

ENTREPRENEURSHIP

Abstract

Entrepreneurship is characterised by the process of recognising opportunities to build a new product, service, or process and finding necessary resources to exploit the opportunity and improving the lifestyle of people. A key factor in the nation's development is the encouragement of entrepreneurship. In emerging nations, particularly those experiencing high rates of unemployment, entrepreneurship can have a significant impact on the growth of job prospects. It can aid a nation in accelerating its rate of growth. This chapter focuses on important components of the entrepreneur ecosystem and its benefits to society. It also emphasizes challenges in the context of India and initiatives taken by the government for entrepreneurship development.

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I. INTRODUCTION

Entrepreneurs are the lifeblood of a growing nation. They are the ones who create jobs and supports global economic expansion. An entrepreneur identifies a need of the society which is not yet fulfilled by existing firms and try to fulfil those needs through developing and starting a new business with the end goal of earning profit.

Entrepreneurship is key factor for job creation, economic growth of the nation. For the growth of entrepreneurship, the government has periodically undertaken various initiatives such as Startup India, Digital India, have been launched to promote private sector development.

II. GROWTH OF ENTREPRENEURSHIP IN INDIA

Entrepreneurship began in India in the early years when the 'barter system' was used for transaction. During the era of Mughal rule India used to export various products, arts, crafts, Vedic tools, foods, and these products attracted attention of other countries. In 1950 60% of GDP was earned from primary sector only. Role of secondary & tertiary sector was very less. After independence government took several initiatives to increase contribution of secondary sector through motivating entrepreneurship. In second five year plan to encourage entrepreneurship, government adopted the Mahalanobis model. The major drastic change in entrepreneurship came with the implementation of the 'Economic Policy Reform' in 1991.

The main components of this policy are as follows:

Aspect	Impact
Liberalization	Removed barriers, motivated private investment, increased ease of doing business
Privatization	Started disinvestment of public sector enterprises those were running in loss , increased role of private sector
Globalization	Motivated FDI through creating SEZs.

III. WHO IS AN ENTREPRENEUR

Entrepreneurs are made, not born. Any person who is having courage to take risk, with keen desire to get success can become an entrepreneur. An entrepreneur is a person who creates a business plan, puts his entire efforts & resources to run that business and is ultimately accountable for its success or failure of the venture. The entrepreneur is the risk taker. The way of entrepreneurship is often filled with unexpected barricades and dead ends. Despite those obstacles, many of people begin their entrepreneurial journey to achieve their goals. Several developing countries have realized the importance of entrepreneurs and taking initiatives to inspire industrial entrepreneurs. Nations are working hard to develop proper ecosystem to nurture entrepreneurship.

IV. WHAT IS AN ENTREPRENEURIAL ECOSYSTEM?

Entrepreneurial Ecosystem is a combination of various social, economic, cultural, and political elements that promotes successful entrepreneurship inside a particular region or

territory. All of us are endowed with skills, abilities, and capabilities. we just need to recognise it and nurture it to flourish. For this entrepreneurs need empowering environments through which they can convert their ideas into actions. Entrepreneurial ecosystem helps entrepreneurs to thrive and prosper.

V. IMPORTANT COMPONENTS OF THE ENTREPRENEUR ECOSYSTEM

Entrepreneurial ecosystems play an important role in fostering entrepreneurship. Here are a few key elements of an entrepreneurial ecosystem. It comprises a set of interdependent factors that enables productive entrepreneurship.

- 1. Formal Institutions-** Formal institutions play an important role in realizing hidden talent of youth and converting those talent in a successful entrepreneurs. In India government has come up with various institutions for entrepreneurship development. For instance NIESBUD, EDI etc.
- 2. Culture:** It establishes people's attitudes toward starting their own businesses. The degree to which self-employment is regarded as a viable career option and the level to which successful entrepreneurs are valued can both be used to assess entrepreneurial culture. The government is attempting to develop it through its programs, such as Start-up India and Make in India.
- 3. Basic Infrastructure:** Investment in infrastructure crucial for creating favourable entrepreneurial environment. Infrastructure can enhance connectivity and linkages that facilitates entrepreneurs to convert their ideas into Start-ups.
- 4. Financial Support:** Finance is soul of business without which you can't promote entrepreneurship. Main hurdle for entrepreneurs is getting appropriate finance. Government through financial support, tax benefits, investments support, can give a push up to entrepreneurship & take it to the next level.
- 5. Talent:** These are some inner qualities which helps an entrepreneur to successfully run their venture & get success. & make them different from the mass. These talent are not born they can be developed. Government now through their initiative Exa. Skill India trying to develop it to enhance entrepreneurship. It is the talent of an entrepreneur which differentiates him from the masses.

VI. BENEFITS OF ENTREPRENEURSHIP FOR THE SOCIETY

Entrepreneurship helps the growth of nation in many ways. Few important benefits are

- 1. Creates job** opportunities.
- 2. Lead to Innovation:** Entrepreneurship can also lead to innovation and the development of new products and services, which can improve the quality of life for people in society.
- 3. Increases Diversity:** Additionally, entrepreneurship can help to diversify the economy and make it more resilient to shocks.

- 4. Increase in Growth:** Entrepreneurship increases production, income level, standard of living which leads to increase in growth of an economy.

VII. THE CHALLENGES OF PROMOTING ENTREPRENEURSHIP

There are many challenges that governments face when promoting entrepreneurship development.

- 1. Formulation of Appropriate Policy Framework:** One of the most difficult challenges is finding the right mix of policies and programmes that will encourage more people to start businesses. Another challenge is making sure that these businesses are successful and have a positive impact on society.
- 2. Policy Initiatives for Women Entrepreneurship:** In India 50% of its total population are women. But still women-owned firms are still in the minority. Still women are not financially independent, facing various hurdles due to a male-dominated society. This is most difficult challenge for government to create an environment for women entrepreneurs to grow equally through providing them with appropriate policy measures.
- 3. Finance:** Finance is seed for entrepreneurship. In India where 30% population is below poverty line, it is a big challenge to provide them appropriate funding. Although government has started various programmes to promote entrepreneurship such as Pradhan Mantri Mudra Loan, SAMRIDH Scheme, Startup India Seed Fund Scheme etc. but yet many entrepreneurs are facing issues in getting funds from these schemes.
- 4. Lack of Skills:** With more than 62% of its people in the working age range (15-59 years) and more than 54% of its overall population under the age of 25, India is one of the youngest countries in the world. However, only around 10% of them have had adequate professional skill training. Due to which entrepreneurs are finding it difficult to get skilled workers. Various initiatives are taken by government including Pradhan Mantri Kaushal Vikas Yojana (PMKVY), SANKALP etc. But still India is having a shortage of skilled workers.

VIII. GOVERNMENT INSTITUTIONS IN INDIA THAT PROMOTE ENTREPRENEURSHIP

The government of India has established various institutions to provide aids in entrepreneurship development. These institutions are:

- 1. Small Industries Development Organization (SIDO):** It is an organisation set up by the central government to formulate new policies for small-scale industries. With a keen focus on rural entrepreneurship, SIDO strengthens the small-scale business sector in the country.
- 2. Management Development Institute (MDI):** Established in 1973 and funded by the Industrial Finance Corporation of India, this body aims at improving management practices across various industries by hosting a variety of management development courses.

- 3. National Small Scale Corporation Ltd. (NISC):** This body, established by the central government in 1995 opens up new avenues for small-scale businesses through its extensive network. Apart from enabling small businesses within the country, it also boosts entrepreneurship by aiding them in exporting their goods to foreign countries as well. These are just a few of the government organizations and initiatives that are geared toward entrepreneurship development.

IX. GOVERNMENT INITIATIVES

- 1. Skill India Mission:** Skill India Mission is an umbrella scheme that has many schemes and programmes. These are
 - **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)** was launched in 2015 to provide free short-duration skill training.
 - **Pradhan Mantri Kaushal Kendra (PMKK):** To provide skill training, government opened these training centres in every district of India, those are called Pradhan Mantri Kaushal Kendra” (PMKK).
 - **Skill India Portal (SIP):** Skill India Portal (SIP) is an online platform through which people can register for skill training programmes.
 - **School Education:** To reach the global standard and to advance their industrial and economic development, today's economies all require skilled labour. To this end, the administration introduced The NEP 2020. Under this policy government motivates vocational education.
- 2. Make in India:** To promote domestic manufacturing, Prime Minister Narendra Modi introduced Make in India in 2014. Additionally, it promoted international investment in the nation. To help the Make in India effort, the government also launched a number of supportive programs, including Skill India, Digital India, Startup India, and Smart Cities.
- 3. Digital India:** It is a initiative launched by government on 1st July, 2015 to provide government services electronically. It empowers the country digitally to foster entrepreneurship development.

X. CONCLUSION

Entrepreneurs contribute to the growth of a country. For developing countries like India, it is important to utilize its resources specifically human resources. Which can be done only through motivating entrepreneurship. Entrepreneurship is a source of innovation, job creation and economic growth of a country.