

# IMPACT OF ENTREPRENEURSHIP DEVELOPMENT ON ECONOMIC DEVELOPMENT

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## **Abstract**

Entrepreneurship Development is a comprehensive approach towards the economic growth and economic independence of the country. The capable youth of India can increase the industrial base by setting up more production centers. This gave a boost to the domestic industry and has increased the export trade. The dependency on the imports from other countries has been reduced due to which our economy has become self reliant. The Entrepreneurship Development Programmes transforms an individual into a smart entrepreneur by providing proper training, financial assistance and advisory services. They sharpen the skills and competencies of the individuals by guiding them and help them establish small scale industries in the regionally backward areas. These areas gain opportunities of job, increase in income level and thus good quality life.

**Key Words:** Entrepreneur, Entrepreneurship Development, Entrepreneurship Development Programme

## **Objectives**

The study focuses on the impact of entrepreneurship development on the Indian economy. It emphasizes on how the entrepreneurship development helps in the economic development of the country. The various initiatives taken by the government to train the people of the country are also discussed. It also focuses on the various institutions that provide training and sharpen the skills to the individuals to make them entrepreneurs.

## **Review of Literature**

**Himani Maggo Kumar (2017)** explains the role of EDP towards the growth of entrepreneurship in India and the need of these programmes for the industrial as well as economic development of the country. The national level and state level institutional and government efforts which provide assistance are also mentioned. There are various techniques used to make successful entrepreneurial development programmes.

**Dileep Kumar S. D., Dr. Giridhar K. V. (2017)** mentions the importance of EDP's in rural development. The study also explains the need of EDP and the challenges that are

faced in promoting entrepreneurial development. The various programmes that are run in India are discussed with their impact on economic development. The Start-up Village Entrepreneurship Programme (SVEP) is also discussed in the paper.

**Ms. Indira Kumari (2014)** reported the relevance of entrepreneurship development in the process economic growth of a country and discusses the National Institute for Entrepreneurship and Small Business Development (NIESBUD) that assists the entrepreneurs by providing them training and consultancy services. The Entrepreneurship Development process in India and its impact on the economic development of the country has also been discussed in detail.

**Manish Kumar Jindal, Awadesh Bhardwaj (2016)** explains the policy reforms for entrepreneurship development like Ministry of Skill Development and Entrepreneurship (MSDE), Pradhan Mantri Kaushal Vikas Yojana (PMKVY) which encourages the youth of the country to get trained and be skilled to generate income for them and live a quality life. National Skill Development Agency (NSDA), Sector Skill Councils (SSCs) and National Skill Development Fund (NSDF) are some of the development programmes of our country.

**Jainendra Kumar Verma (Indian Journal of New Dimensions)** reports that the entrepreneur is the main element of the economic growth and development of the country. The critical impact of entrepreneurship development is discussed along with the positive and negative effects. The various ways in which the country is able to increase the industry base due to the EDPs helps the country's overall growth.

### **Introduction**

India is still a developing country and is facing many issues like poverty, illiteracy and unemployment. This leads to a stagnant economy with less income generation and low economic growth. Entrepreneurial Development helps to overcome these issues by providing a platform where the people of the country can transform their ideas into a reality. Entrepreneurial Development Programmes provide technical skills to the ones who want to pursue their goals and ideas. They must possess certain skills, knowledge and should be able to manage and work hard.

The people of our country can become successful entrepreneurs only if they are willing to take risk and can bear it to start a new venture and to take a chance of profit. They should be aware of the future outcomes and perceive the situation to calculate the risk that may arise. They should also have the ability to foresee the threats and make proper arrangements to overcome them. (RH Brockhaus Sr - Academy of management Journal, 1980)

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They must possess innovation which is an art to bring new product or services or an improvement in the existing ones. A person can be positioned as eminent when he uses his ideas and creativity to transform them into real outcomes. Innovation is a tool that helps to create new products and services that have never been used by the people. An innovative individual can become a successful entrepreneur only when he converts his ideas into reality. (CL Bann - The Journal of Business and Economic Studies, 2009)

An individual has to work hard to carry all the responsibilities. He must work with dedication to achieve the desired goals and be focused enough to become a triumphant. It encourages a person to fulfill his ideas by converting them into a real life project. (B Carlson - The role of diasporas in peace, democracy and ..., 2007 – Citeseer)

In today's scenario, there are a number of people who stand out to fight the competition level of the country. This can be done by bringing out viable projects which can create an immediate demand in the market. He should present such ideas that differentiates him from others and can help him compete with the cut throat competition. (A Davis, EM Olson - Business Horizons, 2008 – Elsevier)

Due to the dynamic environment there must be flexibility in the working of the entrepreneur. He should adjust with the changing attitudes of the people, their likes and preferences and should deal with all the modifications of the market. He should be ready to grasp every opportunity and make amendments accordingly. (M Böhnke, S Machura - Public understanding of science, 2003 - journals.sagepub.com)

If an individual possesses creative skills and abilities he can bring out something that has never been used by the customers and open up new ways of using the existing products and services. This gives a positive impact and helps the economy to develop technologically. (IM Kirzner - Small Business Economics, 2009 – Springer)

Entrepreneurial Development Programmes help in the economic growth of the country and provides technical support and skills to the entrepreneurs. They motivate the youth and provide advisory services too. They help people to search and exploit the opportunities and assist in selecting a project to give it a start.

### **Impact of Entrepreneurship Development on the Indian Economy**

Entrepreneurship Development leads to a surge in employment as an increase in the number of entrepreneurs open up new ventures and attract a large workforce. The entrepreneur now becomes a job provider and can hire labour and increase the employment level of our economy. Thus, the entrepreneurship development programmes result in developing the capable people into smart entrepreneurs.

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As our economy faces a huge problem of poverty and illiteracy, EDP helps in setting up more platforms for the entrepreneurs which lead to a rise in production level of the country. This further results in increase of consumption level and income flow of the economy. So, per capita income and the national income will rise.

India is still a developing country so; it needs a big push to develop itself into a self reliant economy. There is an increase in production level of the economy and leads to a rise in the standard of living of the people of our country. Many initiatives like Make in India and Skill India have been made by the Government of India to promote jobs and enhance skills of the people.

There has been a problem of unbalanced regional growth which is removed by the initiative taken by entrepreneurial development programmes. There are certain states like Jharkhand, Orissa, Bihar and Uttar Pradesh which are still developing at a slow pace. The EDP's spread the entrepreneurs to such backward areas so that these areas can too start developing and change the lifestyle of the people living thereby. They are now able to generate income, grasp the job opportunities and earn a living for their livelihood.

The entrepreneurs have helped in export promotion that has led to economic development and economic independence of the country. The domestic production has helped to meet various issues that earlier caused a hindrance in the process of development. The large scale production of goods has helped in import substitution and export promotion that extricates the country from tariffs and taxes paid on imports. So, the country is now able to meet its demands by the domestic production itself and is becoming a self reliant economy.

The balanced regional development leads to the creation of wealth in the backward areas also. This leads to equitable distribution of income among all the geographical areas. The entrepreneurs are motivated to set up industries in backward areas by providing them subsidies, tax concessions and lenient rules. This persuades them to initiate their projects in such areas.

### **Government Initiatives**

Pradhan Mantri Employment Generation Programme was implemented by Khadi and Village Industries Commission (KVIC) with the aim of generating self employment opportunities by helping the people of rural and urban areas and the unemployed youth. The non farm sector needs an urgent shift of labour from the agricultural sector. The maximum admissible cost of the project/unit is 25 lakhs in manufacturing sector and 10 lakhs in business/service sector. The subsidy rates in urban areas are 15 percent and in

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rural areas are 25 percent (General category) and are 25 percent in urban areas and 35 percent in rural areas (Special categories.)

Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE) was jointly established by Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) for the new as well as the existing enterprises. They provide financial assistance upto 100 lakh without any collateral. The women entrepreneurs are given special preferences to motivate them to become bright future of the country. The fees charged is a percentage of 1 percent of the amount sanctioned- 0.75 percent for amount upto 5 lakh and 0.85 percent for amount 5 lakh to 100 lakh.

Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) was formed to support the Micro and Small Enterprises by providing infrastructural facilities, latest technology, market access and skills and quality work. They help to form the self help groups and provide them with raw material, training to run the project with all the technological development.

Khadi Reform Development Programme is a programme launched to support the rural artisans and help them avail the opportunities at minimal investment. They provide support to five traditional village industries which are honey, herbal health and cosmetics, handmade paper, leather and agro-food processing units. The introduction of new implements like charkha, loom and fabric processing equipments, around 1.50 lakh artisans will be employed. The Khadi institutions will decide the pricing strategies according to the determination of market forces. This helps to increase the earning of the artisans and encourage them to make plan savings by using the bank or post office accounts.

Rajiv Gandhi Udyami Mitra Yojana was launched in 2008 for the promotion and handholding of Micro and Small Enterprises to provide financial assistance to the potential first generation entrepreneurs. They are provided support and guidance for various Government schemes, procedural formalities for setting up and running of the enterprises. They also help them to access bank credit schemes to provide them financial assistance. EDPs of different durations are organized for the potential entrepreneurs at national and state level.

### **Conclusion**

The entrepreneurs are the backbone of the Indian economy. They are capable to transform a dependent country into a self reliant economy. The rise in number of entrepreneurs opens a wide platform for employment opportunities. The government takes an active step towards setting up of micro and small enterprises in backward areas to provide them

quality of life. This helps to remove the barriers in balanced regional development of the country. The people are able to generate a good source of income that leads to a rise in per capita income and GDP. This helps in the removal of poverty and improves the standard of living of the people of the country. The Government of India has taken various initiatives to promote entrepreneurship development programmes and help the budding entrepreneurs in converting their creative ideas into real life projects. This helps in the economic development of the country.

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