"The entrepreneur always searches for change, responds to it, and exploits it as an opportunity."
2.1 INTRODUCTION

Many researchers have made an attempt from past few decades to study entrepreneurs and their activities. Entrepreneurs and entrepreneurship are believed to be the pillars on which societies are built (Goel et al. 2007). Entrepreneurial activity has been acknowledged as one of the resources that need to be tapped by developing countries in order to facilitate them to compete in a globalizing market economy (Kanungo, 1998). Entrepreneurship is studied virtually in all disciplines ranging from social anthropology to organizational theory to mathematical economics which is one reason for the multiplicity of definitions/roles (Henrekson, 2007).

The definitions of the term "entrepreneurship" have kept on changing over the years. At one end of the gamut are those who believe that it is concerned exclusively with the creation of entirely new ventures that create significant wealth. On the other hand, are those who put forth that any activity that is creative and changes an organisation.

2.2 ECONOMIC PERSPECTIVES ON ENTREPRENEURSHIP

The development of economic theory in the past two centuries has ignored entrepreneurship (Baumol, 1968; Demsetz, 1983; Blaug, 1998; Endres & Woods, 2006). In fact, intensive discussion on entrepreneurship started in the early 1980s. The deliberations in general, associate entrepreneurship to some talent, drive, or individual trait and then proceed to draw the macro economic implications (Milo Bianchi and Magnus Henrekson, 2005).

Richard Cantillon (1680-1734) was the foremost economic thinkers to define the entrepreneur as an agent who purchases the means of production at certain prices and then combines them into a new product. He categorised economic agents into landowners, hirelings, and entrepreneurs and believed that an entrepreneur as the most dynamic among these three agents, connecting the producers with customers. J. B. Say (1767-1832) refined Cantillon’s definition by adding that the entrepreneur brings people together to build a productive item.

Austrian economics is also by and large based on an essentialist, self-action view (Smith, 1990). For Austrian economists, entrepreneurship is an assertion of purposeful human action as opposed to so-called mechanistic action. Frank Knight (1971) considers the entrepreneur as a risk-taker, ready to take action when outcomes are uncertain. Knight distinguishes between risk which is quantifiable and uncertainty which is unique. Knight wrote that "the practical difference between the two categories, risk and uncertainty, is that in the former the distribution of the outcome in a group of instances is known (either through calculation a priori or from the
statistics of past experience), while in the case of uncertainty, this is not true, the reason being in
general that it is impossible to form a group of instances, because the situation dealt with is in a
high degree unique" (Knight, 1921).

Joseph Schumpeter’s innovation theory of entrepreneurship (1949) defines entrepreneur
as one having three major attributes: innovation, foresight, and creativity. Schumpeter’s theory
gives much importance on innovation and ignores the entrepreneur’s risk taking ability and
organizational skills. This theory is more relevant to large-scale businesses, but economic
conditions compel small entrepreneurs to imitate instead of innovation.

Peter Ducker’s “Theory of Entrepreneurship” (1909-2005) holds innovation, resources and
an entrepreneurial behavior as essential to entrepreneurship. According to him, entrepreneurship
includes increase in value or satisfaction to the customer from the resource, formation of new
values and combination of existing materials or resources in a new productive combination

2.3 PSYCHOLOGICAL PERSPECTIVES ON ENTREPRENEURSHIP

Psychologists and sociologists identified that the supply of the unique personal qualities
required for entrepreneurship may be limited in the short and medium-term. McClelland (1961)
made psychological studies on entrepreneurship with a purpose to determine and analyse the
psychological factors which produce entrepreneurial personalities. In particular, he focused that
the psychological drives underlying the individual’s “need for achievement” (n Ach) were the
motivational variables affecting the supply of entrepreneurship. Individuals with a high n Ach
are said to be responsible for solving problems and for setting goals to be reached by their own
efforts as well as having a strong desire to receive feedback on their task accomplishment.

McClelland assumes that entrepreneurs will have high n Ach because they seem to
possess the same characteristics. Therefore, according to McClelland (1961, pp. 233-7), the
supply of entrepreneurship depends on individuals’ psychic needs for achievement rather than on
the desire for money. He recognized that the specific child bringing up patterns as crucial to the
development of high n Ach and hence, vital to the emergence of entrepreneurship.

Moreover, it is stated that these practices are in turn primarily determined by parents’,
religious and ideological values. McClelland’s theory does yield some new insights into the
factors influencing entrepreneurial supply. It also includes the effects of family socialization and
other aspects of the social and cultural environment on the development of n-Ach and hence on
the subsequent emergence of entrepreneurs. Besides, McClelland’s approach discards the naive
and oversimplified psychology of the “profit motive” (with which some economists have associated the entrepreneurs) and replaces it with a peculiar emphasis on an intrinsic motivational variable affecting entrepreneurial supply namely, the achievement motive.

Hagen (1962) gave a psychological theory of entrepreneurial supply with some similarity to that of McClelland. He studied the causal interplay among society, personality and economic change. The essence of his argument centred on how certain psychological changes can result from certain social changes. In the course of his argument, he constructs a classification of personality types (namely, the authoritarian-creative personality dichotomy). Like McClelland, he sees the entrepreneur as a “creative personality” determined by a high need for achievement.

Gilad (1982, 1986) links Rotter’s psychological theory of locus of control (LOC) with Kirzner’s economic concept of entrepreneurial alertness. According to LOC theory, individuals think that the outcomes of events in their lives are either within or beyond their personal control. People with internal LOC think that environment can be controlled by their own actions and therefore they are responsible for their own destiny. On the contrary, a person with external LOC interprets events as the result of outside factors that they cannot influence, such as luck, chance, fate, or “powerful others”.

2.4 SOCIOLOGICAL PERSPECTIVES ON ENTREPRENEURSHIP

Weber’s sociological theory had a persistent influence on non-economic theories of entrepreneurial supply, including those of Cochran (1960 & 1965) and McClelland. Its importance lies in the fact that it was the first theory to give explanation in detail about the causal sequences linking ideological and religious values to the supply of entrepreneurship.

Certainly, most economists would agree with Baumol’s contention that the determinants of the supply of entrepreneurship are “to a very considerable extent matters of social psychology, social arrangements, cultural developments and the like” (Baumol, 1968). Besides, they would concede that such factors as “cultural circumstances are far stronger in their effects than taxes or regulatory constraints” (Baumol, 1983, p. 31).

However, recently Casson (1990a), has shown that the cultural determinants of entrepreneurial supply are also important. Casson builds up an analytical framework which combines cultural and economic determinants of entrepreneurship. Though he does not make any explicit reference, Casson’s approach too has a Weberian influence: “The economic content of a
culture is related to implicit scientific and religious attitudes which are transmitted through education, the media, and personal contact within social groups” (Casson, 1990a).

According to Mark Casson culture comprises a number of elements, the most significant of which are the moral aspects of culture. The moral aspect of culture legitimates general principles of business behaviour and motivates entrepreneurs to make commitments of various kinds. Important forms of moral commitments include commitments to tell the truth, to respect other people’s property and interests and to honour the legal process. A culture which supports a high degree of moral commitment among its members will stimulate mutual trust, reciprocity and honesty, will limit opportunistic behaviour on the part of contracting partner, and will thereby reduce a wide range of transaction costs within that society. By increasing transactional efficiency, the moral aspect of culture is likely to increase the supply of entrepreneurship in a nation. Some moral attitudes are far more entrepreneurial than others, and so are more conducive to the process of economic development (Casson, 1990a).

2.5 DETERMINANTS OF ENTREPRENEURSHIP

The development of entrepreneurship is influenced by several factors and can be classified into four important groups, i.e., economic, social, psychological and environmental. The economic factors are essential determinants for the growth of entrepreneurship rather than social and psychological factors. In the development of entrepreneurship, access to capital needed for business and the opportunity to acquire technical training have indicated their significance more rather than purely social factors; such as caste traditions and social disapproval. These factors may have both positive and negative influences on the emergence of entrepreneurship. Positive influences develop facilitative and conducive conditions for the emergence of entrepreneurship, whereas negative influences create inhibiting environment to the emergence of entrepreneurship.

The successful promotion of entrepreneurship depends on the right kind of socio-political-economic environment since entrepreneurial activity involves multi-dimensional factors. The salient features of the important factors, which influence entrepreneurial development according to various researchers, are summarised in table 2.1
<table>
<thead>
<tr>
<th>AUTHORS</th>
<th>FACTORS THAT CONtributes TO THE DEVELOPMENT OF ENTREPRENEURSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schumpeter</td>
<td>Suitable environment and intuition in grasping the essential facts.</td>
</tr>
<tr>
<td>Levine</td>
<td>Status mobility system - attained through outstanding performance, initiative, industriousness, foresight, self-reliance, achievement training.</td>
</tr>
<tr>
<td>Hagen</td>
<td>Creative personality; High n Ach; need order and need autonomy; fairly widespread, creative problem-solving ability, positive attitude towards labour, physical work.</td>
</tr>
<tr>
<td>Cochran</td>
<td>Outlook towards occupation; the role expectations held by sanctioning groups and the operational requirements of the job.</td>
</tr>
<tr>
<td>Nandy</td>
<td>Supportive community, self-image, value and status of an entrepreneurial career.</td>
</tr>
<tr>
<td>Singer</td>
<td>Traditional system of occupational culture which facilitates the process of modernisation, special opportunities, motivations, experiences, training or knowledge, traditional belief and values system which are flexible to allow for reinterpretation with changing conditions.</td>
</tr>
<tr>
<td>Weber</td>
<td>“Protestant Ethic” which emerged from the religious belief system of Calvinistic Puritanism and which is absent in oriental religious belief system.</td>
</tr>
<tr>
<td>Kilby</td>
<td>Perception of market opportunities, gaining command over scarce resources, and marketing of products. Dealing with public, bureaucratic concessions, licenses, taxes, management of human relations within the firm and with customers and suppliers. Financial and production management technical knowledge.</td>
</tr>
<tr>
<td>Christopher</td>
<td>High demand for product and experience in the lines of business/industry.</td>
</tr>
</tbody>
</table>
2.6 DEVELOPING ENTREPRENEURS

Entrepreneurs are important driving forces of change in every society. Even though, it is their planned activity that bridges the gap between the plan and reality, the defined functioning of the entrepreneurs is often unclear (Broehl, 1982). For social change focus should be made on identifying persons who will be fitting for this role. In this framework, identification of characteristics of the entrepreneurs is an essential aspect of entrepreneurial development and success. It has been explained that if an individual has the right kind of motivation, he has the potential of becoming a potential entrepreneur (Pareek, 1979).

Besides these motives some other qualities like social awareness, optimism, collaborative orientation, creativity, local involvement, etc. needs to be recognized because persons with these qualities are likely to contribute more to the achievement of social development.

Many countries of the world have experienced emergence of entrepreneurship development as a rapid means of economic development resulting in creation of gainful employment for masses during the last three decades. The myth that entrepreneurs are born and not created seems to be slowly dying out (Saini, 1996). Carefully designed and systematically conducted EDPs strengthen the assumption that entrepreneurs can be created too. The influence of the success stories of entrepreneurs has widely identified as an important factor facilitating entrepreneurship. Such examples not only encourage entrepreneurship but also tend to improve its quality (Rao, 1993).

Since many years, research is being undertaken to find out the secret of successful entrepreneurial behaviour. Ever since the emergence of entrepreneurship as an academic field of study, investigating the essence of entrepreneurial behaviour has been one of the continuous themes. Daniel F. Muzyka (1997) has talked about few aspects to make the meaning of the concept clear. First, no one is generally instilled to be an entrepreneur, i.e., it is not something to be born with. Second, most people, given their background and behaviour, cannot imitate the behaviour of successful entrepreneurs. It is more a matter of will, persistence and environment.

Researches undertaken by Kets de Vries' and Stevenson (1997) have given more insight into the nature of entrepreneurs. Stevenson’s structure had a substantial impact on the understanding of entrepreneurs, while Kets de Vries' work on the psychology of entrepreneurs
has been pioneering. It is clear from their work and that of other researchers that entrepreneurship is form of behaviour which is both complex and multidimensional (Muzyka, 1997).

Tulus Tambunan (2007) examines the contemporary developments of SMEs in the Indonesia. The article puts forth a number of facts like SMEs account for more than 90 percent of all firms outside the agricultural sector. Thus, it is the biggest source of employment and are of great importance in Indonesia. The participation of women entrepreneurs is low and are less educated as compared to the male counterparts, the key constraints faced by small entrepreneurs are lack of working capital and marketing difficulties and the majority of existing studies put forth that the effectiveness of government programmes to support SME development programs is low. Thus, it was concluded that owners of small enterprises should be given the first priority as they have some previous experience of running a business or of how to survive in competitive markets, and the emphasis should be to promote modernization, capacity building and size upgrading as a part of national efforts to develop high competitive entrepreneurship.

2.7 ENTREPRENEURIAL SUCCESS

Daily and Dollinger (1992) made a comparative study of family owned and managed, and professionally managed firms. The authors examined the hypothesis that performance advantages are gained when ownership and control of the firms are aligned. The study presents the results of a field review that examined the extent to which family owned and managed firms differ across structural process, and performance dimensions from their professionally managed counterparts. The findings of the study advocate that significant differences exist between these two groups on both the dimensions i.e., structural and process. Also the study provides facts that family owned and managed firms show performance advantages as a result of the unification of ownership and control.

Bhide (2000) undertook an extensive field study of start-ups by interviewing the founders of companies, a compilation of the fastest growing privately held companies in the USA. He studied about great entrepreneurs and hundreds of case studies from the corporate world. The study was conducted over a period of ten years and included various strategic and operational issues of start-ups and their transition to large and well-established firms. According to Bhide, venture can be categorized into five types, viz., Marginal Businesses, Promising Businesses, Venture Capital backed Businesses, Revolutionary Ventures and Large Corporations. The
The investigation attempted in the study is in three parts. The first part investigates the origin of new businesses. The second part investigates why only some new businesses grow into large and long-lived, and not the others. The third part puts the evolvement of new businesses into a broader economic and social context. The final part of the study mentions the need for a hypothesis about five topics, viz., opportunity evaluation, decision making under uncertainty, firm evolution, and industry structure. Bhide sums up that tolerance for ambiguity coupled with personal selling is the secret of start up success.

McCormack (1984) carried out a research based on his real life experiences in business and his association with people ranging from autocratic empire builders to small businessmen. McCormack’s suggestions are based on his experience and keen observation over a period of more than two decades. His research discussed the following aspects related to entrepreneurship like managing people and personalities, selling, negotiating, starting a business, running a business, building a business and getting things done. He found that ingenious, industry knowledge and sales skills enable an individual to achieve success in a new business.

Previous work in the field of entrepreneurship focussed on personal characteristics that differentiated entrepreneurs from non-entrepreneurs (Brockhaus, 1982). For example, several studies have found consistent relationships between individual factors, viz., achievement, locus of control, motivation, and entrepreneurship (Brockhaus, 1982 and Gartner 1985).

McClelland (1961) recognized three behavioural traits associated with high need for achievement (n Ach): (1) taking personal responsibility for finding solutions to problems, (2) setting moderate achievement goals, and taking calculated risks to achieve them, and (3) desiring concrete feedback. Later on, McClelland reported a series of studies linking high n Ach with entrepreneurship (McClelland, 1965).

There are twelve traits that are considered to be essential from the viewpoint of venture capitalists, behavioral scientists and entrepreneurs, for achieving entrepreneurial success which is as follows (Dingee et al. 2001):

(i) Drive and energy level
(ii) Self-Confidence
(iii) Setting Challenging but Realistic Goals
(iv) Long-Term Involvement
(v) Measuring performance by using money
John B. Miner (1990) made a research study on entrepreneurs with an objective to identify personality types among entrepreneurs and investigate entrepreneurial success. The sample in Miner’s study comprised of 100 established entrepreneurs in the Buffalo, New York area who participated in an entrepreneurship development programme sponsored by the State University of New York at Buffalo. The firms of these entrepreneurs extended over an extensive range including both service and manufacturing. He identified four types of entrepreneurs, which are personal Achievers, empathic super sales people, real manager and expert idea generator. He concluded in his study that there are different paths to entrepreneurial success, and that entrepreneurs should decide the appropriate route to success based on their personality type.

Kallurkar (1997) for his doctoral dissertation examined the underlying factors for the success of Science and Technology (S&T) entrepreneurs in Marathwada region of Maharashtra. He brought out the characteristics and attributes of technical entrepreneurs using factor analysis of 52 variables based on responses from 200 S&T entrepreneurs and 100 support organization personnel. Twelve attributes of S&T entrepreneurs prominently brought out in the study are as follows:

(i) Well-rounded professional core  
(ii) Nerve power (strong focus)  
(iii) Entra-managerial qualities  
(iv) Outward looking (open minded to change)  
(v) Need for autonomy  
(vi) Persistence  
(vii) Scientific vision  
(viii) Legitimate action oriented  
(ix) Innovativeness
N. M. Panda (2000) tried to examine the linkage of entrepreneurial choice about the scale of operation with economic efficiency and the relationship between the individual background and choice characteristics and overall entrepreneurial success. The study was made in the north eastern tribal state of Nagaland. The survey was made for around seventy eight hotel entrepreneurs spread all over the important places of Nagaland. It was found that owning management responsibilities, sales promotion, single goal orientation and early establishments were highly associated with entrepreneurial success while large scale operations were negatively associated.

Rachana Chattopadhyay and Anjali Ghosh (2002) made an attempt to predict entrepreneurial success based on individualism, collectivism, locus of control and entrepreneurial status. The research included fifty small scale industries out of which twenty five were traditional entrepreneurs and rest twenty five were first generation entrepreneurs. The findings indicate that success rate was positively associated with individualism and achievement value while collectivism and locus of control was negatively associated. Through various statistical tools like mean, standard deviation and correlation it was concluded that achievement value was the most important predictor of entrepreneurial success.

Tapan K. Panda (2002) tried to recognize the extent to which success is related with socio economic factors like entrepreneurial background, level of education, age and stage in family’s life cycle and financial background, and demographic factors. He also tried to recognize the important factors as perceived by entrepreneurs for entrepreneurial success. The study was conducted in four major states of India i.e., Orissa, Bengal, Bihar and Andhra Pradesh. For the purpose of the study 212 small sized industrial units were taken. The findings revealed that there exists some association between previous occupational background and entrepreneurial success and the capability in arranging working capital is dependent on the entrepreneurial success. Lack of marketing support by government and other developmental institutions, corruption, delays in payment and poor level of distribution network were the major impediments besides partnership as perceived by the entrepreneurs.
Cynthia Benzing et al (2005) evaluated the motivations, perceived success factors and business problems faced by entrepreneurs in Vietnam. It also equates the results between the northern and southern regions of the country. Data was collected from a survey of 378 Vietnamese entrepreneurs in Hanoi and Ho Chi Minh City. The results present that Vietnamese entrepreneurs are motivated by the capability to provide jobs for themselves and family members, to secure public recognition, and to demonstrate that they can successfully run a business of their own. Friendliness towards customers and a good product at a good price are the important perceived entrepreneurial success factors while major business problems consist of too much competition, undependable employees and the inability to obtain both short-term and long-term capital. Further, the results also exhibit a number of city/regional differences in motivation, success factors and perceived success.

Juan Carlos Ayala Calvo & Guadalupe Manzano Garcia (2010) studied the effects of the factors on established business owners' success like education, experience, locus of internal control, need for achievement and resilience; characteristics of the firm in relation to the initial financial resources; number of partners; frequency; breadth of external communication and finally, factors pertinent to the conception and development of the firm. For the study, structural equation modeling technique Partial Least Squares (PLS) was used to estimate a path model with latent variables has been used. Even though, all the essential variables have a positive impact on established business owners' success, the findings clearly show that the size of the company is an important factor for established business owners' success. The variables in which this effect is most clear are that of education and adaptability. Resilience of the entrepreneur, a favorable perception of the business environment and the experience are the variables that help explain the success of established business owners.

2.8 ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

Balu V. (2000) stated that a socially conducive atmosphere where entrepreneurial practice and spirit can be cultivated right from childhood is needed for entrepreneurial development. Therefore, to develop such environment, integrated policy measures (economic, industrial, educational and technological) should be started with the objectives to remove various mismatches. Structure of economic incentives and assistance to the entrepreneurs and industries in rural and backward areas should be redesigned to encourage local resources including human resources.
Erik Stam and Andre Van Stel (2009) examined the effect of entrepreneurship on economic growth at the country level. They also tried to evaluate the effects of entrepreneurial activity on economic growth in high income, transition and low income countries. A sample of 36 countries and their GDP growth over a period of four years was taken for the study. Data on six basic variables were used in the model: YB rate, YB medium growth, YB high growth, growth of GDP, per capita income, and the Growth Competitiveness Index (GCI). The empirical study implied in contrast to transition and high income countries where especially growth oriented entrepreneurship seems to contribute strongly to macroeconomic growth, while entrepreneurship does not have an effect on economic growth in low income countries. In case of Taiwan, India and Brazil, regional clusters have been proven to be important drivers of economic development.

Sierdjan Koster and Shailendra Kumar Rai (2008) analysed the possible relationship between entrepreneurship and economic development in India. This association has been studied comprehensively for developed countries, but less for developing countries. Using the GEM model, they assumed that as the economic development opens up employment possibilities, the number of necessity driven entrepreneurship decreases. However, it was found that this trend was not in case of India. Instead, entrepreneurship appeared to be a significant driver of recent economic growth. This can be made clear by the fact that India is very much a service-based economy that supports small-scale firms. Given the importance of high quality entrepreneurship for economic development, increasing the quality of entrepreneurship should be the main focus of policy measures.

A. K. Lal and R. W. Clement (2005) tried to examine the role that an individual enterprise can play in a country’s economic growth given the economic reforms in India. The Indian government with its focus upon individual initiative and self interest to stimulate economic development should devise policies that focus more on individual enterprise. In their study, they concluded that recent market reforms supporting individual enterprise have led to higher economic growth in India. They further stated that India has the potential to generate additional economic growth by promoting entrepreneurial activities. To initiate further the entrepreneurial approach to economic growth, India must provide opportunities for education specifically aimed at developing entrepreneurial skills, financing of entrepreneurial efforts, and networking among potential entrepreneurs and their experienced counterparts.
Wim Naude (2008) analyzed whether an understanding of entrepreneurship in varied contexts becomes important in order to know the impact of entrepreneurs on economic growth and development, and how entrepreneurial capability can be broadened so as to further the economic dimensions of development. It was found that the rates of return to being self-employed and problems such as start-up costs and credit market deficiency will determine the quantity and quality of entrepreneurship in a region or country. The research findings suggest that the quantity of entrepreneurial activity can be improved through education, culture, raising awareness of entrepreneurship as an occupational choice, and through learning by doing.

Sameeksha Desai (2009) emphasized that even though various measures of entrepreneurship exist, they should be applied and interpreted with prudence and specifically for the types of activities being undertaken. It was observed that there is a need to develop and validate a measure of entrepreneurship that can be used reliably and consistently across countries, there is increasing interest in segmenting and differentiating the type of entrepreneurship being measured and the relationship between economic development, institutions and entrepreneurship necessitates a comprehensive research approach.

Zoltan Acs (2007) observed during his research that being pushed into entrepreneurship (self-employment) because all other alternatives for work are either closed or unsatisfactory can even lead to under development. Although all countries have some level of both opportunity and necessity entrepreneurship, the ratio of opportunity-to-necessity entrepreneurship can be a practical indicator of economic development, and can be a guide for development policy. It was found that there was a positive relationship between the opportunity ratio and GDP per capita. The research suggest that policies in less developed countries should focus on strengthening general national framework conditions, and in developed economies, policy should focus on reinforcing the entrepreneurial framework conditions.

2.9 YOUTH AND ENTREPRENEURSHIP

The success of the economy is dependent on the promotion of entrepreneurship culture. It has been viewed that youth have the capability to understand it and be its pioneers. This is revealed in high youth participation in Internet business start-ups (OECD, 2001; Curtain, 2000).

Nancy Ames, et al (2003) stated that unemployment of youth has a far reaching impact on the labour market and society at large. Youth unemployment supplements to economic exclusion and poverty and increasing the probability of future joblessness. Youth unemployment
results in the loss of the worthwhile contribution to economic activity and growth from one of the most productive elements in society.

Youth entrepreneurship also reinforce innovation and resilience as it encourages young people to find new solutions, ideas and ways of doing things through experience based learning (OECD, 2001; White and Kenyon, 2000). In certain situations, young entrepreneurs may be receptive to new economic opportunities and trends. This is especially important in the on-going globalization process. It is gradually being accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and give a new outlook to the market (White and Kenyon, 2000).

2.9.1 Youth Entrepreneurship

Francis Chigunta (2002) studied in his research paper about the potential benefits of youth entrepreneurship as a feasible career option, barriers that stand in its way, and policy measures and strategies that can be commenced to support it. For his research work, he termed youth as the people between the age group of 15-35 years and youth entrepreneurship as the “practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture”.

Khosroshashi et al. (2006) emphasized that the definition of youth varies depending on subject matter, situation, the organization and/or objective of classification. Youth can be identified by a particular stage in life or social state such as being in a transitionary phase from dependent to independent or at a “biological life stage” (Sebba et al., 2009, Khosroshashi et al., 2006). The United Nations describes youth as individuals between the ages of 15-24 years (United Nations, 2010). The Government of Canada defines young Canadians as individuals between the age group of 15 -30 years (Youth Canada, 2009).

Kanika Gupta (2010) report seeks to recognize the factors influencing the creation of youth-initiated social ventures in Canada, from the viewpoint of the young social entrepreneur. Youth has been defined as individuals between the ages of 16-26 years for the purpose of this report and data collection. It was found through research that most of the young social entrepreneurs stated that the importance of experiential learning and education came from non academic sources such as conferences and leadership programmes than education. All young
social entrepreneurs were passionate about their social endeavours and were determined to see their ideas and visions to reality.

2.9.2 Youth Entrepreneurship and Development

An apparent and important benefit of entrepreneurship is that it creates employment for the young person who owns the business. This is especially the case when an economy is open to rationalization, change and restructuring. Many authors believe that this could bring back the separated and marginalized youth into the economic mainstream (Curtain, 2000; White and Kenyon, 2000). Thus, entrepreneurship could help address some of the socio-psychological problems and negligence that arise from joblessness.

David G. Blanchflower and Andrew J. Oswald (2007), investigated some of the patterns in modern microeconomic data on young people's employment, attitudes and entrepreneurial behaviour. Besides other sources, they used the Eurobarometer Surveys; the Labour Force Surveys from Canada and the Current Population Survey in the United States. They concluded that self-employed individuals report noticeably greater well-being than equivalent employees. Their job satisfaction and life-satisfaction are higher than workers of identical personal characteristics. Another important determinant of being self-employed is having a self-employed parent. This appears to help young people to set up in business themselves.

2.9.3 Youth Entrepreneurship And Problems

A. Cyril Awogbenle and K. Chijioke Iwuamadi (2010) tried to study the problem of youth unemployment in Nigeria and the deterrents that impedes people from entering into the field of self employment. They emphasized that entrepreneurship development programme is an intervention mechanism for curbing the problem of youth unemployment. They further stated that enterprise education, experiential programmes and enterprise development are the critical areas of development in enterprise education.

Francis Chigunta (2002) studied the importance of youth entrepreneurship, examined the increasingly important role of self-employment, looks at the current status of Youth Run Enterprises (YREs), identifies the current programmatic interventions that have been initiated to address some of the challenges facing YREs and identifies areas for suggested actions. He identified critical areas for suggested actions like access to micro credit, training and business
development services, information and marketing, financing youth development enterprise and research, and policies and institutional intermediation.

Ulrich Schoof (2006) found that young people should possess some basic requirements like skills and knowledge for becoming owner of a micro or small enterprise, which could be an alternative for a young person who has an entrepreneurial mindset. For a successful start-up, awareness about entrepreneurship as a career option and the enabling environment for enterprise creation play an important role. He also studied the major influences on youth entrepreneurship like socio-cultural attitude towards youth entrepreneurship, entrepreneurship education, start-up financing, administrative and regulatory framework and business assistance and support. He found that there are national or regional variations when it comes to evaluate the most important barriers and subsequent interventions within these five fields though the five key influencing factors are common to all countries. What might be a major impediment at first sight can after consequential research turn out to be less important than expected.

Robson and Obeng (2008) examined the Ghanaian entrepreneurs and the problems they face, and hypothesized that, in general, neither the age nor the gender of entrepreneurs were related to business barriers. Due to certain cultural factors young Ghanaian entrepreneurs may be at a disadvantage vis-a-vis older entrepreneurs by virtue of their youth and inexperience. Therefore, it is assumed that young entrepreneurs must also face a generational barrier, and therefore they need to be distinguished from their older associates (Schoof, 2006).

### 2.9.4 Youth Entrepreneurship and Education

Cherryl Hanson Simpson (2010) emphasized that if nurturing of youth towards income creation is to be taken seriously then steps should be taken for implementation of appropriate programmes within the school system. Vocational guidance to identify entrepreneurial potential must be provided and teachers should be trained to make all subject material pertinent to the real-world earning opportunities. Mentoring is an essential tool to teach youngsters how to navigate the tricky waters of business and established entrepreneurs can extend support in guiding the aspiring entrepreneurs. The government should initiate at establishing business incubators for young entrepreneurs where they can receive individual guidance, continuous business training, support facilities and tax incentives.

Howard S. Rasheed and Barbara Y. Rasheed (2000) tried to explore the effects of entrepreneurship training and enterprise on the entrepreneurial characteristics of intermediate
level students of NJ Public Schools Newark District. This survey included 9 schools and 28 classes. Using the Entrepreneurial Attitude Survey adopted from research on adult entrepreneurs, the student entrepreneurial characteristics were measured. It was concluded that the results explicitly show that students receiving entrepreneurial training have higher motivation to achieve and the students trained in entrepreneurship and engaged in a classroom based enterprise also had a higher sense of personal control and self esteem. These findings also reveal that need for achievement could be increased by providing entrepreneurial education at an early age.

Klaus Haftendorn and Carmela Salzano (2003) stated that education system must be aware of the need for developing the skills and attitudes that make up an entrepreneurial frame of mind such as creative thinking, questioning, independence and self-reliance. This education can be imparted through vocational training, business incubation and the start-up phase for young entrepreneurs.

Krishna Kumar Agarwal and Rajesh Kr. Upadhyay (2009) tried to examine the attitude of youth towards entrepreneurs and entrepreneurship, the preference of professions among youth and the perceptions of youth towards corruption in different professions. For the research a sample of 100 youth from various colleges of Varanasi were taken. It was found from the study that even though youth were having a good image of entrepreneurs, the risk associated with entrepreneurship makes it a low preferred profession among the youth. It was also found that simple statement of tax relaxation and other policies may not lead to enhanced entrepreneurial activities in the country, unless and until people are convinced about its profit. In order to strengthen entrepreneurship, the role of colleges, universities and other educational institutions in developing the right attitude among the youth should be considered.

Marilyn L. Kourilsky and Mahtash Esfandiari (1997) in their study examined the effects of entrepreneurship education intervention on lower socio-economic black high school students' knowledge about the basic and advanced concepts in entrepreneurship. For the study, around ninety-five high school pupils (over 85% black) from a lower socio-economic neighbourhood were taken for the experimental design out of which 51 were kept in the treatment group and 44 in the control group. It was found that the treatment group considerably outperformed the control group on all dimensions of entrepreneurship assessments. The findings of the study confirm that suitable curricular innovation can significantly influence the acquisition of entrepreneurship concepts and skills by lower socio-economic black students. They also substantiated that same
students can even be energized to the point of moving from opportunity recognition to initial business implementation.

Michael Axmann (2004) in his research focused on the impact of enterprise based schemes of vocational education, training and skill development in pre employment programmes. He made some recommendations on how youth employment could be promoted by using enterprise based schemes in vocational education and training like private public partnership in vocational training scaling up successful approaches on sustainable basis, designing new learning environment in vocational education and training that allow for more independence on the side of learners, setting up national institutes of vocational education and training etc.

Nancy M. Levenburg and Thomas V. Schwarz (2008) analyzed the extent to which under graduate youth of India and US have interest in entrepreneurship and the characteristics that are generally viewed as indicators of entrepreneurial intent by the students. A total number of 728 students were surveyed. The findings of this study put forth that while a substantial percentage of US students aim towards entrepreneurship, the percentage appears to be even higher in case of India. The reasons cited by the students for the above are (i) greater focus and creativity in developing new products, (ii) greater initiative, and (iii) greater competition.

Ranjan Upadhyaya (2006) during his study recommended that the mindset of the youth needs to be changed, introduction of entrepreneurship in the primary stage of education, entrepreneurship and business development cell to be established in all campuses of colleges and university, special incentives should be provided to the females for their participation and the linkage between industry and academia needs to be strengthened.

Rosemary Athayde (2009) made an attempt to evaluate the effect of participation in a Young Enterprise (YE) Company Programme on young people’s attitudes toward starting a business and on their enterprise potential. The ATE test was conducted on 196 young people aged 16–19 who took part in two Young Enterprise Entrepreneurship Master classes in Central London. The research findings suggest that participation in an enterprise programme positively influenced the young people who have the desire to be self-employed. It was also found that desire for self-employment was associated with demographic characteristics, such as cultural background, gender and having a self-employed parent.
2.9.5 Youth Entrepreneurship and Environment

Abhishek Goel et al (2007) tried to study the presumption in policy making that all regions are uniformly longing for entrepreneurial activity and one policy could undertake issues in all regions. It was put forth that attitude towards entrepreneurs and entrepreneurship is an essential element for future entrepreneurial activity. The attitudes are determined by the familial occupational background of an individual and entrepreneurial development of that region. It was assumed that people with more positive attitude would be seen from entrepreneurial backgrounds and entrepreneurially more developed regions. The study was made on more than 5,000 respondents in India and China. The findings revealed that familial occupational background's influence on attitudes found strong support in both India and China. As compared to China, the regional development showed stronger influence on attitude in India. But, from the findings it was revealed that entrepreneurship was favoured lesser than jobs with multinational companies, government, banks etc.

Gry A. Alsos, et al (2006), in his study tried to investigate, firstly that pupils who state any previous practical experience from entrepreneurial processes are more likely to exhibit favourable attitudes and subjective norms regarding entrepreneurship and greater perceived behaviour control and, secondly that favourable attitude and subjective norm with regard to entrepreneurship and greater perceived behaviour control among pupils are positively associated with entrepreneurial intentions. The data for this study was collected from 221 upper secondary school pupils in Nordland County in Norway. Amongst the participating pupils, 118 had experience from youth enterprises and 103 had no such experience. The findings indicate that experience from youth enterprises are related with more positive attitudes towards entrepreneurship, stronger perceptions of behaviour control and more positive subjective norms towards entrepreneurship.

Hoppers (1994) states that there is need to recognize the different types of work situations related with self-employment, particularly those involving youth. He observed that many young people display a good range of entrepreneurial skills in exploiting opportunities and developing viable enterprises. As soon as their basic needs are met, young people have a tendency to move from 'survival' through 'security' to 'commercial' livelihood activities. According to him, the short term income from informal activities often functions as stepping stones for young people to a more considerable business effort.
In the report given by YBI’s Making Entrepreneurship Work Series (2009), it recommends the actions that businesses, governments and civil society organizations can undertake to create an enterprise culture in their community. From the company point of view of they suggest that companies should support their employees to give advice and encourage young people in starting their business particularly in mentoring capacities, in order to strengthen the local enterprise culture companies should offer work experience schemes together with internships, apprenticeships and training programmes. From government viewpoint, the government should join together at state and national level towards efficient and quick business registration procedures, utilize the existing resources and networks to promote youth entrepreneurship and priority should be given to investments in initiatives taken up for promotion of youth entrepreneurship. The civil society should encourage, motivate and support young entrepreneurs, NGOs can come forward and take the lead in providing various training and skills needed by the youth to establish their own enterprise.

Kirsty Baker (2008) studied the contemporary challenges of youth unemployment and tries to examine the role that youth enterprise can play in addressing these challenges. However, to actually achieve scalable and replicable youth enterprise activities, it requires cooperation and partnership and will involve all sectors in all regions to maximise success. To increase youth employment, public, private and third sector organisations have their part to play in bringing unique and complementary capabilities.

Lewis & Massey (2003) emphasized youth as present users and future inheritors of local rural resources. They are the important stakeholders in natural resource management. As the youth of today have far more entrepreneurial potential than previous generations, they can contribute substantially to economic growth and dynamism (OECD 2001). With a better understanding of the livelihoods of rural youth, it would be possible to create opportunities that can encourage their entrepreneurial skills in a manner that develops innovation and productivity and also the environmental sustainability of rural activities.

Rajesh Kumar Shastri et al (2009) tried to study the intentions of professional students, various problems and the awareness amongst students regarding entrepreneurship. The data for the research was collected from more than 500 male and female graduate and post graduate professional students. The research study found that as compared to the female, male professional students had higher entrepreneurial orientation. Most of the students thought that
entrepreneurs are made and to earn more money is the motive behind becoming entrepreneurs. They felt for motivating young students to become entrepreneurs, government policy and business environment are equally important. They further believed that the decision-making of young entrepreneurs was affected by the socio-cultural factors.

Robert W. Fairlie (2005) made an attempt to study the earnings of business owners from disadvantaged families and made a comparison as to whether young adults from disadvantaged families who are self-employed experience higher earnings than wage/salary workers from disadvantaged families. The data was collected from the National Longitudinal Survey of Youth (NLSY). A nationally representative sample of 12,686 men and women who were between the age group of 14 to 22 years were surveyed and interviewed in 1979. The surveyed members were annually interviewed from 1979 to 1994, 1996 and 1998. He found that the self-employed young men from disadvantaged families earn more than wage/salary workers but it was not the same for disadvantaged young women. Entrepreneurship provided a better alternative than wage/salary work for some young men from disadvantaged families and there may exist a large number of less educated youths who possess the skills and desire to become self-employed. But due to lack of knowledge of business opportunities, sector specific human capital and financial capital they are not able to create small businesses.

Sachidananda Satapathy (2006) in his research found that youth are driven by necessity. The findings reveal that self-employed youth are found in the lower income groups. Besides, there is a clear link between parent’s occupation and self-employment, with self-employed youth more commonly reporting that their father or mother is involved in agriculture.

Youth Development Notes (2008) recognized some important factors for entrepreneurial engagements like promoting an entrepreneurial culture among young people, improving entrepreneurial education, improving access to finance, improving the administrative and regulatory framework, improving business assistance and development services and improving youth entrepreneurship policy measures.

2.10 SUMMARY

Young people remain a dynamic force in a society and major stakeholders in both present and future environmental, social, political and economic domain. It has been viewed from the above studies made by various researchers that entrepreneurs are the building blocks in the development of society and country. Economists have tried to define entrepreneurs and
entrepreneurship as risk taking, innovation and creativity, psychologists have considered need for achievement and locus of control while sociologists have tried to explain the concepts with the help of cultural and religious aspects. While some researchers are of the view that high need for achievement, positive attitude, creativity, perception of market opportunities are the determinants of entrepreneurial success, others suggest that supportive community, political situation and economic opportunities are the determining factors. Entrepreneurs can direct their efforts for the development of the economy provided they are given enough support and opportunities.

Youth unemployment is the biggest problem faced by many countries of the world. Youth engaging in entrepreneurial activities not only solves the problem of unemployment but channelizes their energy, enthusiasm and talents in a proper direction. Studies have shown that entrepreneurial education and supportive environment has an impact on moulding youth into future entrepreneurs. However, it has also been found that young entrepreneurs have to face a number of problems while setting up their enterprise be it in the case of access to finance, acquisition of resources, marketing their products etc.

2.11 REFERENCES


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