



A STUDY ON ENTREPRENEURSHIP DEVELOPMENT PROCESS IN INDIA

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Abstract

The concept of entrepreneurial development involves equipping a person with the required information and knowledge used for enterprise building and polishing his entrepreneurial skills. In these days, entrepreneurial development programmes are treated as an important tool of industrialization, and a solution of unemployment problem of India. In the present paper an attempt has been made to study the entrepreneurship development (ED) process in India and the role of entrepreneurship development programme in the economic growth of a nation. The data used for the purpose of study are mainly from secondary source.

Keywords: *Entrepreneurial, Unemployment, Economic Growth, Entrepreneurial Development Programmes.*

Introduction

Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services and generating taxes for government because of which entrepreneurship has closely been linked to economic growth of a country. Entrepreneurs convert ideas into economic opportunities through innovations which are considered to be major source of competitiveness in an increasingly globalising world economy. Therefore, most governments in the world strive to augment supply of competent and globally competitive entrepreneurs in their respective countries. Entrepreneurial development is a systematic and an organized development of a person to an entrepreneur. The development of an entrepreneur refers to inculcate the entrepreneurial skills into a common person, providing the needed knowledge, developing the technical, financial, marketing and managerial skills, and building the entrepreneurial attitude. Entrepreneurial development programmes may be defined as a programme designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively.

Objective of The Paper

The objective of the paper is: 1) To study the Entrepreneurship development process in India 2) To highlight the role of Entrepreneurship development programmes in the economic growth of a nation.

Methodology of The Study

The data for the purpose of the study has been collected through secondary sources, which mainly include websites.

Entrepreneurship Development Process In India

Prof. David C. McClelland was the person who for the first time carried out Kakinada experiment on entrepreneurship development training during the mid 1960s. He postulated that (i) the need for high achievement was an essential ingredient for the emergence of entrepreneurs and (ii) that it could be developed. He tested hypothesis in a few training programs in Kakinada, Hyderabad and Bombay in India and Barcelona in Spain. The results indicated that it was possible to develop even the poor, illiterate, disadvantaged and other non business communities into entrepreneurs and help them to set up and operate their own enterprises with appropriate training and counselling interventions. A 3-month

training approach known as entrepreneurship development programme (EDP) which laid emphasis on (i) setting up a small venture (ii) managing it; and (iii) making profits out of it, was evolved in Gujarat, during 1969-70. The programme was meant for new and selected entrepreneurs who had latent entrepreneurial potential. This programme which began as an experiment by Gujarat State Industrial Corporation started gaining momentum at the national level in the early seventies. There was a need to spread the programme to all the districts of Gujarat which ultimately led to the creation of the Centres for Entrepreneurship Development (CED) in Ahmedabad in 1979. It was the first specialized institute of its kind in the country, exclusively devoted to the task of entrepreneurship development. Encouraged and impressed by the success of CED, All India Financial Institution, viz., Industrial Development Bank of India (IDBI), Industrial Financial Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI) and State Bank of India (SBI) with active support of the Government of Gujarat, sponsored a national resource organization, viz., Entrepreneurship Development Institute of India (EDI-I) in 1983. It was entrusted with the task of spreading and institutionalizing ED activities in the country. The Government of India has set-up three national-level Entrepreneurship Development Institute in India. These are, the National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad; the National Institute of Entrepreneurship and Small Business Development (NIESBUD) in NOIDA and the Indian Institute of Entrepreneurship (IIE) Guwahati. Subsequently, some of the state governments, with the support of all Indian financial institutions also took initiative in establishing state-level Institutes of Entrepreneurship Development (IEDs), like IED Lucknow, IED Bhubaneswar (Orissa), IED Patna (Bihar) or state centres such as Maharashtra Centre for Entrepreneurship Development, Bhopal, Centre for Entrepreneurship Development of Karnataka, Dharwad (Karnataka) in order to take the ED activities down to grass-roots level. Further, in order to improve the success rate of the EDP trainees in the establishment of new enterprises, the Ministry has recently launched a new scheme, namely, Rajiv Gandhi Udyami Mitra Yojana. The main objective of this scheme is to provide handholding support to first generation entrepreneurs, through designated lead agencies i.e., 'Udyami Mitras'. Under this scheme, the 'Udyami Mitras' would provide guidance and assistance to the potential entrepreneurs registered with them, in preparation of project report, arranging finance, selection of technology, obtaining various approvals, clearances and NOCs etc. A brief description on national-level Entrepreneurship Development Institutes in India is presented below.

National Institute For Micro, Small And Medium Enterprises (NI – MSME) Hyderabad

NI – MSME, formerly known as National institute of small industry Extension training (NISMET), was set up in 1960 at New Delhi as a Department of Central government under the Ministry of Commerce and Industry and was initially known as Central Industrial Extension training Institute (CIETI). Subsequently, in 1962, it was shifted to Hyderabad and converted into an autonomous society. In 1984, the institute was renamed as National Institute of small Industry Extension training (NISMET). After enactment of the MSMED Act, 2006, the institute has been renamed as National Institute for Micro, Small and Medium Enterprises (NI – MSME), w.e.f 11th April 2007, the institute is constantly evolving in accordance with the changing times, modifying its focus with the emerging needs of MSMEs and providing solutions in the form of consultancy, training, research, and education. NI-MSME's programmes are designed to have universal relevance for successfully training the entrepreneurs to face challenges and emerging competition in the era of globalization. NI – MSME has always been conceiving specialized need based programmes, workshops and seminars in tune with the changing policy and economic scenario. The primary aim of these activities has been to enable the enterprises and the supporting systems to deal effectively with aspects that directly or indirectly affect the success of enterprises.

Indian Institute of Entrepreneurship (IIE) Guwahati

The Indian Institute of Entrepreneurship (IIE) was set up at Guwahati in 1993. During the period, the Institute has expanded its activities to a great extent covering all facets of MSME activities. The institute regularly organizes training programmes and undertakes research and consultancy services in the field of promotion of MSMEs and entrepreneurship. The promotion of new entrepreneurs has been the major focus of training activities organized by the Institute. In order to promote new entrepreneurs, the institute organizes rural, general and women EDPs and sector specific EDPs. Besides, while continuing with its Rural Industries programme (RIP) in Meghalaya, Manipur and Assam, the Institute also started its RIP at Nongpoh in Meghalaya with the help of SIDBI. Creating awareness amongst college and University teachers and students about entrepreneurship has been one of the focus areas of the Institute. The Institute has also been instrumental in setting up Information and Career Guidance Cell (ICGC) in a number of colleges through its Teachers Training programmes. The government of India has launched Scheme of Fund for Regeneration of Traditional Industries (SFURTI), a mega project with industrial cluster development approach. This project aims to adopt 10 clusters in North East Region under traditional industry sector and showcase them as the success stories. IIE has been identified as the Technical Agency under this scheme for eastern India.

National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida

The national Institute for Entrepreneurship and small business Development (NIESBUD), NOIDA was set up in 1983 as an apex institution in the field of entrepreneurship development to promote, support and sustain entrepreneurship and small business through training, education, research and consultancy services. The major activities of the Institute include evolving syllabi for training various target groups; providing effective training strategies, methodology, manuals and tools; facilitating and supporting central / state Governments and other agencies in executing programs of entrepreneurship and small business development; maximizing benefits and accelerating the process of entrepreneurship development; and conducting programs for motivations, training and entrepreneurs.

Role and relevance of entrepreneurial development programme in the economic growth of a nation

Role and relevance of Entrepreneurial Development Programme (EDP) in the process of economic development and growth of a nation is immense. It is the EDP through which the entrepreneurs learn the required knowledge and skill for running the enterprise successfully which ultimately contribute towards economic progress in the following ways:

- Creates employment opportunities : EDPs help solving the problem of unemployment by creating adequate employment opportunities through setting up of small and big industrial unit where the unemployed can be absorbed. Various programmes, schemes like Prime Minister's Rozgar Yojana, National Rural Employment Programme and Integrated Rural Development Programme etc. have been initiated by Government of India to eliminate poverty and solve the problem of unemployment.
- Helps in achieving Balanced Regional Development: Successful EDPs assist in accelerating the pace of industrialisation in the backward areas and helps in reducing the concentration of economic power in the hands of an individual. The various concessions subsidies offered by the State and Central Governments prompted the entrepreneurs to set up their own small and medium industrial units in the rural and backward areas. Through EDPs more and more industrial units in the backward areas are set up which lead to the development of rural sector which finally helps in achieving balanced regional development.
- Prevents industrial slums : Entrepreneurial development programmes help in removal of industrial slums as the entrepreneurs are provided with various schemes, incentives, subsidies and infrastructural facilities to set up their own enterprises in all the non-industrialized areas.
- Use of Local Resources: Plenty of locally available resources remain

unutilized due to absence of initiative and lack of adequate knowledge by the entrepreneurs. Proper use of these resources will help to starve out a healthy base for rapid industrialisation and sound economic growth. EDPs can help in the proper use of locally available resources by providing proper training, guidance and education to the potential entrepreneurs. • Economic Independence: The entrepreneurs through EDPs are able to achieve economic independence of a country by producing a wide variety of better quality goods and services at competitive prices. The entrepreneurs also through export promotion and import substitution are able to earn and save urge amount of foreign exchange which is essential for the growth and development of any economy. • Improves the standard of living and per-capita income : EDPs provide the necessary support to entrepreneurs by educating them about the test innovation and techniques of production to produce a large variety of quality goods and services at competitive prices. EDPs also help in establishing more enterprises which aid to provide more employment opportunities and help in increasing the earning of the people. It will result in increase in per-capita income and thus helps in the improvement of standard of living of the people.

The future of entrepreneurship in India

Recently, India is considered to be amongst the three top investment destinations. According to a report released by Evalueserve research, over 44 U.S. based VC firms are now seeking to invest heavily in start-ups and early-stage companies in India. Reports from Pricewaterhouse Coppers predict that between 2010 and 2024, 2219 multinational companies will emerge from India. Therefore with a consistently growing local market for indigenous products, supported by a reasonably efficient and transparent legal system, India could potentially emerge as one of the top 3 world economies in the world by 2020.

Conclusion

The entrepreneur with his vision and ability to bear risk can transform the economic scene of the country. They play a vital role in initiating and sustaining the process of economic development of a nation. The overall aim of an entrepreneurial development programme is to stimulate a person for adopting entrepreneurship as a career and to make him able to identify and exploit the opportunities successfully for new ventures.

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