

Growing Entrepreneurs: Cultivating Success for Tomorrow's Economy

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ABSTRACT

The Entrepreneur acts as a trigger head to give spark to economic activities by his entrepreneurial decisions. Entrepreneurship is the process of designing, launching and running of a new business which is often initially a small business. Entrepreneurship plays a significant role in economic development of a country. It is most powerful weapon in the hand of one to fight against poverty and unemployment. Entrepreneurs are like gamblers, and like are gambler, their chance of winning increase if they have the right cards. The role of entrepreneurship in economic development varies from economy to economy depending upon its material, resources, industry climate and political system of the country. Entrepreneurship is one of the most important inputs in the economic development of a country. An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner, or the one who owns the majority of shares in an incorporated venture. This paper therefore, seeks to discuss entrepreneurship as one of the factor that influences the economy of a nation, either directly or indirectly. . This present paper is an attempt to diagnose and critically analyse the qualitative aspects, programs, reports on Entrepreneurship in Indian context.

Keywords: Entrepreneur, Entrepreneurship, Economic development

Introduction

Entrepreneurship is generally described as the ability of an individual or a group of individuals to create or discover an opportunity and utilize it to the benefit of the society, which, in turn, will bring success to the innovators and their organization. Entrepreneurship plays a significant role in the economic development of a country. The developed countries like USA, Russia and Japan supports the fact that entrepreneurship is the cause for the economic development in their country. Entrepreneurship is the most powerful weapon in the hands of one to fight against poverty and unemployment. Entrepreneurship can be currently regarded as part of a strategy to boost the economy. It can be undertake as a challenging task, either internally within organizations or externally, by the creation of new businesses that are sustainable in a market and in a complex economic environment. In fact, entrepreneurship has been considered as the engine of economic development. The article briefly explores the concept of entrepreneurship, contribution of entrepreneurship to the growth of economy and the analysis and discussion of results.

Concept of Entrepreneurship

Entrepreneurship is act of being an entrepreneur, which is French word meaning 'to undertake'. Entrepre-

neurship assembles resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. Entrepreneurship is the process of designing, launching and running of a new business which is often initially a small business.

Entrepreneurship can be understood as a individual or collective system and internal or external to the organizational structure, developing something new, from conception of ideas to the creation of a business. The entrepreneur is usually a sole proprietor, a partner, or the one who owns the majority of shares in an incorporated venture.

According to Economist **Joseph Alois Schumpeter (1883-1950)**, “entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success.”

Objective of Study

- To examine the impact of entrepreneurship on the growth of country
- To study the various schemes provide to entrepreneurs.
- To analyse and study various challenges faced by Indian Entrepreneurs
- To build a model of skills development for entrepreneurs.

Data Collection

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, documents of various ministries/departments and organizations, articles, papers and websites are used in this study.

Role of Entrepreneurship in Economic Development of Nation

- 1. Wealth Creation and Distribution:** By establishing the business entity, entrepreneurs invest their own resources and attract capital from investors, lenders and the public. This kind of pooled capital that results in wealth creation and distribution is one of the basic imperatives and goals of economic development.
- 2. Provide Employment Opportunity:** Entrepreneurs are by nature and definition job creators, as opposed to job seekers. This kind of job creation by new and existing businesses is again is one of the basic goals of economic development. This is why the Govt. of India has launched initiatives such as Startup India to promote and support new startups. All this in turn creates a lot of job opportunities, and is helping in augmenting our standards to a global level.
- 3. Balanced Regional Development:** Entrepreneurs setting up new businesses and industrial units help with regional development by locating in less developed and backward areas. The growth of industries and business in these areas leads to infrastructure improvements like better roads and rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls and other public and private services that would not otherwise be available.
- 4. Standard of Living:** Increase in the standard of living of people in a community is yet another key goal of economic development. Entrepreneurs again play a key role in increasing the standard of living in a community. They do this not just by creating jobs, but also by developing and adopting innovations that lead to improvements in the quality of life of their employees, customers, and other stakeholders in the community.
- 5. Increase in Trade:** Any growing business will eventually want to get started with exports to expand

their business to foreign markets. This is an important ingredient of economic development since it provides access to bigger markets, and leads to currency inflows and access to the latest cutting-edge technologies and processes being used in more developed foreign markets.

6. **GDP and Per Capita Income:** India's MSME sector, comprised of 36 million units that provide employment for more than 80 million people, now accounts for over 37% of the country's GDP. Each new addition to these 36 million units makes use of even more resources like land, labor and capital to develop products and services that add to the national income, national product and per capita income of the country. This growth in GDP and per capita income is again one of the essential goals of economic development.
7. **Promotes Capital Formation:** Entrepreneurs promote capital formation by mobilizing the idle savings of public. They employ their own as well as borrowed resources for setting up their enterprises. Such type of entrepreneurial activities leads to value addition and creation of wealth, which is very essential for the industrial and economic development of the country.
8. **Improvement in the Standard of Living:** Increase in the standard of living of the people is a characteristic feature of economic development of the country. Entrepreneurs play a key role in increasing the standard of living of the people by adopting latest innovations in the production of wide variety of goods and services in large scale that too at a lower cost. This enables the people to avail better quality goods at lower prices which results in the improvement of their standard of living.
9. **Facilitates Overall Development:** Once an enterprise is established, the process of industrialization is set in motion. This unit will generate demand for various types of units required by it and there will be so many other units which require the output of this unit. This leads to overall development of an area due to increase in demand and setting up of more and more units.
10. **Creating Innovation:** An entrepreneur is a person who always looks for changes. Apart from combining the factors of production, he also introduces new ideas and new combination of factors. He always tries to introduce newer and newer technique of production of goods and services. An entrepreneur brings economic development through innovation.

ENTREPRENEURSHIP IN INDIA

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 like Pradhan Mantri Employment Generation Programme, Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme for Technology Up-gradation, National Manufacturing Competitiveness Programme, Micro and Small Enterprises Cluster Development Programme, Technology Centre Systems Programme, Rajiv Gandhi Udyami Mitra Yojana, Khadi Reform Development Programme,

Market Development Assistance Scheme etc. In spite of several initiatives taken by the government, entrepreneurs still face certain problems like lack of availability of finance, technical knowledge, managerial skills, availability of resources and infrastructure, awareness about entrepreneurship schemes

and regulatory framework, market linkage etc. which obstruct the growth and development of entrepreneurship in the country. According to the research study conducted by NCAER (1993), lack of training and finance are the major problems faced by Small Scale Industries (SSIs) besides procedural hassles, administrative hurdles, lack of infrastructure and counseling.

Conclusion:

However the interesting interaction of entrepreneurship and economic development has vital inputs and inferences for policy makers, development institutes, business owners, change agents and charitable donors. Entrepreneurship puts new business ideas into practice. In doing so, it creates jobs that facilitate personal development. With their innovative and disruptive ideas, entrepreneurs can tackle social problems too. Here is a great need for the country to promote entrepreneurship through formulation of supportive policies. However, this calls for the policy makers to understand first what factors influence entrepreneurship. On the whole, the role of entrepreneurship in economic development of a country can best be put as “an economy is the effect for which entrepreneurship is the cause”

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