

“A Study of Opportunities for Indian Youth in Entrepreneurship Development”

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Abstract: Entrepreneurship being an intangible factor is the moving force and development is the consequence. It has an important role in the context of a developing nation like India which is confronted with major socio-economic problems. Entrepreneurs can control their own lives, structure their own progress and be answerable for their own achievements. It was found that the entrepreneurs are now employing more than 20 permanent workers and 90 % entrepreneurs are satisfied with their present Business. Some have again turned up to jobs as they were failed in their respective business risk. The family background for the successful entrepreneurs was found to be 60% and it was found that Entrepreneurs are most successful than entrepreneurs due to their high risk capacity and full involvement in the process of Business and decision taking. This research paper is exploratory in nature and also explains the opportunities for youth in Entrepreneurial development.

Keywords: Development, Entrepreneurship, opportunity, Progress and Success.

I. INTRODUCTION

Entering a new market was an important development of the company and the directors sitting around the boardroom table became animated as they discussed the strategy they should adopt. Ideas were bandied around, debated, adopted and dismissed, until finally a plan of attack emerged and the meeting broke up. A familiar scene at companies all over the world but this was a meeting with a difference. The directors were all teenagers and perhaps more surprising, they were all female. The meeting was not taking place in the plush boardroom of Major Corporation in one of the nation's industrial centers. It was being conducted in a cramped common room at a private school for girls and all the 'directors' were school children.

Entrepreneurship being an intangible factor is the moving force and development is the consequence. It has an important role in the context of a developing nation like India which is confronted with major socio-economic problems. Entrepreneurship can play an important role not only in the industrial sector of a country but in the farm and service sectors also. Entrepreneurship caught strong waves during the last three decades and became a world-wide movement spreading across countries, regardless of their level of development. Constant change and innovations are simply a

necessity of entrepreneurship and is becoming essential to survive in a global economy.

An entrepreneur is one who creates something new, undertakes risks, organizes production and handles economic uncertainty. The entrepreneurs are crucial factors in the socio-economic changes who envisage new opportunities and also co-ordinate various other activities. India was an 'industrialized' economy in the ancient times. The industrial structure in India was not only able to satisfy her own domestic requirements but India was known as a leading exporter of various products. The picture of Indian Economy, in the ancient times, which looks very attractive, lost its glitter as the times passed. In the mediaeval days the Indian society and economy became very weak due to certain intrinsic defects. The British rule in India - which lasted for nearly 150 years - was responsible for not only changing the political map of this country, but it changed the socio-economic conditions also.

II. OBJECTIVES OF THE RESEARCH PAPER

- To assess the unemployment in India.
- To analyze the opportunities in Entrepreneurship.

III. SIGNIFICANCE OF THE STUDY

In the era of globalization and liberalization, Entrepreneurship development is gaining more importance. It is the key to the economic development and human welfare of an economy. It has been realized that the world economy is becoming very competitive day by day and entrepreneurship skills are essential for industrialization and alleviating poverty. Although entrepreneurs have existed and enriched life on the planet right through the ages, it is only recently that research in the field has kindled interest for a systematic study of entrepreneurial process and qualities.

IV. UNEMPLOYMENT

An unemployment is a situation when any one who is not gainfully employed in a productive activity. It means that an unemployed person is one who is seeking any work for wages but is unable to find any job suited to his capacity. In an economy, there is a section of working populations who is not

interested in any gainful job and still others are interested in employment at wage rates higher than those prevailing in the labour market this type of labour force are voluntarily unemployed. Involuntary unemployment refers to a situation in which people are ready to accept work at prevailing wage rate but fail to get the same wage.

V. ECONOMY AND ENTREPRENEURSHIP

The huge population of India should not be considering as a burden. In fact it should be seen as a potential for Entrepreneurship. There is availability of cheap labour and compared to china our population is more educated. The need would be to tap their potential and develop them.

Table-1 Historical Development of The Term Entrepreneur

| Period | Definition |
|--------------------------|--|
| 17th Century | Person bearing risks of profit/ loss in a fixed price contract with government. |
| 1725 – Richard | Person bearing risks is different from person supplying capital. |
| 1797 – Beaudeau | Person bearing risks, planning, supervising, organizing and owning. |
| 1803 – Jean Baptiste Say | Separated profit of entrepreneur from profits of capital. |
| 1876 – Francis Walker | Distinguished between those who received profit from managerial capabilities. |
| 1934 – Joseph Schumpeter | Entrepreneur is an innovator and develops untried technology. |
| 1958 – Haggen | An entrepreneur is an economic man who tries to maximize his profits by innovations. |
| 1961 – David McClelland | Entrepreneurs are high achievers. |
| 1964 – Peter Drucker | Entrepreneur maximizes opportunities through systematic innovations. |
| 1975 – Albert Shapero | Entrepreneur takes initiative organizes some social, economic mechanisms and accepts the risk of failure. |
| 1980 – Karl Vesper | Entrepreneur seen differently by economists, psychologists, business persons and politicians. |
| 1983 – Gilford Pinchot | Entrepreneur is an entrepreneur within an already established organization. |
| 1985 – Robert Hisrich | Entrepreneurship is the process of creating some thing different with value by adopting necessary time and effort, assuming the accompanying, financial, psychological and social risks and receiving the results, reward of monetary and personal satisfaction. |
| 1990 – Vasant Desai | Entrepreneurial activities encompass all fields/ sectors and foster a spirit of enterprise for the welfare of mankind. |

Source: Entrepreneurial Development by Jayashree Suresh (Margham Publications)

Types of Entrepreneurs

Entrepreneurs can be classified on the basis of their socio-cultural backgrounds, scale or potential of operations, or timing of venture creation in relation to their professional lifespan.

Classification Based on the Timing of Venture creation:

a. Early Starters: An early starter starts the venture with little or no full -time work experience. Often, they are from business families. An extreme case would be Suhas Gopinath, who started Globals Inc., at the age of 14. He had to incorporate it in the USA as Indian laws do not permit a minor to run a company. Mr. Suhas Gopinath at the age of 16 was recognized as the world's youngest entrepreneur in by CNBC and e -Business, Canada.

b. Experienced: This type of entrepreneur has spent few years working in the family business or in some other large company. He brings lot of experience, skills and personal credibility into the venture. Narayan Murthy got together with

other like -minded professionals to start Infosys when he was 35 years old.

c. Mature: A lot of very senior professionals, some at the level of CEO, are quitting their own ventures & starting their own business. Ex. Ashok Soota & Subroto Bagchi, who quit Wipro to start Mind Tree & BVR Subbu, the ex-CEO of Hyundai India, who recently started a venture Argentum Motors that bought the plant of Daewoo in India?

Classification based on Socio-cultural Variables:

a. First-Generation Entrepreneurs: Those entrepreneurs whose parents or family had not been into business & were into salaried service. The booming economy of India has led to a multitude of business opportunities, and with a change in the mindset of the middle class, it is now more acceptable to become an entrepreneur. Ex. Dhirubhai Ambani to Narayan Murthy.

b. Entrepreneurs from Business Families: Traditionally, few socio -ethnic groups who have dominated the business scene in India viz. the Marwadi, Gujarati, Parsee, Sindhi &

Chettiyar communities. Ex. Tatas, Birlas, Wadias, Murugappas & Singhanias.

VI. THE ENTREPRENEURIAL DECISION PROCESS

Many Individuals have difficulty bringing their ideas to the market and creating a new venture. Yet Entrepreneurship and the actual entrepreneurial decisions have resulted in several million new businesses being started throughout the world. Indeed millions of ventures are formed despite recession, Inflation, high interest rates, lack of infrastructure, economic uncertainty and the high probability of failure.

VII. OPPORTUNITIES FOR YOUTH IN ENTREPRENEURIAL DEVELOPMENT

- 1) *Tourism*: Tourism is a booming industry in India. With the number of domestic and international tourists rising every year, this is one hot sector entrepreneurs must focus on. India with its diverse culture and rich heritage has a lot to offer to foreign tourists. But this sector is not well organized. India lacks trained professional in the tourism and hospitality sectors. Foreign tourist arrivals during January-March were 15.63 lack with a growth rate of 12.8 percent, compared to 13.86 lack during the first three months last year.
- 2) *Automobile*: India is now hub for automobiles and Auto-components. It is cost-effective and this sector is a potential sector for entrepreneurs. The automobile industry recorded a 26 percent growth in domestic sales in 2009 -2010. India being one of the world's largest manufactures of small cars, there are many segments that entrepreneurs can focus on in India's automobile and Auto components sector.
- 3) *Textiles*: India is famous for its textiles. India can grow as a preferred location for manufacturing textiles taking into account the huge demand for garments.
- 4) *Social ventures*: Many entrepreneurs are taking up social entrepreneurship. There are many who have succeeded in setting up social ventures. With a growing your population in rural areas who have the drive and enthusiasm to work, entrepreneurs can focus on this segment.
- 5) *Software*: India's software and services exports are likely to rise with export revenue growth projected at 13 to 15 percent to hit about \$57 billion by March 2011. With one of the largest pool of software engineers, Indian entrepreneurs can set higher targets in hardware and software development.
- 6) *Engineering goods*: India continues to be one of the fastest growing exporters of engineering goods, growing at a rate of 30.1 percent. The government has set a target of \$110 billion by 2014 for total engineering exports. Entrepreneurs must capitalize on the booming demand for products from the engineering industry.
- 7) *Franchising*: India is well connected with the world. Hence, franchising with leading brands who wants to spread across the country could also offer ample opportunities for youth.
- 8) *Education and Training*: There is a good demand for education and online tutorial services. With good facilities at competitive rates, India can attract more students from abroad. Unique teaching methods, educational portals and tools can be used effectively to make the sector useful and interesting.
- 9) *Food processing*: Youth can explore many options in the food grain cultivation and marketing segments. Entrepreneurs can add value with proper management and marketing initiatives. The processed food market opens a great potential for entrepreneurs be it fast food, packaged food or organic food.
- 10) *Corporate demands*: There will be a good demand for formal attire with more companies opening their offices in India. People who can meet this demand in a cost effective way can make a good business. With corporate gifting getting very popular, this is also a unique business to explore.
- 11) *Ayurveda and traditional medicine*: India is well known for its herbal and Ayurvedic products. With increasing about the ill -effects allopathic medicines, there will be a huge demand for cosmetics, natural medicines and remedies.
- 12) *Organic farming*: The importance of organic farming will grow at a fast pace, especially with many foreigners preferring only organic products. Entrepreneurs can focus on business opportunities in this sector. There are many small -time farmers who have adopted organic farming but the demand is still unmet.
- 13) *Media*: With the huge growth of this media any business in this field will help entrepreneurship huge benefits. Television, advertising, print and digital media have seen a boom in business.
- 14) *Packaging*: With China invading the markets with cheap plastic goods and packaging materials, there is a good opportunity to develop good packaging materials to meet domestic and foreign demand. There is a huge demand for packaging.
- 15) *Floriculture*: India floriculture is a lucrative sector. The global trade in floriculture products is worth \$9.4 billion. With a 8 percent growth, it is expected to grow to \$ 16 billion by 2010. India's share in world trade is ju7st 0.18 per cent.
- 16) *Toys*: India has potential to manufacture cost effective and safe toys for the world. With Chinese toys being pulled up for toxins, the market for safe and good quality toys beckons Indian entrepreneurs.
- 17) *Healthcare sector*: The private sector can play a vital role in developing this sector. With medical tourism also gaining momentum, the sector can attract foreigners who are looking for cost effective treatment in countries like India.
- 18) *Biotechnology*: Biotechnology has a huge potential. Youth can look at a plethora of options with the

application of biotechnology in agriculture, horticulture, sericulture, poultry, dairy and production of fruits and vegetables.

- 19) *Energy solutions*: Prime Minister Manmohan Singh had urged the industry to see the huge business opportunity and set up 'solar Valleys' on the lines of Silicon Valleys. So there is a big opportunity for entrepreneurs in this sector as well.
- 20) *Recycling business*: E-waste will rise to alarming proportions in the developing world within a decade, with computer waste in India alone to grow by 500 percent from 2007 levels by 2020, according to a UN study. This sector opens a viable business opportunity for entrepreneurs in terms of e-waste management and disposal.

What The Government Can Do To Build Entrepreneurship In India:

- Encourage a conducive business environment;
- Ensure simplified startup processes;
- Improve the delivery time;
- Reduce corruption;
- Collate informational needs of start-ups;
- Improve corporate governance norms;
- Create an environment that will reduce risk;
- Encourage more seed funds and corporate players to provide start-up funding. In particular:

VIII. CONCLUSION

Today, however many of those who would probably never taken those first faltering steps towards going it alone are being precipitated into action. As the major companies contract, driven by the inexorable march of technological progress, many who would probably have remained company employees all their lives are suddenly confronted with no alternative but to become self employed and controllers of their own fate. Thus today people are turning to self employment because they are seeing the advantages of doing their own thing, in their own way, in their own time. Entrepreneurs can control their own lives, structure their own

progress and be answerable for their own achievements. It was found that entrepreneur is need of the hour and the organization should focus on it though the limitation of the time constraint research was based on library, internet as a secondary source and a primary source was a collection of survey of small 20 Entrepreneurs and 20 Entrepreneur as in Aurangabad with a turnover of less than 1 crores. It was found that the entrepreneurs are know employing more than 20 permanent workers and 90 % entrepreneurs are satisfied with there present Business. Some have again turn up to jobs as they were failed in there respective business risk. The family background for the successful entrepreneurs was found to be 60%.And it was found that Entrepreneurs are most successful than entrepreneurs due to their high risk capacity and full involvement in the process of Business and decision taking.

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