Role of Entrepreneurship for Employment Generation-In Indian Context

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Abstract
In this research article I have focused on Entrepreneurship activities. The Entrepreneurial activity and innovative ingenuity in India have developed enterprises in the following areas those are such as Agricultural/agro-allied activities where there are foodstuffs, restaurants, fast food vending etc. In the area of solid minerals, there are quarrying, germ stone cutting/polishing and crushing engineering. In power and transport, there are power generations. In the area of information and telecom business, there are manufacturing and repairs of IT accessories. In hospitality and tourism business, there are hotels, accommodation, resorts centers, film and home video production; in oil and gas business, there are construction and maintenance of pipelines, drilling, refining bye products.

The Concept of Entrepreneurship
The Entrepreneurship activities and innovative ingenuity in India have developed enterprises in the following areas. Agricultural/agro-allied activities where there are foodstuffs, restaurants, fast food vending etc. In the area of solid minerals, there are quarrying, germ stone cutting/polishing and crushing engineering. In power and transport, there are power generations. In the area of information and telecommunication business, there are manufacturing and repairs of IT accessories. In hospitality and tourism business, there are hotels, accommodation, resorts centers, film and home video production; in oil and gas business, there are construction and maintenance of pipelines, drilling, refining bye products. In the area of environmental and waste management business, there is refuse collection/disposal job. In the area of financial banking services, there are banking, insurance and stock trading. In engineering and fabrication work, there are machines and tools fabrications.

If we have excitement for more know about Entrepreneurship then we have to firstly know about the “starting a business.” It is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for the change. It is the act of being an entrepreneur which is seen as “one who undertakes innovations with finance and business acumen in an effort to transform innovations into economic goods hence Entrepreneurs see “problems” as “opportunities,” and then take action to identify the solutions to those problems and the customers who will pay to have those problems solved. Entrepreneurial success is simply a function of the ability of an entrepreneur to see opportunities in the marketplace, initiate change (or take advantage of change) and creates value through solutions. Entrepreneurship is known as the capacity and attitude of a person or group of persons to undertake ventures with the probability of success or failures. In business management, Entrepreneurship is regarded as the “prime mover” of a successful enterprise just as a leader in any organization must be the environmental change agents.

Entrepreneurship Development
Entrepreneurship development has also led to employment generation, growth of the economy and sustainable development. Historically, the study of entrepreneurship reaches back to the work of Richard Cantillon and Adam Smith in the late 17th and early 18th centuries, but was largely ignored theoretically until the late 19th and early 20th centuries and empirically until a profound resurgence in business and economics in the last 40 years. In the 20th century, the understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter in the 1930s and other Austrian economists such as Carl Menger, Ludwig von Mises and Friedrich von Hayek.
Opportunity - Based Entrepreneurship

Sometimes an entrepreneur perceives a business opportunity and chooses to pursue it. Ernst and Young (2009) in a survey found that **majority of entrepreneurs said they saw economic slowdown as the perfect time to pursue new market opportunities. In addition, economists, academics and industry leaders agree that recession tend to favour the naturally innovative temperament of entrepreneurs.**

Challenges Of Entrepreneurship In India

The key roles of entrepreneurship include such as mobilization of domestic savings for investment, significant contribution to Gross Domestic Product (GDP) and Gross National Income (GNI), harnessing of local raw materials, employment creation, poverty reduction and alleviation, enhancement in standard of living, increase in per capita income, skills acquisition, advancement in technology and expert growth and diversification. Irrespective of the benefits associated with entrepreneurship, there are lots of barriers that have prevented youths from fully realizing their potentials and assuming responsibilities in the society. Perceptively, People had gradually moved out of the farms into urban areas for lack of agricultural incentives. Even in the urban areas and cities, infrastructure had continued to deteriorate, roads uncared for, water supply was irregular, power outage was a regular phenomenon, and even for people who could afford to use electricity generating sets, petroleum products to power them might not be available as at when needed.

Problems of Employment Generation In India

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Absence Of Infrastructural Facilities

It is a universal belief that certain basic infrastructural facilities aid the development of the mind and body and assist productivity in any environment. These facilities have been identified as good roads, good water supply, constant power, access to information and communication technology and other tools of trade. A case where these are lacking in a country, the growth of the economy will be adversely affected. In India, these basic work tools as well as the enabling environment is lacking. This state of affairs has frustrated a lot of young people with bright ideas and the corresponding spirit to effect a change in some areas of our national life. For instance, the power sector has proven the greatest challenge to any aspiring entrepreneur in India.

The Refugee Effect

This process of unemployment fast-tracking entrepreneurship activity has been termed a “refugee effect”. This remarkable view dates back at least to Oxenfeldt (1943), who pointed out that individuals confronted with unemployment and low prospects for wage employment often turn to self-
employment as a viable alternative. This observation was also an extension of Knight’s view that individuals make a decision among three states – unemployment, self-employment and employment.

Inadequate Working Capital

It has been observed that for an entrepreneur in India to start a business, he must have adequate funds. In a situation where the working capital is inadequate or unavailable, it becomes a problem. This is one of the major, if not the major problem that young people encounter when opening a business. Banks are before now reluctant to give out loans to intending entrepreneurs especially when they are young people. The procedures for accessing such credits are often rigorous and dependent on the provision of collaterals which the potential entrepreneur may not possess.

Low Standard of Education

There is no gainsaying the fact that education is the key to knowledge and that it plays a strong role in forming the burgeoning entrepreneur. The world today is a global village and since an intending entrepreneur must be conversant and in tune with events around and about him, education becomes a critical factor in preparing and empowering the entrepreneur with the qualities required of him. Unfortunately, the role of education in forming young people to become change agents it seems, have been ignored. Year after year, the quality of education in the Indian institutions has gradually been on the decline, due to mass exodus over the years by qualified teachers.

Lack of Adequate Training

A regrettable consequence of the immediate foregoing is the absence of adequate training for students such as will enable them meet the challenges of the future as leaders of business and change agents. It has been observed that the educational curriculum in India focuses more on the theoretical without a corresponding practical approach. Most employers are always compelled to retrain their employees due to lack of knowledge of basic work ideas or familiarity with the area of study of the employee. Technology has been used to improve the quality of life through the use of the computers and other technological discoveries such as the internet.

Other Economic, Social and Political Factor

Aside from the factors listed above, there are other major dynamics which play a role in stifling the dreams and aspirations of the youth towards assuming entrepreneurship positions. Economic factors such as policy reversals, high and double taxations, difficulty in procuring business approvals, high inflation and unstable exchange rates are some of the areas of concern for the potential entrepreneur who is in most cases a greenhorn. The cost and procedure for establishing a company is rather prohibitive as the intending entrepreneur must engage a solicitor and accountant to take care of the legal and financial aspects. Politically, some of government’s policies it seems are made to favour friends and associates. Even when it comes to award of contracts and other government patronages, cronyism is the word.

Conclusion

In responding to the entrepreneur challenges that lie ahead it will be essential for policymakers to keep an open mind on the scope and combination of policies that may be required for achieving this. Viable solutions are not likely to be found through an exclusive reliance on the old orthodoxies, based on a dichotomy between economic and social policies, which took hold in the pre-crisis period. The
crisis has demonstrated that macroeconomic policies can have a large impact on employment, both when they go wrong and when they are deployed as the solution.

Against this background it is essential to reinstate employment as a major objective of macroeconomic policies. This will set a new agenda that will evoke creative responses from academics and policymakers on what the best policy packages and institutional arrangements should consist of in the light of this. Similarly, with employment as a major policy objective structural policies will be pushed to adapt creatively to this new reality. Labour market and social policies will also have to be viewed as a part of an overall economic and employment strategy. Finally, this entire set of policies to meet the employment challenge has to be skillfully orchestrated to ensure that inherent synergies between them are fully realized.

However, many have argued that in all, the government have key role to play to ensure that entrepreneurship as a means of quelling unemployment thus generating more employment opportunities to the unemployed youths and get them usefully engaged; of which we agree and seek to bring to the fore the need for government to put in place some measures in a bid to salvage the situation. Some of these measures include first, an auditing of all the policy programmes aimed at stimulating entrepreneurial activity to avoid duplication and clashes in spheres of operation.

References: