

Discussion Paper on Entrepreneurship

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Introduction

Till 1991 India was known as Closed Economy. Indian economy was in gross neglect. India had economic crises, this is known as a “Balance of Payments Crisis” — meaning India was not able to balance its accounts, imports were significantly high than exports. So **New Economic policy (NEP) in 1991** was introduced with the objective of making the economy more market oriented and expand avenues, role of the private and foreign investment.

Earlier due to various tight controls, the economy became defective. The entrepreneurs were unwilling to establish new industries. Corruption, undue delays and inefficiency risen due to these controls, due to this Rate of economic growth of the economy came down. Considering a scenario economic reforms were introduced to reduce the restrictions imposed on the economy.

1991 economic liberalization, Privatization & Globalization in India transformed business entirely. It headed India to raise trail that converted India from a careworn to one of the best developing economies of the world. It has also produced mass entrepreneurs along with their all type of capacity. Who formed values and created millions of jobs. So, New Economic Policy (NEP) in 1991 motivated entrepreneur to come & flourish their dreams, because they are an individual who undertakes the creation, organization, ownership, and risk of a business and contribute to economic development. An NSSO report says that 245 Indians out of 1000 are Self-Employed or business owning people, which is great figure according to global perspectives.

“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 Drucker

Entrepreneurs are the nation builders, who are bread winners, help for creating livelihood of people, believes in taking risk and ultimately shapes economic fate of the nation by creating wealth and employment, presenting products and services and generating taxes for government because of which entrepreneurship has thoroughly been connected to economic growth of the nation.

Entrepreneurs convert concepts into economic prospects through modernizations which are measured to be main source of effectiveness in the progressively globalizing world economic development. Hence, maximum governments in the world attempt to augment delivery of capable and globally competitive entrepreneurs in their particular nations. Entrepreneurial development is a methodical and a structured development of a person to an independent entrepreneur. The growth of an entrepreneur denotes to teach the entrepreneurial skills into a person, on condition that the needed knowledge, building the technical, financial, marketing and managerial skills, and building the entrepreneurial approach. Entrepreneurial development programs may be distinct as a program planned to foster an individual in establishment his entrepreneurial objective and in obtaining skills and competences essential for performing his entrepreneurial role meritoriously.

Objectives of the Study:

1. To study term Entrepreneurship
2. To study EDP's help in the development of entrepreneur and thus entrepreneurship
3. To study contribution of startups in domestic development in India

Research Methodology:

For this Research Paper methodology used is Secondary Source of data collection like Research Papers, Blogs, Websites & Govt. Programmes for Entrepreneurship Development.

Entrepreneurship:

Traditionally belief is entrepreneurs are born, but no nation can wait for the birth of entrepreneurs, since Nation development plan cannot be on belief & assumptions.

In early 18th century, term ‘entrepreneur’ introduced in economics by French economist Richard Cantillon. He defined the entrepreneur as the “agent who buys means of production at certain prices in order to sell the produce at uncertain prices in the future”.

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Business Dictionary explains Entrepreneurship as, “The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit”. The most obvious example of entrepreneurship is the starting of new businesses.

Entrepreneur always give birth to opportunities and expand as well, example every business need raw materials, so it gives birth to new business opportunity & create employment, ultimately contributes to economic development of nation. So, Entrepreneurship has some characteristics like Systematic activity, Law & Purposeful Activity, Innovation, Organisation of Production and Risk Taking.

Differences between Entrepreneurship and Management:

“Entrepreneurship is process & activity of setting up a new business, taking a financial risk in return of profit.”

“Management is the more of managing i.e. administration of an organization, whether it is a business, a non-profit organization, government body.” They get reward as Salary.

So, the difference is, Entrepreneurs start a business and also Manage, Managers are people who takes care of business functions & ensure smooth flow like operations, administration, process of completing objectives and coordinating employees.

Primary motivation for Entrepreneur is achievement and for Manager is Power.

Functions of Entrepreneurs in Economic Development:

Developed, Developing & Underdeveloped every country need Entrepreneurs for the growth of nation, since there is a need of more employment, attract foreign investment, become a Super Power country, increase currency value, attract investors, nourish innovation, create competition in market etc.

This all actually tells need of Entrepreneur Development Programmes (EDP's).



Entrepreneur Development Programmes (EDP's):

EDP's play an important role in the development of business and industry. EDP's have strong thought process i.e. skills can be developed, attitude can be changed. These programs give direction, increase motivation and knowledge of the prospective entrepreneurs through various training and classroom programs.

The aim of this programme is to motivate an individual to choose the entrepreneurship as a career, to encash the market opportunities and work towards growth of nation & society.

- Train individuals & make them ready to analyze market situation and environment. Let them study on information related to the existing rules and regulations essential.
- The ultimate objective is train individuals successfully establish their own business.

Objectives of EDP's are promote industrialization by supplying skilled entrepreneurs, explore opportunities in underdeveloped areas, improve local community standard of living, create employment opportunities by promoting entrepreneurship.

EDPs normally conducted in ITIs, Polytechnics and other technical institutions, where necessary skillset is available to motivate to promote self-employment.

Behavioral scientist David C. McClelland (1961) at Harvard University made investigation-cum-experiment, known as 'Kakinada Experiment' is considered as the root of the Entrepreneurship Development Programmes (EDPs) in India with Small Industries Extension and Training Institute (SIET), Hyderabad. Output of experiment was Suitable Training & achievement motivation plays vital roles for entrepreneur's developments. Indian pattern of EDP's is been adopted by countries of Asia & Africa too e.g. 'Junior Achievement Programme' based on 'catch them young' in USA and 'Young Enterprises' in the U. K.

Institutions like National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida established in 1983 by the Ministry of Industry, GOI. Entrepreneurship Development Institute of India (EDII) established by Govt. of Gujarat, Technical Consultancy Organizations (TCO's), Indian Investment Center (IIC), National Institute for Micro, Small and Medium Enterprises (NI – MSME) Hyderabad, Indian Institute of Entrepreneurship (IIE), Guwahati established in 1993 playing vital role in making EDP's successful.

Contribution of startups in domestic development in India:

Startup India Scheme is an initiative by the Government of India. Intention is to build a strong ecosystem for the growth of startup businesses, drive sustainable economic growth and generate more employment opportunities.

Initiative launched on 16th January 2016 by Hon'ble Prime Minister, several programs have been undertaken since the launch of the initiative, to contribute to his vision of transforming India into a country of job creators instead of job seekers.

These programs have catalyzed the startup culture, with startups getting recognized through the Startup India initiative and many entrepreneurs availing the benefits of starting their own business in India.

The 19-Point Startup India Action Plan envisages several incubation centers, easier patent filing, tax exemptions, ease of setting-up of business, a INR 10,000 Crore corpus fund, and a faster exit mechanism, among others.

Notable points from Startup India Action Plan:

Self-Certification, No Govt. Inspection for 3 years

Exit from startups within 90 days

No Income Tax for first 3 years

80% reduction in patent fees

Rs. 10,000 Cr fund for startups

To target 500k schools, and involve 1million children in innovation related programmes

Promote India across the world as a start-up hub

List for the All Time Top Funded Startups in India:

Below mentioned are Top startups with brief description on industry, Total Funding, Annual Revenue, Market Valuation, Top acquisitions done by them are enlisted. These all startups have given employment to many people as well as contributed in growth of economy.

Government Initiative to promote & create ease of doing business in India:

1. Reduction in documents for foreign trade

2. Environmental clearance through Online application

3. Improvements in regulatory environment through: Deregulation, Delicensing & Procedure simplifications

4. Action plan for refining the regulatory environment

5. Documents mandatory for import and export have been pointed to three namely:

6. -Payment of ESIC online -PFO paid online via 56 accredited banks

- Removal of NOC for establishing new electricity connection

7. New sectors have been released to FDI and partnership has been forged between industries and the government through positive mindset

8. Government focused on creation of modern and advance infrastructure

9. Allotment of PAN and TAN cards has been simplified and CIN/Corporate Identity Number has been included as proof of identity

10. Additional investment allowance of 15% and more depreciation to new manufacturing units set up in states such as AP, Bihar, WB and Telangana from April 2015 to March 2020

11. Indirect tax front advantages have also been promoted to improve ease of doing business

Facts:

1. India ranked 142 among 189 countries in latest WB report for comfort of doing business
 2. Government anticipates improving India's ranking within 50th position
- 217 of 231 projects in areas such as coal, civil aviation, mines, power and roads as well as petroleum have been fixed by the NDA government of late, Initiatives such as Make in India have been given international eminence for founding worldwide partnerships and associations.

Conclusion:

Entrepreneurship is a conscious choice as a career option. Entrepreneurship is an outcome of dynamic interaction between person and environment. To develop entrepreneurial skill Entrepreneurship Awareness Programmes (EAP's) & Entrepreneurship Development Programmes (EDP's) can play vital role since Developed, Developing & Underdeveloped every country need Entrepreneurs for the growth of nation, since there is a need of more employment, attract foreign investment, become a Super Power country, increase currency value, attract investors, nourish innovation, create competition in market etc.

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