

**SIGNIFICANCE OF EDUCATION IN PROMOTION OF THE STARTUP POLICY:
AN ANALYTICAL STUDY OF SELECT ENTREPRENEURS IN MARATHWADA
REGION OF INDIAN AUTO CLUSTER IN AURANGABAD.**

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Abstract:

The country's economic development and entrepreneurship is closely associated with each other. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention. Based on the data scanned and analyzed the researcher through the paper has recorded the observations in terms of the Role of Education in development of Startups.

Keywords: *Startups, Entrepreneur, Govt. Policies, Economy, Business*

1. Introduction:

The country's economic development and entrepreneurship is closely associated with each other. As it has been seen, various economists have provided the majority definitions, references about the entrepreneurship, e.g. Cantillon (1725) Jean Baptiste (1803), and Joseph Schumpeter (1934), a twentieth century economic genius, all wrote about entrepreneurship and its impact on economic development (Ronstadt, 1984).^[1]

In the pre-colonial times the Indian trade and business was at its peak. Indians were experts in smelting of metals such as brass and tin. Kanishka Empire in the 1st century started nurturing Indian entrepreneurs and traders. A region of historic trade routes and vast empires, the Indian subcontinent was identified with its commercial and cultural wealth for much of its long history. With reference to the records of the Chinese historian 'Hieun Tsang' in 629 AD, the 'Silk Route' is the evidence of India's 'Export'.^[2]

The facts recorded by the historian about the 'Satvahana' or 'Shalivahan' from Paithan highlights the level of performance, recognition, tradition and popularity of the 'Indian Enterprises' among the world. The then capital kingdom of 'Satvahana', named 'Pratishthan' in those days fall in the geographical area now of Marathwada in the state of Maharashtra. Dr. R.S.Walimbe the well-known historian has recorded as "One of the principle causes of the national prosperity of that age was that, India had flourishing trade with foreign countries, especially with Rome".^[3]

Following that period, in around 1600 AD, India established its trade relationship with Roman Empire. Gold was pouring from all sides. Then, the Portuguese and the English came. They captured the Indian sea waters and slowly entered the Indian business. They forced the entrepreneurs to become traders and they themselves took the role of entrepreneurs. This was the main reason for the downfall of Indian

business in the colonial times which had its impact in the post-colonial times too. This was one of the backdrop of the Indian glory, it is a darken phase in the history of the country in the era of the British colonial regime for more than hundred years. ^[4]

2. Review of Literature:

The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a startup venture along with risk entitled to it, to make profits. The best example of entrepreneurship is the starting of a new business venture. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention.

The industrial health of a society depends on the level of entrepreneur existing in society. A country might remain backward not because of lack of natural resources or dearth of capital (as it is many times believed) but because of lack of entrepreneurial talents or its inability to tap the latent entrepreneurial talents existing in that society. Entrepreneurs historically have altered the direction of national economies, industry or markets- Japan, China, Korea, Taiwan to name a few.

The influence of the role of entrepreneurship on economic development has been explained by a number of authors ^[5] (e.g. Audretsch and Acs, 2003; Reynolds, 2000). Conditioned by a number of forces and factors (incl. legal, institutional, cultural, societal etc.), the role of entrepreneurship has been different across countries. Development of new member states can be characterized as a distinctive experience that started 15 years ago and where entrepreneurship has been assessed as a driving force of decentralization, economic restructuring and movement in the direction of market economy (e.g. Smallbone et al., 1996).^[6]

3. Methodology

For the presented research, supports of primary and secondary data have been taken.

1. Primary data

Primary data have been collected from the sample units by the researcher from the industrial area of the region where the first generation entrepreneurs have established their units.

2. Secondary data

Secondary data have been collected extensively from various libraries and concern industrial units, expos, journals, industrial departments, Offices, NGOs and Entrepreneur Organizations. An extensive use of Internet has been made by the researcher.

The objectives of the present study are as follows:

1. To study the **pattern of entrepreneurship** growth in the auto ancillary sector of the Marathwada region in Maharashtra with reference to the sample industrial areas in Maharashtra & India.
2. To study the **motivational pattern** of the newly entrant i.e. first generation entrepreneurs the impact of factors like „Education“, „Training“, „Experience“, „Expertise“, „Skill“ etc. Within the sample industrial areas in Maharashtra & India.

Hypothesis:

The major hypotheses of the present study besides the sub-hypothesis are as follows:

- **H01:** Merely possession of ‘Traits’ is not enough for one to be an entrepreneur. Entrepreneur = Traits + Favorable Environment. To overcome challenges faced in practicality.
- **H02** The development of modern Startups is education & faculty sensitive
- **H03** The development of FGE is Training significant.

4. Observations:

Based on the secondary data scanned the researcher has recorded following observations in terms of the Role of Education in development of Startups such as

- a. Education and training act as motivational engine of entrepreneurial capabilities. Purposeful education enhances students entrepreneurial efficacy through providing a set of attitudes, knowledge and skills which equip the individual to cope with complexities embedded in entrepreneurial task such as opportunity seeking, resource assembling, and leading the business to success (Wilson, Kickul&Marlino, 2007).
- b. In fact, education enhances entrepreneurial efficacy of students through providing experience of mastery, role models, social persuasion and support by involving them in hand on learning activities, business plan development, and running, simulated small business (Fiet, 2001; Segal, Borgia and Schoenfeld, 2005).
- c. There have been indications in literature that education can play a crucial role in developing students entrepreneurial efficacy through involving them in various entrepreneurial activities and increasing their desirability to step into venture creation by highlighting the merits, values and advantages of entrepreneurship (Segal, Borgia &Schoenfeld, 2005); as well as encouraging and supporting them to start-up their own business. Luthje and Franke's (2003) reported, successful research universities seem to promote entrepreneurial activities among students.
- d. As it is understood that the entrepreneurship is the process of It is said that, India is the youngest nation in the world now with about 500 millions of youth population. The greatest challenge faced by India is to who will provide jobs to all these youth, spread from cities, metros to villages? The answer lies in the question itself.
- e. The youth alone ,What it means is a great many young people have never-before opportunity of becoming a job-creator i.e. entrepreneur rather than job-seeker.
- f. The openings of the economy, technological enablers, the growth of new markets, and the example of successful diasporas have placed India at a fascinating juncture

from telecom to retail, software to restaurants, airlines to coffee shops, the old way of doing things is giving way to new possibilities.

- g. And a group of talented young people are thinking up ways and means to exploit these opportunities discovering new ventures of combining resources.
- h. India's famed education system, more specifically, its IITs and IIMs, have for generations churned out professionals who have been sought after by Indian and international firms.

Fortunately today, the climate and support for entrepreneurship is much better than at any time in the past. The opportunities for creating new businesses are also plentiful and diverse. The situation was quite different 25 years ago. Most industries were heavily regulated by the government and needed licenses to operate. Capital was scarce, and businessmen were not seen in a favorable light. Today, the opportunities for innovation and entrepreneurship are plentiful, especially in areas such as technology, health care, education, rural marketing, and social services. And India is pegging its hopes on these young achievers i.e. Startups that are launched by the first generation entrepreneurs.

Programs undertaken by Govt:

The specific schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/provide the support for self reliant India through the 'Startups'.

Startup India was launched by Prime Minister Mr. Narendra Modi.

The goal of Startup India is the **development and innovation of products and services and increasing the employment rate in India**. Benefits of Startup India Scheme is Simplification of Work, Finance support, Government tenders, Networking opportunities.

A startup is a company in its beginning stages with the primary purpose of **developing a new service or product**. Entrepreneurs create startups as a way to experiment with a new idea with the ultimate goal of scaling it into a successful business model.

Startup India is a **flagship initiative of the Government of India, intended to catalyze startup culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India**.

Under the Startup India initiative, the government aims to help entrepreneurs by **simplifying starting a business, access to funds, and streamline other growth factors that are important for early-stage companies**. It requires businesses to be a part of the Startup India initiative to reap its benefits.

To support the idea there are some Cluster Development Programme (MSE-CDP) available with specific objectives are as follows:

1. To support the sustainability and growth of Industries by addressing common issues such as improvement of technology, skills and quality, market access, access to capital etc.
2. To build capacity of Industries for common supportive action through formation of self-help groups, consortia, up gradation of associations etc.
3. To create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of Industries.
4. To set up common facility centre (for testing, training centre, raw material depot, effluent treatment, complementing production processes, etc.)

Table No.4.1 Different clusters and their location in Maharashtra

Sr. No.	Name of the Cluster	Location	Implementing Agency
1	Auto Component cluster	Aurangabad	Br. MSME-DI, Aurangabad
2	Printing Cluster	Aurangabad	Br. MSME, Aurangabad
4	Toy Cluster	Mumbai	MSME-DI, Mumbai
5	Herbal & Cosmetic Cluster	Mumbai	MSME-DI, Mumbai
6	Garment Cluster	Vita, Sangli	DIC, Sangli
7	Kolhapuri Chappal	Kolhapur	DIC, Kolhapur
8	Textile Cluster	Ichalkaranji	DIC, Kolhapur
9	Mango Cluster	Ratnagiri	DIC, Ratnagiri
10	Cashew Nut cluster	Sindhudurg	DIC, Sindhudurg
11	Ganapati Idol cluster	Pen	DIC, Raigad
12	Paint & Varnish Cluster	Vasai, Thane	DIC, Thane
13	Leather Article Cluster	Dharavi, Mumbai	DY. Director Industries, MMR
14	Raisin Cluster	Nashik	DIC, Nashik

Source: Compiled by the researcher

5. Findings:

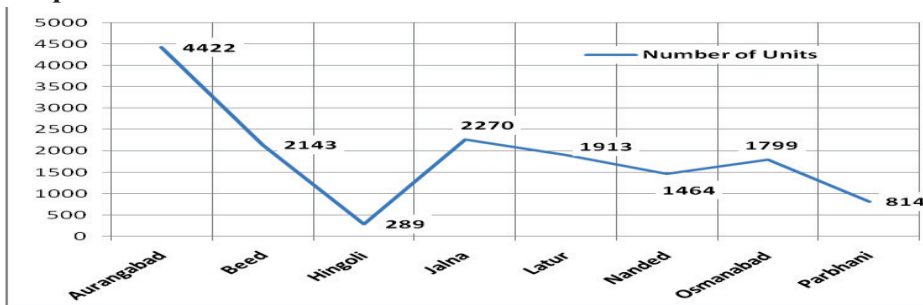
The entrepreneur can undertake anyone type of the following five categories of innovation:

1. The introduction of a new good or a new quality of a good
2. The introduction of a new method of production
3. The opening of a new market
4. The conquest of a new source of supply of raw materials
5. The carrying out of a new organization of any industry.

When a society produces a small number of entrepreneurs the enterprise due to lack of competition grow into a few big business houses. This results in concentration of wealth in a few families. This can have a serious social and national implication. When the number of entrepreneurs increases, a large amount of national wealth is also shared by a large number

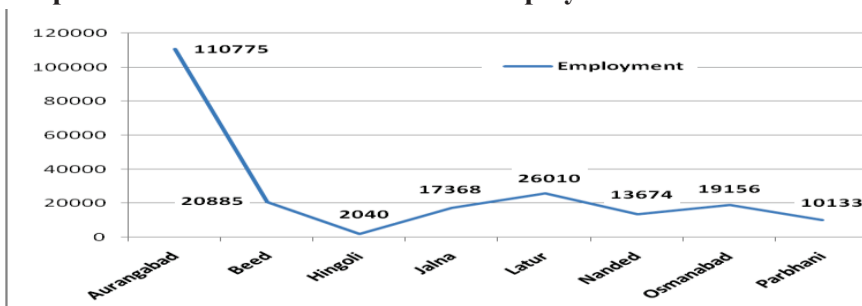
of entrepreneurs, thus dispersing wealth. This dispersal of wealth promotes the real socialism and makes the economy healthy.

Graph No 5.1 District wise Number of Units in Marathwada



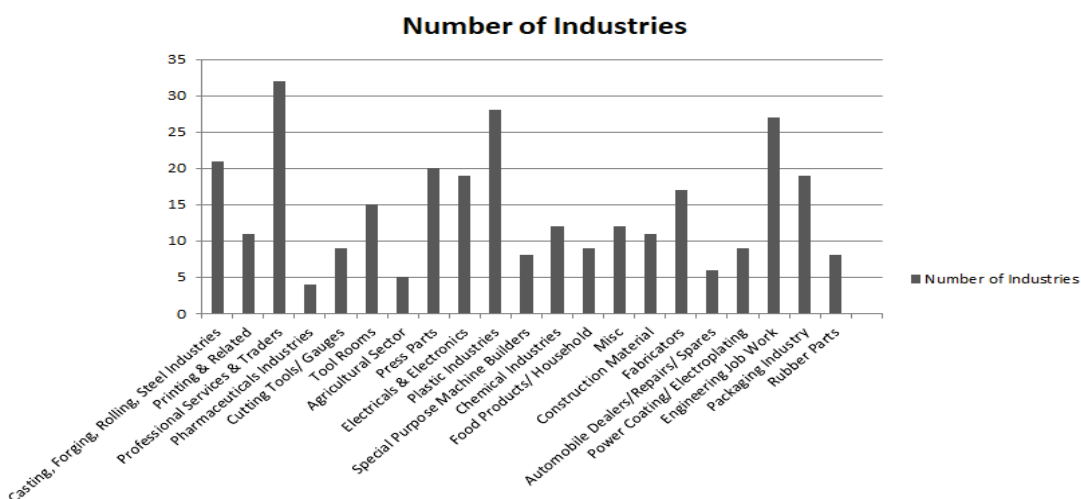
Source: Compiled by Researcher on secondary data

Graph No. 5.2 District wise Number Employment Generation in Marathwada



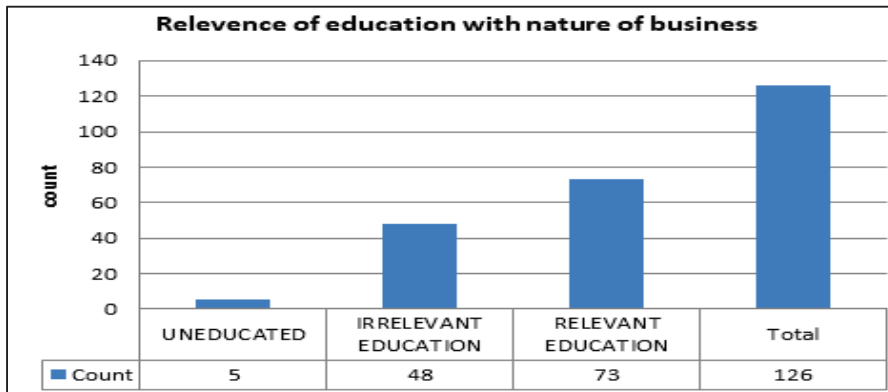
Source: Compiled by Researcher on secondary data

Graph No. 5.3. Classification of First Generation Entrepreneurs according to Industries.



Source: Compiled by Researcher on surveyed data

Graph 5.4 Relation between the Relevance of education & Nature of Business



Source: Compile by the Researcher

Thus therefore, a hypothesis is also tested by using simple percentile method for acceptance as “The development of FGE field is education faculty sensitive”

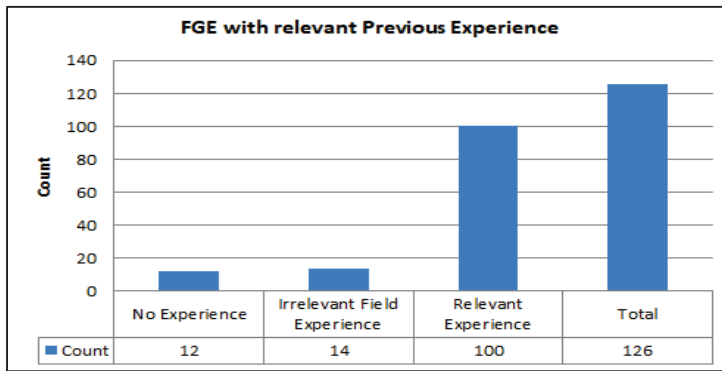
One of the factor that is always considered as a significant element of the development of the entrepreneurs is the experience one has acquired through the previous service that supports one to get acquainted with the minute details of the entrepreneurship qualities. The details that are reflected through the responses received are discussed ahead.

Table No 5.1 Previous Service Experience of the FGE

	Frequency	Percent	Valid Percent	Cumulative Percent
No Experience	12	9.5	9.5	9.5
Irrelevant Field Experience	14	11.1	11.1	20.6
Relevant Experience	100	79.4	79.4	100.0
Total	126	100.0	100.0	

Source: Primary data analysis

Graph 5.5 Previous Service Experience



Source: Compile by the Researcher

Relationship between Experience and Entrepreneurship opportunity

To investigate about the relation between the experience one had and the opportunity one had is significant for one to become an entrepreneur is tested with the Chi Square Test for the 5% level of significance. The result of the test is shown as below (Table No.)

Table No.5.2 Relationship between Experience and Entrepreneurship opportunity

		You become an Entrepreneur because of Opportunity?		Total
		No	Yes	
Previous Service Experience	No Experience	8	4	12
	Irrelevant Field Experience	3	11	14
	Relevant Experience	26	74	100
Total		37	89	126

Source: Primary data analysis

Table No.5.3 Statistical Test Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.021	2	.011
Likelihood Ratio	8.122	2	.017
Linear-by-Linear Association	5.819	1	.016
N of Valid Cases	126		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 3.52.

Source: Compiled by Researcher on survey data

Though the Chi Square test rejects the hypothesis of the strong association and the dependency between the variables, yet it can be noted that the entrepreneurs having relevant experience avail better opportunities for starting their own enterprises.

6. Discussion:

There is a growing realization that presence of resources and favorable government policies cannot automatically manufacture economic development. It is the entrepreneurial

spirit of the people, which can transform the economy of that region. Both the quantity and quality of entrepreneurs are of utmost significance for achieving the goal of economic development. The myth that entrepreneurs are born with some innate traits is fortunately no longer held.

The necessary competencies required of a successful entrepreneur can be acquired through training and development. Numerous courses related to entrepreneur are being taught all over the world in schools and colleges, seminars and conferences are being organized and EDPs are being conducted. The thinking today is why just create managers why not create people who can absorb managers. One can acquire the traits and learn the skills for becoming an entrepreneur e.g. a person can learn to be achievement oriented, self-confident, perseverant etc. which are all part of the characteristics of a successful entrepreneur.

1. Conclusion:

There are internal as well as external elements that act as a factor that affects the entrepreneurship among the people. The internal factor constitutes the personality of the entrepreneur and thereby generates an inclination to adopt entrepreneurial activity. The presence of these factors is essential for entrepreneurial activity to take place. But entrepreneurial ambitions cannot fructify without a supporting environment.

Internal Factors:

- Educational background
- Occupational experience
- Desire to do something pioneering and innovative
- Desire to be free and independent
- Family background

External Factors:

- Assistance & support from Government
- Financial assistance from institutions & other
- Availability of technology and / or raw materials
- Encouragement from big business units
- Heavy demand for product
- Other augmented factors

Hence the country's economic development and entrepreneurship is closely associated with each other. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention. Based on the data scanned and analyzed it has been recorded that the Role of Education is very significant in development of the Startups in India.

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