Scheduled Tribes. Towards this end, at least one woman and one individual from the SC or ST communities are granted loans between Rs.1 million to Rs.10 million to set up greenfield enterprises in manufacturing, services or the trading sector. The Stand-Up India portal also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.

Trade related Entrepreneurship Assistance and Development (TREAD): To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs in both accessing loan facilities, and receiving counselling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY): A flagship initiative of the Ministry of Skill Development & Entrepreneurship (MSDE), this is a Skill Certification initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning. Training and Assessment fees are entirely borne by the Government under this program.

National Skill Development Mission: Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decision-making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the mission's skilling efforts across India are: (i) Institutional Training (ii) Infrastructure (iii) Convergence (iv)

Trainers (v) Overseas Employment (vi) Sustainable Livelihoods (vii) Leveraging Public Infrastructure

Science for Equity Empowerment and Development (SEED): SEED aims to provide opportunities to motivated scientists and field level workers to undertake action-oriented, location specific projects for socio-economic gain, particularly in rural areas. Efforts have been made to associate national labs and other specialist S&T institutions with innovations at the grassroots to enable access to inputs from experts, quality infrastructure. SEED emphasizes equity in development, so that the benefits of technological accrue to a vast section of the population, particularly the disadvantaged.

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SETU (Self Employment and Talent Utilization)- SETU meaning bridge in Hindi is a Techno-Financial, Incubation and Facilitation Programme to support all aspects of startup businesses and other self-employment activities, particularly in technology driven areas operated from NITI Aayog. An Expert Committee on Innovation & Entrepreneurship for working out the detailed contours of the Atal Innovation Mission (AIM) and SETU was constituted by NITI Aayog. The Expert Committee has identified five major drivers for creating a vibrant entrepreneurial eco system viz; (i) catalytic government policy and regulatory framework (ii) easy access to equity capital and debt (iii) businesses as entrepreneurial hubs (iv) culture and institutions which encourage entrepreneurship over careerism (v) adequate and effective collaboration forums.

India Aspiration Fund- A Rs. 2000 crore India Aspiration Fund (IAF) was launched by SIDBI in August 2015 to boost the startups fundof-funds ecosystem in the country. This fund would invest in various venture capital funds for meeting the equity requirement of MSME start-ups. A SIDBI Make in India Loan for Small Enterprises (SMILE) Scheme of Rs.10,000 crore has also been launched to catalyze tens of thousands of crores of equity investment in start-ups and MSMEs, creating employment for lakhs of persons, mostly educated youth over the next 4-5 years. The objective of SMILE is to provide soft loans in the nature of quasi-equity and term loans on relatively soft terms to MSMEs to meet the required debt-equity ratio norm. The 25 sectors under the 'Make in India' programme' would be the focus with emphasis on financing smaller enterprises in the MSME sector. There will be concessional terms for the enterprises promoted by (SC) / (ST) / Persons with Disabilities (PwD) and

women. The scheme is expected to benefit approximately 13,000 enterprises, with employment for nearly 2 lakh persons.

Micro Units Development Refinance Agency (MUDRA) Bank has been set up on 8th April 2015 for development of micro units to encourage entrepreneurship in India and provide the funding to the non corporate small business sector. MUDRA Bank provides refinance to Banks, MFIs, NBFCs etc. for loans to micro units having loan requirement from Rs 50000 to Rs. 10 lakh. Under MUDRA Yojana, MUDRA Bank has launched three products named Shishu, Kishor and Tarun to signify the stage of growth and funding needs of entrepreneurs. Rs. 20000 crore has been allotted to MUDRA Bank for the SME sector which will enhance credit facility to boost the growth of small businesses and manufacturing units.

CONCLUSION

Entrepreneurial Development Programme (EDP) in the process of economic development and growth of a nation is immense. It is the EDP through which the entrepreneurs learn the required knowledge and skill for running the enterprise successfully which ultimately contribute towards economic progress. EDPs help solving the problem of unemployment by creating adequate employment opportunities through setting up of small and big industrial unit where the unemployed can be absorbed. Successful EDPs assist in accelerating the pace of industrialisation in the backward areas and helps in reducing the concentration of economic power in the hands of an individual. Entrepreneurial development programmes help in removal of industrial slums as the entrepreneurs are provided with various schemes, incentives, subsidies and infrastructural facilities to set up their own enterprises in all the non-industrialized areas. The entrepreneurs through EDPs are able to achieve economic independence of a country by producing a wide variety of better-quality goods and services at competitive prices. Overall Entrepreneurial Development Programmes will result in increase in per-capita income and thus helps in the improvement of standard of living of the people.

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