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The Development of Entrepreneurship in Modern India: An Evolution

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ABSTRACT: Being an entrepreneur is all about coming up with fresh ideas, creating something new, and finding original solutions to issues. Since they are the only ones in charge of their business, entrepreneurs frequently lose sight of time. They struggle to fit in with what their families and society expect of them. The government of our country has not recently become interested in the concept of entrepreneurial development. It has existed since the time of the Vedic era and has always had an impact on our nation's culture and economics. It is now regarded as a crucial instrument for industrialization, growth, and a fix for the alarming issue of unemployment. An attempt to examine the history of Indian entrepreneurship as well as present state of entrepreneurship in the growth of a country has been made. Majority of the research's data came from secondary sources.

KEYWORDS: Entrepreneurship, government, economics, industrialization, interested.

I. INTRODUCTION

The expansion and growth of entrepreneurship emerged in India prior to independence. The origins of entrepreneurship in India can be traced to the Rig Veda, which states that metal crafts were common in prehistoric culture. It suggests that the history of handicraft enterprise in India predates human civilisation. In ancient days, Indian society was structured around village communities. The labour force in this hamlet was diverse, including farmers, religious priests, and artisans. Craftspeople were thought of as workers in the village performed their civic obligations and social obligations. In exchange, the artisans enjoyed protection from outside competition by the ancient Indian culture. Artists flourished during this period due to royal support. The artisans created a guild system association and the "Karkhanas," or workshops, were established. Because of their creativity, robustness, and eye-catching quality, 18th-century goods and crafts gained international recognition. For example, Bengal was well-known for its corah, Kashmir for its shawls, Nagpur for its silk-boarded fabrics, Banaras for its metal wares Lucknow for its chintzes and Ahmadabad for its dupattas and dhotis.

The Indian handicraft sector, which mostly consists of small-scale cottage industries, began to fail from the beginning of the 18th century for the following reasons:

1. Most of the Indian royal courts that had previously fostered handicrafts disappeared.
2. The British Colonial government had a biased and indifferent approach.
3. The colonial government's high tariffs caused a decline in the export of these crafts to England and other nations.
4. The prices of products were too high to compete with those of England, which were more affordable in India.
5. Because of their altered habits and tastes, Indians developed a strong affection for and obsession with foreign goods.

In the latter part of the 1800s, the Parsis led the way in the real advent of manufacturing entrepreneurship. The first person to establish the modern textile factory in Ahmadabad was a Nagar Brahmin named Ranchodlal Chotalal, who did it in 1861. Parsis is credited with the growth of textile industries through 1915. Of the ninety-six textile mills that were in operation in 1915, 41 percent were owned by Parsis, 23 percent by Hindus, 10 percent by Muslims, and 22 percent by British nationals. Subsequently, the Parsis ventured into several industries, namely the steel and iron sectors. In 1911, Jamshedjee Tata was the pioneer Parsi businessman who created Jamshedpur's first steel mill .

After World War I, India had its second wave of entrepreneurial expansion. The Indian government consented to provide "discriminating" protection to a select group of industries in exchange for the benefiting businesses having a percentage of Indian directors and being registered in India with rupee capital. This made it possible to start and grow India's industrial manufacturing industry throughout the first forty years of the 1900s. In the intervening decades, Parsis's prominence in the Indian entrepreneurial landscape had diminished relative to that of Gujaratis and Marwari Vaishyas.

GROWTH OF ENTREPRENEURSHIP IN INDIA IN POST- INDEPENDENCE ERA In order to provide a plan for attaining balanced growth following independence in 1947, the government introduced the first Industrial Policy in 1968. This policy has since undergone several revisions. In her industrial resolutions, the government took two significant steps to encourage entrepreneurship.

i. To accelerate industrialization by fostering entrepreneurship in neighboring towns, cities, and villages as well as in the current centres.

ii. To provide a wide range of socially diverse and industrially capable individuals with access to the entrepreneurial expertise concentrated in a small number of dominant communities. The government placed a strong emphasis on the growth of SSIs in the nation for this reason.

A special note should be made of the Third Five Year Plan, which initiated the government's practice of offering different concessions and incentives to prospective entrepreneurs in order to establish companies in industrially promising locations and eliminate regional economic imbalances. The number of entrepreneurs has rapidly expanded since World War II. Although new entrepreneurs did emerge in certain locations, business communities remained the dominant force in small-scale entrepreneurship. Family businesses such as Tata, Birla, and others have become larger than anticipated.

Since liberalisation sparked the expansion of entrepreneurship in India, since 1991 there has also been a rise in knowledge-intensive entrepreneurship in industries like biotechnology and IT. According to data from the Ministry of Corporate Affairs, 14,379 firms were founded annually on average between 1980 and 1991, while 33,835 companies were formed annually on average between 1992 and 2000. Since liberalisation opened up new markets for Indian enterprises, it is thought that this is what spurred the country's entrepreneurship boom. It also decreased regulatory measures like industrial licensing, which lowers entry hurdles for new business owners. However entrepreneurship could have expanded far more quickly if the system had been supported by a stronger capital market. It's surprising that the capital market still doesn't provide a significant source of funding for businesses. Their primary sources of funding are internal or even borrowed. The expansion of entrepreneurship was also supported by the greater availability of technically skilled workers and programs that provided official training in entrepreneurship.

GOVERNMENT INITIATIVES TO PROMOTE ENTREPRENEURSHIP IN INDIA

In the middle of the 1960s Prof. David C. McClelland conducted the first Kakinada experiment on entrepreneurship development training. He proposed that the need for great achievement was both a necessary and developable component for the creation of entrepreneurs. He put his theory to the test in several training courses in Barcelona, Spain, and Kakinada, Hyderabad, and the former Bombay, India. The findings showed that, with the right guidance and training, even the most illiterate, destitute, and non-business community members may become successful entrepreneurs and establish and run their own companies.

Following that, the Entrepreneurship Development Program (EDP), a three-month training program, was established in Gujarat in 1969–1970. It placed a strong emphasis on (i) starting or initiating a small business, (ii) running and managing it, and (iii) earning a profit from it. Thus, this program catered to newly established and carefully chosen business owners with untapped potential. In the early 1970s, this initiative, which began as an experiment conducted by the Gujarat State Industrial Corporation, gained popularity across the country. The initiative had to be expanded to all of Gujarat's districts as a result, and this finally resulted in the establishment of Ahmedabad's Centres for Entrepreneurship Development (CED) in 1979.

This was the nation's first specialised institution of its kind dedicated solely towards the goal of entrepreneurial growth and development. Impressed and inspired by the achievements of Centres for Entrepreneurship Development (CED), All India Financial Institution—that is, Industrial Financial Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI), State Bank of India (SBI) and Industrial Development Bank of India (IDBI)—sponsored the Entrepreneurship Development Institute of India (EDI-I) in 1983 with the active support of the Gujarati government. It was given the responsibility of institutionalizing and extending entrepreneurial development initiatives across the nation.

Three national-level Entrepreneurship Development Institutes have been established in India by the Government of India. These are: the National Institute for Micro, Small, and Medium Enterprises (NI-MSME) (in Hyderabad), National Institute of Entrepreneurship and Small Business Development (NIESBUD) (in Noida), Indian Institute of Entrepreneurship (IIE) in Guwahati. In order to bring ED activities down to the grassroots level, some state

governments later took the initiative to establish IEDs i.e. Institutes of Entrepreneurship Development at state-level, such as IED Patna (Bihar), IED Lucknow and IED Bhubaneswar (Orissa), or various other state centres, like Karnataka Centre for Entrepreneurship Development of Karnataka, Dharwad and the Maharashtra, the Centre for Entrepreneurship Development, Bhopal. All of these initiatives received support from Indian financial institutions.

Furthermore, the Ministry has introduced the Rajiv Gandhi Udyami Mitra Yojana in an effort to increase the success percentage of EDP trainees in starting new businesses. This scheme's primary goal is to give first-generation entrepreneurs handholding help through authorised lead agency, or "Udyami Mitras." Under this initiative, aspiring entrepreneurs who registered with them would receive direction and help from the "Udyami Mitras" in preparing project reports, securing funding, choosing technologies, and acquiring various permits, approvals, and NOCs, among other things.

II. OBJECTIVE OF THE STUDY

To research the growth of entrepreneurship in contemporary India .

To research how India's entrepreneurial development compares to that of other leading nations.

III. METHODOLOGY

We have chosen secondary data for this study from sources both inside and outside of India. The 2019–2020 research period is in effect.

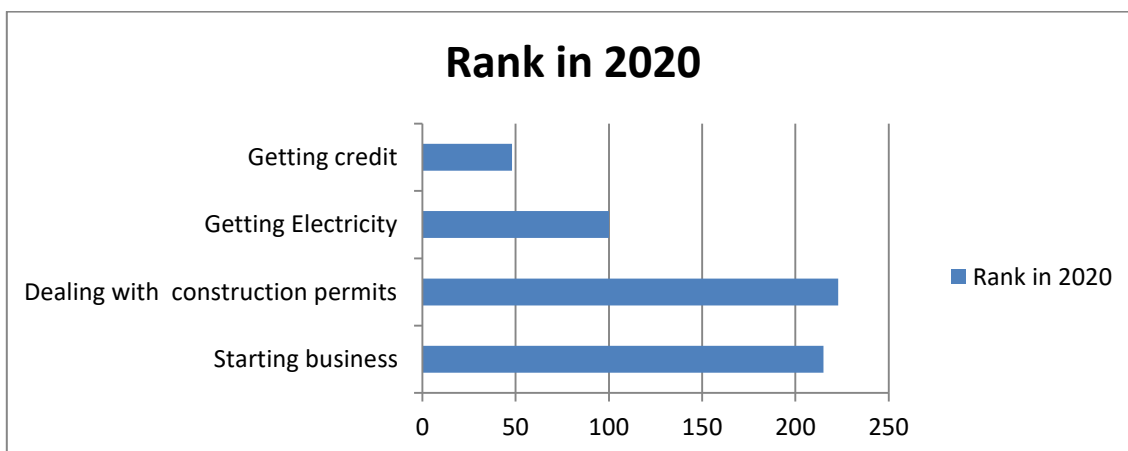
IV. ENTREPRENEURSHIP IN INDIA: CURRENT SCENARIO

According to the Global Entrepreneurship Monitor (GEM), India is the ninth most enterprising country in the world. In terms of "necessity based entrepreneurship," it ranks highest out of 28 countries, while in terms of "opportunity based entrepreneurship," it is fifth from the bottom. Research indicates that entrepreneurs who are driven by opportunities contribute more to overall economic growth than those who are driven by needs. This shows that there is still a long way to go before India's entrepreneurial environment reaches its full potential. Furthermore, among medium- and low-income countries. China seems to have the highest proportion of ambitious and growth-driven entrepreneurs, with over ten percent expecting significant expansion. In contrast, initial entrepreneurial ventures in India is characterized by relatively modest growth aspirations.

This is true even if the nation's non-entrepreneurially active population believes there is an extraordinarily high amount of potential for entrepreneurial engagement. India is ranked 130th out of 189 nations in terms of ease of doing business in 2016. It is quite discouraging for an economy such as India's. It was 134 in 2015, a four-point improvement.

Topics:	Rank (2020)
Starting business	215
Dealing with construction permits	223
Getting Electricity	100
Getting credit	48

The condition of important components that are crucial for encouraging entrepreneurship in India is displayed in the above table. The status of India in relation to other countries is depicted in the figure below. India's position in the ease of doing business category lags considerably behind that of even smaller countries like Mexico.

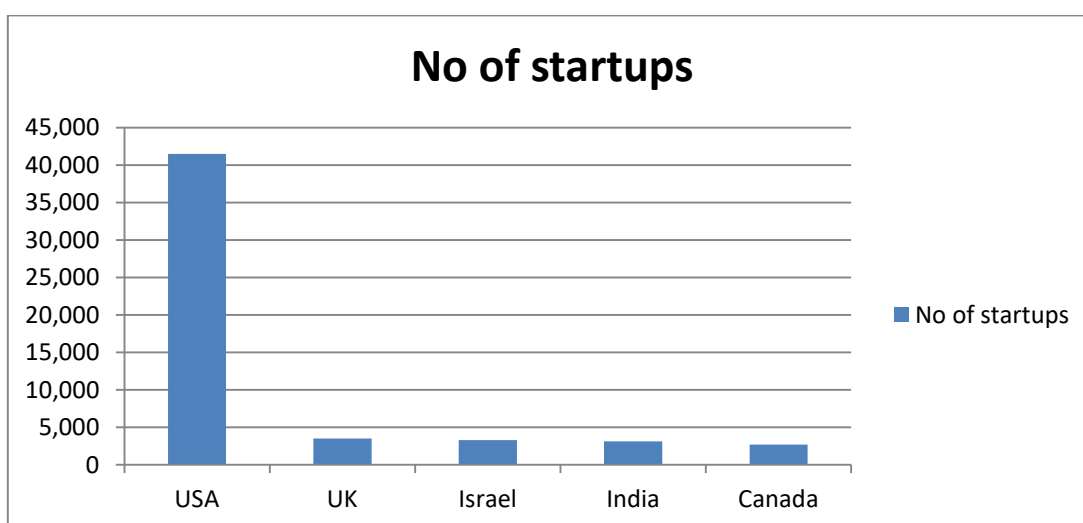


"Start-up India, Stand-up India" is one of the main programs the Indian government has launched to encourage entrepreneurship. In January 2020, it made its debut. Its primary goal was to support start-up businesses as a way to encourage entrepreneurship and the development of jobs in India.

KEY HIGHLIGHTS:

1. It provides startup companies with benefits like capital gain tax discounts and a three-year income tax exemption.
 2. The plan calls for the GoI to establish a fund of INR 100 billion (US\$1.5 billion) to support startups.
 3. The GoI has introduced a Start-Up Hub, which will serve as the main channel for communication with the government.
 4. In order to promote research and development, the program calls for the creation of the Atal Innovation Mission, which will house 500 tinkering laboratories, 35 incubators in the public and private sectors, 31 innovation centers located at the national institutes, seven research parks, and five new bio clusters.
- According to the research "Start up Landscape 2019," India is becoming one of the global hubs for start-ups.

Rank	Country	No of start-ups
1	USA	41,500
2	UK	3,500
3	Israel	3,300
4	India	3,100
5	Canada	2,700



Given that over 800 new businesses are established in India each year, there are numerous promising growth indicators. Since 2010, more than US \$ 2.9 billion has been funded. In India, around 550 angel investors have also been discovered. By 2020, it is anticipated that there would be 2000 new start-ups annually, creating between 250 and 300k jobs, up from the current 65–75k jobs created by these entrepreneurs. Ninety percent of the tech scene is trusted in about six places. Of all Indian startups New Delhi and Bengaluru account for twenty four percent and twenty eight percent respectively. Among the founders of start-ups, 73% are under 36 years old and 48% have worked for international businesses. Just 13% of entrepreneurs who begin new businesses have no prior experience in the industry. The fact that there are just 6% female founders is one startling finding.

V. THE FUTURE OF ENTREPRENEURSHIP IN INDIA

Today, India is currently regarded as one of the top three investment locations. A survey released by Evaluation Research reveals that more than forty four U.S.-based venture capital firms are actively seeking substantial investments in Indian startups and early-stage companies. A report by PricewaterhouseCoopers indicate that 2219 international corporations will come out of India between 2010 and 2024. Therefore, India may rank among the top three economies in the world by 2024 if it can maintain a steadily expanding domestic market for homegrown goods and an appropriately effective and transparent legal system.

VI. CONCLUSION

The idea of entrepreneurship is not new in India. It has always been a crucial component of our culture. We can observe the effects of entrepreneurship from the ancient Rig Vedic period to the present. Because it is ingrained in our society, it has shaped a number of our nation's economic communities. Despite being a minority, entrepreneurs had a significant role in shaping our economy even in the pre-independence era. Even after independence, there remained a need to foster entrepreneurship in order to advance the economy and industrialization.

The government could not afford to ignore the importance of entrepreneurship after observing its palpable effects on the industrialised economies of the world. One could observe that the key factor separating industrialized economies from emerging ones is entrepreneurship. The rationale is that the government alone cannot be solely responsible for effectively utilising the nation's resources. The benefits of entrepreneurship to a country must be understood by the populace. In a country that encourages entrepreneurship, the role of the government becomes even more crucial. In a country such as India, where the majority of residents aspire to work for the government, the government must take a number of steps to increase the attractiveness of entrepreneurship. Since India has the fourth-highest number of startups worldwide, the government's efforts to support these businesses are paying off. While this may seem quite encouraging, there remains a significant gap between India and the United States, the world leaders in entrepreneurship. According to the report, there is a concentration of startups in Bengaluru and New Delhi. Consequently, the government must undertake coordinated efforts in other regions of the country to address the economic inequality that exists between the states.

These firms appear to be a viable answer to the nation's unemployment problem and have even been responsible for the creation of several jobs. The bulk of companies have made technology their primary focus, which gives other industries more room to grow. To reach the unexplored portion of a sizable Indian population, the contribution of female entrepreneurs to startups must be increased. Consequently, India must encourage entrepreneurship in order to establish itself as one of the world's most powerful economies in light of the economy's increased openness to foreign investment.

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