



# THE BASICS OF ENTREPRENEURSHIP

*JV'n Anupama Tripathi*

**JAYOTI VIDYAPEETH WOMEN'S UNIVERSITY, JAIPUR**

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# ***THE BASICS OF ENTREPRENEURSHIP***

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**“बेटी बचाओ, बेटी पढ़ाओ”**



## ***DEDICATION***

***“ With my deepest gratitude and warmest affection I dedicate this book to my loving parents”.***

***“SMT.SHAIL TRIPATHI***

***AND***

***SHRI SURESH PRASAD TRIPATHI”.***

***-ANUPAMA TRIPATHI***

## **PREFACE**

*Entrepreneurship is one of the important papers taught in UG as well as PG programme of commerce and management. Author's desire in writing this book is to provide the beginners and all other learners fully developed learning package to enhance their learning and introducing everyone to Entrepreneurship in an exciting way.*

*Such material have been utilized which are straight forward, current, relevant and easy to learn. Integrated examples and diagrams have been used that unify the discussion and form a common, easy-to-understand basis for discussion and exploration. This will put readers at ease and allow for greater understanding and demonstration of mastery of the material. This textbook is not just a collection of useful material; it is a guide to the beginners for an order of review which will aid in mastering the subject area.*

*I wish good knowledge and understanding of the subject to all those who read this book. If you think any suggestion of yours can enrich this book, you are always welcome to write at [anupamatripathi78@gmail.com](mailto:anupamatripathi78@gmail.com).*

**THANK YOU !**

**ANUPAMA TRIPATHI**

## **ABOUT THE BOOK**

*The field of entrepreneurship has grown in recent decades into an interdisciplinary area of study that has found a secure niche in both humanities and business education. Credit for this development belongs to many individuals — both practitioners and academicians — who have succeeded in relating entrepreneurial theory to the various problems of entrepreneurship that arise in establishing enterprises or starting new ventures in business. They have shown that not only that entrepreneurship is fruitful subject for academic exploration, but also for practitioners in the world and both can benefit from the results. Today's students, in all their wonderful diversity, are tomorrow's entrepreneurs, leaders and managers. They are the hope of 21st century. Just as workplace in this new century will be vastly different and very demanding, so too will be our teaching and learning environments. While continuing to emphasize the relevance of cultural diversity, the global economy, ethics and social responsibility, the imperatives of quality and high performance for entrepreneurs and enterprises, management educators must step confidently forward. New values and management approaches are appearing; the nature of work and organizations are changing; the age of information is not only with us, it is transforming organizations and our everyday lives. It is comprehensive and provides up-to-date discussion of the most prominent issues in the field of entrepreneurship theory and developments.*

*This book is designed for all learners and students in colleges and universities, as well in industry and government, who seek to learn the fundamentals of entrepreneurship .No prerequisite knowledge, is necessary, although an understanding of basic principles will prove useful. The modular format not only supports instructional excellence and learning, but also puts into your hands a concise learning resource that can help one to achieve their set goals. The book is also an important reference for scholars and thoughtful executives interested in the cutting edge of theory and research in entrepreneurship.*

## **ACKNOWLEDGEMENT**

*“I would like to take this opportunity to first and foremost thank God for being my strength and giving me firm determination, patience and fore thought in achieving my destination”*

*It gives me immense pleasure to record my gratitude to the many people who have been instrumental in giving this book its shape. This book becomes a reality with the kind support and help of many individuals.  
I thank my prospective readers in advance for they would be a source of improvement and further development of this book.*

*Finally I extend my heartiest gratitude to Jayoti Vidyapeeth Women's University Press for giving encouragement and publishing this book.*

*Constructive comments, feedback and encouraging complements from the readers are always welcome.*

**ANUPAMA TRIPATHI**  
**RESEARCH SCHOLAR**

## ***About Jayoti Vidyapeeth Women's University, Jaipur, Rajasthan.***



*JVWU Founded in 2008, JV is vibrant, research led Women University having perfect and safe environment to live and study. Having top class academic environment, JV provides an ideal foundation for your personal and professional development.*

*The Jayoti Vidyapeeth Women's University, Jaipur has been established and incorporated under the Act 17 of 2008 passed by Rajasthan State Legislature and notified by the Government of Rajasthan through its official Gazette Notification No. F.2 (23) Vidhi /2/2008 dated April 21, 2008.*

*The university is recognized by many government organizations including the University Grants Commission of India(UGC), Pharmacy Council of India(PCI), Government of Rajasthan, NAAC, Bar Council of India, Central Council of Indian Medicine etc. The university aims at becoming the leading centre of excellence for Clinical Care, Research, Education and Training in Professional and medical fields. Jayoti Vidyapeeth Women's University was established with a mission of providing education for community development to promote women empowerment.*



## Women Education-

*"Jayoti Vidyapeeth Women's University is a leading centre of excellence for Education, Research, Clinical Care and Training in Professional, Technical and Medicinal field to educate women in technically advanced disciplines to inculcate in them the spirit of enterprise and desire to excel. The University is established in rural settings with an aim to provide women education in unconventional fields and fill the gap by offering all the programs under one umbrella for female candidates to provide skilled, educated and disciplined candidates for the positions which are not offered or open for women and to present them as a role model to the society in the form of women leader at key positions in academic institutions. The University is offering almost all general, professional, medical, and technical and skills programs under single roof exclusively for girls. It also aspires to provide Distance Education and Skill Development Education in flexible mode. The university provides a transformational experience where highest integrity, professional commitment and ethics are inbuilt in the training mechanism itself, so that ambassadors of tomorrow have an effective personality and ability to address social, economic and technological challenges of the global world. The University is established in a rural area for motivating local girl's aspirants for higher education, prevent dropouts and to stop migration from Rural Areas to Urban Cities, the University reserved 10- 30% intake of seats in each program for local girl aspirants residing 20 Kms of radius of University campus called as 'Local Academic Seats' with maximum possible subsidized fee structure with the recommendation of Sarpanch (s) of nearby village panchayats so that the University mission can be achieved.*



**DR. PANCKAJ GARG**

"Youngest Founder of a University" declared by India Book of Records'

FOUNDER & ADVISOR

JAYOTI VIDYAPEETH WOMEN'S UNIVERSITY, JAIPUR

*Founder & Advisor at Jayoti Vidyapeeth Women's University,  
Jaipur, Rajasthan, India.*



**JVWU, JAIPUR IS CONTINUOUSLY DOING ITS  
SHARE OF EFFORTS IN UPLIFTMENT OF  
WOMEN IN ALL ASPECTS & STAGES OF LIFE.**

**“Many Empowered...  
Many More To  
Be Empowered”**

**DO YOUR EFFORTS TO ENSURE THAT THE FUTURE FOR GIRLS IS BRIGHT,  
EQUAL, SAFE AND RECOGNIZED.**

**"PROMOTE WOMEN EDUCATION FOR COMMUNITY DEVELOPMENT"**



**JV'n Vidushi Garg  
Chairperson**

**Jayoti Vidyapeeth Women's University, Jaipur**

*JV'n Vidushi Garg Ji, Hon'ble Chairperson Jayoti Vidyapeeth Women's University is a leader of that industry which is a base for economic growth as well as social transformation of the country, she has transformed the education pattern at **JVWU** and played a pivotal role in helping it achieve new horizons.*

***About Director Research And Professor Of Management And Commerce At Jayoti Vidyapeeth Women's University Jaipur , Rajasthan.***



***Dr. Mini Amit Arrawatia , M.Com (abst), MBA ( Finance), UGC NET ( Management ),Ph.D ( Commerce ),is currently working as Director Research And Professor Of Management And Commerce at Jayoti Vidyapeeth Women's University Jaipur , Rajasthan. Her area of specialization is in Commerce and Management. She has a teaching experience of over 20 years. She has so far attended more than 50 conferences and seminars. She has so far published over 30 research papers in the journals of National and International repute and 2 patents filed.***

***‘Research Guide Of Anupama Tripathi’***



## ***About The Author***



*Miss Anupama Tripathi, She has done her Masters in Commerce from Allahabad University and Masters in Education from Ram Manohar Lohia Awadh University at present .She is pursuing PhD in Commerce from Jayoti Vidyapeeth Women's University Jaipur, Rajasthan. She also counsel's and Guides the student preparing for UGC NET/ SLET/CPT/CMAandvarious-Professional-courses.*

*Her more than 8 research papers have been published in different National and International Journals and 4 are under publication process. She is continuously attending seminars of national and international level with paper presentations .Her 9 books have beenpublished in well recognized publications and many books are under publication .Her all books are copyright and on royalty .She has also received Young Researcher Award, 2021.She isan inquisitive learner and tried to satisfy her thirst for knowing more by participating in more than 100 webinars during lockdown. Her heartfelt thanks to her University and her Research Guide for giving her platform to enhance her skills.*

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# ***INTRODUCTION TO ENTREPRENEUR AND ENTREPRENEURSHIP***

## ENTREPRENEUR

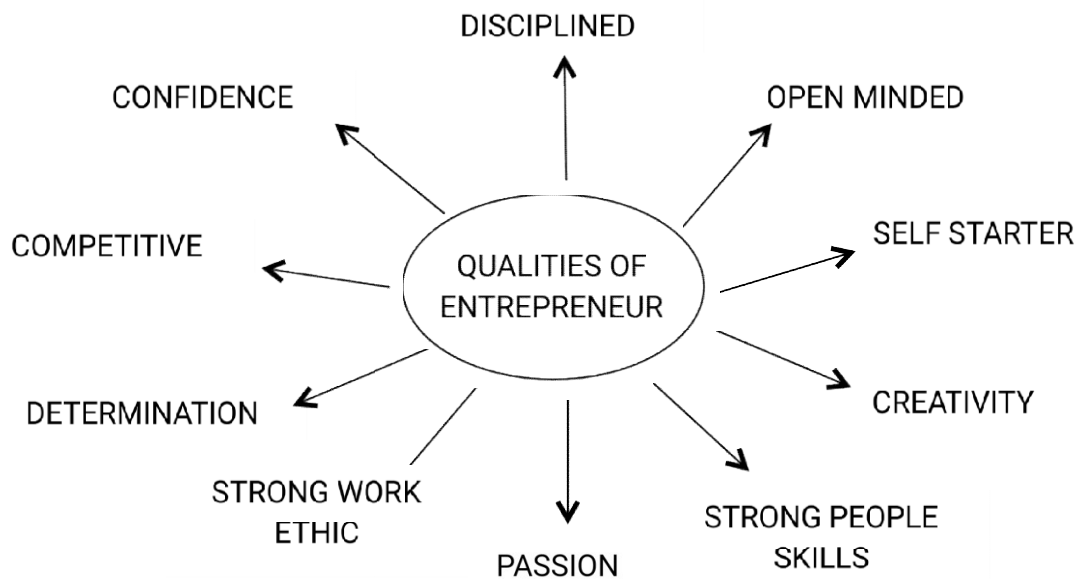


### Meaning –

Entrepreneur word is used for a person or individual, who for a person or individual, who develops a new business, with the motive to make money. An entrepreneur bears most of the risks and enjoys most of the reward. Success of an entrepreneur rewards him/her with profits, fame and continued growth opportunities. An entrepreneur exercise initiative by organising a venture to take the benefits.

### Key Traits of Successful Entrepreneurs –

Successful business people possess many traits in common with one another. Here are few traits of the successful entrepreneur.



- **Disciplined –**  
Disciplined individuals are focused on making their business work. Successful entrepreneurs seriously take steps for the achievement of their objectives, eliminating all hindrances or distraction in their path.
- **Confidence –**  
Successful entrepreneurs do not doubt, instead are very confident with the knowledge that they will make their business succeed.
- **Open minded –**  
Every event and situation is a business opportunity, entrepreneurs realise it and look at everything around them and focus it towards their goals.
- **Self-Starter –**  
Entrepreneurs are proactive; they do not wait for someone to give them permission. They parameter and ensure that projects follow the path.
- **Competitive –**  
Entrepreneurs have full confidence that they can do a job better than another. They need to win at the businesses they create. They highlight their own company's track record of success.
- **Creativity –**  
Entrepreneurs possess creative skills to make links between unrelated events or situations. Successful entrepreneurs repurpose products to make them to new industries.



- **Determination** –  
Good entrepreneurs try till they succeed; they are very determined to achieve the goals. They look at defeat as an opportunity for success.
- **Strong people skills** –  
Successful entrepreneurs possess good and strong communication skills. They easily influence the consumers as well as their employees which increases both sales and work efficiency of the workers, respectively.
- **Strong work ethic** –  
Successful entrepreneurs keep their mind on work constantly. They are the first to enter the office and the last off days or other holidays to ensure that an outcome meet their expectations.
- **Passion** –  
One of the most important trait of a successful entrepreneur will genuinely love the work, be devoted not for money but for success which goes beyond the money.



### **Functions Of An Entrepreneur-**

#### **1-Entrepreneurial function –**

- Innovation
- Risk taking
- Organizational
- Building

#### **2- Promotional function –**

- Ideas evolving.
- Detailed investigation
- Assembling requirements
- Financing

### **3- Managerial function –**

- Planning
- Organising
- Staffing
- Directing
- Leadership
- Communication
- Motivation
- Coordination
- Controlling

### **4-Communication function –**

- Production
- Marketing
- Accounting
- Financing

### **1-Taking initiative –**

Entrepreneurship is a pro-active activity that takes such actions, which even cannot be perceived by other. Taking initiative is the prime function of an entrepreneur.

### **2-Organizing resources –**

An entrepreneur has to identify the resources that are required to transform a particular idea into reality. Resources include both human and non-human resources.

Proper organization increases productivity, promotes new ventures, distribute and supervise work and responsibility and remove barrier to work.

### **3-Identifying opportunities and prospects-**

An entrepreneur has to search for these activities of value that have an economic and social contribution. Therefore, entrepreneurs are also called as the searchers of hopes.

### **4-Risk taking-**

A successful entrepreneur has to take the risk for the new ventures, with full confidence of achieving the present target.

### **5-Decision making-**

An entrepreneur has to decide multivariate issues that affect new ventures. He has to decide upon-

- Equipment to be used

- Quality, price and its variation
- Deficiency
- Capital structure
- The feasibility of the project
- Organizational structure
- Philosophy of management, etc.

These will guide, run and prosper the attempt of a new venture.

### **Types Of Entrepreneur-**

## **TYPES OF ENTREPRENEURS**

**According to “Danhof”**

INNOVATIVE ENTREPRENEURS:

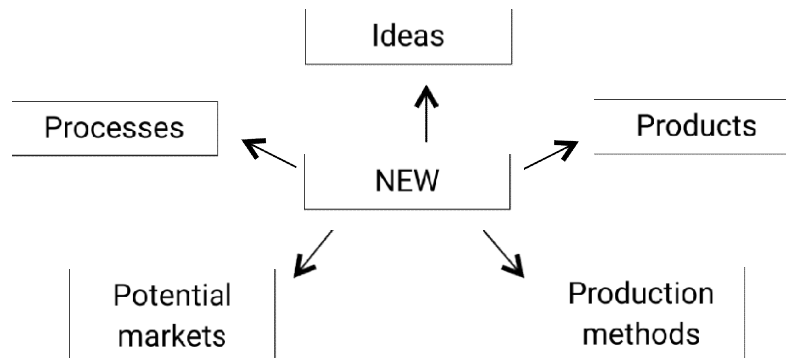
INITIATIVE ENTREPRENEURS

FABIAN ENTREPRENEURS

DRONE ENTREPRENEURS

### **1-Innovative Entrepreneur –**

These are the ones who invent the following –



Innovative entrepreneurs have the ability to recognize the demand for goods and services. They act as industry leaders and significantly contribute towards the economic development of the country. They accept challenges, face them and finally succeed.

**Example** – Ratan Tata, he is said to be an innovative entrepreneur who launched the Tata Nano car at very low cost affordable easily by all.

## **2-Imitating Entrepreneurs-**

These are the ones who copy the inventions made by the innovative entrepreneurs. They do not make any inventions they simply imitate the process, technology and method pioneered by others.

These types of entrepreneurs are suitable for the underdeveloped regions, where new inventions cannot be made due to lack of resources.

## **3-Fabian Entrepreneurs –**

These types of entrepreneurs are in dilemma about the changes to be made in the organization. They follow the inventions once they are well tested by others and do not result in a huge loss due to its failure.

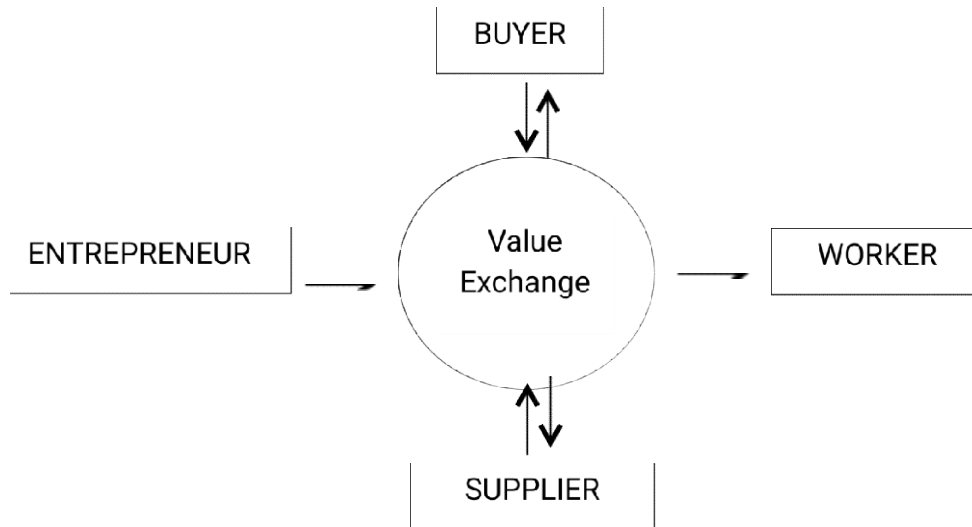
## **4-Drone Entrepreneurs-**

These types of entrepreneurs are very conservative and unwilling to make any changes in the organization. Even if they suffer loss they do not want to make any changes. They are happy with their present mode of business.

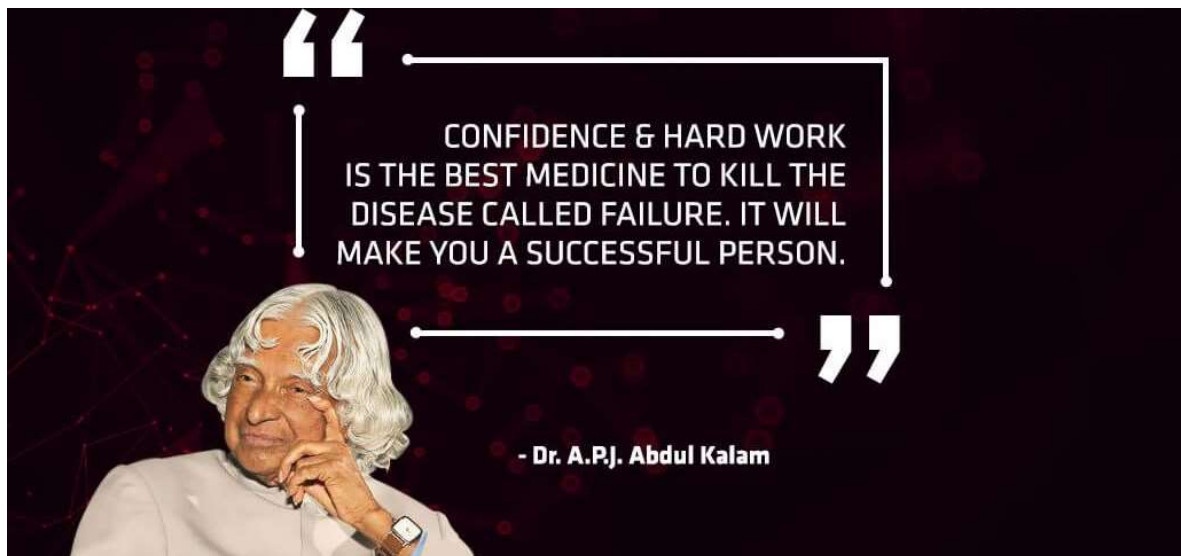
## **The Role of The Entrepreneur-**

- Entrepreneurs occupy a central position in a market economy.
- Entrepreneurs and their activities determine the level of success, prosperity, growth and development in an economy.
- Entrepreneurs play a crucial role in gathering the factors of production, to produce, offer and sell desired products and services.
- Entrepreneurs take risk for a new venture and invest amount to produce a product and sell at profits.
- Entrepreneurs have the capability to arrange the marketing, sales and distribution of that product or services.
- Entrepreneurs are future oriented and fast moving, willing to adopt all necessary strategies which can faster the growth and success of their venture.
- Entrepreneurs seek out need of the customers, which are not being satisfied by the competition.
- Entrepreneurs design strategies to fulfil the needs of the users.

- Entrepreneurs offer their products and services in more attractive manner than others.
- Entrepreneurs are called as national treasures also they need to be protected, nourished, encouraged and rewarded to the maximum extent possible.
- Entrepreneurs play a vital role in creating wealth, jobs, opportunities and prosperity in the nation.



## ENTREPRENEURSHIP



### **Definition-**

- “The ability of a person to see a business opportunity, to get together the capital needed , take advantage of the opportunity, and to start a business, taking the risk of failure in the hope of reaping the rewards of success”

**-Koontz and Fulmer**

- “Entrepreneurship is the purposeful activity of an individual or group of assorted individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods or services.”

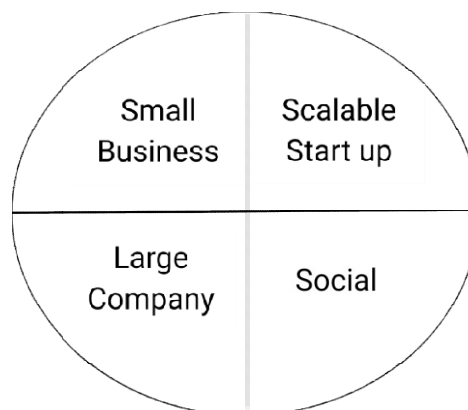
**-A.H. Cole**

### **Simple Meaning-**

Entrepreneurship is related to-

- Coordination, innovation and performance of the entrepreneur.
- A system of creating new business.
- Referred to the various activities, done for the establishment and operation of an enterprise.

### **Types of Entrepreneurship-**



### 1-Small Business Entrepreneurship-

- These people run or own their own business and hire family members or local employee.
- They fund their business by taking small business loan or from friends or relatives.
- The profit is only sufficient for feeding their family.
- For example-Carpenter, plumber etc.



‘A woman from Jaipur making bangles with her own efforts’.

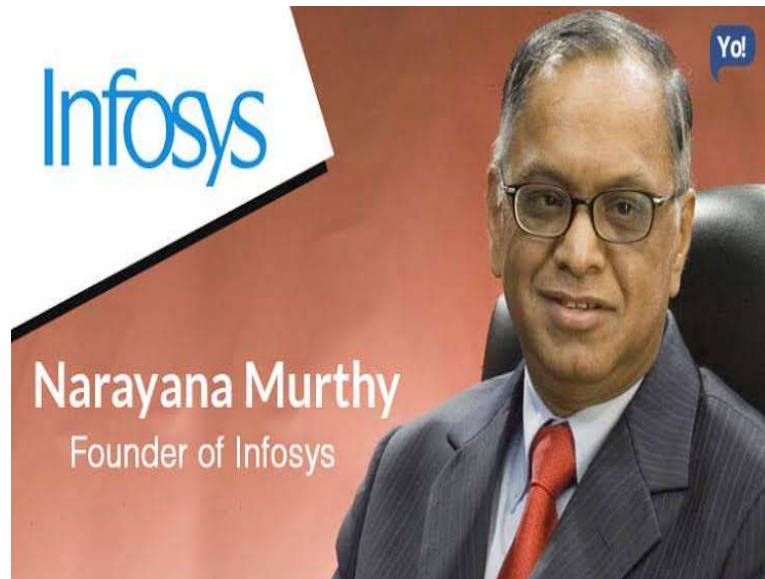
### 2-Scalable Start-Up Entrepreneurship-

- On this type of start-up, entrepreneur starts a business knowing that his vision can change the world. They attract investors who think and motivate people who think for different reforms.
- They require more venture capital to start-up their project or business.



### 3-Large Company Entrepreneurship –

- Large companies have defined lifecycle.
- They grow and sustain by offering new and innovative products.
- With the change in technology, customer tastes, new competition, etc. pressure is created on large companies to create an innovative products and sell it to the new set of customers in the market.



### 4-Social Entrepreneurship-

- The motto of this type of entrepreneurship is to work for society and not make any profits.
- It focuses on producing product and services that resolve the social requirements and problems.





### **Characteristics Of Entrepreneurship-**

- **Ability to take a risk-**  
An entrepreneur has to be courageous and able to evaluate and take risks because starting any new venture involves a considerable amount of failure risk.
- **Innovation-**  
It must be highly innovative to generate new ideas, start a venture and earn profits out of it.
- **Visionary and leadership quality-**  
An entrepreneur must have a clear vision of his new venture. A lot of resources and employees are required to turn an idea into reality. Here, leadership quality is paramount, because a leader can guide his employees effectively and efficiently.
- **Open minded –**  
Every situation can be an opportunity in a business, an entrepreneur needs to realise this and utilise the situation for the benefit of the company.
- **Flexible-**  
An entrepreneur must be flexible and ready to change as per the situation.
- **Know your product-**  
It is a vital part of entrepreneurship to point on own and as needed.

### **Importance Of Entrepreneurship-**

- **Creation of employment-**  
Entrepreneurship creates employment. It provides an entry-level job, important for acquiring skills and experiences.
- **Innovation-**  
Entrepreneurship is the hub of innovation that provides new product ventures, market, technology, quality of goods and increases the living standard of the people.
- **Impact on society and community development-**  
If the employment base is wide, it modified society, promoting facilities like higher expenditure on education, better sanitation etc. Thus, entrepreneurship assists the business in a more stable and high quality of community life.
- **Increase standards of living-**  
With entrepreneurship income increases and so, the standard of living, Consumption of goods and services increases.
- **Support research and development-**  
Before launching a new product, it is mist to be tested. So, an entrepreneur also dispenses finance for research and development with research institutes and

universities. This in turn promotes general construction, and economy development.

### **Factors Affecting Entrepreneurship-**

#### **1-Personality Factors-** These factors include-

- Initiative
- Proactive
- Perseverance
- Persuasion
- Self confidence
- Self-critical
- A planner
- Risk Taker

#### **2-Environmental Factors-** These factors include working conditions of an entrepreneur like-

- Political climate
- Legal System
- Economic Conditions
- Social conditions
- Market Situation etc.

### **Objectives of Entrepreneurship-**

#### **1-Be your own boss-**

Many people do not will to work for a boss, so they start their own business. This leads to high morale and confidence build up n an individual.

#### **2-Pursue your own ideas-**

Working for a corporation is restrictive one cannot implement his / her own ideas entrepreneur represents their true passion, own ideas and capabilities without any external interference.

#### **3-Earn more money-**

Entrepreneurs possess the capability to earn more money and enjoy higher income.

#### **4-Own your own time-**

An entrepreneur is free to work as per own suitability. Per week may be the working hours are 60 to 80 but chosen by an entrepreneur himself. Work from home adds more reliability to this feature.

## **Dimensions of Entrepreneur-**

### **1-Strategic Orientation-**

Strategic orientation is the first dimension of entrepreneurship. According to this a promoter is truly driven a opportunity and the factors which derive a company's formulation strategy.

### **2-Commitment to opportunity-**

An entrepreneur must grab the opportunity. The promoter needs to act in very short time and chase an opportunity quickly.

### **3-Commitment of resources-**

A good entrepreneur attempts to create the maximum value by minimum use of resources and even must be open to accept the risk in process.

### **4-Resource control-**

Entrepreneur must have the skill to utilise the resources efficiently.

### **5-Management structure-**

Entrepreneur should decide the management hierarchy. The promoter needs knowledge for progress which is direct contact with all of the principle characters as follow.

### **6-Reward Philosophy-**

Every venture follows the philosophy to focus on the creation of values. In start-up situations, the founders invest cash on own and want returns as soon as possible.

## **Problems of Entrepreneurship-**

### **1-Traditional society-**

- Variety of blind faith, traditions and conservatism exist in Indian societies.
- Certain jobs are not considered as prestigious.
- People hesitate to leave their traditional occupations, due to prevalence of caste system.
- Hence, people lack of desire to start a business, take risk and constructive thinking.

### **2-Hereditary work-**

- In India, work is on the basis of hereditary adaption, caste system, religion and gender difference etc. As a result, the entrepreneurs are not able to choose the business and industry, according to their capability and interest.

### **3-Unproductive expenditure-**

- People spend their savings on unnecessary and no profit returning activities like on marriages, birthdays, parties etc. but hesitate to bear risk and start a new venture.

### **4-Lack of infrastructure facility-**

- New entrepreneurs face shortage of essential facilities like banks, insurance, electricity, water, raw material, roads, stock market services etc. This is one of the main reasons for slow development of industries.

### **5-Lack of enterprising mentality-**

- People lack of high aspiration for achievements.
- They take no interest in innovations.
- Risk bearing capacity is low.
- Thinking is orthodox.

### **6-Cultural values-**

- In India culture ideal is, “Simple living, high thinking, much importance is given to values than to material gains, personal property, economy pursuits and high living standard.

### **7-Lack of favourable environment-**

- Enthusiasm for work lacks in our country. The consumers view the entrepreneur, with sense of suspicion, capital is scarce, government policies are impractical, unhealthy and cut throat competition.

### **8-Competition with big industrial houses-**

- Some industrial houses have monopoly on business and in India priority is given more to public sector industries. Thus the new entrepreneurs do not think of setting up the industry as they are not in the position to compete with these business houses and public sector industries.

### **9-Lack of educational and training facilities-**

Educational and training facilities in India have certain deficiencies like-

- Institutions are not adequate.
- Education and training imparted in the institutions are not much practical in respect of entrepreneurship.

- Trained trainers are also not sufficient.

#### **10-Inadequacy of capital-**

- Due to high rise in prices, it is becoming difficult to maintain living standard in India, as compared to western countries.

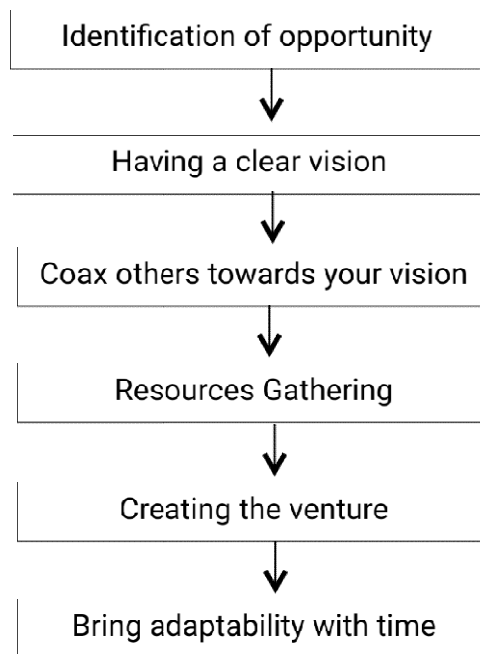
***ENTREPRENEURIAL  
PROCESS  
AND MANAGEMENT***



### Meaning-

It can be defined as the steps taken to start a new venture it is a step by step method, one has to follow to set up an enterprise.

### Entrepreneurial Process Flowchart-



### Cycle Of Entrepreneurial Process –

**1-Discovery** – This is the first stage, where an entrepreneur generates ideas, recognizes opportunities and studies the market.

**2-Concept development** – At this stage, business plan is to be developed which describes clearly the business idea.

**3-Resourcing** –At this stage, an entrepreneur identifies and acquires the financial, human and capital resources needed for the venture start-up, etc.

**4-Actualization** – At this stage, an entrepreneur operates the business and utilizes resources to achieve its goals / objectives.

**5-Harvesting** – At this stage, entrepreneur decides on the future growth, development or demise of the venture.

### Managerial Roles and Functions-



### Manager Meaning-

Manager is a person responsible for supervising and motivating the workers of the organization and directing the progress of an organization. He is the one responsible to 'manage' the company.

### Functions of Manager-

**Good managers discover how to master five basic functions:**

Planning, organizing, staffing, leading and controlling.

- **Planning** – This step involves making out exactly how to achieve a particular goal. Planning and decision making help in maintaining managerial effectiveness by serving as guide for future activities.
- **Decision making**- Decision making is choosing from alternative courses of action. It involves making decision about a course of action and establishing priorities relating to the action.
- **Organizing**- Managers need to establish relationship between people and other resources that work to achieve an objective. It is concerned with coordinating activities and resources at the disposal of management.



- **Leading/Directing** – After organization, manager has to assign duties to different people to work together to further the interests of the organization.
- **Controlling** – Controlling is the final phase of management process. Controlling involves taking appropriate actions to achieve maximum effectiveness for the fulfilment of goals.

### **Entrepreneurship V/S Management-**

Quite often an entrepreneur and a manager are considered similar because of some overlapping in their roles in small firms, the owner himself acts as a manager but these are some important differences between an entrepreneur and a manager which are discussed below-

- **Venture creation** –An entrepreneur often sets up a new venture while a manger only runs an existing venture.
- **Innovation** – An entrepreneur is an innovator. He introduces new ideas to increase profit. On the other hand a manager runs the business on established lines.
- **Risk bearing** – An entrepreneur assumes risk of economics uncertainties involved in the enterprise, a paid manager, on the other hand takes no risk.
- **Status** – An entrepreneur is his own boss and enjoys an independent status. Whereas, a manger is an employee and dependent on the owner.
- **Reward** – For bearing risk, an entrepreneur earns profits which may fluctuate widely from one time period to another. But the reward for a manger is his fixed and regular salary.
- **Continuity** –Management refers to the on-going coordination of the production process whereas entrepreneurship is a discontinuous phenomenon appearing to initiate change in the production process and then disappears until it reappears to initiate another change.

### **Overlapping Roles of Entrepreneur And Manager-**

An entrepreneur and a manger have different-different roles. However their few roles may overlap with each other like-

- They both are decision makers.
- They both have managing abilities and can project forward.
- An entrepreneur who starts a new venture must use managerial skills to implement their innovative ideas successfully.
- Manager must use entrepreneurial skills in order to manage change and innovation to effectively deal with uncertain external environment of business.

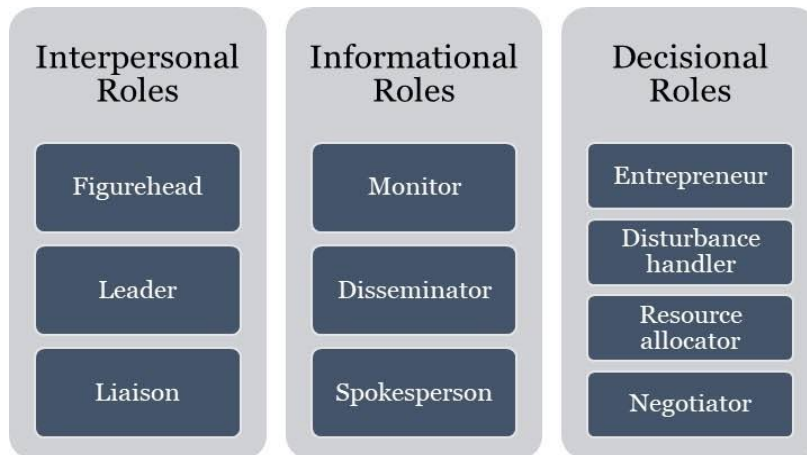
## Managerial Roles-

To meet the many demands of performing their functions, managers assume multiple roles. A role is an organized set of behaviors. Henry Mintzberg has identified ten roles common to the work of all managers.

The ten roles are divided into three groups:

1. Interpersonal
2. Informational
3. Decisional

The performance of managerial roles and the requirements of these roles can be played at different times by the same manager and to different degrees depending on the level and function of management. The ten roles are described individually, but they form an integrated whole.



### 1. Interpersonal Roles-

The interpersonal roles link all managerial work together. The three interpersonal roles are primarily concerned with interpersonal relationships.

- **Figurehead Role:** The manager represents the organization in all matters of formality. The top level manager represents the company legally and socially to those outside of the organization. The supervisor represents the work group to higher management and higher management to the work group.
- **Liaison Role:** The manager interacts with peers and people outside the organization. The top level manager uses the liaison role to gain favors and information, while the supervisor uses it to maintain the routine flow of work.
- **The leader Role:** It defines the relationships between the manager and employees.

### 2. Informational Roles-

The informational roles ensure that information is provided. The three informational roles are primarily concerned with the information aspects of managerial work.

- **Monitor Role:** The manager receives and collects information about the operation of an enterprise.
- **Disseminator Role:** The manager transmits special information into the organization. The top level manager receives and transmits more information from people outside the organization than the supervisor.
- **Spokesperson Role:** The manager disseminates the organization's information into its environment. Thus, the top level manager is seen as an industry expert, while the supervisor is seen as a unit or departmental expert.

### 3. **Decisional Roles-**

The decisional roles make significant use of the information and there are four decisional roles.

- **Entrepreneur Role:** The manager initiates change, new projects; identify new ideas, delegate idea responsibility to others.
- **Disturbance Handler Role:** The manager deals with threats to the organization. The manager takes corrective action during disputes or crises; resolve conflicts among subordinates; adapt to environmental crisis.
- **Resource Allocator Role:** The manager decides who gets resources; schedule, budget set priorities and chooses where the organization will apply its efforts.
- **Negotiator Role:** The manager negotiates on behalf of the organization. The top level manager makes the decisions about the organization as a whole, while the supervisor makes decisions about his or her particular work unit.

### **Managerial Skills-**

Managers at every level in the management hierarchy must exercise three basic types of skills: technical, human, and conceptual. All managers must acquire these skills in varying proportions, although the importance of each category of skill changes at different management levels.

#### 1. **Technical skills-**

- Technical skills refer to the ability and knowledge in using the equipment, techniques and procedure involved in performing specific tasks.
- These skills require specialized knowledge and proficiency in the mechanics of a particular.
- Technical skills lose relative importance at higher levels of the management hierarchy, but most top executives started out as technical experts.

#### 2. **Human skills-**

- Human skills refer to the ability of a manager to work effectively with other people both as individual and as members of a group.
- Human skills are concerned with understanding of people.
- These are required to win cooperation of others and to build effective work teams.

### 3. Conceptual skills-

- Conceptual skills involve the ability to see the whole organization and the interrelationships between its parts.
- These skills refer to the ability to visualize the entire picture or to consider a situation in its totality.
- These skills help the managers to analyze the environment and to identify the opportunities.
- Conceptual skills are especially important for top-level managers, who must develop long-range plans for the future direction of their organization.

#### **Entrepreneurs V/S Managers –**

1-Entrepreneurs as discussed is a –

- risk bearer
- an organizer
- an innovator

He creates an office/enterprise/organization, by taking financial risk in order to get profit.

2-Manager is an individual who takes the responsibility of controlling and administering the organization.

An entrepreneur and a manager can be distinguished on the following grounds –

#### **Key Difference between Entrepreneur and Manager-**

	<b>Basis for comparison</b>	<b>Entrepreneur</b>	<b>Manager</b>
	Focus	Business start-up	On-going operations.
	Primary motivation	Achievement	Power
	Approach to task	Informal	Formal
	Status	Owner	Employee
	Reward	Profit	Fixed salary

	Decision making	Initiative	Calculative
	Driving force	Creativity and innovation	Preserving status
	Risk orientation	Risk taker	Risk average

### **Intrapreneurs –**

An intrapreneur is an individual within in a company that takes risk to solve problems and is usually incharge of undertaking innovations in product, series, process etc.

### **Organization wants to form –**

#### **1-Product champions –**

People who takes ownership of a product from concept to market .

#### **2-Skunworks –**

A group of intrapreneurs kept separate from the rest of the organization.

#### **3-New venture division –**

Allows a division to acts as its own smaller company

#### **4-Reward for innovation –**

Link innovation workers to valued rewards.

### **Comparison Chart-**

	<b>Entrepreneur</b>	<b>Intrapreneur</b>
1.	Entrepreneur is employer.	Intrapreneur is employee.
2.	Independent in operation.	Depend on organisation to implement his ideas.
3.	Bears all the risk involved in enterprise.	Does not bear all risk.

4.	Profit is the reward.	Attractive salary, promotion and incentives are reward.
5.	May not have formal qualification.	Should have some professional or technical qualification.
6.	Exhibits higher need for achievements.	May not have high need for achievements.

# ***ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT***

**Meaning-**

It means a process of upward change whereby the real per capita income of a country increases over a period of time. An enterprise contributes to increasing the gross domestic product (GDP) and income per resident, which results in economic development by contributing in country's export and improving the trade balance.

**Role of Entrepreneurs in Economic Development-**

Entrepreneurs play a vital role in the economic development and serve as catalysts in the process of economic growth. Technical progress alone cannot foster economic development, unless technological breakthroughs are put to economic use by entrepreneurs. Some of the roles of entrepreneur are-

- Capital formation.
- Improvement in per capita income.
- Generation of employment.
- Balanced regional development.
- Improvement in living standards.
- Economic independent.
- Backward and forward linkages.
- Inspire others towards entrepreneurship.
- Create knowledge spillovers.
- Augment the number of enterprises.
- Provide diversity in firms
- Organizing of society's productive resources.
- Production of new articles.
- Development of new production, technique and a few others.

### **Role of Entrepreneurship in Economic Development-**

- It promotes capital formation by mobilizing the idle saving of the public.
- Entrepreneurship provides immediate large scale employment thus, it helps in the reduction of the unemployment problem in the country.
- Entrepreneurship promotes balanced regional development.
- It helps reduce the concentration of economic power.
- It stimulates the equal distribution of wealth, income and power in the interest of the country.
- It encourages effective resource mobilization of capital and skill.
- It enhances proper utilization of resource, capital and skills.
- It induces backward and forward linkages which stimulate the process of economic development in the nation.
- Entrepreneurship promotes country's export trade, which is an important ingredient to economic development.
- On the whole, the role of entrepreneurship can be put as an "economy is the effect for which entrepreneurship is the cause".

### **Need For Entrepreneurship Development-**

Economic development essentially means a process of upward change whereby the real per capita income of a country increases over a period of time. Entrepreneurship plays a key role in the economic development of a country, being the most important inputs in economic development economic growth of a country is affected by the number and competence of entrepreneurs.

### **Entrepreneurship Is Promoted With The Aim Of –**

- Alleviating the problem of unemployment.
- Overcoming the problem of stagnation.
- Increasing the competitiveness and growth of business and industries.
- Enhance the entrepreneurial objective and accommodate more people to become entrepreneurs as well.

### **Entrepreneurial Motivation-**

#### **Meaning-**

It is the process that activates and motivates the entrepreneur to transform into a powerful businessman, who can create opportunities and help in maximizing wealth and economic development.

The nature of motivation can be expressed as follows-



### **Nature of motivation-**

- Motivation cannot be seen, it is internal to man.
- A single motive can cause different behaviours.
- Motives can come and go.
- Motives interact with the environment.

### **Entrepreneurial Motivating Factors-**

#### **1-Internal Factors-**

- Desires to do something new.
- Becomes independent.
- Achieve what one wants to have in life.
- Be recognized for one's contribution.
- One's educational background.
- One's occupational background and experience in the relevant field.

#### **2-External Factors-**

- Government assistance and support.
- Availability of labour and raw material.
- Encouragement from big business houses.
- Promising demand for the product.

### **Some Effective Ways to Build Entrepreneurial Skills-**

- Take a different path.
- Start a Business.
- Stick with Challenges
- Delay Gratification.
- Manage your own finances
- Volunteer to lead.
- Practise communication skill.
- Learn from mentor.
- Work in sales.
- Get involved with other entrepreneurs
- Help others with their business.
- Keep Learning.

# ***THEORIES OF ENTREPRENEURSHIP***

## **Theories Of Entrepreneurship**

### **Theory Meaning-**

Theory is a well-substantiated explanation acquired through the scientific method and repeatedly tested and confirmed through observation and experimentation.

### **There Are Following Theories Of Entrepreneurship-**

1. The economic theory.
2. The sociology theory.
3. Entrepreneurship innovation theory.
4. Psychological theory.
5. Theory of achievement motivation.
6. Status withdrawal theory.
7. Theory of social change.
8. Theory of social behaviour.
9. Theory of leadership.
10. Theory of model personality.
11. Theory of systematic innovation.

### **1-Economic Theory Of Entrepreneurship-**

Entrepreneurship and economic growth develop in favourable economic conditions.

Main motivators are the economic incentives which include-

- The taxation policy.
- Industrial policy.
- Source of finance and raw material.
- Infrastructure availability.
- Investment and marketing opportunities.
- Access to information of market conditions, technology etc.

### **2-Sociological Theory Of Entrepreneurship-**

- Entrepreneurship is likely to get a boost in a particular social culture.
- The entrepreneurship behaviour in a society is influenced by-
  1. Society values.
  2. Religious beliefs.
  3. Customs.
  4. Jaloos, etc.
- Entrepreneur merely performs a role as per the society expectations.

### **3-Entrepreneurship Innovation Theory –**

- This Theory was prompted by Joseph Schumpeter.

- Entrepreneurship is innovation.
- This theory ignores organizing and risk taking abilities as key feature for an entrepreneur.
- An entrepreneur innovates, when produces a new product.
- An entrepreneur opens a new market, finds new source of raw material supply.
- An entrepreneur introduces a new organization in any industry.

#### **4-Psychological Theory Of Entrepreneurship-**

- Entrepreneurship gets boost when, has sufficient supply of individuals with necessary psychological features which include-
  1. Need for achievement.
  2. A vision foresight.
  3. Ability to face opposition.
    - These features are formed –
      1. During the individual upbringing.
      2. High standards of excellence.
      3. Self-reliance.
      4. Low father dominance.

#### **5-Theory Of Achievements Motivation-**

- David McClelland identified.
  1. Need for achievement .
  2. Need for affiliation.
  3. Need for power.
    - As the basis of entrepreneurial personality, he emphasized-
    - The importance of achievement motivation through which entrepreneur fulfils economic and social development
    - The need for achievement was found highest among entrepreneurs through an experiment.
    - People with high achievement orientation are more likely to succeed as entrepreneurs.

#### **6-Status Withdrawal Theory-**

- Propounded by E. Hagen
- Entrepreneurship is a function of status withdrawal .
- Four events which can produce status withdrawl are-
  1. Displacement of a traditional elite group by physical force.
  2. Denigration of values, symbols due to change in attitude of superior class.
  3. Inconsistency of static symbol due to change in economic power.
  4. Non-acceptance of expected status on migration to a new society.

5. Entrepreneur as a creative problem shooter.
6. Hagen visualized an innovative personality.
  - a. Retreatist.
  - b. Ritualist.
  - c. Reformist.
  - d. Innovator.
- Innovation requires creativity and such creative individuals cause economic growth.

#### **7-Theory Of Social Change-**

- Max Weber – Ethical value system.
- Protested ethic and the spirit of capitalism.
- Religion and its impact on entrepreneurial culture.
- Weber opined that spirit of rapid industrial growth depends upon-
  1. Rationalized Technology.
  2. Acquisition of money.
  3. Rational use of money for productivity.
  4. Multiplication of money.
- These elements depend upon specific value orientation of individuals generated by ethical values.

#### **8-Theory Of Social Behaviour –**

- Kunkel presents a behavioural model.
- Supply of entrepreneurs is a function of social, political and economic structure.
- Individuals perform various activities of which some are accepted by society while others are not.
- Four structures in society.
  1. Limitation structure.
  2. Demand structure.
  3. Opportunity structure.
  4. Labour Structure.

#### **9-Theory Of Leadership –**

- Hoselitz- Entrepreneurship is a function of managerial skill and leadership.
- Ability to lead and manage.
- Social conditions should ensure the development of enterprise oriented personalities.
- Hoselitz emphasized on the role of culturally marginal groups.

## **10-Theory Of Model Personality**

- The theory of Cochran is a sociological theory of entrepreneurial supply.
- Cochran emphasis cultural values, role expectation and social sanctions as the key element.
- Performance of entrepreneurs is influenced by-
  1. His attitude towards his occupation.
  2. Role expectation held by sanctioning groups.
  3. Operational requirements of the job.
- Society values are most important for attitude and role expectation.

## **11-Theory Of Systematic Innovation-**

- Propounded by Prof. Drucker.
- “Systematic innovation consists in the purposeful and organized search for changes and in the systematic analysis of the opportunities such changes might offer for economic or social innovation”.
- Systematic innovation means seven sources for innovative opportunity.
- The first four sources are-
  1. **The unexpected** – the unexpected success, failure, outside event.
  2. **The incongruity** – Between reality as it actually is and reality as it is assumed to be ought to be.
  3. Innovation based on process need.
  4. Changes in industry structure or market structure.
- The remaining three sources are-
  1. Demographics.
  2. Changes in perception, mood and meaning.
  3. New knowledge, both scientific and non-scientific.

## **Conclusion On The Theories Of Entrepreneurship –**

1. Entrepreneurship is a multidisciplinary area.
2. Governed by human factors- ever changing society, pursuing simultaneously .
3. Economic objectives.
4. Social objectives.
5. Psychological objectives.
6. Theory of entrepreneurship is woven into: sociological, cultural, psychological, political and managerial fiber.
7. With them it forms a economic web.

# ***SCENARIO OF ENTREPRENEURSHIP IN INDIA***

## ENTREPRENEURIAL SCENE IN INDIA



### Introduction -

In its seventh decade of independence, India is standing on the cusp of major change, which can be summed up in one line: Entrepreneurship in India. Known as the startup hub of the world, multiple young and dynamic Indians are taking the path of entrepreneurship, which is not only driving them forward but the entire country as well. Right from gaining investments from other countries, to creating job opportunities for fellow Indians, these entrepreneurs have changed the way the world looks at India.

### Importance Of Entrepreneurship In India-

There's no doubt that entrepreneurship can greatly impact the economy of a nation, hence, entrepreneurs are often considered to be national assets, who are motivated and remunerated through various Government policies. This is primarily because a great entrepreneur has the capability to completely change the way we live and work. They can not only improve our standard of living but they also actively contribute to the growth of the economy.

Mentioned below are some of the various reasons why entrepreneurship is extremely important and is highly encouraged by the Indian government.



### **1-Creates job opportunities-**

It's no secret that entrepreneurship greatly contributes to increasing job opportunities in the country. Moreover, as they provide entry-level jobs, it creates a great benefit of unskilled workers to get trained and gained experience. Hence, entrepreneurial ventures essentially prepare and enhance the skills of the workforce for large industries.

### **2-The social impact -**

Most entrepreneurs are 'givers.' They have struggled and worked hard to attain success, and hence, try to make the life of others easier. For example, many seasoned entrepreneurs regularly nurture other upcoming business ventures to help them in their journey. Not only does this help the young businesses, but it also gives the seasoned entrepreneurs a chance to extend their own ventures. Additionally, they also invest in various community projects and provide financial support to charities. The most famous entrepreneurs who have made a huge social impact are Bill Gates, Azim Premji, Warren Buffet, and Manoj Padaiyachi.

### **3-Boosts the economy-**

When new products and services are introduced in the market through entrepreneurship, a cascading effect takes place. This causes related businesses and sectors an opportunity to grow, thereby boosting economic development. For example, in the 1990s, just a few information technology companies comprised of the entire IT industry in India. However, the industry quickly expanded, which not only benefited the IT industry, but other sectors as well, like call center operations, network maintenance companies, and hardware providers. Moreover, education and training institutes too flourished as they launched a new class for IT workers, who could attain higher-paying jobs after completing these classes.

Hence, entrepreneurship not only benefits the sector but the multiple sectors, which in turn leads to the growth of the economy. Moreover, in a developing country like India, further developments require robust logistics support, capital investment, and qualified workers. So, there is no shortage of opportunities for budding entrepreneurs, who can provide employment for not just a qualified programmer, but to a construction worker as well.

#### **4-Increases the standard of living-**

**The definition of the standard of living concept is the ability to consume an amount of a variety of goods and services by a household, which is gauged over a period of time. The more the number of goods the household is able to afford, the higher their standard of living. Through entrepreneurship, people get job opportunities, which increase their standard of living as they are more capable of consuming the available goods and services.**

However, besides just individual earning, which also plays a huge role in increase the standard of living is the availability of diversified products in the market. Through innovation and a drive to launch something new, entrepreneurship provides the market with multiple new and improved products and services that can help improve their standard of life. Hence, there's no doubt that entrepreneurship increases the standard of living of the people of a country.

#### **5-Encourages innovation-**

There is no argument that innovation is the crux of entrepreneurship. No matter the industry, product or service, or market, without innovation and creativity, any entrepreneurial venture cannot be successful. Hence, with new ventures, products, technologies, markets, increased quality of goods, and others that are a product of innovation and entrepreneurship, the Gross Domestic Products increases considerably as it has a positive impact on the economy.

#### **6-Motivation-**

Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get the desired results.

##### **Motivating Factors-**

- 1.Education background
- 2.Occupational experience
- 3.Family background
- 4.Desire to work independently in manufacturing line
- 5.Assistance from financial institution

6.Availability of technology

7.Other factor

### **Nature Of Motivation-**

The nature of motivation emerging out of above definitions can be expressed as follows:

#### **1. Motivation is internal to man**

Motivation cannot be seen because it is internal to man. It is externalized via behavior. It activates the man to move toward his / her goal.

#### **2. A single motive can cause different behaviors**

A person with a single desire or motive to earn prestige in the society may move towards to join politics, attain additional education and training, join identical groups, and change his outward appearance.

#### **3. Different motives may result in single behavior**

It is also possible that the same or single behavior may be caused by many motives. For example, if a person buys a car, his such behavior may be caused by different motives such as to look attractive, be respectable, gain acceptance from similar group of persons, differentiate the status, and so on.

#### **4. Motives come and go**

Like tides, motives can emerge and then disappear. Motives emerged at a point of time may not remain with the same intensity at other point of time. For instance, an entrepreneur overly concerned about maximization of profit earning during his initial age as entrepreneur may turn his concern towards other higher things like contributing towards philanthropic activities in social health and education once he starts earning sufficient profits.

#### **5. Motives interact with the environment-**

The environment in which we live at a point of time may either trigger or suppress our motives. You probably have experienced environment or situation when the intensity of your hunger picked up just you smelled the odour of palatable food.

You may desire an excellent performance bagging the first position in your examination but at the same time may also be quite sensitive to being shunned and disliked by your class mates if you really perform too well and get too much of praise and appreciation from your teachers. Thus, what all this indicates is that human behavior is the result of several forces differing in both direction and intent.

### **Entrepreneurial Motivating Factors-**

Most of the researchers have classified all the factors motivating entrepreneurs into internal and external factors as follows:

**Internal Factors-**

These include the following factors:

1. Desire to do something new.
2. Become independent.
3. Achieve what one wants to have in life.
4. Be recognized for one's contribution.
5. One's educational background.
6. One's occupational background and experience in the relevant field.

**External Factors-**

These include:

1. Government assistance and support.
2. Availability of labor and raw material.
3. Encouragement from big business houses.
4. Promising demand for the product.

**Government Policies For Development And Promotion Of Small-Scale Industries In India-**

Some of the Government policies for development and promotion of small-scale industries in India are:

1. Industrial Policy Resolution (IPR) 1948.
2. Industrial Policy Resolution (IPR) 1956.
3. Industrial Policy Resolution (IPR) 1977.
4. Industrial Policy Resolution (IPR) 1980 .
5. Industrial Policy Resolution (IPR) 1990.

Since Independence, India has several Industrial Policies to her credit. So much so that Lawrence A Veit tempted to say that "If India has as much industry as it has industrial policy,

it would be a far well-to-do nation.” With this background in view, in what follows is a review of India’s Industrial Policies for the development and promotion of small-scale enterprises in the country.

### **1. Industrial Policy Resolution (IPR) 1948:**

The IPR, 1948 for the first time, accepted the importance of small-scale industries in the overall industrial development of the country. It was well realized that small-scale industries are particularly suited for the utilization of local resources and for creation of employment opportunities.

However, they have to face acute problems of raw materials, capital, skilled labour, marketing, etc. since a long period of time. Therefore, emphasis was laid in the IPR, 1948 that these problems of small-scale enterprises should be solved by the Central Government with the cooperation of the State Governments. In nutshell, the main thrust of IPR 1948, as far as small-scale enterprises were concerned, was ‘protection.’

### **2. Industrial Policy Resolution (IPR) 1956:**

The main contribution of the IPR 1948 was that it set in the nature and pattern of industrial development in the country. The post-IPR 1948 period was marked by significant developments taken place in the country. For example, planning has proceeded on an organised manner and the First Five Year Plan 1951-56 had been completed. Industries (Development and Regulation) Act, 1951 was also introduced to regulate and control industries in the country. The parliament had also accepted ‘the socialist pattern of society’ as the basic aim of social and economic policy during this period. It was this background that the declaration of a new industrial policy resolution seemed essential. This came in the form of IPR 1956.

The IPR 1956 provided that along with continuing policy support to the small sector, it also aimed at to ensure that decentralized sector acquires sufficient vitality to self-supporting and its development is integrated with that of large- scale industry in the country. To mention, some 128 items were reserved for exclusive production in the small-scale sector.

Besides, the Small-Scale Industries Board (SSIB) constituted a working group in 1959 to examine and formulate a development plan for small-scale industries during the, Third Five Year Plan, 1961-66. In the Third Five Year Plan period, specific developmental projects like ‘Rural Industries Projects’ and ‘Industrial Estates Projects’ were started to strengthen the small-scale sector in the country. Thus, to the earlier emphasis of ‘protection’ was added ‘development.’ The IPR 1956 for small-scale industries aimed at “Protection plus Development.” In a way, the IPR 1956 initiated the modern SSI in India.

### **3. Industrial Policy Resolution (IPR) 1977-**

During the two decades after the IPR 1956, the economy witnessed lopsided industrial development skewed in favour of large and medium sector, on the one hand, and increase in unemployment, on the other. This situation led to a renewed emphasis on industrial policy. This gave emergence to IPR 1977.

#### **The Policy Statement categorically mentioned-**

“The emphasis on industrial policy so far has been mainly on large industries, neglecting cottage industries completely, relegating small industries to a minor role. The main thrust of the new industrial policy will be on effective promotion of cottage and small-scale industries widely dispersed in rural areas and small towns. It is the policy of the Government that whatever can be produced by small and cottage industries must only be so produced.”

#### **The IPR 1977 accordingly classified small sector into three broad categories-**

1. Cottage and Household Industries which provide self-employment on a large scale.
2. Tiny sector incorporating investment in industrial units in plant and machinery up to Rs. 1 lakh and situated in towns with a population of less than 50,000 according to 1971 Census.
3. Small-scale industries comprising of industrial units with an investment of upto Rs. 10 lakhs and in case of ancillary units with an investment up to Rs. 15 lakhs.

**The measures suggested for the promotion of small-scale and cottage industries included-**

- (i) Reservation of 504 items for exclusive production in small-scale sector.
- (ii) Proposal to set up in each district an agency called 'District Industry Centre' (DIC) to serve as a focal point of development for small-scale and cottage industries. The scheme of DIC was introduced in May 1978. The main objective of setting up DICs was to promote under a single roof all the services and support required by small and village entrepreneurs.

What follows from above is that to the earlier thrust of protection (IPR 1948) and development (IPR 1956), the IPR 1977 added 'promotion'. As per this resolution, the small sector was, thus, to be 'protected, developed, and promoted.'

**4. Industrial Policy Resolution (IPR) 1980-**

The Government of India adopted a new Industrial Policy Resolution (IPR) on July 23, 1980. The main objective of IPR 1980 was defined as facilitating an increase in industrial production through optimum utilization of installed capacity and expansion of industries.

**As to the small sector, the resolution envisaged-**

- (i) Increase in investment ceilings from Rs. 1 lakh to Rs. 2 lakhs in case of tiny units, from Rs. 10 lakhs to Rs. 20 lakhs in case of small-scale units and from Rs. 15 lakhs to Rs. 25 lakhs in case of ancillaries.
- (ii) Introduction of the concept of nucleus plants to replace the earlier scheme of the District Industry Centres in each industrially backward district to promote the maximum small-scale industries there.
- (iii) Promotion of village and rural industries to generate economic viability in the villages well compatible with the environment.

Thus, the IPR 1980 reemphasized the spirit of the IPR 1956. The small-scale sector still remained the best sector for generating wage and self-employment based opportunities in the country.

#### **5. Industrial Policy Resolution (IPR) 1990-**

The IPR 1990 was announced during June 1990. As to the small-scale sector, the resolution continued to give increasing importance to small-scale enterprises to serve the objective of employment generation.

**The important elements included in the resolution to boost the development of small-scale sector were as follows-**

(i) The investment ceiling in plant and machinery for small-scale industries (fixed in 1985) was raised from Rs. 35 lakhs to Rs. 60 lakhs and correspondingly, for ancillary units from Rs. 45 lakhs to Rs. 75 lakhs.

(ii) Investment ceiling for tiny units had been increased from Rs. 2 lakhs to Rs. 5 lakhs provided the unit is located in an area having a population of 50,000 as per 1981 Census.

(iii) As many as 836 items were reserved for exclusive manufacture in small-scale sector.

(iv) A new scheme of Central Investment Subsidy exclusively for small-scale sector in rural and backward areas capable of generating more employment at lower cost of capital had been mooted and implemented.

(iv) With a view, to improve the competitiveness of the products manufactured in the small-scale sector; programmes of technology up gradation will be implemented under the umbrella of an apex Technology Development Centre in Small Industries Development Organization (SIDO).

(v) To ensure both adequate and timely flow of credit facilities for the small-scale industries, a new apex bank known as 'Small Industries Development Bank of India (SIDBI)' was established in 1990.



(vi) Greater emphasis on training of women and youth under Entrepreneurship Development Programme (EDP) and to establish a special cell in SIDO for this purpose.

(vii) Implementation of delicensing of all new units with investment of Rs. 25 crores in fixed assets in non-backward areas and Rs. 75 crores in centrally notified backward areas. Similarly, delicensing shall be implemented in the case of 100% Export Oriented Units (EOU) set up in Export Processing Zones (EPZ) up to an investment ceiling of Rs. 75 lakhs.

### **Technology Parks-**

A technology park is an Industrial complex where all types of facilities are provided for the growth and development of Technology Business Enterprises. However, a technology park need not have formal links with higher education.

### **Technology & Business Incubator-**

The incubator incorporates a new feature 'graduation', which implies that a start-up firm attains certain level of maturity after a specific period of probation. The technology and business incubator can be considered akin to each other; the major distinction is that the later caters to a wide range of tenants not necessarily technology intensive firms.

### **Software Technology Parks of India (STPI)-**

Software Technology Parks of India, set up in 1991, is an autonomous organization under the aegis of Ministry of Communications and Information Technology, Government of India. The very existence of is to promote 100% export of Software and IT services. It ensures conducive environment and infrastructure facilities to 100% export-oriented units in software development (and services), in order to boost the Software and IT service exports from India.

Software Technology Parks of India acts as a single window in providing services to the software exporters and incubation infrastructure to SMEs. It has also played a developmental role in the promotion of software exports with special focus on SMEs and start up units. Under the STP scheme, companies: are allowed complete duty-free import, need not pay corporate tax till 2010, will get single-window clearance and dedicated communication links.

A Software Technology Park may be set up by the Central Government, State Government, Public or Private Sector undertakings or any combination thereof. An STP may be an individual unit by itself or it may be one of such units located in an area designated as STP Complex by the Ministry of Communications and Information Technology. Provision is also there for an entrepreneur to set up facility as Infrastructure Provider for STP units under the scheme.

In 1990, the Software Technology Parks were established through three separate autonomous societies at Pune, Bangalore and Bhubaneswar, which were later, merged in June 1991 into a single corporate entity and in quick succession at Noida, Gandhi Nagar, Hyderabad and Thiruvananthapuram were established. All STPs were equipped with dedicated earth station equipment for providing Data Communication links.

Since 1996, the State Governments' started taking a very proactive role in promoting the IT industry. After the Govt. of Karnataka came out with the first IT policy, many of the State Governments followed suit. The success of Software Technology Park was not limited to the capital cities alone with STPI spreading its wings to secondary cities like Mysore in Karnataka and has, at the last count, spread to as many as 21 cities in a short span of 2 years.

#### **STPI Centers –**

A total of 58 STPI centres/sub-centres are operational throughout the country, from which 50 centres are located in Tier-II and Tier-III cities. STPI has joined hands with the concerned State Government/local authorities to create more space and has been utilizing state-of-the-art infrastructure facilities to enhance the software industry to increase exports.

### **Role Of Software Technology Park In India-**

STPI's role was more of an entrepreneurial role of working directly with software companies and working like a corporate. The role of STPI was of a service provider that could be leveraged by software companies.

Therein emerged three important factors that gave the necessary impetus to the concept. These were the newness of the business model, Internet infrastructure facilities and the government interface; all these brought a positive response from industry, especially the SME sector, which needed this support for their business to grow.

The objectives of STPI is to enable overall growth of the IT industry and the combination to the growth of economy of the country. The present objectives even include Bio-IT facility.

### **The Objectives of Software Technology Parks of India are -**

- To promote development of software and software services.
- To provide statutory services to the exporters by implementing STP/EHTP Scheme.
- To provide data communication services including various value added services both to IT industries and corporate houses.
- To provide Project Management and Consultancy services both at national and international level.
- To promote small and medium entrepreneurs by creating a conducive environment in the field of Information Technology.
- To promote Bio-informatics/Bio-technology industries by providing infrastructural statutory support.

# ***SWOT ANALYSIS- A STRUCTURED PLANNING METHOD***



### **What is SWOT Analysis?**

- Planning tool used to understand Strengths, Weaknesses, Opportunities, & Threats involved in a project/business.
- Used as framework for organizing and using data and information gained from situation analysis of internal and external environment.

### **STRENGTHS**

- What advantages (for example, skills, education or personal industry connections) do they have that others don't have?
- What makes company stand out from its competitors?
- What positive aspects does the company enjoy in the current environment?

#### **A strength can be a competitive advantage like...**

- Superior product quality.
- Lowest price.
- Best expertise.
- Location.

### **WEAKNESSES**

- Which areas are causing concerns?
- Which issues can be avoided?
- Company's reputation among its customers.

#### **A weakness can be a disadvantage such as...**

- A tired brand.
- Inferior location.
- High overheads.

- A lack of R&D.

## **OPPORTUNITIES**

- How can the company be more innovative?
- Which are the new markets or consumers that can be tapped?
- Which area has the company not ventured?
- What are the upcoming trends that are catching up in the market?

### **An opportunity can be...**

- A regulatory or tax change.
- A high-profile event (marketing opportunity).
- An untapped market.
- A gap left by a failed competitor.

## **THREATS**

- Are there any new competitors emerging in the industry?
- What are the issues that threaten the company's position?
- Is there any significant change(s) in the industry of operation?

### **A threat can be...**

- Unfavourable regulation changes.
- A new entrant into the market.
- Problems with the economy.
- Market shrinkage.

### **Creative use of SWOTs-**

- How can we use each strength?
- How can we stop each weakness?
- How can we use each opportunity?
- How can we defend against each threat?

### **A SWOT matrix-**

It separates and compares internal and external influences.

**Internal:** strengths, weaknesses.

**External:** opportunities, threats.

### **Strategy formulation-**

Strategies that can come from SWOT Analysis:

**SO Strategies:** Use strengths to take advantage of opportunities.

(Maxi - Maxi Strategy)

**WO Strategy:** Overcome weaknesses to take advantage of opportunities.

(Mini – Maxi Strategy)

**ST Strategies:** Use strengths to avoid threats.

(Maxi – Mini Strategy)

**WT Strategies:** Minimize weaknesses and avoid threats.

(Mini – Mini Strategy)

### **Problem and opportunity studies-**

Opportunity identification-identify the technologies that could be successfully turned into commercial products.

Opportunity-favorable position or a range for advancement .

### **Generate Ideas-**

Answer the question:

- “What can be brought to the market?”
- “How can it be brought to the market?”
- Scan and understand the need and want of people.

### **Identifying opportunities and threats in the environment-**

- Socio Cultural
- Technological and Technical
- Economic
- Natural
- Political
- Peace and order
- Population trends
- Government program
- Global environment

### **SOCIO-CULTURAL-**

#### **Opportunity**

People have developed the habit of eating in fast food restaurants. Many of these establishments serve ham & bacon and other processed meat.

**Threats**

People have developed the habit of eating in fast-food restaurants. Many of these establishments serve ham & bacon and other processed meat.

**TECHNOLOGICAL & TECHNICAL -**

**Opportunity**

The new technology can cure ham in three days.

**ECONOMIC-**

**Threats**

The purchasing power of population has lowered because of the peso devaluation and high cost of oil, thus reducing the number of people who buy ham and bacon.

**NATURAL-**

**Threats**

Hoof and mouth disease can threaten the supply of raw materials.

**POLITICAL-**

**Threats**

Political instability can affect the economy.

**PEACE & ORDER-**

**Opportunity**

In general, there is peace and order in the place of business.

**Population Trends-**

**Opportunity**

The population is increasing. More people mean more consumers who need food.

**Government Program-**

**Opportunity**

The government is providing assistance to MSMEs. The company may be able to avail of this assistance in the form of financing, technical & marketing.



## **Global Environment-**

### **Opportunity**

If there is a shortage of local pork, it is possible to import raw materials from other countries.

## **Resource Analysis-**

- Where strength and weaknesses are identified, indicates what the firm is capable of doing and start of the business.
- Views the firm as a collection of resources comprised of tangible and intangible assets as well as core capabilities.
- The strengths identify distinctive competencies of the company which can work to its advantage.

The RBV theory defines four broad categories of resources as potential sources of competitive advantage:

- Tangible assets
- Intangible assets
- Capabilities, and
- Core competencies.

### **Tangible Assets-**

Physical factors that directly aid in the delivery of customer value. Can usually be found on financial statements.

### **Intangible Assets-**

Factors of production that cannot be seen or touched that contribute to the delivery of customer value . Examples include brand names, customer goodwill, corporate reputation and copyrights.

### **Organizational Capabilities-**

Processes and activities that transform tangible and intangible assets into goods and services .

### **Core Competencies-**

Human skill and talent, collective organizational capacity and learning that allow a company to transform their tangible and intangible assets into competitively superior customer value.

***VARIOUS ASPECTS OF  
INSTITUTIONS IN  
PROMOTING  
ENTREPRENEURSHIP***

## **Role Of Educational Institutions In Developing The Skills Of Entrepreneurship**

### **I. Importance Of Education-**

1. Education enables people to work in efficient way.
2. Education increases the knowledge, skills and abilities of individuals and qualifies them to reach desired destination.
3. It inculcates competencies and skills in individuals to make them able to setup or run new business venture.
4. Educational institutions plays crucial role in building the capacity of young entrepreneurs and enhancing the skills of entrepreneurship.
5. Education is of paramount for an individual who wants to bring the idea of entrepreneurial development into the market.

### **II. Need Of Entrepreneurship Development In India-**

Studies have found that entrepreneurship prevalence rates are highest in the 25-34 age groups. But this advantages could become a barrier if the youth is not able to develop the appropriate skills including entrepreneurial skills.

The educational institutions have a major role in fostering it. Attempts have been made at various levels to promotes entrepreneurship among the youth. But the educational system prevailing in India focused for preparing individuals to seek for traditional employment rather than installing the confidence to do something. Universities now need to teach and inculcate the feeling for becoming a job provider not a job seeker.

Educational institution need to differentiate between their related business and entrepreneurial courses.

Entrepreneurship is the need of our and educational institutions plays a vital role to full the entrepreneurial skills in the youth.

### **III. Role Of Educational Institutions-**

1. Institution provides guidance.

2. Institutions allows for routines to develop and ultimately reduce the uncertainty of social interaction.
3. The B-schools are the most appropriate nursery for shaping and developing management graduates for entrepreneurship who possess integrity and ethical standards, a deep sense of social responsibility, a commitment to the upliftment of their communities, understand protection and sustainability of the environment, and the improvement of the people's quality of life.
4. The educational institutions play a vital role in development of entrepreneurial skills through various courses, training and development.
5. Educational institutions organize short term or long term programs, requiring graduation or not by an individual.
6. Institutions help the individuals with motivational training.
7. Individuals are encouraged by the course structure and activity based program by the institutions to identify, developed and sharpen their skills and competencies.
8. Case studies prepared by the educational institution help the individuals to learn, formulate their strategies, link themselves and be encouraged by their role models, which provide a positive motivation.
9. Educational institutions provide a platform for individuals to nurture their creativity and innovations.
10. Educational institutions play an important role both in financial and technical assistance to the individuals through guides, mentors and consultants.
11. Educational institutions impart communication skills for better social interaction and faster personality development for an effective personality creation, through various programs.
12. Business schools create a business in-house experience for new entrepreneurs to develop their ideas into a business plan and thereby stimulate the experience of working in a start up.
13. **The Entrepreneurial Development Institute of India (EDI)**, which operates under the Government of India at designated locations, offers post graduate programs/diploma courses in business entrepreneurship, management, NGO management, etc. It also provides program for working professional with flexible schedules and a distance learning option for those unable to attend campus programs.
14. **The National Entrepreneurship Network (NEN)** designed a game called 'Rs. 50 Exercise' for the classroom of certain schools. The students are given an initial investment amount of Rs.50. They have to work in teams and come up with ideas to start a virtual company. By the end of the day they observe their earnings and also gain from the learning through an innovative exercise.

## **Indian Startup Ecosystem -**

A startup ecosystem comprises of many people , where they interact as a system for doing things very quickly ,with few resources. Goal of startups is to develop a profitable business model . Young entrepreneurs are ready to take their future in their own hands , and they are rocking the startup ecosystem through their modern , trendy , creative as well as innovative ideas.

According to the Economic Survey for 2018 – 19 , India has been ranked 3<sup>rd</sup> in the global startup ecosystem. The Indian startup ecosystem began with software service startups fulfilling Indian software needs and later expanded to exporting software services.

Over the last decade, many Indian startups have developed forward – looking solutions ,shattering industries and taking on established people across the globe ,still this trend is in continuation.

Indian startup has come in light on its own. Many factors initiated the drive like massive funding , consolidation activities , evolving technology and a burgeoning domestic market. Startup data was approximately 3000 in 2014 to a projection of more than approximately 11000 by this year i.e. 2020 .

In India , it will surely change the present working pattern of markets.

## **Objectives Of A Startup Ecosystem -**

- 1- One of the basic objective of startup ecosystem is to produce and attract entrepreneurial talent and new ideas in growing volume to become business creators.
- 2- A startup ecosystem acts as business catalyst for value creation.
- 3- Goal of startup ecosystem is to bring together different parts like- resources, investors, infrastructure, networking , marketing, experts, talent etc,. that will help grow a startup.

## **Development Principles-**

- 1-Only those things can be developed which can be understood.
- 2-Only those things can be improved which can be measured.
- 3-Only by sharing things, making them visible and available can those become commons.
- 4-Resources can be dispersed if things are shared and being worked on together.
- 5-Things which are in shared use can be developed and scaled together.

### **Need Of Startup Ecosystem In India-**

Startups are the centre of innovation and a great way to enhance creation of employment in the economy.

After China , India is growing towards becoming one of the world's biggest markets . Income of the middle economy as well as rural economy both is on the path of growth.

### **Some Startup Schemes Launched By Indian Government-**

- 1-Startup India Initiative.
- 2-ASPIRE Scheme.
- 3-MUDRA Bank.
- 4-ATAL Innovation Mission.
- 5-eBiz Portal .
- 6-Dairy Processing And Infrastructure Development Fund.
- 7-Multiplier Grants Scheme.
- 8-Credit Guarantee Scheme For Startups.
- 9-Software Technology Park Scheme.
- 10-The Venture Capital Assistance Scheme.
- 11-Single Point Registration Scheme.

### **Role Of Educational Institutions In Promoting Startup Ecosystem -**

Entrepreneurship education has been encouraged in India to promote self employment and founding of small and medium enterprises. Institutions have a strong impact on the growth and development of new business . Research and educational organizations play a crucial role in fostering entrepreneurship ,especially in the early stages of development. This is source some of the best relevant practice and literature review and helps a new companies to grow. Experts from different institutions such as - universities , faculties ,institutes could provide a functioning and efficient platform for startup operating.The government is promoting different- different schemes and programmes to increase the number of people being benefited by these . India seems to move forward towards the era of entrepreneurship. It is expected positively to raise India's level equal to the successful startups as of USA's in the next 10 years.

# ***EMPOWERING WOMEN ENTREPRENEURS***

## Growth Of Women Entrepreneur



### Introduction -

Entrepreneurship is a process of actions of an entrepreneur who is a person always in search of something new and exploits such ideas into gainful opportunities by accepting the risk and uncertainty with the enterprise. Entrepreneurship is a process, a journey, not the destination; a means, not an end. To establish and run an enterprise it is divided into three parts – the entrepreneurial job, the promotion, and the operation. Entrepreneurial job is restricted to two steps, i.e., generation of an idea and preparation of feasibility report. In the 2000s, usage of the term "entrepreneurship" expanded to include how and why some individuals/ teams identify opportunities, evaluate them as viable, and then decide to exploit them. The term has also been used to discuss how people might use these opportunities to develop new products or services, launch new firms or industries, and create wealth. The entrepreneurial process is uncertain because opportunities can only be identified after they have been exploited. Entrepreneurs tend to exhibit positive biases towards finding new possibilities and seeing unmet market needs, and a tendency towards risk-taking that makes them more likely to exploit business opportunities.

Ratio of woman to men has been very low in the field of entrepreneurship as entrepreneurs. In India, because of culture and traditions, women are supposed to perform household activities; this is one of the basic reasons of the low ratio.



With changing era and society, widespread of education and social awareness during last three decades. Now females are also interested in starting their own venture. Hence, there is a considerable growth of women entrepreneurs.

Example – Mahila Khadi Udyog, Shahnaz Husain, etc.

### **Women Entrepreneurship -**



Women entrepreneurship has been recognised as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers in starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc. Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals (MDGs). Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures.

#### **A survey shows the given reasons for women to become entrepreneurs-**

- Lack of job opportunity.
- The increasing cost of living.
- Due to high education, interested to enter entrepreneurial activities.
- A lot of opportunities in a market.
- Family background of having business.

## **Women Entrepreneurs In India-**

Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization. The policy and institutional framework for developing entrepreneurial skills, providing vocation education and training has widened the horizon for economic empowerment of women. However, women constitute only one third of the economic enterprises. There exist a plethora of successful business women entrepreneurs both in social and economic fields in India. They are performing well. Government of India has also introduced National Skill Development Policy and National Skill Development Mission in 2009 in order to provide skill training, vocational education and entrepreneurship development to the emerging work force. However, entrepreneurship development and skill training is not the only responsibility of Government and therefore other stakeholders need to shoulder the responsibility. In Hindu scriptures, woman has been described as the embodiment of shakti. But in real life she is treated as Abla. Women are leaving the workforce in droves in favor of being at home. Not to be a homemaker, but as job-making entrepreneurs. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon. This paper focuses on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and to analyse policies of Indian government for and problems faced by them while pursuing their business.

## **Challenges And Problems Faced By Women Entrepreneurs In India -**

### **1. Family restriction**

Women are expected to spend more time with their family members. They do not encourage women to travel extensively for exploiting business opportunities.

### **2. Lack of Finance**

Family members do not encourage women entrepreneurs. They hesitate to invest money in the business venture initiated by women entrepreneurs. Bank and other Financial Institutions do not consider Middle Class Women Entrepreneurs as proper applicants for setting up their projects and they are hesitant to provide financial assistance to unmarried women or girls as they are unsure as to who will repay the loan — either their parents or in-laws after their marriage. This humiliates unmarried women and they generally leave the idea of setting up their ventures.

- For example, Kiran Mazumdar Shaw initially faced many problems regarding funds for her business. Banks were hesitant to give loan to her as biotechnology was a totally new field at that point of time and she was a woman entrepreneur, which was a rare phenomenon.

### **3. Lack of Education**

Women are generally denied of higher education, especially in rural areas and under developed countries. Women are not allowed to enrich their knowledge in technical and research areas to introduce new products.

#### **4. Role Conflict**

Marriage and family life are given more importance than career and social life in Indian society.

#### **5. Unfavourable Environment**

The society is dominated by males. Many business men are not interested to have business relationship with women entrepreneurs. Male generally do not encourage women entrepreneurs.

#### **6. Lack of persistent Nature**

Women generally have sympathy for others. They are very emotional. This nature should not allow them to get easily cheated in business.

#### **7. Lack of Mental strength**

Business involves risk. Women entrepreneurs get upset very easily when loss arises in business.

#### **8. Lack of Information**

Women entrepreneurs are not generally aware of the subsidies and incentives available for them. Lack of knowledge may prevent them from availing the special schemes.

#### **9. Stiff Competition**

Women face lot of competition from men. Due to limited mobility they find difficult to compete with men.

#### **10. Mobility**

Moving in and around the market, is again a tough job for Middle Class Women Entrepreneurs in Indian society.

#### **Remedial Measure-**

**Some of the remedial measures that can be undertaken to promote women entrepreneurship in India are as follows:**

##### **1. Promotional help**

Government and NGOs must provide assistance to entrepreneurs, both in financial and non financial areas.

##### **2. Training**

Women entrepreneurs must be given training to operate and run a business successfully. Training has to be given to women who are still reluctant to take up the entrepreneurial task.

##### **3. Selection of Machinery and Technology**

Women require assistance in selection of machinery and technology. Assistance must be provided to them in technical areas so that the business unit becomes successful.

#### **4. Finance**

Finance is one of the major problems faced by women entrepreneurs. Both family and government organizations should be liberal in providing financial assistance to them.

#### **5. Marketing Assistance**

Due to limited mobility, women are unable to market their goods. Assistance must be provided to help them to market their goods successfully in the economic environment.

#### **6. Family support**

Family should support women entrepreneurs and encourage them to establish and run business successfully.

#### **In India Women Entrepreneurs Are Classified As Follows-**

- Women with adequate education and professional qualification get engaged in the business.
- Middle-class women who have an education but lack training.
- Women who take up a business enterprise who face financial difficulties.

**In 1996, the Department of small scale Industries [SSI] under the ministry of industry has taken initiative to train lakh women entrepreneurs through different – different scheme like:**

1. Mahila Gram Udyog scheme
2. Jawahar Rojagar Uyojaga scheme
3. Ibis Mahila Udyog vidhi
4. Urban Poverty Education Programme
5. Scheme of Nabard
6. Skti Package for women
7. Schemes of SBI

There is a federation of the society of women entrepreneur, it also supports women entrepreneur.

Various programs are conducted at state levels also to promote the partition of women as entrepreneurs.

#### **Survey 2019-Women's Web and Entrepreneurship in India-**

1. Conducted online between December2018 – April1019.

2. Responses received from around 220 women entrepreneurs in India.
3. Majority entrepreneurs started their businesses between the ages 25 and 35.
4. Between the ages of 35-40, 19.6% of women started their businesses.
5. Before turning 25, only 11% women started their ventures.
6. Around 72% of women who participated in the survey were post graduates.
7. 30% of women participation was from Mumbai.
8. 15% of women participation was from NCR region and Bangalore.
9. Lowest participation i.e. 3% was from Chennai.
10. 16% of women belonged to the creative services category [Writing / Design etc.]
11. 30% of women belonged to other sectors like travel and tourism, manufacturing etc.
12. 91% women used personal funds and savings for start-up.

### **Indian Government Schemes for Women Entrepreneurs-**

1. Annapurna scheme
2. Stree Shakti Package For Women Entrepreneurs
3. Bharatiya Mahila Bank Business Loan.
4. Dena Shakti Scheme.
5. Udyogini scheme
6. Cent Kalyani Scheme
7. Mahila Udyam Nidhi Scheme
8. Mudra Yojna Scheme for Women
9. Orient Mahila Vikas Yojna Scheme

### **Niti Aayog Launches Women Entrepreneurship Platform-**

*On the occasion of International Women's Day, India's premier think tank NITI Aayog launched Women Entrepreneurship Platform (WEP), aimed at providing a vibrant entrepreneurial ecosystem where women do not face gender barriers. At the Global Entrepreneurship Summit in November 2017, discussions around women entrepreneurship challenges took centrestage, and at the culmination of the three-day summit, NITI Aayog CEO Amitabh Kant announced the launch of a Women's Entrepreneurship Platform. Delivering on its promise to boost the women entrepreneurship ecosystem in India, the government think tank unveiled the platform on International Women's Day.*

### **Objectives Of The Platform-**

WEP aspires to provide opportunities for women to realize their entrepreneurial aspirations, scale-up innovative initiatives, and chalk-out sustainable, long-term strategies for their businesses. The platform intends to promote women entrepreneurship by collaborating with various partner organizations; provide industry linkages and partner support to women entrepreneurs; increase the visibility of existing schemes, programmes and services across government and private sectors; identify and address issues and bottlenecks through appropriate channels; develop a national database through a centralised portal for registration

of women entrepreneurs; and provide evidence-based policy recommendations to develop a vibrant entrepreneurial ecosystem.

### **Women Entrepreneurship In India –**

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujrat	3872	1538	39.72
Karnatka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTS	14576	4185	28.71
Total	57,452	18,848	32.82

### **Women Work Participation -**

Country	Percentage
India (1970-1971)	14.2
India (1980-1981)	19.7
India (1990-1991)	22.3
India (2000-2001)	31.6
USA	45
UK	43
Indonesia	40
Sri Lanka	35
Brazil	35

### **Need of Women Entrepreneurs in India-**

#### **1-Economic growth-**

Women entrepreneurs possess unique tendency to build and faster long-term relationships. As compared to male, females have more effective communicational, organizational and networking skills. This reduces the risk of failure of their organizations. More women entrepreneurs account for growth of economy and stability within a country.

#### **2-Narrowing gender gap-**

Women entrepreneurs play a big role in inspiring other women to start businesses. This leads to more job creation for women and thus reducing the gender gap in the workforce.

### **3-Company culture and safety at workplace-**

For growth and long term success of the company, it is very necessary to create and preserve the company culture in a positive way. Firm owned by females tend to have better company culture, high values and transparency, better employee relationships horizontally as well as vertically.

### **4-Funding / Investment to women- led start-ups –**

For growth the basic requirement is capital. It is harder for women to secure funding due to unconscious and unintentional bias against women. But when the women are heading the institutes which support start-ups, they can help and mentor more women entrepreneurs.

### **5-Social change-**

Women as entrepreneurs can lead to a tremendous social change, making them financially empowered, independent, happy, confident, self-sufficient and satisfied.

### **Words Of Former President Of India Dr APJ Abdul Kalam-**

“Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation”.

### **Conclusion –**

Innovation has no gender line, yet women entrepreneurs often have to work harder and smarter to be recognized in an arena that is still mostly male dominated. Women have always been drivers behind great successes from time immortal. It is both fortunate and unfortunate that their contributions are being recognized only now. A strong woman understands that the gift such as logic, decisiveness, and strength are just as feminine as intuition and emotional connection. Educating a woman means educating a family. If you notice kids playing at home, the role of a mother is portrayed by her daughter where she only cooks and cleans. But now even kids notice that their mothers multitask. Indeed it requires immense efforts to manage the house, but to balance the house and business is a woman's art. This is a way to impart knowledge to their kids which eventually will lead to the betterment of the coming generation.

***YOUTH  
ENTREPRENEURSHIP:  
AN EMERGING TREND IN  
INDIA***



## Youth Entrepreneurship



### Introduction-

Entrepreneurs are considered to be most crucial element of economic growth and development there is a vast population of youth in country but what lacks behind is employment opportunities for the growing youth population in such condition 'Youth Entrepreneurship' becomes the need of hour. Nurturing youth Entrepreneurship is proving to be very effective as well as beneficial in the interest of society ,economy and growth of nation and from the individuals point of view it is a platform for individual development , development of skill ,gaining new experiences innovation and achievement Youth Entrepreneurship can lead to the creation of jobs for others too. In our progressive country youth Entrepreneurship is an emerging trend and efforts are being made at various levels for its promotion. For this ministry for skill development and Entrepreneurship is organized to Empower of youths can be harnessed by making them self sufficient and adequately skilled so that they can create employment for them or for all others.

### Youth Entrepreneurs-

Promoting youth entrepreneurship will not only help in reducing unemployment but more importantly showing young people that they have alternatives to create their own destiny by starting their own companies and just not waiting to find a job. A lot of work has been done to find the determinants of entrepreneurship. Different research works have stressed different determinants. In India youth unemployment rate is higher than the national unemployment

rate . As per statistics of 2019, 10.51 % of youths in India have no job to do despite of being skilled and efficient. In the present scenario when the nations are adapting to globalization , the hope for the youth is to create more and more jobs rather than just being a job seeker. All countries have different perspectives and needs due to which youth entrepreneurship objectives also differ for all. As per the changing scenario and technological era the Indians are becoming more and more ambitious about youth entrepreneurship. As per a survey conducted by Dutch multinational human consulting firm named Ramstad Work monitor 83% of Indians preferred to be entrepreneurs, it was much higher than the global average % which was only 53%.

### **Need To Promote Youth Entrepreneurship-**

Creating an innovative and entrepreneurial environment is being looked as one of the best ideas for engaging the youths in job and creating more and more jobs for others also. Many initiatives are being taken to nurture the young innovative minds in the country. Some example of such initiatives are-

Make in India , Digital India , Mudra Yojana , Atal Innovation Mission , 59 minute loan , Stand up India , Start –Up India etc.

These initiatives are being taken in order to encourage the ambitious , talented and aspiring young class of our country. The number of incubators increases by 40% every year, the startups are continuously staring at a golden future. By providing necessary support to the skilled young people country will move towards development fostering economic growth and achievement and side by side curbing the ill impacts of unemployment. It is a globally accepted fact that the youths are the greatest asset of any country . They are country's future representing it at every level. Youths possess intelligence, smart working skills, power to take and face risks courageously and many more qualities which only needs to be polished with effectiveness. Once the young class gets support it can surely take the country on the path of success .Thus, they can be rightly called as the building blocks of the country.

### **Types Of Youth Entrepreneurs-**

With recent studies and based on the differentiation in the behavior and attitudes, roles, functions, industry and many more relevant categorization of Youth Entrepreneurship has been put forth by the researchers-

#### **1. Innovative Entrepreneurship-**

- Innovative entrepreneurs are the ones who have the capability of diverse thinking , quality of creating new innovative processes and business opportunities with the help of their own innovative ideas .Many of the entrepreneurs in the developing countries and under developed countries who bring home tried and tested technologies from the developed world and establish them in the home country come under this category. List of innovative entrepreneurs in increasing day by day .
- For example-Mark Elliot Zuckerberg - Founder of facebook , Ritesh Agarwal –Founder of OYO rooms, Vijay Shekhar Sharma- Founder of Paytm etc.

#### **2. Fabian Entrepreneurship-**

- Fabian entrepreneurs are the second generation entrepreneurs .These type of entrepreneurs do not prefer to take risks ,they only imitate if they observe that the things have a clear and broad picture .They keep on following traditional methods instead of adapting to changes .These type of entrepreneurs have very shy and lethargic nature and are very cautious.
- For example- Kodak, it has been market leader in producing analog cameras, but did not realize the changing scenario of growing demand for digital cameras.

### **3. Drone Entrepreneurs –**

- Drone entrepreneurs are the orthodox entrepreneurs who are very conservative in outlook. They keep stuck to their traditional working methods, machineries or systems and feel comfortable with it .Adapting to modifications is very vital for growth , profit and success but these type of entrepreneurs do not move out of their old fashioned methods thus, suffer losses.
- For example- “ Beeree” producer Co- operative still produces tobacco with the help of hands instead of machines, in this advanced era when advancement of science technology is at its peak.

### **Advantages of Youth Entrepreneurship-**

- Many factors contribute significantly in developing entrepreneurial outlook like- beliefs , values , attitudes , innate spirit , inborn features of leadership , environment , family background , skills , etc. Right mix of all these factors can create a perfect successful youth entrepreneur.
- Development of new markets .
- Promotion for the use of modern technologies in small scale production to increase the productivity .
- Encouragement to more and more research work and studies.
- Development of new and modern equipments , machines for domestic use.
- Developing entrepreneurial attitude among the potential entrepreneurs to bring about remarkable changes in the rural and disadvantaged regions.
- Freedom from depending on others to offer job opportunities.
- The capacity to have great accomplishments.
- Reduction of the informal economy.
- Scope to foster one’s own qualities and skills.
- Platform for self assessment and self development.
- Growth of economy.

### **Cultural Dimension To Youth Entrepreneurship-**

When we refer to a country's resources and wealth, we refer to their economic position, the availability of natural resources, financial status as well as the state of technological growth etc. However not much attention is given to assess the human capital especially the youth capital. It is true that youth is the future of every nation, a fact that most people tend to forget. Every nation seems to be caught up in chasing current priorities and not giving sufficient attention to the development of youth which is going to be the future human capital. If the youth have to be developed as a resourceful and innovative future generation, the effort has to be put in by all including family, society, community, schools, colleges as well as industry and government too. As such each of these have a significant role to play in contributing for creation of Youth Entrepreneurship.

Family and Community play a very significant and important role in directing and guiding the youth in pursuing their future. Normally communities and societies that have had to struggle or have been striving for economic sustenance are seen to promote a view that the youth should take up a job and start contributing to the family's income and help with the expenses.

### **Nurturing Youth Entrepreneurship - The Need Of The Hour-**

Nurturing Youth Entrepreneurship can be highly beneficial for the society, economy as well as for the progress of the nation besides the individual's self development and achievement too. Most nations have identified this fact and are providing some focus and thought into building programs conducive for Youth Entrepreneurship and providing the right environment for Youth Entrepreneurship to evolve. However nurturing it calls for a strategic plan at national levels. Planning to promoting it has got to be a multi pronged strategy of building awareness, providing role models, encouraging entrepreneurial culture, introducing Entrepreneurial developmental programmes at school and college levels as well as providing for policy framework and mentorship to encourage YE and start up businesses etc. Youth Entrepreneurship building program calls for long term approach along with short term action plans too.

### **Government Of India Support For Innovation And Entrepreneurship In India-**

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world. A few of India's efforts at promoting entrepreneurship and innovation are:

- **Startup India**
- **Make in India**
- **ATAL Innovation Mission (AIM)**
- **Support to Training and Employment Programme for Women (STEP)**
- **Jan Dhan- Aadhaar- Mobile (JAM)**
- **Digital India**
- **Biotechnology Industry Research Assistance Council (BIRAC)**

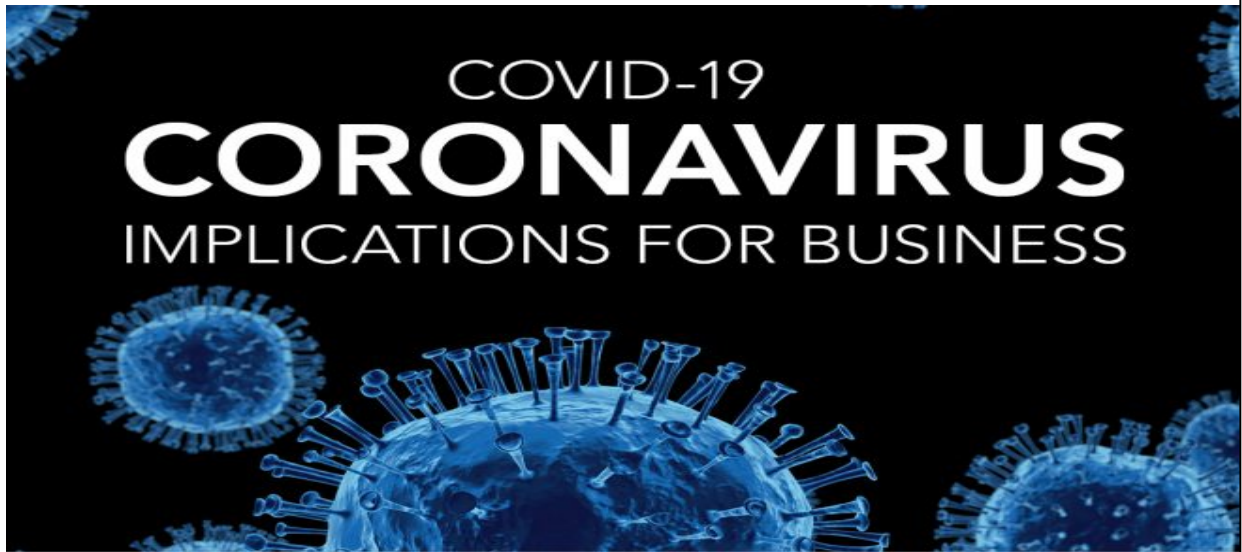
- **Department of Science and Technology (DST)**
- **Stand-Up India**
- **Trade related Entrepreneurship Assistance and Development (TREAD)**
- **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**
- **National Skill Development Mission**
- **Science for Equity Empowerment and Development (SEED)**

#### **Conclusion-**

Entrepreneurs creating new businesses and industrial units help with regional development by locating in less developed and backward areas. The growth of industries and business in these areas leads to infrastructure improvements like better roads and rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls and other public and private services that would not otherwise be available. Increase in the standard of living of people in a community is another key goal of economic development. Entrepreneurs play a key role in increasing the standard of living in a community. They do this not just by creating jobs, but also by developing and adopting innovations that lead to improvements in the quality of life of their employees, customers, and other stakeholders in the community.

***DISCOVERING THE REAL  
IMPACT OF COVID-19 ON  
ENTREPRENEURSHIP***

## Impact Of Covid-19 On Business Operations



### **Introduction-**

A pneumonic of unknown reasons was detected in Wuhan, China was first reported to the W H O country office in China on 31<sup>st</sup> December 2019. This outbreak was declared a Public Health Emergency of International Concern on 30<sup>th</sup> January 2020. This pandemic disease was announced as the name of COVID-19 by W H O on 11<sup>th</sup> February 2020. The economic impact of 2019-20 coronavirus pandemic in India has been largely disruptive. The covid-19 outbreak has a growing impact on the global economy it is a human tragedy. News reports are painting dismal picture of the affected number of supply chain.

### **Effect on small scale business-**

The World Health Organization has declared COVID-19 pandemic as a global pandemic. Authorities are advising people to stay safely at home, as the situation may continue for a while. Some of the companies are open to remote operation for their employees but other cannot. Small businesses are negatively affected by this pandemic situation because consumers go out less and turn to shop alternative. The impact of covid-19 varies by the type of business within these three categories are most affected-

1. Personal service.
2. Hospitality, and
3. Retail.

“The smaller the company the harder the hit”.

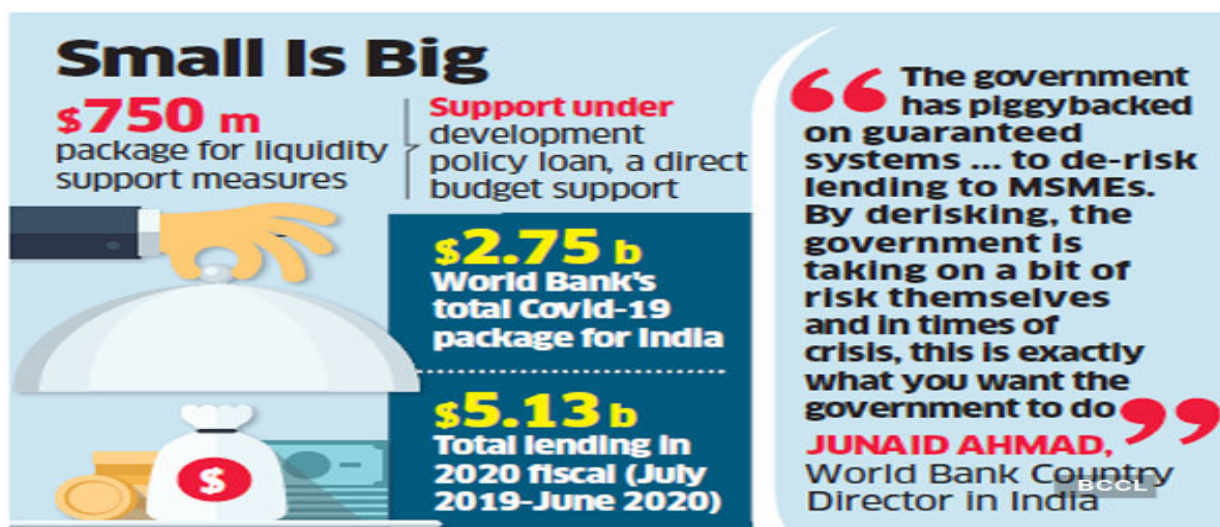
Companies with less than 20 employees are the most affected ones due to lack of capital and cash flow. It has been impossible to operate for small businesses which provides hand on service like-

- Hair salon and spa.
- Home improvement and repair contractors.
- She announced 16 measures out of waste 61 targeted at Many dental and medical offices.

These businesses were the first to reduce working hours or lay off employees and stopped hiring subcontractors. They are suffering extremely negative impact and now have a challenge to learn how to serve customers in the new stay-at-home environment.

### **Effect on MSME's i.e. Micro, Small and Medium enterprises-**

As per the projection of WTO the Global trade in goods is set to declines steeply between 13% and 32% in 2020. Micro, Small and Medium enterprises (MSME) exporters are largely unaffected by the current lockdown which begin from \_\_\_\_\_march and extended till. Till date i.e. 17<sup>th</sup> May 2020 only 24% Small and Medium businesses are currently operational. As per report 5 out of 10 businesses would run out of working capital within two months and will have to depend on loans from family, peer and friends to survive. 79% of the MSME's have been negatively impacted by the COVID-19 pandemic. The overall impact on MSME's has led to 18% MSME's is operating at less than 50% capacity. Restricted movement, low demand from customers, financial and workplace relating to a high level of customer oriented challenges. However, despite the overall low sentiments, approximately 55% businesses are looking at leveraging opportunities to better their businesses in the current scenario of the spread of COVID-19 pandemic.



### **Role of Government-**



The Government of India is likely to revise its definition of what constitutes small and medium enterprises (SME's) soon. Finance Minister Mrs. Nirmala Sitharaman has announced several measures on 14<sup>th</sup> may 2020 under the Prime Minister's Atmanirbhar Bharat Abhiyan. It is post pandemic financial package for helping to restore the economic growth and make India self reliant. She announced 16 measures out of which 6 were targeted at MSME or micro small and medium enterprises. The aim is to provide more funds to small businesses and amending the definition and timely payment of dues by the government Enterprises. Chairman of State Bank of India, Shri Rajnish Kumar, said that the measures for MSMEs through the guarantees, equity infusion and depth support will be incentive bank lending to MSME as well as will provide crucial support to stressed entities in the current situation.

**1. Collateral free Automatic Loan-**

- (i) Rs. 3 lac crore outlay, to benefit 45 lac MSMEs.
- (ii) The MSMEs, with Rs. 25 crore outstanding in loans and Rs. 1000 crore turnover, will get credit guarantee backed loans of 4 years tenure.
- (iii) Interest to be capped.
- (iv) There will be a 12-month moratorium on repayment of principal amount.
- (v) Can be availed till October 31st 2020.

**2. Subordinated debt for stress MSMEs-**

- (i) 2 lac MSMEs to be benefited by Rs. 20000 crore outlay.
- (ii) Government to provide Rs. 4000 crore towards partial credit guarantee support to banks.
- (iii) Banks will lend money to promoters who can use it to infuse it as equity.

**3. Fund of Funds for MSMEs-**

- (i) Corpus of Rs. 10000 crore.
- (ii) Will operate through primary and secondary funds.
- (iii) Will help leverage Rs. 50000 crore at secondary fund level.
- (iv) Will help MSME expand size, get listed on the main board.

**4. MSME Definition Amended-**

- (i) Similar unit for manufacturing and service unit.
- (ii) Micro: investment < Rs. 1 crore; turnover < Rs. 5 crore.
- (iii) Small: investment < Rs. 10 crore turnover < Rs. 50 crore.

**5. Only local bids for government tenders upto Rs. 200 crore-**

- (i) Global tender will be disallowed for government procurement upto Rs. 200 crore.
- (ii) This is to help MSMEs fight unfair competition from global competitors.

## **6. MSME dues and market access-**

E-market linkage for MSMEs there will not be any Trade Fair and exhibition soon. All receivable of MSMEs from Government and PSUs will be cleared in 45 days. Additional to this enables Shri Nitin Gadkariji Union Minister, Ministry of MSMEs, Government of India in a webinar organised on 12<sup>th</sup> May 2020 on topic survival and growth of MSMEs during and after COVID-19 said that while the lockdown is getting lifted, organisation should ensure that their workers and executive are taken care of by providing food, shelter and maintaining social distancing norm otherwise the relaxation will prove to be very expensive.

## **Effect on large scale business-**

Today large scale business are faced with overwhelming, competitive challenges and uncharted waters as they continue to navigate the impact of COVID-19 pandemic.

Leaders are rapidly focusing their attention to the 'NEXT', A period of muted and possibly unpredictable economic recovery which will be helpful in raising new competitive threats and opportunities at great speed.

Large scale business are rapidly trying to make a judgement with the changing needs of the people their consumers and suppliers, while navigating the financial and operational challenges.

## **Survival Strategies for businesses during lockdown and after lockdown-**

During this pandemic situation, all are together and the ideal way is to stay transparent with the consumers about their business condition, what the business is going through. If the communication is transparent, customers can easily emphasize with the company is facing the crisis. Hit by the COVID-19 slump followed by nationwide lockdown and social distancing, all types of businesses are experiencing major impacts no matter how established they are. Now it has been become challenge for the business to keep their financial was turning during the lockdown period because of the less revenue turn and prevailing uncertainty in the global financial environment. This is a time when understanding the gravity of situation and turning it favorable for the business is All That Matters. Some of the following tips can be adopted by the business is to let it sail smoothly in these different times and stay connected and afloat during the shutdown and even after it-

- Communicate transparent with the customer's.
- Maintain healthy relationship with the contracted parties.
- Cut the salaries of higher paid employees and turn to retain the people who can least afford to lose their employed jobs.
- Stay connected with the team members through online video conferencing tools.
- Stand Together with each other with all possible efforts.

- Stay united

## **Impact Of COVID -19 On The Global Economy**

### **Introduction-**

As a result of Covid -19 crisis the world is changing even faster than ever , and the entire human society has opted to stay home to be safe in this lockdown. This is an unpredictable phase , which may lead to massive impact on the global economy for companies ,government and individuals , it is important to relate with the future financial crisis .The uncertainty future decline in the economy , hike in unemployment , crash of stock market , financial loss of equity investors , decreased bank interest rate on saving schemes or investment these hit our financial planning .

### **Global Economy-**

Global Economy refers to the economy of all human beings of the world that is why , it is also termed as the world economy .During the past several decades global economy has significantly changed in the numerous ways , and these changes are rooted by the way of organization and transformations affects the flow of goods and services across national borders as well as the implications of these processes for how countries move in the international system i.e. ups or down .

### **COVID -19 Outbreak-**

World health organization (WHO) was informed of the cases of pneumonia of unknown cause in Wuhan city , China on 31<sup>st</sup> December 2019. The Chinese authorities on 7<sup>th</sup> January 2020 identified the cause as a novel Coronavirus and then and it was temporarily named “2019 – n cov”.

Later on 11 March 2020, The Director General of WHO , Dr. Tedras Adhanon Ghebreyesus announced the outbreak as a pandemic, on experiencing the rapid increase in the number of cases outside China.

By mid March 2020 the WHO European Region became the epicenter of the epidemic and reported over 40% of globally confirmed cases.

In order to stop the spread and beat COVID- 19, the Prime Minister of Our Country (India), Shri Narendra Modi announced “Janta Curfew”on 22 March 2020 and LOCKDOWN of 21 days from 25March to 14 April then from 15 April to 3 May for 18 days then from 4 May to 17 May for 14 days and then from 18 May to 31 May for 14 days.

### **Effects Of Covid -19 Pandemic On Global Economy-**

The outbreak of pandemic Covid- 19 all over the world has greatly disturbed the economic , social political , financial and religious structures of the whole universe even the world’s top most economies are now at the verge of collapse with the spread of Covid – 19 crisis. US,

China ,UK, Germany , France , Italy , Japan , and many more economies are facing worsening condition of global economic and financial structure .

### **Report of International Monetary fund -**

According to the reports of **IMF** , the global economy is expected to shrink by over 3 percent in the present year 2020. Since the great depression of the 1930s , this is now going to be steepest slowdown .

In order to “flatten the curve”, many countries across the world resorted to lockdown .The purpose of lockdown was simply to confine million of citizens to their homes and shutting down business and ceasing almost all the economic activities .

### **How hard has the economy been hit ?**

The Covid- 19 pandemic has driven the global economy into a recessive conditions , as a result shrinking the economy and stopping the growth .Economy such as – The UK, The US , Italy ,France ,Japan are expected this year to contract by- 6.5, 5.9 ,9.1, 7.2, 8.7 and 5.2 percent respectively .

The hits has been harder for the advanced economies , now together they are expected to grow by -6 percent in the present year i.e. 2020. The developing economies and emerging markets are being expected to contract by -1 percent .From this pool of countries , if China will be excluded then , for the present year 2020 the growth rate is expected to be -2.2 percent.

### **Most Vulnerable Sectors And Economies-**

The corona virus outbreak has generated both demand as well as supply shocks shaking across the global economy. **THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)** , has forecasted the largest downward growth revisions in countries which are deeply interconnected with China, especially Australia, South Korea and Japan. As the virus will spread and the countries will adopt restrictive responses which curb the manufacturing activities at regional hubs, major European economies will experience dislocations, including in Northern Italy. Due to the depressed activities The United Nations has projected that foreign direct investment flows will fall between 5 and 15 % to their lowest levels since the global financial crisis of 2008-09.

- At the sectoral level the industries related to tourism and travel are expected to face the hardest hit as the authorities are encouraging and will keep on encouraging “social distancing” and motivate the customers to stay indoors.
- As per the warning issued by **THE INTERNATIONAL AIR TRANSPORT ASSOCIATION** , COVID – 19 could cost global air carriers between \$ 63 billion and \$ 5 billion in revenue in the current year 2020.

- The international film market could lose near about \$ 5 billion in lower box office sales.
- Entertainment giants are also expected to suffer significant blow to revenues.
- Restaurants, bars, clubs, sporting events and other such services too will face significant disruptions.
- Industries which are less reliant on high social interactions like agriculture might face comparatively less vulnerability but still will surely go through challenges as demand wavers.

### **World Trade-**

In the current year i.e. 2020, the world trade is expected to fall between 13% and 32 % as the COVID – 19 outbreak is disrupting the normal economic activity as well as life all over the world.

In the words Of **Director General Of World Trade Organization Robert Azevedo** –

-----“ The crisis is first and foremost a health crisis which has forced governments to take unprecedented measures to protect people’s lives”.

The wide range of possibilities for the predicted decrement is clearly explained by the unknown nature of this health crisis and the uncertainty around the outbreak of this pandemic precise the economic activity. According to the economists of **WORLD TRADE ORGANIZATION** , the economic decline is likely to exceed the trade slump brought on by the 2008-09 global financial crisis. There is complete uncertainty relating to the recovery in 2021, as the outcomes are to be largely dependent on the duration of the outbreak and its effectiveness of the policy responses.

The declines in trade are totally unavoidable in the present situation and will surely lead to very painful consequences for businesses and households, on top of the human suffering caused by the pandemic itself.

### **How have Countries coped?**

**THE WORLD ECONOMIC FORUM (WEF)** gathered and discussed information from diverse sources , and as per the assessment , supporting the larger business and SME’s is very crucial in order to maintain the financial and employment stability .

In our country , India Finance Minister , Smt Nirmala Sitharaman has announced details of the Atmanirbhar Bharat Package for providing relief to The Medium , Small And Micro Enterprises (MSME’s) in the form of an increment in the credit guarantees .

Many other advanced economies in the world are also rolling out support packages .

The stimulus packages are :

**India -10% of its GDP.**

**US – 13% of its GDP.**

**Sweden -12 % of its GDP.**

**Germany -10.7% of its GDP.**

**France -9.3% of its GDP.**

**Italy -5.7 % Of its GDP.**

### **Outlook For Trade In The Year 2020 And 2021-**

The economic shock created by the COVID-19 pandemic invites comparison to the financial crisis of the year 2008-09. Both the crises are similar in some aspects but different in others.

In 2008-09, governments have again participated with monetary and fiscal policies in order to counter the downturn and facilitate temporary income support to the household and businesses.

But in the present scenario the restrictions on movement and social distancing to slow the spread of the corona virus disease means that transport and travel, labour supply today are directly affected in multifold ways which were not prevalent during the financial crisis.

The COVID-19 outbreak has lead to the closure of many sectors of national economies which include restaurants ,clubs, bars, hotels , non-essential retail trade ,tourism and travel and significant shares of manufacturing.

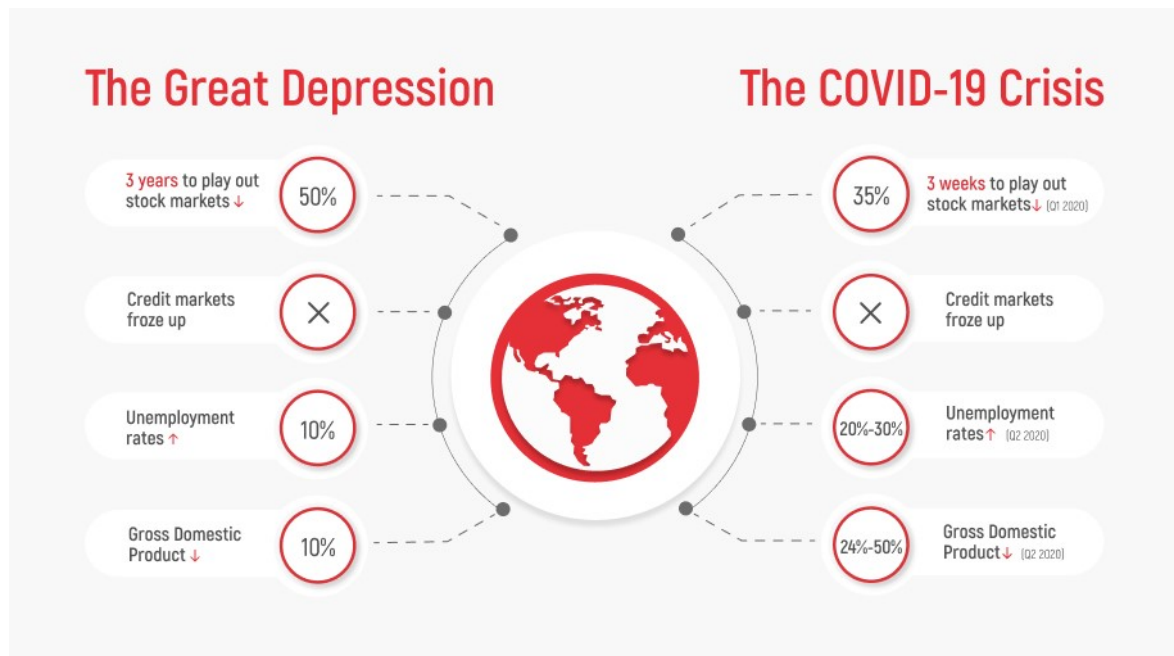
Under these ill circumstances, forecasting requires very strong assumptions related to the progress of the disease.

### **Some Ways To Overcome The Covid -19 Crisis-**

As per the views of the leading economists the pandemic has brought us about the deepest economic shock ever.

- “ This is an economic tsunami”  
- Mark Zandi , Chief Economists At Moody’s Analytics.
- “ The rest of it is more like a natural disaster, where the government’s role is to help families avoid economic hardship , not put them back to work”-

-Parl Krugman, The Nobel Prize Winning Economist .



1. Turn offline business to online business.
2. Add contactless delivery options to the stores.
3. Prevent shock outs with Multi Warehouse Inventory.
4. Save on warehouse management with drop shipping .
5. Show when the in – demand products will be back in the stock.
6. Let the shoppers calculate the shipping cost on product pages.
7. Show how much left to spend to get free shipping.
8. Offer pre- orders reducing the delivery workload.
9. Establish a unique delivery schedule.
10. Let the users order products online and pick them at store.
11. Restrict delivery of products outside the country borders.
12. Enable free shipping for particular products.
13. Inform the customers about the status of their orders

### Need Of The Hour -

Though The Covid -19 pandemic has brought the global economies around the deepest economic shockover. The conditions may take up to 16 to 18 months for vaccine development and massive testing .So now it is the time for representing collective capacity to respond to the crisis situations and try to overcome it The novel coronavirus is having many ill – effects like-

- It is extremely infectious.
- The COVID – 19 disease it causes is very much severe.
- There is no “background” immunity in the population .
- There is no vaccine yet.

We are facing a full- scale pandemic, of which we have no shortcut. If we compare with past 100 years this virus seems only to be comparable with the Spanish flu which occurred in 1918, that killed approximately 50 million people over two years and was followed by a 1920-21 economic depression .Spanish flu was a very infectious virus as well as very virulent , and just like the present scenario at that time also the world population had no immunity at all. If that disaster again repeats itself , the whole universe is going to face the prospect of many millions of deaths and a prolonged depression. The crisis will surely be overcome , but only if we work together and dig in. We must give prime focus on public health .

The government and business collaborating , based on the latest scientific evidence are our best chance at preventing a hopefully short –term recession from becoming a global depression.



## Covid-19 And Child Labor In India



### Introduction-

**“Child labor deprives children of their right to go to school and reinforces intergenerational cycles of poverty”.**

Child labor refers to the employment of children in those works which are harmful for them and exploit them. Varying definitions of child labor are used by the international organizations, trade unions and interest groups. There is no universal accepted definition of child labor.

Child labor exploits the children in many ways i.e. physically, mentally, morally and blocking access to education. Children are engaged in economic activities, on part or full-time basis. Some important causes of child labor in India are poverty, lack of good schools, growth of informal economy. In terms of economic welfare presence of a large number of child laborers is regarded as a serious issue. Child labor has a long term adverse effects for India. Children are the building blocks of the nation but when they are forced for exploitative works they get deprived of the opportunities to develop physically, mentally, emotionally, intellectually and psychologically.

### Who is a child ?

**According to the definition of International Convention – ‘Children as age 18 and under is a child’.**

Individual governments may define ‘child’ according to different criteria or different ages. In our country (India), children of age under 14 years are considered to be a child.

### **Who is a Labor ?**

When a person works on daily wage basis on the day when work opportunities are open for that person and rests idle on other days is termed as labor.

### **What is Child Labor ?**

- 1- Child labor reflects a fundamental abuse of children rights, violating various laws.
- 2- Engagement of children below minimum age for employment in the occupations which negatively affect their mental, physical and emotional well-being.

### **What leads to Child Labor today ?**

- 1- Poverty
- 2- Abuse of the child.
- 3- Lack of health care.
- 4- Lack of good school.
- 5- Uncaring attitudes of the employers.
- 6- Limited choices for the women.




### **Child Labor In India-**

In India, child labor is divided by the Law in two categories-

- 1- Children below the age of 14 years.
- 2- Children between 14 to 18 age group- ADOLESCENTS.

Child labor in India, somehow has become a social norm and is even accepted in tolerated in our society. Until and unless our society adopts a zero tolerance attitude this abusive and exploitative practice and its graph will not decrease or abolish.

The Law states that –

-  Any person who employs a child below 14 years of age will be jailed for 6 months or 2 years and fine between Rs. 20,000 to Rs. 50,000 will be imposed on that person.
-  If the parents force the child to work without letting the child go to school then for first time warning will be issued, but if it continues then fine upto Rs. 10,000 will be imposed.
-  According to the amendment in ‘ Child Labor Act-1986’, a ban is imposed on employing the children between age group of 5 to 14 years.

Statistics and various researches reflect the following-

- ❖ According to Government data every 11<sup>th</sup> child in India between age group 5 to 18 years is working .
- ❖ Around 44 million children's in India are forced into child labor.
- ❖ Uttar Pradesh is having the highest number of child laborers.
- ❖ More than 80 percent children are employed in villages , that too in agriculture and non-formal activities like- livestock rearing, fishing etc.
- ❖ As per the National Census 2011, about 10.1 million child laborers in India, are between age group of 5 to 14 years.
- ❖ Approximately 22.87 million working children in India are between 15 to 18 age groups.
- ❖ Census data by CRY – CHILD RIGHTS, revealed that about 1.4 million child laborers in India between 7 to 14 years age group can't even write their names. This data makes very clear that one in three child laborers in the said group are illiterate.

### **COVID -19 Outbreak-**

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### **COVID – 19 : Health Crisis-**

The COVID-19 crisis is firstly a health crisis. We are facing a full- scale pandemic, of which we have no shortcut. If we compare with past 100 years this virus seems only to be comparable with the Spanish flu which occurred in 1918, that killed approximately 50 million people over two years and was followed by a 1920-21 economic depression .Spanish flu was a very infectious virus as well as very virulent , and just like the present scenario at that time also the world population had no immunity at all. If that disaster again repeats itself , the whole universe is

going to face the prospect of many millions of deaths and a prolonged depression. We all are experiencing the ill effects of the COVID-19 pandemic

The conditions may take up to 16 to 18 months for vaccine development and massive testing .So now it is the time for representing collective capacity to respond to the crisis situations and try to overcome it .The novel corona virus is having many ill – effects like-

- It is extremely infectious.
- The COVID – 19 disease it causes is very much severe.

### **COVID- 19: Protect Children From Child Labor-**



✚ ‘ WORLD DAY AGAINST CHILD LABOR’ - Every year-12 June .

✚ THEME OF 12JUNE 2020-

- “ COVID-19: PROTECT CHILDREN FROM CHILD LABOR , NOW MORE THAN EVER!”

✚ This year ‘World Day Against Child Labor’ is emphasizing more on the impact of crisis on child labor. It is intended to foster the worldwide movement against child labor in any of its forms.

✚ The COVID-19 pandemic is foremost a health crisis and because of this pandemic economic and labor market shocks are having a huge impact on people’s lives and livelihoods.

- ✚ On an estimate 152 million children are working as child laborers , out of which 72 millions are working in extremely hazardous conditions. Unfortunately now the children will be often the first to suffer.
- ✚ According to the report of **International Labor Organization ( ILO)** and **UNICEF** this crisis can push millions of vulnerable children into child labor, which could lead to the first rise in child labor after 20 years of the progress.
- ✚ According to the new brief from the **ILO** and **UNICEF** titled : ‘A time of crisis , a time to act’, since year 2000 rate of child labor decreased by 94 million , but this gain is now at risk because of the spread of corona virus pandemic disease.

### The Laws-

- ✚ India has been trying to combat this blight since before it became a republic, with the passing of the **Employment of Children Act, 1938**.
- ✚ While primitive, it was evident that even under an extractive colonial regime, it was understood that the use of children in the production process was anathema. After Independence the **Factories Act, 1948** and the **Mines Act, 1952**, banned the practice of employing children below the age of 14 and 18, in their respective production processes.
- ✚ This set the tone for the **Child Labor (Prohibition and Regulation) Act of 1986** which prevents the employment of children below the age of 14 years in hazardous occupations which have been identified in a list by the law .
- ✚ Finally the **Juvenile Justice (Care and Protection) of children Act of 2000** made the employment of children a punishable offence.
- ✚ The JJ Act came into force shortly after India ratified the **Convention on the Rights of the Child (CRC), in 1992** and made the offence punishable with imprisonment from three months to one year or with fine no less than INR 10,000 to 20,000 rupees or with both.
- ✚ **The Right to Education Act**, passed in 2009, was supposed to go beyond punishing people for child labor to creating a conducive environment for building the capabilities of all Indian children, so that they could have a complete education and enter the workforce of their choice and not compulsion. However, even after all these efforts still, child labor continues to be the norm in a lot of industries.

## Types Of Child Labor –

Child labor is a term which cannot be used in a sweeping manner and needs to be unpacked. It covers a range and variety of circumstances in which children work. Child laborers are engaged in the following forms of works-

- ✚ **Child labor:** - Those children who are doing paid or unpaid jobs or tasks in factories, establishment, mines workshops, and in the service sector such as domestic labor. The ministry of Labor, Government of India has employed the term -child labor only in the context of children who are involved in doing hazardous work. By implication, children who are not doing hazardous work are not considered to be as child laborers and are said to be doing child work.
- ✚ **Street children:** Children living on and off the streets, such as- ragpickers, newspaper-vendors, beggars ,shoeshine boys, etc. are termed as street children. Most children have some sort of homes where they can go back to in the evening or nights, while on the other hand the street children are completely alone and live at the mercy of their employers. They live on the pavements , in the railway stations and bus stations .
- ✚ **Bonded children:** Children who have either been forced by their parents for paltry sums of money or those children who work to pay off the inherited debts of their fathers. Bonded children in many ways are the most difficult ones to assist because they are inaccessible. If the carpet owner has bought them, they have no scope to escape. If any middle-class housewife has paid for them, they cannot run away. If the landlord in the village owns them, they will spend their life in serving them till they get married and in turn can then , sell their children.
- ✚ **Working children:** - Children who are working as part of family labor in agriculture and in home-based work are termed as working children . If children are working 12-14 hours a day at the cost of their education along with their parents then their situation is similar to that of children working for other employers. In fact children that too particularly girls, are expected to take on work burdens by parents in complete disproportion to their strengths and abilities. This is the largest category of children working full time and who are out-of-school . And it is here that we find the largest percentage of girls working at the cost of education.
- ✚ **Children used for sexual exploitation:** - Many thousands of young girls and boys serve the sexual appetites of men from all social and economic backgrounds. There are numerous direct links between the commercial sexual exploitation of children and other forms of exploitative child labor .Railway stations, bus stops , factories, workshops, street corners and homes where children work are common sites of sexual exploitation. Children are especially powerless to resist abuse by employers, either as perpetrators or intermediaries. The physical and psychosocial damage caused by commercial sexual exploitation makes it one of the most hazardous forms of child labor.

✚ **Migrant children:** – India is the one to face a huge challenge with “distress seasonal migration “. Millions of families are being forced to leave their homes and villages for several months in search of livelihoods every year. These migrations mean that families are forced to drop out of schools, something that closes up the only available opportunity to break the vicious cycle generation after generation. Many industrial and agro- industrial sectors like brick-making, salt manufacture, sugar cane harvesting, stone quarrying, construction, fisheries, plantations, rice mills etc. run largely on migrant labor. At worksites migrant children are inevitably put to work.

✚ **Children engaged in household activities:** – Apart from the children who are employed for wages (either bonded or otherwise) as domestic help, there are a large number of children that too especially girls who work in their own houses, engaged in what is not normally seen as “economic activity”. These children are engaged in household activities, taking care of younger siblings, cooking, cleaning etc.. As seen in the literature on women’s work, such activities need to be recognized as work. Further, if such children are not sent to school, they will eventually join the labor force as one of the above categories of child labor.

### **Causes and Consequences of Child Labor-**

Child labor is both outcome and a cause of persistent poverty. Most working children have to work to do with a great deal of economic insecurity. Sometimes, they help their families in meet their basic needs and in other times, working children do so because there is no better option available to them. While basic needs concerns should decline with development, some characteristics of economic development, such as in particular technological development requiring skilled labor, favour a gradual reduction of child labor; others, may instead increase the temporary prevalence of child labor. Migration movements and population displacements due to conflict or natural disasters, are also conducive to child labor. While child labor can help poor families triage poverty in the short run, over the long run, it hinders growth potential by affecting the educational attainment and health of working children.





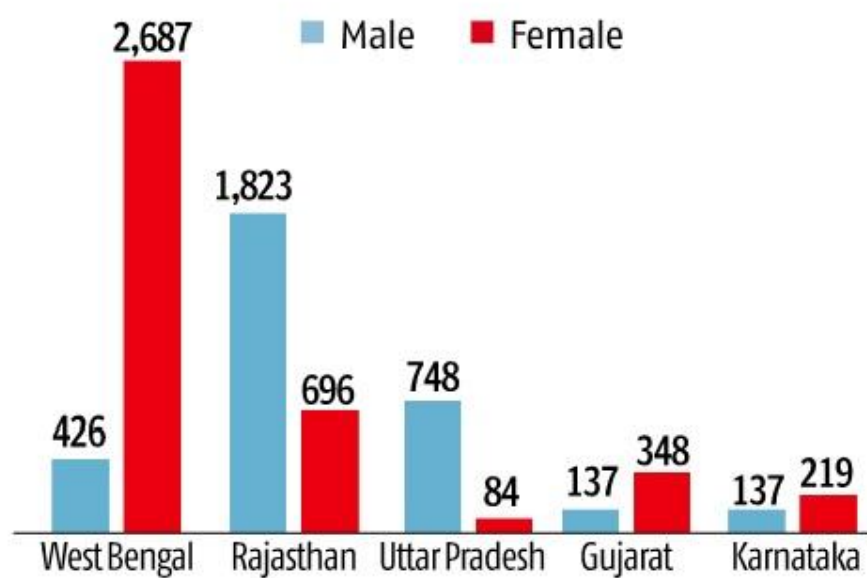
distinct works done by the children in India





## State Wise Children Trafficking -

### Five states with most children trafficked





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