

## **Growth Scenario of Entrepreneurship in India**

Dr. Ranjana Kothari  
Assistant Professor  
Amity University Haryana

### **Abstract:**

*Entrepreneurship and innovation are two most epidemic concepts of current times. Entrepreneurship is one of the popular terms used currently but entrepreneurship is an old art. We are today hearing the word entrepreneur and entrepreneurship the most but we never studied or thought of its roots.*

*So, the main aim of this article is to summarize the research on entrepreneurship's transition in India. It tells about how entrepreneurship was in the ancient days and how did it disappear for a period of time. And, today how it is taking a boom in the country? It not only focuses on the transition but also about how it is going to take steps towards the growth on the country. It summarizes about how India always made a mark in global markets with its businesses and entrepreneurs. It also tells about the today's reasons and factors for the increase in passion towards it in youngsters. Finding Opportunity is critical in the process of entrepreneurial world apart from this the right action plan is important to withstand. The article also answers why today entrepreneurs are not able to sustain in the market for longer time?, Why everyone who dreamed to be the Tata's, Birla's and Ambani finally ended up in shutting their start-ups? While answering these questions the article explains about the winning secrets of the top business of the India.*

### **Introduction:**

As the globalization started there are many things that started evolving. Business brought a revolution called entrepreneurship. Since the 1980s, entrepreneurship started becoming a topic of growing interest among management scholars, youngsters and many social scientists. The subject has grown its constitutionality, particularly in business schools (cooper 2015). The entrepreneurship and enterprise reform, which occurred earlier than other economic reforms, started spontaneously and as efficiency-driven in the deep stagnation period with perestroika, which aimed at finding new possibilities, via new forms of management, to recover the economy and eliminate the deficit of consumer goods in the country (USSR law ..., 1988).

Entrepreneurial ambition among the workforce is highest in India, with 56 per cent of respondents in a survey indicating that they are considering leaving current jobs to start their own business. According to a Randstad Work monitor survey, 83 per cent of the Indian workforce would like to be an entrepreneur which is higher than the global average of 53 per cent (times of India, epaper 2017) India will be home to 10,500 startups by 2020: Nasscom (economic times, 2016)

The core reason for the boom is the incubation facility within the business or outside the business that actually empowered the next generation entrepreneur to dabble in incremental innovation, funded by angel funding drawn from the surplus generated by the cash cow of the business world. Business mentoring from the experienced elders or entrepreneurs substituted the classroom learning. Moreover the kings for the growth of this are the venture capitalists. As the business era started the most profit grossing to any cash cow company were investments. As a part of their business many companies started to invest in startups and incubators. Incubators became a place for multiple benefits like promoting the company, raising the gross of the company, partnership. To many angle investors.

Along with technology came the professional network or eco-system – with substantial support from US based NRIs. Truly, it was the great influence of Indians in America that gave the lie to the deeply held belief in traditional India that entrepreneurs were born – in a certain community.

E-Cells in Engineering colleges have been influential in triggering awareness, interest, desire and action towards entrepreneurship among students from non-business communities.

Entrepreneurship is the youngest academic discipline in India. PM Yuva ‘Start-up India’, started by Prime Minister Shri Narendra Modi brought the entrepreneurship to the classrooms which actually indeed created a great influential in triggering awareness, interest, desire and action toward entrepreneurship among students from non-business communities. Much is expected from the follow up steps to the Start Up India initiative launched on 16th January. In a fundamental way, the vision for Start Up India parallels that of the Green and White Revolutions, which had champions – Dr Swaminathan and Dr Kurian - to both set the vision and execute sustainably at the grass-root level (forbes india 2017). So now India started generating entrepreneurs from all the communities irrespective of caste, religion, race, nationality- no matter whether they are first generation entrepreneurs from non-business communities or next generation members from traditional family businesses. It has become a platform to showcase the talent, hard work and passion towards business. Today’s ‘new economy’ entrepreneurs and their ventures differ from the ‘old economy’ entrepreneurs and their businesses in several respects ( Forbes India 2017)

The recognition of entrepreneurs dates back to eighteenth-century France when economist Richard Cantillon associated the "risk-bearing" activity in the economy with the entrepreneur. In England during the same period, the Industrial Revolution was evolving, with the entrepreneur playing a visible role in risk taking and the transformation of resources. ( Israel M. Kirzner, —Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship (Chicago: University of Chicago Press, 1979).p.38-39.)

The history of entrepreneurship is important worldwide, even in India. In the pre colonial times the Indian trade and business was at its peak. Indians were experts in smelting of metals such as brass and tin. Kanishka Empire in the 1st century started nurturing Indian entrepreneurs and traders. Following that period, in around 1600 A.D., India established its trade relationship with Roman Empire. Gold was pouring from all sides. Then came the Portuguese and the English. They captured the Indian sea waters and slowly entered the Indian business. They forced the entrepreneurs to become traders and they themselves took the role of entrepreneurs. This was the main reason for the downfall of Indian business in the colonial times which had its impact in the post-colonial times too. The colonial era made the Indian ideas and principles rigid. A region of historic trade routes and vast empires, the Indian subcontinent was identified with its commercial and cultural wealth for much of its long history. Gradually annexed by the British East India Company from the early eighteenth century and colonized by the United Kingdom from the mid-nineteenth century, India became an independent nation in 1947 after a struggle for independence that was marked by widespread nonviolent resistance. It has the world's twelfth largest economy at market exchange rates and the fourth largest in purchasing power. Economic reforms since 1991 have transformed it into one of the fastest growing economies however, it still suffers from high levels of poverty, illiteracy, and malnutrition. For an entire generation from the 1950s until the 1980s, India followed socialist-inspired policies. The economy was shackled by extensive regulation, protectionism, and public ownership, leading to pervasive corruption and slow growth. Since 1991, the nation has moved towards a market-based system. It was this superior industrial status of India in the pre British period that prompted the Industrial Commission (1918) to record: "At a time when the West of Europe, the birth place of modern industrial system, was inhabited by uncivilised tribes, India was famous for the wealth of her rulers and for high artistic skill of her craftsmen. And even at a much later period, when the merchant adventures from the West made their first appearance in India, the industrial development of this country was, at any rate, not inferior to that of the more advanced European nations." ( Industrial Commission Report, p. 1.)

The major form through which the exploitation of India was done was trade, Later, the British started making investments in Indian industries and the process of economic drain started through investment income in the form of dividends and profits. In addition to this, India had to pay the costs of British administration, in the form of home charges. They included salaries of British officers (both civil and military), payment of pensions, furloughs and other benefits, as also interest payments on sterling debt.

The main forms of colonial exploitation were: (i) Trade policies aimed at developing a colonial pattern of trade in which India would become an exporter of foodstuffs and raw materials and an importer of manufactures; (ii) encouragement of British capital to take up direct investment in Indian consumer goods industries; (iii) encouragement of finance capital, through the managing agency system, to appropriate a major portion of the profits through various malpractices; and (iv) to force India to pay the costs of British administration as well as to finance the wars and expeditions undertaken by the British Government.

After being so long under the rule of British, Indian economy had great down fall in its economy due to exploitation of resources, trade and heritage of the country. The country struggled a long way to become one that it is too. Even though it is still not a developed country, the country showed a remarkable change in increasing globalization and also portrayed great impact in sectors like information technology, space science, education.

The major problem of the country since 1960's has been the unemployment. To generate more employment in the economy, the 11th Plan states its strategy in the following words: "Additional employment opportunities in the future will be generated mainly in the services and manufacturing sector and policy initiatives are needed to support this. Measures would need to be taken in the Plan to boost, in particular, Labor intensive manufacturing sector such as food processing, leather products, footwear, textiles and service sectors such as tourism and construction.

The small-scale industrial sector which plays a pivotal role in the Indian economy in terms of employment and growth has recorded a high rate of growth since Independence in spite of stiff competition from the large sector and not so encouraging support from the Government. This is evidenced by the number of registered units which went up from 16,000 in 1950 to 36,000 units in 1961 and to 33.7 lakh units in 2000 - 2001.

\*These figures relate to data given by Ministry of Small Scale Industries earlier. Source: Ministry of Small Industries as given in Economic Survey (2007-08) and Ministry of Small Scale industries.

According to the Economic Survey 2015-16 released by the Government and which was tabled by finance minister Arun Jaitley.

The country has more than 19,000 technology-enabled startups, led by consumer Internet and financial services startups, the report said. "Indian startups raised \$3.5 billion in funding in the first half of 2015, and the number of active investors in India increased from 220 in 2014 to 490 in 2015. As of December 2015, eight Indian startups belonged to the 'Unicorn' club (ventures that are valued at \$1 billion and upwards)."

In conclusion I would like to tell that the growth rate seen in entrepreneurship is a truly a feat in last 3 decades.

## **References**

1. [http://planningcommission.gov.in/plans/planrel/tech\\_not11th.pdf](http://planningcommission.gov.in/plans/planrel/tech_not11th.pdf), ( Industrial Commission Report, p. 1.)
2. forbes india 2017
3. Chernovskaya, Valentina, Indian Entrepreneurship, Delhi, Shipra Publication, 2005, p. 1-49.)
4. Ministry of Small Industries as given in Economic Survey (2007-08) and Ministry of Small Scale industries.
5. Israel M. Kirzner, —Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship (Chicago: University of Chicago Press, 1979).p.38-39.
6. <http://www.yourarticlelibrary.com/essay/entrepreneurship-essay/growth-of-entrepreneurship-in-india-during-pre-independence/40661>
7. <https://economictimes.indiatimes.com/small-biz/startups/india-will-be-home-to-10500-startups-by-2020-nasscom/articleshow/55068274.cms>
8. <http://www.thebhc.org/node/794>
9. <http://www.hbs.edu/faculty/Publication%20Files/07-007.pdf> (Entrepreneurship and Business History: Renewing the Research Agenda Geoffrey Jones R. Daniel Wadhvani)