

Entrepreneurship in Indian Scenario

¹ Kapil Gulati, ² Suniel Sharma

¹ Asst Prof, MBA, HCTM, Kaithal-Ambala Road, NH-65, Kaithal, Haryana (136027), INDIA

² Asst Prof, MBA, HCTM, Kaithal-Ambala Road, NH-65, Kaithal, Haryana (136027), INDIA

¹ kgulati85@gmail.com

ABSTRACT

The Indian employment market is uncertain. The number of unemployed is ever increasing. In this context, both the Central and State governments are working on to develop entrepreneurship as a recourse to employment problems. In order to do so, there needs to be specific skill and knowledge set needed from the individual who is looking for entrepreneurship. The dimension of the entrepreneurship is changing not from its perceptive form but also from its origin. The lusts of entrepreneurship in rural and urban areas are different. The think tank has to continuously surrogate the aim of the entrepreneurship. The entrepreneurship is taking its toll not only from the customers' side or from the desi companies or from the unemployed youth, or from the nation but also from the lack of resources and skill and from the brain drain. The government and the non-government organizations and academicians are in favor to enhance the skill and the quality of the entrepreneurship in our country. The solutions to this problem can be easily made if positive attitude and the tilt for entrepreneurship from us can be enchanted.

Keywords: *Entrepreneurship, employment, resources*

1. INTRODUCTION

Unemployment is the main problem that our country faces now. In this situation it is necessary to become familiar with the multi dimensional aspects of Entrepreneurship. Entrepreneur is a person who innovates, allocates and manages the factors of production. This particular person has the ability to perceive latest economic opportunities and to device their exploitation. This particular person is the supplier of resources, supervisor and coordinator and ultimate decision maker. Entrepreneur has the greatest chance of success by focusing on a market niche either too small or too new to have been noticed by established businesses. The new generation entrepreneurs are well educated and are capable of understanding the fluctuating trends of markets. The entrepreneurs in most of the cases are having business family background. In certain cases the new generation has started after facing a lot of difficulties from their first generation. In these cases the new generation is very careful in selecting their business career.

Entrepreneurs are the driving forces behind any economy. They create large corporations out of backyard enterprises. Henry ford, Irving Berlins, Bill Gates, King Gillette and Rose Perot were people who envisioned a dream and took risk to achieve this Dream. They marched to a different beat. They were innovators, inventors, and adventurers. Entrepreneurship is a social phenomenon and it is not inherent within a person, rather it exists in the interaction between people. To be a successful Entrepreneur it requires practicing as a manager by acquiring various skills and efforts in learning to understand a business. Entrepreneurship is the future of the modern society. It reflects a ray of hope for the unemployed to earn a living and maintain a dignified life and also for the economic development of the country.

The first half of the present century witnessed a gradual change in the scenario. During this period, there was a visible tendency among the natives to take to business. The spread of secular education, rising nationalist feelings and social reform movements must have given a fillip to this initial phase of the emergence of entrepreneurship. The independent India thus could claim to have created a conducive climate for spread of entrepreneurship.

Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. In almost all the developed countries in the world women are putting their steps at par with the men in the field of business. Except some Islamic countries of the world the law of the country has been made in favor of the development of women entrepreneurship. The glorifying corporate has portrayed that they have progressed in last fifteen years after the new industrial policy of 1991 because of the Entrepreneurship and the conducive Entrepreneurship environment in India. We can be an entrepreneurial nation because we have many reasons for it

- * Freedom of speech and willingness to disagree foster creative solutions
- * Very high caliber human capital
- * Diversity in the true sense of the term, the key to stimulate intellectual discourse
- * Functioning capital market and venture capital sector to find new ideas
- * Young population is more rebellious and wants to challenge the rules of the game
- * Entry of global competitors into India threatens the status quo
- * Lack of legacy technologies which offer leapfrogging possibilities
- * Unique market structure, customer needs and affordability

- * Excellent institutional infrastructure like Banasthali Vidyapith
- * Stress on Entrepreneurship, Science and technology education.

So at last we can conclude that if India has to achieve its projected 10 % growth rate she has to pursue and inculcate the youth perception in Entrepreneurship as the youth is the nation builder and going to form the next league of the enterprise icons in our nation.

In this paper the researcher is going to enlighten the scenario of entrepreneurship in India by discussing following:

- a. Entrepreneurship in Independent India
- b. The Growth of Entrepreneurship in India
- c. Problems & Modern Avenues of the Women Entrepreneurship
- d. Entrepreneurship & Advertising
- e. Entrepreneurship & Small Business

a. Entrepreneurship in Independent India

In mixed economy, as India was defined by architects of this republic, with the public sector having the definite upper hand, the role of the state becomes very crucial. By its very nature such an economic system could not adequately focus entrepreneurs as catalyst of economic development. The state rather assumed the role of the major entrepreneur. Possibly and rightfully so, the overriding concern of the newly independent country related to correcting the anomalies and distortions created by the colonial rule. Issues like employment generation, distributive justice and balanced regional development thus occupied the centre stage of industrial policy making in India. The first Industrial policy resolution of 1948 was a solid statement of the country's philosophy of growth, the vital aspect of which was industrialization under government regulation. Naturally neither this policy nor the subsequent ones made any specific reference to the entrepreneur or entrepreneurship. It is interesting to note that even the small scale sector, which later came to be known as 'the breeding ground of indigenous entrepreneurship', has been promoted and nurtured for its potential for addressing the larger developmental concerns. Such concerns, together with a gradually expanding public sector had set out a framework of industrialization where the cornerstones were controls, regulation and restrictions for the large industries and a wide protective umbrella with special incentives and institutions for the small ones. This was the scenario till late 1980s.

In spite of the domineering presence of large and medium enterprises in the economic scene (the history of many such enterprises goes back to the pre-independence era) it is the small sector that has always dominated the inquiries into Indian entrepreneurship. In fact, this is quite characteristic of many of the developing countries. The reason could well be that it is in the small enterprise that the presence of the entrepreneur, the most visible. Also in

a country like India which is vast, diverse, and less developed, small enterprises have a very definite role to play not only by contributing towards employment and income generation, but also in attending to the specific needs of a large proportion of customers. More importantly, the small scale sector has helped widen the entrepreneurial base by giving rise to a new class of entrepreneurs from the ranks of employees, business executive, technicians and professionals.

b. The Growth of Entrepreneurship in India

The late sixties and early seventies witnessed a few sporadic attempts to create entrepreneurs from nontraditional communities with a view to breaking the monopoly of the dominant groups and diversifying the entrepreneurial base in the country. The state of Gujarat was the forefront of this movement.

By the late sixties it became quite evident that two resources are the most critical (in spite of favorable policies) for development of entrepreneurship, finance (credit) and managerial capabilities. When industrial development picked up in the sixties the bankers limited credit mainly to established industrialists and merchants for existing projects with assured success and sufficient collaterals. A study of 53 projects financed by banks and the Gujarat State Financial Corporation during the period 1965-68 revealed many interesting things. More than two thirds of institutional loans were for diversifications and expansion of existing enterprises. Of the new loans, 30% were given to merchants and traders with adequate financial resources and hence the required collateral. The entrepreneur's financial stake stood very high in the transactions that a debt equity ratio 1:1. Such policies evidently were holistic to an aspiring and an otherwise competent young entrepreneurs but without enough financial resources and tangible assets. As an innovative alternative to the conventional banking system an Industrial Investment Corporation was set up as a State company in Gujarat in 1968 with attractive and unconventional credit schemes.

The task next was to identify and groom potential new entrepreneurs from a variety of socioeconomic backgrounds. There has been a sizzling opportunity in the corporate with very lucrative pre-requisite which is being driven away in case of the youth not opting for Entrepreneurship. The glorifying corporate has portrayed that they have progressed in last fifteen years after the new industrial policy of 1991 because of the Entrepreneurship and the conducive Entrepreneurship environment in India.

The entrepreneurship development program with well designed inputs for motivating, informing and skilled entrepreneurial individuals was pioneered in 1970

Despite efforts made by a host of institutions, only less than 20% of the new entrepreneurs have access to training every year. This means that a large mass of

potential entrepreneurs are still outside the reach of training interventions.

When we compare ourselves with China we find that China progressed more than we did though which they cumulate on the following grounds:

- * Population (2002): China 1.28 billion; India 1.05 billion
- * Population Growth Rate percent (2002): China 0.87; India 1.51
- * Infant Mortality per 1,000 live births (2002): China 27; India 61
- * Average Annual Real GDP Growth Rate percent (1990-2000): China 9.6; India 5.5
- * Foreign Direct Investment (2001): China \$44.2 billion; India \$3.4 billion
- * Population in Poverty (2002): China 10 percent; India 25 percent
- * Labor Force (1999): China 706 million; India 406 million
- * Fixed Lines and Mobile Phones per 1,000 people (2001): China 247.7; India 43.8
- * Size of Diaspora: China 55 million; India 20 million (Sources: CIA World Fact book 2002;)

c. Problems & Modern Avenues of the Women Entrepreneurship:

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business.

It is a general belief in many cultures that the role of women is to build and maintain the homely affairs like task of fetching water, cooking and rearing children. Since the turn of the century, the status of women in India has been changing due to growing industrialization, urbanization, spatial mobility and social legislation. With the spread of education and awareness, women have shifted from kitchen to higher level of professional activities.

Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. In almost all the developed countries in the world women are putting their steps at par with the men in the field of business. Except some Islamic countries of the world the law of the country has been made in favor of the development of women entrepreneurship. Women in business are a recent

phenomenon in India. By and large they had confide themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors. Which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them. Women in India are faced many problems to get ahead their life in business. Some of them are as following:

- i. Male-female competitions
- ii. Family obligations
- iii. Lack of the knowledge of entrepreneurial activities,
- iv. Lack of the knowledge of alternative sources of raw materials
- v. Lack of the knowledge of technological change
- vi. Lack of risk taking attitude
- vii. Low level business skills etc.

Other than these problems some avenues are also available for women entrepreneurship which can be described in subsequent paragraph.

The efforts of Udyogini an NGO may be cited here as an example for development and training of women entrepreneurs. Udyogini was set up to co-ordinate and facilitate management training for grassroots women's groups for the World Bank Institute-funded Women's Enterprise Management Training Outreach Program (WEMTOP). This was a three-year participatory action learning project aimed at strengthening the capacity of intermediary NGOs to deliver management training to poor women micro entrepreneurs in 1992. The training program consisted of Grassroots Management Training (GMT) carried out for women producers and the Training of Enterprise Support Teams (TEST) for the trainers of GMT. The trainings were carried out through NGOs who were responsible for group formation and bringing together the women. NGO staff was trained as trainers or Enterprise Support Teams (ESTs).

The project was based on a package completion approach. It was recognized that training alone would not be sufficient for promotion of enterprises. A number of other linkages - forward and backward - would be necessary. However it was thought that the field based NGOs will provide these other linkages. During the WEMTOP phase, Udyogini worked with 21 Voluntary Organizations (NGOs) in three states of Orissa, Bihar, and Rajasthan. A total of 130 trainers and 1,077 producer women were trained.

Udyogini has come a considerable distance since its inception and has acquired critical knowledge of gender and micro enterprise promotion at the grassroots both through its support work with partner NGOs and its programs in the field.

d. Entrepreneurship & Advertising

Advertising is paid and/or sometimes free communication through a medium in which the sponsor is identified and the message is controlled. Some organizations that frequently spend large sums of money on advertising but do not strictly sell a product or service to the general public include: political parties, interest groups, religion-supporting organizations and militaries looking for new recruits. Additionally, some non-profit organizations are not typical advertising clients and rely upon free channels, such as public service announcements. For instance, a well-known exception to the use of commercial advertisements is a Krispy Kreme doughnut which relies on word-of-mouth.

The new entrepreneurs are having almost all the latest facilities like internet, mobile etc. to know the pulse of the customers. Such type of awareness made them to make necessary modifications in their business. They can utilize almost all the latest technologies of advertisement for making their business a successful one. The entrepreneurs are not simply profit motives, but they are maintaining the customer relationship. They are very much bothered of the customer satisfaction. They consider "delighted customer" as the backbone of the business. For this entrepreneurs are very careful in selecting the latest advertising technologies as well as tools. The entrepreneurs are specifically stressing on the proportion of the output and the content of the advertisement, this is because they believe that the life blood of the business is the "cheerful customers".

e. Entrepreneurship & Small Business

Although the state's manufacturing sector has taken hard hits, it is expected to remain a critical part of the economy for the foreseeable future, especially manufacturing tied to growth industries such as industrial machinery, chemicals, electronic equipment and biotechnology. But many of these industries are choosing to locate near urban areas, where educational levels are higher and university research support is more readily available. The days when nearly every small town could expect to have two or three plants providing jobs for local residents without a college education -- and economic developers could expect a steady supply of new industrial prospects -- are gone.

The ability of rural communities to rebound is hampered further by an ongoing brain drain. Small towns lose what might be their best assets as the college-educated children of rural families build their futures in urban areas, attracted by better jobs, higher wages and broader lifestyle opportunities.

Armed with this knowledge, the Rural Center has been investigating entrepreneurship and small business development as a means of creating jobs, building wealth and reversing brain drain in rural communities. In the spring of 2003, the center took a close look at the status of entrepreneurship in rural North Carolina. A vital partner in this examination was the national Center for Rural Entrepreneurship. Together, the two organizations held focus group sessions with entrepreneurs in every region of the state and interviewed dozens of business and economic development specialists.

While most businesses in rural North Carolina are small to medium in size, their combined economic impact is substantial.

- There are 98,000 establishments in North Carolina's 85 rural counties.
- 95 percent of these establishments employ fewer than 50 people. In fact, more than 75 percent employ fewer than 10 people.
- Establishments with fewer than 50 employees generate \$14.5 billion in wages and provide jobs for 614,000 people.
- While the largest establishments (100 employees or more) reduced their payrolls by 42,000 jobs between 1998 and 2002, establishments with fewer than 50 employees created 26,760 new jobs and added \$2.3 billion to their payrolls.
- All of this is in addition to rural North Carolina's 230,000 self-employed individuals, who generated more than \$8 billion in receipts in 2002.

2. CONCLUSION

Indians have entrepreneurial capacity. However the society and government not very encouraging towards entrepreneurship. To a large extent, the Indian society is risk averse. People usually seek secure and long-term employment, such as government jobs. The physical infrastructure needs to be improved. Social Attitudes, lack of capital, inadequate physical infrastructure and lack of government support are major factors of hindrance. India is the fifth largest economy in the world (ranking above France, Italy, the United Kingdom, and Russia) and has the third largest GDP in the entire continent of Asia. It is also the second largest among emerging nations. The liberalization of the economy in the 1990s has paved the way for a huge number of people to become entrepreneurs. Moreover, in India, the post-liberalization and globalization era has brought with it a growing middle class - roughly estimated to be 250 million - and rising disposable incomes. This presents a huge potential, which if tapped can be a veritable gold mine. Entrepreneurs can make the best of this by catering to various demands of this segment. India, with its abundant supply of talent in IT, management, and R&D, has become the hot bed of outsourcing of services from all parts of the globe where companies can reduce their costs, but not their quality [If the foreign company chooses the right Indian partner].

In terms of improvement, there needs to be an increase in the quality and quantity of VC / Angel Investors in India. Also, the Governments need to still continue reducing the administrative burden on entrepreneurs, and coordinate among their agencies to ensure that the necessary resources are directed where they are needed. The physical infrastructure needs to be improved. Socially, the Indian society is adapting to a more risk friendly environment and also looking for jobs in the private sector.

So at last we can conclude that the lust for Entrepreneurship is limitless and engulfing and the act has to be enlightened so that its fruit can be reaped as early as possible. The think tank and the panchyati raj cannot survive in our country if no livelihood through entrepreneurship can be provided to the entire population of our country. The fate and development ladder is the Entrepreneurship which today needs a new look and a good framework as well a vibrant policy for its survival and long life. Entrepreneurship in India can be more lauded if we can capitulate the transformation process of the youth which had started in our nation and could live long and continue if more doors can be opened in their favor because they are going to be Entrepreneurial citizens of tomorrow. Entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

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