



# Role of Entrepreneurship in Boosting Economic Growth and Employment in recent times

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**Abstract:-** Entrepreneurship is the engine of economic growth of a country. It increases the economic activities in every sphere of economic life of the people. Entrepreneurship plays a significant role in the economic development of any country. Entrepreneurship acts as a pillar for the economic prosperity of a nation as it leads to generation of employment, contribution in national income, rural development, industrialization, technological development, export promotion etc. In India, various initiatives have been taken by the government from time to time for entrepreneurship development in the country. An attempt has also been made to provide an overview of employment and unemployment in India. The present study concludes that entrepreneurship in India is a key contributor in the area of employment generation, innovations, and product improvement. Not only does it create self-employment but it has also built a structure for large-scale employment opportunities. It contributes to the economic growth of a country by promoting capital formation, increasing per capita income, improving the standard of living and balanced growth by removing regional disparities.

**Key words:-** Entrepreneurship, Employment, Entrepreneur, Innovation, Economic growth.

## 1. INTRODUCTION:

The entrepreneurship development scenario in India has intensified in recent times, particularly with the rise in knowledge-intensive services. The number of budding young entrepreneurs, who do not have prior entrepreneurial experience, has been rising constantly. Easy access to finance and other institutional support to 'techno-preneurs' have helped improve the climate for entrepreneurs hip in India. With the advent and swift developments in field of technology and the forces of globalization, world has become a global village, characterized by an explosive growth in international business and competition. Entrepreneurs, with their inherent intelligence, drive and hard work, have made best use of the opportunities available to them. They have historically altered the direction of national economies, industries, or markets. They have invented new products, developed organizations, and pioneered outburst in new technologies. They have forced the relocation of ressources away from existing users to new and more productive user. Many entrepreneurial innovations have transformed the society, in which we live and enjoy the outcomes.

**According to Peter Drucker: - Entrepreneurship is neither a science nor an art. It is a practice**

**According to A.H. Cole, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize a profit-oriented business unit for the production or distribution of economic goods and services".**

## 2. OBJECTIVE OF THE STUDY:

- Entrepreneurship in India: A global perspective
- Functions and Scope of Entrepreneurship
- Characteristics of Entrepreneurship
- Need for Entrepreneurship
- Factors Affecting Entrepreneurial Growth
- Youth Entrepreneurship
- Growth of Entrepreneurship in India
- Challenges faced by Indian entrepreneurs.



### **3. RESEARCH METHODOLOGY :**

The main source of data used for the study is secondary data. The present study is conceptual survey with exploratory cum descriptive in nature. This research follows the analytical research methodology which is based on the quantitative data. The information related with study has been collected from websites, journals, magazines, newspapers and Books.

### **ENTREPRENEURSHIP IN INDIA: A GLOBAL PERSPECTIVE**

Entrepreneurship is vital for job creation, economic growth and problem-solving. It also reflects a society's capacity for boldness, risk-taking and creativity. Enterprise is a crucial engine for the development of the nation. Without enterprise and entrepreneurs, there would be modest innovation, few inventions, little productivity growth, and few new jobs. Entrepreneurial success does not happen in a vacuum. Entrepreneurs exist in the situation of their geographical region be that their domestic, national, or even supranational economy and society. Nowadays, entrepreneurs are everybody's favourite heroes because they satisfy the needs and wants of the people and provides plenty of job opportunities.

### **Factors Impeding the Growth of Entrepreneurship in India**

According to Karl Wester, there are various impediments in the growth of entrepreneurial development, like lack of viable concept, lack of market familiarity, lack of technical skill, lack of business knowledge, lack of seed capital, lack of self satisfaction and motivations, social evils, lack of jobs, pressure of time and attention towards other sides, legal obstacles, monopoly (protectionism and patents), etc. In India, various efforts have been made, after independence for entrepreneurial development, both at Government and non-Government levels, which includes Industrial Policy, Commercial Policy, and Licensing Policy, globalization and simplification, etc. But, the progress in this regard may not be termed as satisfactory. Following are the causes in implementation for slow entrepreneurial growth in India:

#### **Traditional Society**

- Hereditary Jobs
- Unproductive Expenditure
- Lack of Basic Infrastructure
- Cultural Values
- Lack of Entrepreneurial Spirit
- Lack of Education-Training Facilities
- Social and Cultural Factors
- Deficiency of Capital
- Lack of Favorable Environment
- Competition with Big Industrial Houses
- Resistance against Innovations and Changes
- Lack of Techno structure
- Insufficient Government Facilities and Incentives
- Low Expenditure of Research and Development
- Centralization of Economic Power
- Bureaucracy and Red -tapism
- Other Obstacles

### **Challenges faced by entrepreneurs in India**

#### **1. Family Challenge**

The topmost challenge for an entrepreneur is to convince his family for the risk of his choice of business. The Indian Family is still consider Jobs easy; Risk free, as it does not require funding, risks, & more time to get successful. Or either they have options of joining their own old business. Most of the family tries to choose the most easy safest way for their child regarding earning money. The worst problem is the high involvement of the family in once decision-making, which affect a lot of people mind to think about starting a business.

#### **ii. Social Challenges**

Social challenges come from the society and the social environment a person belongs to. Generally it involves a comparison between an entrepreneur and a nearby person friend or relative who is successfully doing job in an MNC or Govt. Job. A job holder person can easily obtain luxury of life like Car, Home, Air conditions and an urban lifestyle in



a very short time. But for an entrepreneur it takes time to get successful and also has to compromise with the luxury because of funding and increasing his business and requires the patience as well. This type of social challenges sometimes demotivates the early-stage entrepreneurs.

### iii. Technological Challenges

Indian educational system is convincingly not making aware of current technological evolution; its importance to the students. An entrepreneur equipped with the latest technology can grow multiple than an ordinary entrepreneur. This technological unawareness keeping far behind Indian entrepreneurs to the Other countries like China, Japan US.

### iv. Financial Challenges (Difficulty in borrowing fund):

It is always a big issue for the entrepreneurs to finance a new business. It is because of the high poverty and middle-class ratio in the country. Most of the people does not have financial support from the family. Also, very high interest rates of the non-banker firms make it more difficult to start a business. The Government has some policies for SMEs for funding through nationalized banks, but the ratio of passing the loan is very low almost 20%.

### v. Policy Challenges

Now and then there is lot of changes in the policies with change in the government.

i.e.

- Problems of raising equity capital
- Problems of availing raw-materials.
- Problems of obsolescence of indigenous technology
- Increased pollutions
- Ecological imbalanced.
- Exploitation of small and poor countries etc.

## 4. FUTURE OF ENTREPREURSHIP :

Technology plays a crucial role in the future of entrepreneurship. Entrepreneurs have the chance to do both strategic planning and administrative work for their business. They can get involved in all sides of their business because the Internet makes it possible to do so. The future of entrepreneurship could involve high-performing entrepreneurs rather than people working for huge, faceless organizations. The Internet and especially social media tools make it possible to turning passion into a thriving business, and that anyone can create a personal brand and leverage it worldwide through technology. Entrepreneurs need to get up to speed with the latest innovations in business. Managers, entrepreneurs, and other business-driven people simply cannot compete in today 's market if they do not adopt the right tools. Social media, for instance, is indispensable to any business, in any industry, as it offers a range of business benefits both internally, within a company, and externally, between a company and other nodes of the business, such as clients or suppliers. It will also help in moving from an era of multinational businesses to one of the global small business. This means that anyone, wherever that person is located, can build a successful business if online tools are properly optimized. As the Internet revolution advances, so does entrepreneurship. With constantly new and easier ways to build business, succeeding in this new era is a matter of having two things: Internet and a device that gives you access to it. Once an entrepreneur is in possession of these two, it is a matter of learning and mastering the different tools available online to turn your idea into a thriving business.

## 5. Conclusions :

“An entrepreneur searches for change, responds to it and exploits opportunities. Innovation is a specific tool of an entrepreneur hence an effective entrepreneur converts a source into a resource.”

-Peter Ducker, Management Guru

Entrepreneurship is recognized as a primary engine of economic growth. Without it other factors of development will be wasted or frittered away. Entrepreneurship stimulates economic growth through the knowledge spill over and increased competition of the entrepreneurs. While policy makers are important in establishing the right conditions for entrepreneurs, the organizations who will follow these plans through need to be involved in the dialogue. India has a large pool of entrepreneurs, who have the ability to make a difference and need to be nurtured to achieve their potential, and provide a further boost to the Indian economy. India needs entrepreneurs for two reasons –



1. To create employment and wealth and,
2. To get the most out of existing opportunities

However, an unstructured business environment and a high level of bureaucracy often discourage potential entrepreneurs to take risks and build innovative enterprises. Government regulations and policies, which are not in line with global standards, not only affect existing entrepreneurs, but also create difference in the minds of talented individuals who have the inherent capacity to take risks and make a success of it. Indian entrepreneurs are also often shackled by lack of skilled manpower to support their business enterprise and often have to do with average talent or limited resources, as the cost of skilled manpower is very high. To help the growth of entrepreneurship in India, investments have to be made in training people to develop the requisite skills and an entrepreneurial mindset. It is important for India to create the right environment for building entrepreneurship, by providing the right training, knowledge support, skill sets, networking opportunities and forums, simple regulations, etc.

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